KD/vv
04/02/15
Item #31

AN ORDINANCE 2015-04-02-0232

AUTHORIZING THE ACCEPTANCE OF AN EARLY HEAD START – CHILD CARE PARTNERSHIP GRANT AWARD FROM THE U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES IN AN AMOUNT UP TO $4,011,000.00 FOR THE PERIOD FEBRUARY 1, 2015 TO JULY 31, 2016; AUTHORIZING A BUDGET, INCLUDING AN IN-KIND MATCH UP TO $802,200.00, AND A REVISED PERSONNEL COMPLEMENT FOR HEAD START AND EARLY HEAD START PROGRAMS; AUTHORIZING THE EXECUTION OF SEVEN SERVICE PROVIDER CONTRACTS IN A CUMULATIVE AMOUNT NOT TO EXCEED $1,621,500.00, ASSOCIATED AMENDMENTS, AND MEMORANDA OF UNDERSTANDING WITH COMMUNITY ORGANIZATIONS TO ENHANCE THE EHS-CCP PROGRAM.

* * * * *

WHEREAS, the Department of Human Services (DHS) has served as a grantee for the Head Start Program providing education and family support services to children between the ages of three and five for over 30 years; and

WHEREAS, DHS has served as a grantee for the Child Care Services (CCS) Program providing subsidized childcare for working families in the 12-county region of the Alamo Workforce Development Area for over 20 years; and

WHEREAS, the U.S. Department of Health and Human Services (HHS) announced the availability of a grant opportunity to expand access to early childhood education and care, and provide workforce training to support family economic self-sufficiency, for low-income families with infants and toddlers ages 6 weeks to 35 months through an Early Head Start – Child Care Partnership (EHS-CCP) grant; and

WHEREAS, on August 20, 2014, through Ordinance No. 2014-08-14-0579, City Council approved a grant application to HHS to serve 216 infants and toddlers through the EHS - CCP program; and

WHEREAS, the program integrates Early Head Start with CCS partner providers within the San Antonio and Edgewood Independent School Districts, including the Eastside Promise Neighborhood Zone, to expand services for children and families and improve the overall quality of CCS partner providers; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The City Manager or her designee, or the Director of the Department of Human Services (DHS) or her designee, is hereby authorized to accept an Early Head Start – Child Care Partnership (EHS-CCP) grant award from the U.S. Department of Health and Human Services in an amount up to $4,011,000.00 for the period February 1, 2015 to July 31, 2016,

and to execute any and all necessary documents to effectuate acceptance. A copy of the grant application is incorporated herein for all purposes and is on file with DHS.

SECTION 2. The City Manager or her designee, or the Director of DHS or her designee, is further authorized to execute seven service provider contracts with the providers listed on the Contractor Funding Schedule attached hereto and incorporated herein for all purposes as **Attachment I** and in a cumulative amount not to exceed $1,621,500.00, and to negotiate and execute (1) contract amendments based on start-up costs, increased funding or program improvements so long as grant funds are available and (2) memoranda of understanding with community organizations to collaborate to enhance EHS-CCP services. A copy of each service provider contract, in substantially final form, is attached hereto and incorporated herein for all purposes as **Attachments II-VIII**.

SECTION 3. Acceptance of additional grant funds, if awarded, in an amount up to 20% of the total amount initially awarded, and provision of the associated non-federal share match, is hereby authorized.

SECTION 4. Payment not to exceed the budgeted amount up to $1,297,200.00 is hereby authorized. A proposed budget, including an in-kind match of $802,200.00 is hereby approved and is attached hereto and incorporated herein for all purposes as **Attachment IX**. A formal final budget which will include Internal Order numbers, General Ledger numbers, and a department specific fund will be submitted by the department upon award.

SECTION 5. The proposed personnel complement of seventeen (17) positions, which is attached hereto and incorporated herein for all purposes as **Attachment X**, is hereby approved.

SECTION 6. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific SAP Fund Numbers, SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers, and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.

SECTION 7. This ordinance is effective immediately upon the receipt of eight affirmative votes; otherwise, it is effective ten days after passage.

PASSED AND APPROVED this 2nd day of April, 2015.

Ivy R. Taylor

M A Y O R
Ivy R. Taylor

ATTEST:

Leticia M. Vacek

for Leticia M. Vacek, City Clerk

APPROVED AS TO FORM:

Hollis Young

for Martha G. Sepeda, Acting City Attorney

Agenda Item:	**31 (in consent vote: 5, 6, 7, 8, 9, 11, 13, 14, 15, 16, 17, 18, 19, 20, 23, 24, 27, 28, 29, 30, 31, 33, 34, 35, 36, 37, 38, 41, 42, 43, 44)**
Date:	04/02/2015
Time:	11:33:45 AM
Vote Type:	Motion to Approve
Description:	An Ordinance authorizing the acceptance of an Early Head Start - Child Care Partnership grant award from the U.S. Department of Health and Human Services in an amount up to $4,011,000.00 for the period February 1, 2015 to July 31, 2016; authorizing a budget, including an in-kind match up to $802,200.00, and a revised personnel complement for Head Start and Early Head Start programs; authorizing the execution of seven service provider contracts in a cumulative amount not to exceed $1,621,500.00, associated amendments, and memoranda of understanding with community organizations. [Gloria Hurtado, Assistant City Manager; Melody Woosley, Director, Human Services]
Result:	Passed

Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Ivy R. Taylor	Mayor		x				
Roberto C. Trevino	District 1		x				x
Alan Warrick	District 2		x				
Rebecca Viagran	District 3		x				
Rey Saldaña	District 4		x				
Shirley Gonzales	District 5		x				
Ray Lopez	District 6		x				
Cris Medina	District 7		x				
Ron Nirenberg	District 8		x				
Joe Krier	District 9		x			x	
Michael Gallagher	District 10		x				

Attachment I

Head Start
Contractor Funding

Category: Education and Early Childhood

Provider	FY 2015-2016 Federal Allocation	FY 2015 – 2016 Non-Federal Share	Number of Children	Period
Ella Austin	$357,200	$89,300	64	February 1, 2015 - July 31, 2016
Healy Murphy	$320,800	$80,200	56	February 1, 2015 - July 31, 2016
Inman	$162,000	$40,500	24	February 1, 2015 - July 31, 2016
Miller	$271,200	$67,800	48	February 1, 2015 - July 31, 2016
YWCA	$162,000	$40,500	24	February 1, 2015 - July 31, 2016

Category: Child Medical Services

Provider	FY 2015-2016 Federal Allocation	FY 2015 – 2016 Non-Federal Share	Period
University Health System	$12,000	$3,000	February 1, 2015 - July 31, 2016

Category: Child Oral Health Services

Provider	FY 2015-2016 Federal Allocation	FY 2015 – 2016 Non-Federal Share	Period
San Antonio Metropolitan Health Department	$12,000	$3,000	February 1, 2015 - July 31, 2016

Attachment II

EARLY HEAD START – CHILD CARE PARTNERSHIP AGREEMENT
FOR CHILD CARE SERVICES
BETWEEN THE CITY OF SAN ANTONIO
&
ELLA AUSTIN COMMUNITY CENTER

This Agreement is entered into by and between the City of San Antonio (hereinafter referred to as "City"), a Texas Municipal Corporation, acting by and through its Director of the Department of Human Services pursuant to Ordinance No._____ dated _____, and Ella Austin Community Center (hereinafter referred to as "Center") (individually "the Party" and collectively "the Parties"), to set forth the objectives, understandings, and agreements between the Parties in connection with the use of Early Head Start – Child Care Partnership (hereinafter referred to as EHS–CCP") grant funds as described herein.

PURPOSE:

WHEREAS, the City has received a grant pursuant to the Head Start Act (42 U.S.C. §9801 *et seq.*, as amended) (the "Grant") for the purpose of providing Early Head Start services to children and families in the San Antonio and Edgewood Independent School District areas of Bexar County; and

WHEREAS, the City's Department of Human Services is designated as the managing City department (hereinafter referred to as "DHS") for administration of EHS-CCP program services for the City, as grantee of the EHS-CCP Grant; and

WHEREAS, the City is authorized by the U.S. Department of Health and Human Services ("HHS"), Administration for Children and Families ("ACF"), and desires, to execute an agreement with Center to provide full-day, full-year child care services to children and their families (hereinafter referred to as the "Project" or "Program"); and

WHEREAS, the City has adopted a budget for the expenditure of EHS-CCP Grant Funds (hereinafter referred to as "Grant Fund"), and included therein is an allocation for Center to provide child care and education services; and

WHEREAS, Center desires, and is appropriately licensed and qualified, to enter into this Agreement with City and agrees to deliver the services described herein in accordance with applicable Head Start Performance Standards and other requirements more fully set forth below;

NOW THEREFORE, in consideration of the mutual promises and covenants herein contained and intending to be legally bound hereby, City and Center agree as follows:

The Parties hereto agree as follows:

I. SCOPE OF WORK

1.1 The Center will provide, oversee, administer, and carry out all activities and services in a manner satisfactory to the City and in compliance with the Center's Scope of Work, affixed hereto and incorporated herein for all purposes as **Attachment I**, this Agreement, and the Terms of the Grant (hereinafter defined). If the terms of this Agreement are inconsistent or in conflict with applicable Terms of the Grant, the applicable Terms of the Grant will control, unless the inconsistency or conflict results from more stringent requirements set forth in this Agreement, in which case the terms imposing the most stringent requirements upon the Center shall control.

1.2 For purposes of this Agreement, the terms listed below shall have the following meanings:

(A) "Terms of the Grant" shall mean all requirements of the Grant, whether contained in the Head Start Act, as amended by the Improving Head Start for School Readiness Act of 2007 (42 U.S.C. §9801, et seq.), or other applicable statutes, implementing regulations (e.g., 45 C.F.R. §1301 et seq. (the "Head Start Performance Standards" or "Performance Standards") and 45 C.F.R. Part 75 or 45 C.F.R. Part 87, as applicable), rules, Executive Orders, the award document from U.S. Department of Health and

Human Services ("HHS") to the City, relevant HHS Directives, or elsewhere, including, but not limited to circulars, Program Instructions, Information Memorandums and Policy Clarifications, the City's policies and procedures and any other directives applicable to the Program, as such requirements exist as of the date of this Agreement and as such requirements may be established or modified (by amendment, deletion, addition or otherwise) during the period of the Agreement.

(B) "Relevant HHS directives" shall mean regulations, manuals, guidelines, or other oral or written directives of HHS or any subdivision thereof, including the Administration for Children and Families, Head Start Bureau, the Program Operations Division and ACF Region VI, as such regulations, manuals, guidelines, or other oral or written directives shall be made applicable to the Grant or Grantee.

1.3 Center shall establish and implement policies and procedures governing personnel, financial management, and programmatic management, as specified more fully in 2 C.F.R. 200 *et seq.*, 45 C.F.R Parts 1301 *et. seq,* and/or 45 C.F.R. Part 74, 45 C.F.R. Part 75, 45 C.F.R. Part 87 or 45 C.F.R. Part 92, as applicable. Such policies and procedures shall be consistent with the Terms of the Grant, the policies and procedures approved by the Grantee's Policy Council and Governing Body, and content and service plans.

1.4 City retains the authority to contract with third-parties for the delivery of other EHS-CCP services in the San Antonio and Bexar County area. Center agrees to allow the City's other EHS-CCP service providers access to the facilities leased and/or owned by Center in order to provide said services, so long as access would not cause disruption of Center's child care or educational activities, or purpose as an educational entity. Center agrees to cooperate with City and third-party EHS-CCP service providers to establish, modify and comply with a set of policies and procedures and/or a program design manual governing the City's EHS-CCP Program and the protocol for collaboration between service providers. Center agrees that, notwithstanding the fact that another service provider under the City of San Antonio EHS-CCP program may be contracted to provide a category of service, Center, under the leadership of its EHS-CCP Program Director, will be responsible for coordinating with other Program service providers and working with the City to ensure provision of full array of services to which the children are entitled under the Terms of the Grant.

II. TERM

2.1 Except as otherwise provided for pursuant to the provisions hereof, this Agreement shall begin on February 1, 2015 and shall terminate on July 31, 2016.

III. CONSIDERATION

3.1 In consideration of the services to be delivered by Center, the City will reimburse Center a total amount not to exceed $357,200.00 ("the Federal Share") during the period in which this Agreement is in effect for costs incurred in accordance with the Program Budget affixed hereto and incorporated herein for all purposes as **Attachment II**. Center's Program Budget is comprised of the Federal Share and the Non-Federal Share. The Federal Share shall be no more than 80% of the total Program Budget. Should Center fail to raise all of the non-Federal Share funds (20% of the total Program Budget, or $89,300.00) it is required to raise for the operation of its Program, City reserves the right to limit its reimbursements to Center proportionately. For instance, if Center succeeds in raising only eighty percent (80%) of its required non-Federal Share funds, City may limit its reimbursements to Center to eighty percent (80%) of City's total obligation to Center. Center may provide additional non-Federal share funds if Center, in its discretion, determines such funds are available. To meet the requirements of this Agreement, all claimed non-Federal Share must meet the requirements of 2 C.F.R. 200 *et seq.*, 45 C.F.R. §74.23 or §92.24, or other Head Start regulations, as applicable.

3.2 Prior to commencement of the Agreement, Center shall submit to City for its approval Center's proposed monthly budget by line item for the entire term of the Agreement along with its program Budget, including detail by category alone. Center understands the budget may not include indirect costs. Until the City

receives the initial proposed monthly budget for the entire term of the Agreement and prior to the City's approval, the City reserves the right to redirect the funding City has proposed be allocated to Center under this Agreement. City shall notify the Center of the amount redirected and the revised Agreement funding. Additionally, throughout the term of the Agreement, Center shall submit on or before the last day of each month a forecast of the projected monthly expenses for each month remaining in the Agreement so that the City may review and compare actual expenses to projected expenditures and address issues associated with Center's expenditure rate (e.g., on or before March 31, 2015, Center shall submit the projected expenses by month for April, May, and so on until July 31, 2016). Center's budgeted development and administrative costs (as defined by 45 C.F.R. §1301.32) shall not exceed twelve percent (12%) of the Program Budget, unless the total Program Budget is modified in accordance with this Agreement in which case this amount shall be reduced proportionately unless the Parties otherwise agree.

3.3 Approval required. Center shall seek and obtain City's (City's Head Start Program Administrator and the DHS's Fiscal Administrator) prior written approval 30 calendar days before making budget modifications. City may make exceptions to the 30-day notice requirement on a case by case basis, but otherwise Center must make request in writing or via email to the City's Head Start Program Administrator. Center's written request must be accompanied by a justification for the change and indicate which lines items are affected by such change

3.4 Center understands and agrees that should Center fail to work in collaboration with the City's staff to meet or maintain the Program's funded enrollment level as set forth in the Scope of Work, City may reduce Center's funding by an amount equal to the difference between funded and actual enrollment at the per capita rate.

3.5 The funding level of this Agreement is based on an allocation from the following funding sources:

U.S. Department of Health and Human Services (HHS) – Head Start Funds Catalog of Federal Domestic Assistance # 93.600

Consequently, Center agrees to comply with the Terms of the Grant and the Special Provisions, affixed hereto and incorporated herein for all purposes as **Attachment III**.

3.6 It is expressly understood and agreed by the City and Center that the City's obligations under this Agreement are contingent upon the actual receipt of adequate grant funds from HHS to meet City's liabilities hereunder. This Agreement may be terminated by the City if HHS terminates the City as a grantee or reduces the amount granted to City, for any reason; provided that, if the reduction of grant funds does not result in complete unavailability of such funds, the Parties will use best efforts to amend this Agreement accordingly. City will promptly notify Center of any such HHS action.

IV. PAYMENT

4.1 Center agrees that this is a cost reimbursement contract and that the City's liability hereunder is limited to making reimbursements for allowable costs incurred as a direct result of services provided by the Center in accordance with the terms of this Agreement. Allowable costs are defined as those costs, which are necessary, reasonable and allowable under applicable federal, state, and local law, including but not limited to those laws referenced in Article XII hereof, for the proper administration and performance of the services to be provided under an agreement. All requested reimbursed costs must be consistent with the terms and provisions of the approved budgeted line items described in **Attachment II** of this Agreement, unless (a) a subsequent budget revision has been approved in accordance with the procedure set forth in Section 3.3 and signed by the Director of the DHS in cases where the total Agreement Budget remains the same, or (b) an amendment has been approved and signed by the Director of the DHS pursuant to Section 24.1 of this Agreement in cases where there is an increase or decrease to the total Agreement Budget. Approved budget revisions and amendments modify the Budget attached hereto, and in such cases Center's requested reimbursed costs must be consistent with the last revised, approved budget. Approved budget revisions and amendments supersede prior conflicting or inconsistent agreements with regard to the referenced Project Budget, and all references in the Agreement to the budget shall mean the budget as

revised through approved budget revisions or amendments. In no event shall the City be liable for any cost of Center not eligible for reimbursement as defined within the Agreement. Center shall remit to City within ten (10) business days after the City makes the request for remittance any funded amounts which were paid pursuant to this Article IV and used to cover disallowed costs. Any such amounts not remitted within ten (10) business days may, at City's option, be subject to offset against future funding obligations by City.

4.2 If specific circumstances require an advance payment on this Agreement, Center must submit to the Director of the DHS a written request for such advance payment, including the specific reason for such request in the form prescribed by City. Center agrees that the City shall not be obligated to pay for any advances requested. In those instances in which advance payments are authorized, the Director of the DHS may, in the Director's sole discretion, approve an advance payment on this Agreement. It is understood and agreed by the parties hereto that (a) each request requires submission to the Director of the DHS no less than ten (10) business days prior to the actual ostensible cash need; (b) each request will be considered by the Director of the DHS on a case-by-case basis, and (c) the decision by the Director of the DHS whether or not to approve an advance payment is final. For purposes of this Agreement, the term "business day" shall mean every day of the week except all Saturdays, Sundays and those scheduled holidays officially adopted and approved by the San Antonio City Council for City of San Antonio employees. In those instances in which advance payments are authorized:

(A) Center's payments to its vendors using funds advanced by the City shall be remitted to the vendors in a prompt and timely manner so long as services have been performed by the subject vendor, defined as not later than (10) business days after the Center is notified that an advance payment check is available from the City.

(B) The Center must deposit Agreement funds in an account in a bank insured with the Federal Deposit Insurance Corporation (FDIC). In those situations where Center's total deposits in said bank, including all Agreement funds deposited with said bank, exceed the FDIC insurance limit, the Center must arrange with said bank to automatically have the excess collaterally secured. A written copy of the collateral agreement must be obtained by Center from the Center's banking institution, maintained on file and be available for City monitoring reviews and audits. Advanced funds that cause the Center's account balance to exceed the FDIC limit shall be deposited in a manner consistent with the Public Funds Investment Act (Chapter 2256 of the Texas Government Code) as amended. Center shall maintain the FDIC insured bank account in which Agreement funds are deposited and its recordkeeping in a manner that will allow City to track expenditures made with Agreement funds.

(C) The City may deduct from monthly reimbursements amounts necessary to offset the amount advanced based upon the number of months remaining in the Agreement term, or from a single subsequent monthly reimbursement the full amount previously advanced to Center. The City may consider factors such as projected allowable costs and other indicators such as Center's financial stability. Center shall maintain a financial management system to account for periodic, or a lump sum, deduction from reimbursements.

4.3 Center shall submit to City not later than the forty-fifth (45th) day after the end of every month a monthly Request for Payment in the form prescribed by City, which details the specific costs (by category and by program account number) Center expensed in the previous month for the services delivered as described in Article I herein, including supporting documentation of such costs as may be required by the Director of the DHS. The Request for Payment shall also specify the Program Income (as defined herein) received or projected during the same time period. The Director of the DHS may require the Center's submission of original or certified copies of invoices, cancelled checks, Center's general ledger and/or receipts to verify invoiced expenses.

4.4 City shall make reimbursement payments of eligible expenses to the Center of any undisputed amounts as determined by the Director of the Managing Department in accordance with established procedures, so long as City receives a properly completed and documented Request for Payment. City shall make payment to

Center as soon as reasonably practicable, but not later than 30 calendar days of receiving a valid and approved Request for Payment.

4.5 The Center shall submit to City a full accounting of the Program Income, if applicable, and non-Federal Share funds received and total Program costs incurred, along with all requests for payment for the period February 1, 2015 through July 31, 2016, no later than September 16, 2016. In the event of early termination of this Agreement, Center shall submit the information 45 calendar days from the early termination date of the Agreement. These deadlines may be adjusted only if Center receives written authorization from the Director of the DHS allowing Center to submit a request for payment at a later specified date.

4.6 Center agrees that the City shall not be obligated to any (sub)contractors or third party beneficiaries of the Center.

4.7 Center shall maintain a financial management system and acceptable accounting records with City's assistance and to City's satisfaction, and in accordance with this Agreement and applicable HHS and Head Start regulations and federal directives such as 2 C.F.R. 200 *et seq.*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

4.8 Center agrees that Center costs or earnings claimed under this Agreement may not be claimed under another contract or grant from another agency, organization, business entity or governmental entity.

4.9 Center shall establish and abide by a cost allocation methodology and plan which ensures that the City is paying only its fair share of the costs for services, overhead, and staffing not solely devoted to the Project or funded by this Agreement. The Cost Allocation Plan is a plan that identifies and distributes the cost of services provided by staff and/or departments or functions. It is the means to substantiate and support how the costs of a program are charged to a particular cost category or to the Program so as to assure Grant funds provided hereunder do not subsidize other program(s). Center must ensure that costs allocated and charged to the Ggrant are not charged to other Federal, State or Local awards to overcome fund deficiencies, to avoid restrictions imposed by law or terms of the Federal awards, or for other reasons. Center shall provide to City prior to the beginning of the Agreement term (i) a matrix identifying the shared use of such facilities and/or program services; and (ii) the Cost Allocation Plan and supporting documentation, along with its Budget, financial statements and audit that are applicable to the Center's Project. City shall have the right to approve the Cost Allocation Plan.

4.10 Center agrees to reimburse the City for any Center overpayment based upon reconciled adjustments resulting from Center's balance and/or Statement of Revenue and Expenditure sheet as of July 31, 2016, which balance or Statement sheet shall be due to the City no later than September 1, 2016. Reimbursement shall be made within 20 calendar days of written notification to Center of the need for reimbursement.

4.11 Upon expiration or early termination of this Agreement, or at any time during the term of this Agreement, all unused funds, rebates, advances exceeding allowable costs, or credits on-hand or collected thereafter relating to the Project, shall be returned by Center to the City within twenty (20) days of receipt of written notice.

4.12 Upon execution of this Agreement or at any time during the term of this Agreement, the City's Director of Finance, the City Auditor, or a person designated by the Director of the DHS may review and approve all Center's systems of internal accounting and administrative controls prior to the release of funds hereunder.

V. PROGRAM INCOME

5.1 For purposes of this Agreement, "program income" shall mean earnings of Center realized from activities resulting from this Agreement or from Center's management of funding provided or received hereunder. Such earnings shall include, but shall not be limited to, interest income; usage or rental/lease fees; income produced from Agreement-supported services of individuals or employees or from the use of equipment or facilities of Center provided as a result of this Agreement; and if applicable, payments from clients or third

parties for services rendered by Center pursuant to this Agreement. At the sole option of the Director of the Managing City Department, if Center obtains program income under the Agreement, Center will either (a) be required to return program income funds to City through the Managing City Department, or (b) upon prior written approval by the Director of the Managing City Department, Center may be permitted to retain such funds to be:

(A) added to the Project and used to further eligible Project objectives, in which case proposed expenditures must first be approved by the City; or

(B) deducted from the total Project cost for the purpose of determining the net cost reimbursed by the City.

5.2 In any case where Center is required to return program income to the Managing City Department, Center must return such program income to City within the timeframe that may be specified by the Director of the Managing City Department. If the Director of the Managing City Department does not specify a timeframe for Center to return program income to City, then Center must return such program income to City on the same date that Center submits its statement of expenditures and revenues to the Managing City Department set forth in Article V, Section 5.4 of this Agreement. If the Director of the Managing City Department grants Center authority to retain program income, Center must submit all reports required by the Managing City Department within the timeframe specified in the Agreement.

5.3 Center shall provide the Managing City Department with thirty (30) calendar days written notice prior to the activity that generates program income. Such notice shall detail the type of activity, time, and place of all activities that generate program income.

5.4 The Center shall fully disclose and be accountable to the City for all program income. Center must submit a statement of expenditures and revenues to the Managing City Department within thirty (30) calendar days of the activity that generates program income. The statement is subject to audit verification by the Managing City Department. Failure by Center to report program income as required is grounds for suspension, cancellation, or termination of this Agreement.

5.5 Center is prohibited from charging fees or soliciting donations and is prohibited from inviting or contracting with vendors who shall charge fees or solicit donations from Head Start participants and their parents in any Agreement-funded project without the prior written approval of the Director of the Managing City Department. However, Center may engage in general school activity that is not specifically targeted at Head Start families.

5.6 Center shall include this Article V, in its entirety, in all of its subcontracts involving income-producing services or activities.

VI. ADMINISTRATION OF CONTRACT

6.1 The Center agrees to comply with all the terms and conditions that the City must comply with in its award document from HHS. A copy of said award document is attached hereto and incorporated herein for all purposes as **Attachment IV**. From time to time, the award document may be amended or supplemented, and these shall be incorporated into the Agreement collectively as **Attachment IV**.

6.2 In the event that any disagreement or dispute should arise between the Parties hereto pertaining to the interpretation or meaning of any part of this Agreement or its governing rules, regulations, laws, codes or ordinances, the City Manager or the Director of the DHS, as representatives of the City and the parties ultimately responsible for all matters of compliance with HHS and City rules and regulations, shall have the final authority to render or secure an interpretation. In the event that a dispute arises with regard to interpretation of regulations or law as it applies to this Agreement, Center may request that the City secure, and the City shall request an interpretation or opinion from HHS in order to assist in resolution of the dispute.

6.3 Center shall not use funds awarded from this Agreement as matching funds for any federal, state or local grant without the prior written approval of the Director of the DHS.

6.4 The City shall have the authority during normal business hours to make physical inspections to all operating facilities occupied to administer this Agreement and to require such physical safeguarding devices as locks, alarms, security / surveillance systems, safes, fire extinguishers, sprinkler systems, etc. as reasonably necessary, to safeguard property and/or equipment authorized by this Agreement.

6.5 The Center Board of Directors or Board of Trustees, as applicable, and Center's management staff shall adopt and approve an Employee Integrity Policy, or similar policy, in the event that Center has none, and internal program management procedures, and require all staff to abide by these and the Head Start standards as established in the HHS regulations, to preclude theft, embezzlement, improper inducement, obstruction of investigation or other criminal action, and to prevent fraud and program abuse. These policies and procedures shall require repayment of such erroneously received grant funds or property to the Center, or to the applicable service provider from whom such grant funds or property was received, if other than Center, and shall specify any other consequences to Center's employees and vendors involved in such illegal activities and may include but not be limited to termination and prosecution where necessary. Said policies and procedures shall be provided to the DHS upon request by the DHS. In the event that the DHS finds the policies and procedures to be lacking, the DHS may recommend revision.

6.6 If Center writes or handles checks under this Agreement, Center agrees to comply with the following check writing and handling procedures:

(A) No blank checks are to be signed in advance;
(B) No checks are to be made payable to cash or bearer with the exception of those for petty cash reimbursement, not to exceed a $100.00 maximum per check. Center agrees that the aggregate amount of petty cash reimbursement shall not exceed $500.00 for any given calendar month during the term of this Agreement unless Center receives prior written approval from the DHS to exceed such limit. Such requests for petty cash must be supported by the submission to the DHS of an original receipt.
(C) Checks issued by City to Center shall be deposited into the appropriate bank account no later than three (3) Center business days of Center's receipt of each such check, and shall never be cashed for purposes of receiving the face amount back. If such check(s) are not deposited within three (3) Center business days from the date of issue, such checks shall be investigated by City and stop-payment orders issued, as applicable. City agrees that stop payment orders shall not be issued due to the financial institution's posting policies that result in posting of checks for credit beyond the required timeframe so long as the checks are deposited within the required timeframe. Upon cancellation of any outstanding check, if deemed appropriate by City, such check may be reissued to the Center or if deemed by City not to be a valid expense, such check shall be immediately returned to the City.

6.7 Center agrees to provide City with a copy of all proposed communications to the public, EHS-CCP Program parents and employees as it may relate to the City's implementation of the City's Program model, the transition of Program contracts or transition of the Program, and to obtain the City's approval prior to dissemination.

6.8 Wherever in this Agreement, Center is required to perform an action within a specified number of days or hours, Center may request additional time to perform. City shall give Center's request for additional time due consideration and shall grant Center's request whenever reasonable practicable, unless immediate compliance is required.

6.9 If the starting date of the Agreement term has already passed at the time of approval of the Agreement by Center, all deadlines imposed on Center for providing information to the City on or before the date of approval or within seven (7) Center business days of approval shall be extended in order for the Center to reasonably comply with the City's requirements; except and unless, the information has already been provided to the City. City and Center agree to confer and make best efforts to reasonably permit Center to comply with the extended deadlines.

VII. AUDIT

7.1 If Center expends $750,000.00 or more of funds provided under this Agreement, or cumulative funds provided by or through City, and does not have to comply with the provisions of Section 7.2, then during the term of this Agreement, the Center shall have completed an independent audit of its financial statements for the Head Start program performed within a period not to exceed one hundred twenty (120) days immediately succeeding the end of Center's fiscal year, expiration or early termination of this Agreement, whichever is earlier. Center understands and agrees to furnish the DHS a copy of the audit report within a period not to exceed fifteen (15) days upon receipt of the report. In addition to the report, a copy of the corrective action plan, summary schedule of prior audit findings, management letter and/or conduct of audit letter are to be submitted to the DHS by Center within fifteen (15) days upon receipt of said report or upon submission of said corrective action plan to the auditor.

Center agrees to reimburse the City or supplement any disallowed costs with eligible and allowable expenses based upon reconciled adjustments resulting from Center's Single Audit. Reimbursement shall be made within twenty (20) days of written notification regarding the need for reimbursement.
Center agrees and understands that upon notification from federal, state, or local entities that have conducted program reviews and/or audits of the Center or its programs of any findings about accounting deficiencies, or violations of Center's financial operations, a copy of the notification, review, investigation, and audit violations report must be forwarded to the DHS within a period of ten (10) days upon the Center's receipt of the report.

7.2 Center agrees that if Center receives or expends more than $750,000.00 in federal funds from the City, the audit shall be made in accordance with the Single Audit Act Amendments of 1996, the State of Texas Single Audit Circular, and U.S. Office of Management and Budget Circular (OMB-133 revision) and Center shall also be required to submit copies of its annual independent audit report, and all related reports issued by the independent certified public accountant within a period not to exceed one hundred fifty-three (153) calendar days after the end of Center's fiscal year to the Federal Audit Clearinghouse in Jeffersonville, Indiana. A copy of this report must also be provided to City within this same time period. Center may submit reports through the following website: https://harvester.census.gov/fac and may also contact the Clearinghouse by telephone at (301) 763-1551 (voice) or 1-888-222-9907 (toll free) or 1-800-253-0696.

Upon completion of Form SF-SAC, Center may submit the completed report by mail to:

Federal Audit Clearinghouse
1201 E. 10th Street
Jeffersonville, Indiana 47132

7.3 THIS SECTION INTENTIONALLY LEFT BLANK.

7.4 All financial statement(s) must include a schedule of receipts and disbursements by budgeted cost category for each program funded by or through the City.

7.5 The City reserves the right to conduct, or cause to be conducted, an audit or review of all funds received under this Agreement at any and all reasonable and necessary times required by City. The City Internal Audit Staff, a Certified Public Accounting (CPA) firm, or other personnel as designated by the City, may perform such audit(s) or reviews. The City reserves the right to determine the scope of every audit, so long as it is limited to Center's Head Start program. In accordance herewith, Center agrees to make available to City all accounting and Project records.

Center shall during Center's normal business hours, and as often as deemed reasonably necessary by City and/or the applicable state or federal governing agency or any other auditing entity, make available the books, records, documents, reports, and evidence with respect to all matters covered by this Agreement and shall continue to be so available for a minimum period of four (4) years or whatever period is determined necessary based on the Records Retention guidelines, established by applicable law for this Agreement.

Said records shall be maintained for the required period beginning immediately after Agreement termination, save and except there is litigation or if the audit report covering such agreement has not been accepted, then the Center shall retain the records until the resolution of such issues has satisfactorily occurred. The auditing entity shall have the authority to audit, examine and make excerpts, transcripts, and copies from all such books, records, documents and evidence, including all books and records used by Center in accounting for expenses incurred under this Agreement, all contracts, invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to matters covered by this Agreement.

The City may, in its reasonable discretion, require the Center to use any and all of the City's accounting or administrative procedures that are in conformity with Generally Accepted Accounting Principles for state account standards in Texas in the planning, controlling, monitoring and reporting of all fiscal matters relating to this Agreement, and the Center shall abide by such requirements. Should a conflict exist between the parties' accounting procedures, Center shall use the stricter of the procedures.

7.6 When an audit or examination determines that the Center has expended funds or incurred costs which are questioned by the City and/or the applicable state or federal governing agency, the Center shall be notified and provided an opportunity to address the questioned expenditure or costs.

Should any expense or charge that has been reimbursed be subsequently disapproved or disallowed as a result of any site review or audit, the Center shall refund such amount to the City no later than twenty (20) Center business days from the date of notification of such disapproval or disallowance by the City. At its sole option, the DHS may deduct such claims from subsequent reimbursements and shall notify Center prior to exercising this option. Center shall provide to City a full refund of such amount no later than twenty (20) Center business days from the date of notification of such disapproval or disallowance by the City. If Center is obligated under the provision hereof to refund a disapproved or disallowed cost incurred, such refund shall be required and be made to City by check, cashiers check or money order. In the event that a dispute arises as to the allow ability of an expenditure or charge pursuant to the federal regulations, then Center may request that the City secure, and the City shall request an interpretation or opinion from HHS in order to assist in resolution of the dispute. Should the City deduct such claims from subsequent reimbursements, the Center is forbidden from reducing Project expenditures and Center must use its own funds to maintain the Project.

Center agrees and understands that all expenses, fees, fines and penalties associated with the collection of delinquent debts owed by Center shall be the sole responsibility of the Center and shall not be paid from any Project funds received by the Center under this Agreement. Delinquent debts that would otherwise be identified as allowable costs may be paid with Project funds with approval of the DHS.

7.7 If the City determines that Center is in violation of the above requirements, the City shall have the right to dispatch auditors of its choosing to conduct the required audit and to have the Center pay for such audit from non-City resources. If after the audit is conducted it is determined that Center is in compliance with the contract then the cost of the audit, specifically the auditor's bill alone, shall be borne by the City. Center may recommend the hiring of alternate auditors, but the final decision on the selection of auditors shall rest with the City.

VIII. RECORDS, REPORTING, MONITORING AND INTELLECTUAL PROPERTY

8.1 In addition to those listed in this Agreement, the Center shall submit to the DHS any and all reports as may be required of Center by HHS or as may be reasonably required of the City. Center shall incorporate and use a City-approved tracking or information system, such as ChildPlus, for the delivery of comprehensive EHS-CCP Services and collect, input and update all data required for the Program Information Report in accordance with the City's reasonable timeline to ensure the reporting of accurate and consistent information to HHS.

8.2 Additionally, Center will work with City to maintain and furnish to City the appropriate financial and programmatic information and reports, in such forms as the City may require or prescribe, as required

under the Head Start Act, as amended, or as required under federal regulations, such as 2 C.F.R. 200 *et seq*. or other applicable regulations.

Center agrees to maintain all applicable and appropriate supporting documentation of costs, including but not limited to, payroll records, invoices, contracts or vouchers, and make these available to City upon request.

8.3 Center shall provide to the DHS all information reasonably requested by the DHS relating to the Center's Board functions, if applicable, including but not be limited to:

(A) Roster of current Board Members (name, title, address, telephone number, fax number and e-mail address);
(B) Names and terms of Officers;
(C) Schedule of anticipated board meetings for current Fiscal Year;
(D) Board agendas relating to the Head Start Program to be submitted by electronic or facsimile transmission at the time of posting prior to each Board meeting. Prior to the time of posting, Center's administration shall attempt to notify City when a Head Start program item is anticipated to be placed on the agenda; and
(E) Minutes of every board meeting relating to the Head Start Program.

8.4 City reserves the right to reasonably request Center to provide additional records for travel expenses, long distance calls, faxes, internet service, cell phone calls, or other electronic communication devices charged to the budget associated with this Agreement.

8.5 Center shall report all notices served, violations found or complaints filed with regard to licensing, or lack thereof, of Center's centers within one (1) business day of receipt of written notice from the State licensing, certifying or permit-issuing authority of a violation or complaint not counting weekends. Center shall also sign an Authorization For Release of Information giving the Texas Department of Family and Protective Services (TDFPS) permission to share licensing information about the Center with the Grantee.

8.6 Center shall comply with federal Head Start Performance Standards (federal Head Start regulations), and all applicable federal, state and local laws relating to child safety. Center shall establish and implement mutually agreeable administrative procedures to respond to medical, dental and other health emergencies with which all City and Center staff should be familiar and trained. These procedures shall include, among other things, methods of notifying parents in the event of a health emergency involving their children and established methods for handling cases of suspected or known child endangerment, abuse or neglect that are in compliance with applicable federal, state and local laws. If Center has knowledge of a claim or report of, or is aware of a program crisis related to, or suspects that media coverage would be negative due to, an incident of child endangerment, neglect or abuse of a child while in Center's EHS-CCP program, Center shall contact the City's designated representative immediately, but not later than 24 hours, for the purpose of notification of the incident. Center shall contact the City's designated representative even if the incident of child endangerment, neglect or abuse is not fully investigated by Center. If Center is unable to reach the City's designated representative, Center shall leave a verbal or written message via electronic mail notifying the City that Center is attempting to notify the City of an incident. Center further agrees to notify the parent of the child immediately, in any of the instances cited above, to include a situation in which the parent's child has received physical discipline, whether or not the instance may be characterized as suspected child abuse.

8.7 Within a period not to exceed forty-five (45) calendar days after the expiration or early termination date of the Agreement, Center shall submit all final client reports and all required deliverables to City. Center understands and agrees that in conjunction with the submission of the final report, the Center shall execute and deliver to City a receipt for all sums received and a release of all claims for said sums against the Project.

8.8 Center shall maintain financial records, supporting documents, statistical records, and all other books, documents, papers or other records pertinent to this Agreement or the Grant in accordance with the official

records retention schedules established within the Local Government Records Act of 1989 and any amendments thereto, or for such period as may be specifically required by the Head Start regulations, as applicable, whichever is longer. Notwithstanding the foregoing, Center shall maintain all Agreement and Grant related documents for no less than four (4) years from the date of City's submission of the annual financial report covering the funds awarded hereunder. If an audit, litigation, or other action involving the records has been initiated before the end of the retention period, Center agrees to maintain the records until the end of the retention period or until the audit, litigation, or other action is completed, whichever is later. Records for real property and equipment acquired with Grant funds shall be retained for four (4) years after final disposition.

8.9 Center shall make available to City, HHS, or any of their duly authorized representatives, upon appropriate notice and unless otherwise prohibited by law, such books, records, reports, documents, papers, policies and procedures as may be necessary for audit, examination, excerpt, transcription, and copy purposes, for as long as such records, reports, books, documents, and papers are retained. This right also includes timely and reasonable access to Center's facility and to Center's personnel for the purpose of interview and discussion related to such documents. Center shall, upon request, transfer certain records to the custody of City or HHS when City or HHS determines that the records possess long-term retention value unless otherwise prohibited by law, and subject to Center's right to use "educational records" as that term is understood under the Family Educational Rights and Privacy Act of 1974 ("FERPA").

8.10 The Center agrees to incorporate and use any City-approved tracking or information system for the delivery of comprehensive Program services. Center shall enter current, accurate and complete client data.

8.11 The DHS is assigned monitoring, fiscal control, and evaluation of certain projects funded by the City with General or Grant Funds, including the Project covered by this Agreement. Therefore, Center agrees to permit City and/or HHS to evaluate, through monitoring, reviews, inspection or other means, the quality, appropriateness, and timeliness of services delivered under this Agreement and to assess Center's compliance with applicable legal and programmatic requirements. At such times and in such form as may be required by the DHS, the Center shall make available to the DHS and the Grantor of the Grant Funds, if applicable, such statements, reports, records, personnel files (including evidence of criminal background check as required by Head Start regulations), client files, data, all policies and procedures and information as may be requested by the DHS and shall permit the City and Grantor of the Grant Funds, if applicable, to have interviews with its personnel, board members and program participants pertaining to the matters covered by this Agreement. Center agrees that the failure of the City to monitor, evaluate, or provide guidance and direction shall not relieve the Contactor of any liability to the City for failure to comply with the Terms of the Grant or the terms of this Agreement. Regarding evidence of criminal background check, the parties agree that City will accept a written statement that the checks have been conducted and that all persons who are employed have passed. If, at any time, HHS informs the City and / or Center that such written statement does not satisfy the requirements of the Terms of the Grant, Center agrees to provide additional information as may be legally permissible and as may be required by HHS or to cooperate with the City and HHS in order to resolve any conflict associated with provision of information related to criminal background checks.

8.12 City may, at its discretion, conduct periodic, announced monitoring visits to ensure program and administrative compliance with Head Start Performance Standards and with Program goals and objectives for the agreement period. City reserves the right to make unannounced visits to Center Program sites when it is determined that such unannounced visits are in the interest of effective program management and service delivery. Center Program staff shall be informed by City representative(s) upon arrival at Center's site of the expected purpose and length of visit so that accommodations may be made. City's representative(s) shall provide proper identification to ensure the safety and security of all parties.

8.13 Center understands that the City will timely inform Center of the findings of any such review or monitoring, specifically any default under the Agreement or deficiencies in performance, and will inform Center in writing of Program strengths and weaknesses and specify a deadline for corrective action based upon contract or federal deadlines and the time needed for City to review, monitor and approve when necessary. The City will assist Center in finding solutions for Program improvement if and as appropriate.

8.14 Unless otherwise provided herein, all reports, statements, records, data, policies and procedures or other information requested by the DHS shall be submitted by Center to City within five (5) business days of the request made to Center via electronic communication or by other form of written correspondence. In the event that Center fails to deliver the required reports or information or delivers incomplete information within the prescribed time period, the City may, upon reasonable written notice, suspend reimbursements to Center until such reports are delivered to City. Furthermore, the Center ensures that all information contained in all required reports or information submitted to City is accurate.

8.15 (A) Unless disclosure is authorized by the City or is required by the Attorney General for the State of Texas or his duly authorized representative, Center agrees to maintain in confidence all information pertaining to the Project or other information and materials prepared for, provided by, or obtained from City including, without limitation, reports, information, data, other related information (collectively, the "Confidential Information") and to use the Confidential Information for the sole purpose of performing its obligations pursuant to this Agreement. Center shall protect the Confidential Information and shall take all reasonable steps to prevent the unauthorized disclosure, dissemination, or publication of the Confidential Information.

(B) If disclosure is permitted by law or required by order of a governmental agency or court of competent jurisdiction, Center shall give the Director of the DHS prior written notice that such disclosure is required with a full and complete description regarding such requirement.

(C) Center shall establish specific procedures designed to meet the obligations of this Article VIII, Section 8.15, including, but not limited to execution of confidential disclosure agreements, regarding the Confidential Information with Center's employees, contractors and subcontractors prior to any disclosure of the Confidential Information to third parties. This Article VIII, Section 8.15 shall not be construed to limit HHS's, the City's or its authorized representatives' right to obtain copies, review and audit records or other information, confidential or otherwise, under this Agreement. Upon termination or expiration of this Agreement, Center shall return to City upon request all copies of materials related to the Project, including the Confidential Information and subject to Center's right to use "Educational Records" as that term is understood under FERPA. All confidential obligations contained herein (including those pertaining to information transmitted orally) shall survive the termination of this Agreement. The Parties shall ensure that their respective employees, agents, and contractors are notified of the requirement to comply with the aforementioned obligations.

8.16 The Public Information Act, Government Code Section 552.021, requires the City to make public information available to the public. Under Government Code Section 552.002(a), public information means information that is collected, assembled or maintained under a law or ordinance or in connection with the transaction of official business: 1) by a governmental body; or 2) for a governmental body and the governmental body owns the information or has a right of access to it. Therefore, if City receives a request under the Public Information Act (i.e., ORR) for information within Center's possession pursuant to this Agreement, Center shall forward the requested documents to the City within two (2) business days of Center's designated liaison's receipt of the written request. If the requested information is confidential or may be kept confidential pursuant to state or federal law, the Center shall submit to City the list of specific statutory authority mandating and/or authorizing confidentiality no later than three (3) business days Center's designated liaison's receipt of such request. For the purposes of communicating and coordinating with regard to public information requests, all communications shall be made to the designated public information liaison for each Party. Each Party shall designate in writing to the other Party the public information liaison for its organization and notice of a change in the designated liaison shall be made promptly to the other Party. The parties shall cooperate with each other to preserve confidential information or records that may be excluded from disclosure under the Family Educational Rights and Privacy Act (FERPA) (20 U.S.C. § 1232g; 34 CFR Part 99) and/or the Texas Public Information Act; and the parties shall coordinate efforts to seek any required Attorney General decision for the protection of such information from release.

8.17 In accordance with Texas law, Center acknowledges and agrees that all local government records as defined in Chapter 201, Section 201.003 (8) of the Texas Local Government Code created or received in the transaction of official business or the creation or maintenance of which were paid for with public funds are declared to be public property and subject to the provisions of Chapter 201 of the Texas Local Government Code and Subchapter J, Chapter 441 of the Texas Government Code. Thus, Center agrees that no such local government records produced by or on the behalf of Center pursuant to this Agreement shall be the subject of any copyright or proprietary claim by Center; however Center shall be entitled to maintain the confidentiality of "educational records" as that term is understood under FERPA and to use such records for educational purposes.

With the exception of student records, Center acknowledges and agrees that all local government records, as described herein, produced in the course of the work required by this Agreement, are public information and shall be made available to the City at any time unless otherwise prohibited by law. The parties agree that educational records created pursuant to Section 1.1 shall be maintained and utilized by Center as required by law. Center further agrees to turn over to City all such records upon request, or termination of this Agreement, unless otherwise prohibited by law. Center agrees that it shall not, under any circumstances, release any records created during the course of performance of the Agreement to any entity without the written permission of the Director of the DHS, unless required to do so by a court of competent jurisdiction or the Texas Attorney General or his designee, or as may be required or permitted by Center due to the record being an "educational record" as that term is understood under FERPA. The DHS shall be notified of such request as set forth in Article VIII, Section 8.15 of this Agreement.

8.19 In the event that Center desires to copyright material or to permit any third-party to do so, Center must obtain City's prior written approval to do so and must appropriately acknowledge City's support in any such materials.

8.20 Subject to obligations to maintain confidentiality under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and the HIPAA Business Associate Agreement, attached hereto and incorporated herein for all purposes as **Attachment V,** and subject to the requirements of the Family Educational Rights and Privacy Act ("FERPA") and the limitations imposed under law regarding transfer of information, any and all writings, documents or information in whatsoever form and character produced by Center pursuant to the provisions of this Agreement is the exclusive property of City; and no such writing, document or information shall be the subject of any copyright or proprietary claim by Center. Center understands and acknowledges that as the exclusive owner of any and all such writings, documents and information, City has the right to use all such writings, documents and information as City desires, without restriction; subject, however to Center's continuing rights regarding "educational records" as that term is understood under FERPA. City agrees that it will not release to the public "educational records" that come into its possession unless otherwise authorized by law.

IX. INSURANCE

9.1 Prior to the commencement of any work under this Agreement, Center shall furnish copies of all required endorsements and completed Certificate(s) of Insurance to the City's Department of Human Services, which shall be clearly labeled "*Ella Austin Community Center- EHS-CCP*" in the Description of Operations block of the Certificate. The Certificate(s) shall be completed by an agent and signed by a person authorized by that insurer to bind coverage on its behalf. The City will not accept a Memorandum of Insurance or Binder as proof of insurance. The certificate(s) must have the agent's signature and phone number, and be mailed, with copies of all applicable endorsements, directly from the insurer's authorized representative to the City. The City shall have no duty to pay or perform under this Agreement until such certificate and endorsements have been received and approved by the City's Department of Human Services. No officer or employee, other than the City's Risk Manager, shall have authority to waive this requirement.

9.2 The City reserves the right to review the insurance requirements of this Article during the effective period of this Agreement and any extension or renewal hereof and to modify insurance coverages and their limits when deemed necessary and prudent by City's Risk Manager based upon changes in statutory law, court decisions, or circumstances surrounding this Agreement. In no instance will City allow modification whereby City may incur increased risk.

9.3 A Center's financial integrity is of interest to the City; therefore, subject to Center's right to maintain reasonable deductibles in such amounts as are approved by the City, Center shall obtain and maintain in full force and effect for the duration of this Agreement, and any extension hereof, at Center's sole expense, insurance coverage written on an occurrence basis, unless otherwise indicated, by companies authorized to do business in the State of Texas and with an A.M Best's rating of no less than A- (VII), in the following types and for an amount not less than the amount listed below:

TYPE	AMOUNTS
1. Workers' Compensation 2. Employers' Liability	Statutory $500,000/$500,000/$500,000
3. Broad form Commercial General Liability Insurance to include coverage for the following: a. Premises/Operations b. Independent Contractors c. Products/Completed Operations d. Personal Injury e. Contractual Liability f. Damage to property rented by you g. Sexual Abuse/Molestation	For Bodily Injury and Property Damage of $1,000,000 per occurrence; $2,000,000 General Aggregate, or its equivalent in Umbrella or Excess Liability Coverage f. $100,000
4. Business Automobile Liability a. Owned/leased vehicles b. Non-owned vehicles c. Hired Vehicles	Combined Single Limit for Bodily Injury and Property Damage of $1,000,000 per occurrence

9.4 Center agrees to require, by written contract, that all subcontractors providing goods or services hereunder obtain the same insurance coverages required of Center herein, and provide a certificate of insurance and endorsement that names the Center and the CITY as additional insureds. Respondent shall provide the CITY with said certificate and endorsement prior to the commencement of any work by the subcontractor. This provision may be modified by City's Risk Manager, without subsequent City Council approval, when deemed necessary and prudent, based upon changes in statutory law, court decisions, or circumstances surrounding this agreement. Such modification may be enacted by letter signed by City's Risk Manager, which shall become a part of the contract for all purposes.

9.5 As they apply to the limits required by the City, the City shall be entitled, upon request and without expense, to receive copies of the policies, declaration page, and all endorsements thereto and may require the deletion, revision, or modification of particular policy terms, conditions, limitations, or exclusions (except where policy provisions are established by law or regulation binding upon either of the parties hereto or the underwriter of any such policies). Center shall be required to comply with any such requests and shall submit a copy of the replacement certificate of insurance to City at the address provided below within 10 days of the requested change. Center shall pay any costs incurred resulting from said changes.

City of San Antonio
Attn: Department of Human Services
P.O. Box 839966
San Antonio, Texas 78283-3966

9.6 Center agrees that with respect to the above required insurance, all insurance policies are to contain or be endorsed to contain the following provisions:

- Name the City, its officers, officials, employees, volunteers, and elected representatives as additional insured by endorsement, as respects operations and activities of, or on behalf of, the named insured performed under contract with the City, with the exception of the workers' compensation and professional liability policies;

- Provide for an endorsement that the "other insurance" clause shall not apply to the City of San Antonio where the City is an additional insured shown on the policy;

- Workers' compensation, employers' liability, general liability and automobile liability policies will provide a waiver of subrogation in favor of the City.

- Provide advance written notice directly to City of any suspension, cancellation, non-renewal or material change in coverage, and not less than ten (10) calendar days advance notice for nonpayment of premium.

9.7 Within five (5) calendar days of a suspension, cancellation or non-renewal of coverage, Center shall provide a replacement Certificate of Insurance and applicable endorsements to City. City shall have the option to suspend Center's performance should there be a lapse in coverage at any time during this contract. Failure to provide and to maintain the required insurance shall constitute a material breach of this Agreement.

9.8 In addition to any other remedies the City may have upon Center's failure to provide and maintain any insurance or policy endorsements to the extent and within the time herein required, the City shall have the right to order Center to stop work hereunder, and/or withhold any payment(s) which become due to Center hereunder until Center demonstrates compliance with the requirements hereof.

9.9 Nothing herein contained shall be construed as limiting in any way the extent to which Center may be held responsible for payments of damages to persons or property resulting from Center's or its subcontractors' performance of the work covered under this Agreement.

9.10 It is agreed that Center's insurance shall be deemed primary and non-contributory with respect to any insurance or self insurance carried by the City of San Antonio for liability arising out of operations under this Agreement.

9.11 It is understood and agreed that the insurance required is in addition to and separate from any other obligation contained in this Agreement and that no claim or action by or on behalf of the City shall be limited to insurance coverage provided..

9.12 Center and any Subcontractors are responsible for all damage to their own equipment and/or property.

X. LIMITED LIABILITY

10.1 **CENTER covenants and agrees to FULLY INDEMNIFY, DEFEND and HOLD HARMLESS, the CITY and the elected officials, employees, officers, directors, volunteers and representatives of the CITY, individually and collectively, from and against any and all costs, claims, liens, damages, losses, expenses, fees, fines, penalties, proceedings, actions, demands, causes of action, liability and suits of any kind and nature, including but not limited to, personal or bodily injury, death and property damage, made upon the CITY directly or indirectly arising out of, resulting from or related to CENTER'S activities under this CONTRACT including any acts or omissions of CENTER, any agent, officer, director, representative, employee, consultant or subcontractor of CENTER, and their**

respective officers, agents employees, directors and representatives while in the exercise of the rights or performance of the duties under this CONTRACT. The indemnity provided for in this paragraph shall not apply to any liability resulting from the negligence of CITY, its officers or employees, in instances where such negligence causes personal injury, death, or property damage. IN THE EVENT CENTER AND CITY ARE FOUND JOINTLY LIABLE BY A COURT OF COMPETENT JURISDICTION, LIABILITY SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS FOR THE STATE OF TEXAS, WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO THE CITY UNDER TEXAS LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER TEXAS LAW.

10.2 The provisions of this INDEMNITY are solely for the benefit of the parties hereto and not intended to create or grant any rights, contractual or otherwise, to any other person or entity. Center shall advise the City in writing within 24 hours of any claim or demand against the City or Center known to Center related to or arising out of Center's activities under this Contract and shall see to the investigation and defense of such claim or demand at Center's cost. The City shall have the right, at its option and at its own expense, to participate in such defense without relieving Center of any of its obligations under this paragraph.

10.3 Defense Counsel - Center shall retain defense counsel within seven (7) business days of City's written notice that City is invoking its right to indemnification under this Contract. If Center fails to retain Counsel within such time period, City shall have the right to retain defense counsel on its own behalf, and Center shall reimburse City for all costs related to retaining defense counsel until such time as Center retains Counsel as required by this section. City shall also have the right, at its option, to be represented by advisory counsel of its own selection and at its own expense, without waiving the foregoing

10.4 Employee Litigation – In any and all claims against any party indemnified hereunder by any employee of Center, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the indemnification obligation herein provided shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for Center or any subcontractor under worker's compensation or other employee benefit acts.

XI. THIS ARTICLE INTENTIONALLY LEFT BLANK

XII. APPLICABLE LAWS

12.1 Center, and all of the work performed under this Agreement, shall comply with all applicable laws, rules, regulations and codes of the United States and the State of Texas and with the charter, ordinances, bond ordinances, and rules and regulations of the City of San Antonio and Bexar County. Center agrees to abide by any and all future amendments or additions to such laws, rules, regulations, policies and procedures as they may be promulgated. Center may request additional time to come into and demonstrate compliance, unless immediate compliance is required by the applicable Head Start regulations, the Head Start Act, or Public Information Act request requirements. Should the City need to abide by some other law, rule, regulation, policy or procedure, such requirement will be made known to Center upon consideration of Center's request for additional time.

12.2 The Center understands that certain funds provided it pursuant to this Agreement are funds which have been made available by the City's General Operating Budget and/or by Federal, State, or other granting entities. Center agrees to comply with all laws, ordinances, codes, rules, regulations, policies, and procedures, including licensing and accreditation standards applicable to the funds received by Center hereunder or as required in this Agreement, including but not limited to:

(A) The Head Start Act (42 U.S.C. §9801 *et seq.*, as amended);

(B) 45 C.F.R. Part 1301 *et seq.*;

(C) The Terms of the Grant;

(D) As applicable, 45 C.F.R. Part 74, 45 C.F.R 75, 45 C.F.R 87 or 45 C.F.R. Part 92 (Grants Administration regulations);

(E) Texas Child Care Licensing laws; and

(F) The most recent Office of Management and Budget (OMB) Circular found at 2 C.F.R. Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards," as applicable to the funds received by Center hereunder, which streamlines:

a. OMB Circular A-21, entitled, "Cost Principles for Educational Institutions";
b. OMB Circular A-87, entitled, "Cost Principles for State, Local and Indian Tribal Governments";
c. OMB Circular A-102, entitled, "Grants and Cooperative Agreements with State and Local Governments";
d. OMB Circular A-110, entitled "Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations"
e. OMB Circular A-122, entitled, "Cost Principles for Non-Profit Organizations"; and
f. OMB Circular A-133, entitled, "Audits of States, Local Governments, and Not for Profit Organizations".

(G) Official record retention schedules as established by the Local Government Records Act of 1989

(H) The Texas Public Information Act, at Chapter 552, The Texas Government Code

12.3 Center agrees to:

(A) comply with applicable standards, orders, or regulations issued pursuant to the Clean Air Act of 1970 (42 U.S.C. §7401 *et. seq.)* and the Federal Water Pollution Control Act (33 U.S.C. §1251 *et seq.)*, as amended.

(B) make positive efforts to utilize small businesses, minority-owned firms and women's business enterprises in connection with the work performed hereunder, whenever possible.

(C) provide for the rights of the Federal Government in any invention resulting from the work performed hereunder, in accordance with 37 C.F.R. Part 401 and any applicable implementing regulations.

(D) include a provision requiring compliance with the Copeland "Anti-Kickback" Act (18 U.S.C. §874 and 40 U.S.C. §276c) and as supplemented by Department of Labor regulations at 29 C.F.R. Part 3, and implementing regulations in any contracts for construction or repair of more than $2,000.00.

(E) include a provision requiring compliance with the Davis-Bacon Act (40 U.S.C. §276a to a-7) and as supplemented by Department of Labor regulations at 29 C.F.R. Part 5, and implementing regulations in any construction contracts of more than $2,000.00.

(F) comply with the certification and disclosure requirements of the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352), and any applicable implementing regulations.

(G) comply with the applicable standards under the McKinney-Vento Homeless Assistance Act (42 U.S.C. §11434a(2)), and any applicable implementing regulations, as may be applicable.

(H) comply with the Contract Work Hours and Safety Standards Act, (40 USC 327-333, Sections 102 and 107), relating to all construction contracts in excess of $2,000.00 that involve the employment of laborers, as it relates to computing wages on the basis of a standard 40 hour work week.

(I) comply with the prohibitions contained in the Pro-Children Act of 1994, relating to not permitting smoking within any indoor facility (or portion thereof) owned or leased or contracted for by Center for the provision of regular or routine health care or day care or early childhood development (Head Start) services to children or for the use of the employees of the City or Center who provide such services.

12.4 Center certifies that it will provide a drug-free workplace in compliance with the Drug-Free Workplace Act of 1988 and the Drug-Free Workplace Rules established by the Texas Worker's Compensation Commission effective April 17, 1991. Failure to comply with the above-referenced law and regulations could subject the Center to suspension of payments, termination of Agreement, and debarment and suspension actions.

12.5 Center shall comply with all federal, State, or local laws, rules, and orders prohibiting discrimination, and shall not engage in employment practices which have the effect of discriminating against any employee or applicant for employment, and will take affirmative steps to ensure that applicants are employed and employees are treated during employment without regard to their race, color, religion, national origin, sex, sexual orientation, gender identity, veteran status, age, disability, or political belief or affiliation, unless exempted by state or federal law, or as otherwise established herein. Consistent with the foregoing, Center agrees to comply with Executive Order 11246, entitled "Equal Employment Opportunity", as amended by Executive Order 11375, and as supplemented by regulations at 41 C.F.R. Part 60. Additionally, Center certifies that it will comply fully with the following nondiscrimination, minimum wage and equal opportunity provisions, including but not limited to:
(A) Title VII of the Civil Rights Act of 1964, as amended;
(B) Section 504 of the Rehabilitation Act of 1973, as amended;
(C) The Age Discrimination Act of 1975, as amended;
(D) Title IX of the Education Amendments of 1972, as amended; (Title 20 USC sections 1681-1688);
(E) Fair Labor Standards Act of 1938, as amended;
(F) Equal Pay Act of 1963, P.L. 88-38; and
(G) All applicable regulations implementing the above laws.

12.6 The Center warrants that any and all taxes that the Center may be obligated for, including but not limited to, Federal, State, and local taxes, fees, special assessments, Federal and State payroll and income taxes, personal property, real estate, sales and franchise taxes, are current, and paid to the fullest extent liable as of the execution date of the Agreement. The Center shall comply with all applicable local, State, and Federal laws including, but not limited to, related to:
(A) worker's compensation;
(B) unemployment insurance;
(C) timely deposits of payroll deductions;
(D) filing of Information on Tax Return form 990 or 990T, Quarterly Tax Return Form 941, W-2's Form 1099 on individuals who received compensation other than wages, such as car allowance, Forms 1099 and 1096 for contract or consultant work, non-employee compensation, etc;
(E) Occupational Safety and Health Act regulations; and
(F) Employee Retirement Income Security Act of 1974, P.L. 93-406.

12.7 Center agrees to comply with the Americans with Disabilities Act P.L. 101-336, enacted July 26, 1990, and all regulations thereunder.

12.8 All expenditures by the Center or any of its contractors must be made in accordance with all applicable federal, state and local laws, rules and regulations.

12.9 If applicable, Center shall submit to the DHS its most recent form 990 or 990T and also submit any that are filed with the Internal Revenue Service subsequent to its last submission to the City if filed during the term of the Agreement.

XIII. NO SOLICITATION/CONFLICT OF INTEREST

13.1 Center acknowledges that no person or selling agency or other organization has been employed or retained to solicit or secure this Agreement upon a contract or understanding for a commission, percentage, brokerage, or contingent fee and further that no such understanding or agreement exists or has existed with any employee of the Center or the City. For breach or violation of this section, the City shall have the right to terminate this Agreement without liability or, at its discretion, to deduct from the Agreement or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee, or to seek such other remedies as legally may be available.

13.2 Center covenants that neither it nor any member of its governing body or of its staff presently has any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. Center further covenants that in the performance of this Agreement, no persons having such interest shall be employed or appointed as a member of its governing body or of its staff.

13.3 Center further covenants that no member of its governing body or of its staff shall possess any interest in, or use their position for, a purpose that is or gives the appearance of being motivated by desire for private gain for themselves or others, particularly those with which they have family, business, or other ties.

13.4 No member of City's governing body or of its staff who exercises any function or responsibility in the review or approval of the undertaking or carrying out of this Agreement shall:

(A) Participate in any decision relating to this Agreement which may affect his or her personal interest or the interest of any corporation, partnership, or association in which he or she has a direct or indirect interest; or
(B) Have any direct or indirect interest in this Agreement or the proceeds thereof.

13.5 Center acknowledges that it is informed that Charter of the City of San Antonio and its Ethics Code prohibit a City officer or employee, as those terms are defined in Section 2-52 of the Ethics Code, from having a financial interest in any contract with the City or any City agency such as City owned utilities. An officer or employee has "prohibited financial interest" in a contract with the City or in the sale to the City of land, materials, supplies or service, if any of the following individual(s) or entities is a party to the contract or sale: A City officer or employee; his parent, child or spouse; a business entity in which the officer or employee, or his parent, child or spouse owns ten (10) percent or more of the voting stock or shares of the business entity, or ten (10) percent or more of the fair market value of the business entity; a business entity in which any individual or entity above listed is a subcontractor on a City contract, a partner or a parent or subsidiary business entity.

13.6 Center warrants and certifies, and this Agreement is made in reliance thereon, that neither the Center nor his or her spouse, parent, child, sibling or first-degree relative is a City officer or employee as defined by Section 2-52 (e) of the City Ethics Code. If Center is a business entity, the Center representative further warrants and certifies that no City officer or employee nor any spouse, parent, child, sibling of first-degree relative of a City officer or employee owns ten (10) percent or more of the voting stock or shares of the business entity, or ten (10) percent or more of the fair market value of the business entity). Center further warrants and certifies that is has tendered to the City a Discretionary Contracts Disclosure Statement in compliance with the City's Ethics Code.

XIV. TERMINATION

14.1 Should the Center fail to fulfill, in a timely and proper manner, obligations under this Agreement to include performance standards established by the City, or if the Center should violate any of the covenants, conditions, or stipulations of the Agreement, the City shall have the right to terminate this Agreement by sending written notice to the Center of such termination, and specifying the effective date of termination.

14.2 The Center shall be entitled to receive just and equitable compensation for any work satisfactorily completed prior to such termination date. The question of satisfactory completion of such work shall be reasonably determined by the City, and its decision shall be final. To the extent that compliance with an Agreement matter falls under HHS authority to review, or in the event that a dispute arises with regard to interpretation of regulations or law as it applies to this Agreement, Center may request that the City secure, and the City shall request an interpretation or opinion from HHS in order to assist in resolution of the dispute. It is further expressly understood and agreed by the Parties that Center's performance upon which final payment is conditioned shall include, but not be limited to, the Center's complete and satisfactory performance, of its obligations for which final payment is sought.

14.3 Notwithstanding any other remedy contained herein or provided by law, the City may delay, suspend, limit, or cancel funds, rights or privileges herein given the Center for failure to comply with the terms and provisions of this Agreement. Specifically, at the sole option of the City, the Center may be placed on probation during which time the City may withhold reimbursements in cases where it determines that the Center is not in compliance with this Agreement. The Center shall not be relieved of liability to the City for damages sustained by the City by virtue of any breach of this Agreement, and the City may withhold funds otherwise due as damages, in addition to retaining and utilizing any other remedies available to City.

14.4 If a Program employee of Center is discharged or otherwise leaves employment with Center, then the Center shall pay in full to such employee all of such employee's earned salaries and wages, within the timeframe specified by law.

14.5 Should the Center be debarred by federal government or the City pursuant to a debarment policy currently existing or hereafter adopted, said debarment may be grounds for termination.

14.6 This Agreement is subject to the availability of federal grant funds to City and may be terminated by the City if HHS terminates the City as a grantee or reduces the amount granted to City, for any reason; provided that, if the reduction of grant funds does not result in complete unavailability of such funds, the Parties will use best efforts to amend this Agreement accordingly. City will promptly notify Center of any such HHS action.

14.7 In all instances of termination, Center shall not incur new obligations after the effective date of termination, and shall cancel as many outstanding obligations as possible. Center shall submit to City all required reports including a final financial statement which shall be a statement of all expenditures incurred by Center under this Agreement. City shall pay Center the full cost of obligations that City determines were not subject to cancellation if such costs are properly documented, allowable, within the approved budget, and unavoidably incurred by Center prior to termination or expiration. The foregoing shall constitute full and complete reimbursement for all of Center's performance under this Agreement.

XV. PROHIBITION OF POLITICAL ACTIVITIES

15.1 Center agrees that no funds provided from or through the City shall be contributed or used to conduct political activities for the benefit of any candidate for elective public office, political party, organization or cause, whether partisan or non-partisan, nor shall the personnel involved in the administration of the Project provided for in this Agreement be assigned to work for or on behalf of any partisan or non-partisan political activity.

15.2 Center agrees that no funds provided under this Agreement may be used in any way to attempt to influence, in any manner, a member of Congress or any other State or local elected or appointed official.

15.3 The prohibitions set forth in Article XV, Sections 15.1 and 15.2 of this Agreement include, but are not limited to, the following:

(A) an activity to further the election or defeat of any candidate for public office or for any activity undertaken to influence the passage, defeat or final content of local, state or federal legislation;

(B) working or directing other personnel to work on any political activity during time paid for with City funds, including, but not limited to activities such as taking part in voter registration drives, voter transportation activities, lobbying, collecting contributions, making speeches, organizing or assisting at meetings or rallies, or distributing political literature;

(C) coercing personnel, whether directly or indirectly, to work on political activities on their personal time, including activities such as taking part in voter registration drives, voter transportation activities, lobbying, collecting contributions, making speeches, organizing or assisting at meetings or rallies, or distributing political literature; and

(D) using facilities or equipment paid for, in whole or in part with City funds for political purposes including physical facilities such as office space, office equipment or supplies, such as telephones, computers, fax machines, during and after regular business hours.

15.4 To ensure that the above policies are complied with, Center shall provide every member of its personnel paid out of Agreement funds with a statement provided by Center of the above prohibitions and have each said individual sign a statement acknowledging receipt of the policy. Such statement shall include a paragraph that directs any staff person who has knowledge of violations or feels that he or she has been pressured to violate the above policies to call and report the same to the DHS. Center shall list the name and number of a contact person from the DHS on the statement that Center's personnel can call to report said violations.

15.5 Center agrees that in any instance where an investigation of the above is ongoing or has been confirmed based upon then current reasonable evidence of impropriety, salaries paid to the Center under this Agreement may, at the City's discretion, be withheld until the situation is resolved.

15.6 This Article shall not be construed to prohibit any person from exercising his or her right to express his or her opinion or to limit any individual's right to vote. Further, Center and staff members are not prohibited from participating in political activities on their own volition, if done during time not paid for with Agreement funds.

XVI. PERSONNEL

16.1 Center shall establish and maintain an organizational structure that supports the accomplishment of Program objectives, addresses the major functions and responsibilities assigned to each staff position and provides evidence of adequate mechanisms for staff supervision and support to ensure the effective oversight of the Program operations. Center shall ensure that, at a minimum, the program management functions listed in the Scope of Work are assigned to and adopted by staff within the Program.

16.2 Center acknowledges and agrees that Head Start guidelines and City policy require that Center shall staff each Early Head Start classroom at ratios of one qualified Early Head Start Teacher for every 4 children with group sizes of no more than 8 at all times., Center shall staff each classroom with a volunteer in addition to the paid staff persons when possible. Additionally, Center will have adequate staff to fully

implement all areas of program operations, including those having the specific management functions and expertise set forth in the Scope of Work.

16.3 At the beginning of this Agreement period, Center shall submit to City a report which specifically (a) lists the number and percentage of classroom personnel in its center based program having child development associate credentials or associate, baccalaureate or advanced degrees; and (b) describes to City Center's compliance with the goals described in Sections 16.3, 16.4 and 16.5 of this Agreement.

16.4 Center understands that the Head Start Act requires that grantees and their contractors, if any, ensure, and demonstrate, upon request, that all of the teachers staffing its Early Head Start center-based program classrooms have a minimum of a child development associate credential, and have been trained (or have equivalent coursework) in early childhood development with a focus on infant and toddler development. Center agrees that during the term of this Agreement, Center will only employ teachers meeting the necessary qualifications.

16.5 Center agrees and acknowledges that each of its Early Head Start teachers shall attend not less than 15 clock hours of professional development per Center fiscal year. The term "professional development" means high-quality activities that will improve the knowledge and skills of Early Head Start teachers and staff, as relevant to their roles and functions, in program administration and the provision of services and instruction, as appropriate, in a manner that has a positive and lasting impact and improves service delivery to enrolled children and their families.

16.6 Center understands that the Head Start Act requires grantees and their contractors, if any, ensure and demonstrate upon request that all Head Start staff have the knowledge, skills, and experience they need to perform their assigned functions responsibly. Therefore, at a minimum, Center agrees that all Program site directors, site managers and other administrators must have education and/or training in the area of early childhood education and family support. Center will only employ Program directors, site managers and administrators meeting the necessary qualifications of Head Start and state licensing.

16.7 Center shall create, in consultation with each of its employees, and implement a professional development plan for all Program employees who provide direct services to children. Center shall regularly evaluate such plans to determine their impact on teacher and staff effectiveness.

16.8 Center understands that the City shall periodically perform its own wage and salary comparison and shall issue such results to Center. Center understands and agrees that City shall have no obligation to reimburse Center in excess of wages to an employee that exceed the average rate of compensation paid to persons providing substantially comparable services in the area. Although the City may consider factors such as training and experience as affecting compensation levels, the City shall have the sole and absolute authority to determine the rate of City's reimbursement under the Agreement and its decision shall be final due to the City's obligation of ensuring that wage comparability studies meet the requirements of the Head Start Act and implementing regulations. Subject to the restriction set forth in 16.10, Center may compensate its employees above the rate the City will reimburse, so long as the additional compensation is not charged to the Agreement budget.

16.9 Center expressly understands and agrees that in accordance with 42 U.S.C. §9848, no portion of the Agreement funds provided hereunder may be used to pay its employee if compensation (including non-federal funds) to that employee exceeds $183,300.00, or the maximum authorized compensation as may be adjusted from time to time. Furthermore, Center agrees that all employees must devote to Center's Program the time proportionate to the percentage of their compensation funded through the EHS-CCP grant (e.g., employees who are one hundred percent (100%) funded through the Grant must devote one hundred percent (100%) of their time and effort to support Center's Program). Center agrees to submit employee certifications if requested by the City or HHS.

16.10 Center agrees to establish internal procedures that assure employees of an established complaint and grievance process. The grievance process will include procedures to receive, investigate, and resolve complaints and grievances in an expeditious manner.

16.11 Center agrees to comply with all applicable federal regulations regarding the setting of, and maximum amount allowable for, salaries of Center's employees.

16.12 Center agrees to continue to work on placing written job descriptions for Program personnel in individual personnel folders for each position in the organization, or to have them placed online, until completed, but that all descriptions shall be filed or online no later than the expiration date of the Agreement. Center agrees to provide to the City specific job description(s) upon request.

16.13 Center agrees to provide the City with the names and license registration of Center and any employees of Center if applicable, regulated by State law whose activities contribute towards, facilitate, or coordinate the performance of this Agreement.

16.14 Chief Executive Officers (CEOs), directors and other supervisory personnel of Center may not supervise a spouse, parents, children, brothers, sisters, and in-laws standing in the same relationship, (hereinafter referred to as "Relatives") who are involved in any capacity with program delivery supported through Agreement funds. Relatives, however, may be co-workers in the same Project in a non-supervisory position.

XVII. ADVERSARIAL PROCEEDINGS

17.1 Except in circumstances where the following is in conflict with federal law or regulations pertaining to the Program, Center agrees to comply with the following special provisions:

(A) Under no circumstances will the funds received under this Agreement be used, either directly or indirectly, to pay costs or attorney fees incurred in any adversarial proceeding against the City or any other public entity; and
(B) Center, at the City's option, could be ineligible for consideration to receive any future funding while any adversarial proceeding against the City remains unresolved.

XVIII. FEDERAL AND CITY-SUPPORTED PROJECT

18.1 This Section is applicable to all EHS-CCP publicity, public presentations, signs, press releases, public notices, flyers, brochures, marketing materials, and other informational material prepared, created, posted and/or disseminated during the term of the Agreement by Center. Center shall obtain City's prior approval of the language and logo, as applicable, to be used, and the Parties agree that all publicity regarding the establishment or operation of the EHS-CCP Program affiliation between City and Center described herein shall be planned and implemented as mutually agreed to in advance by the Parties. Center agrees that all public notices and any publicity, signs and/or marketing materials regarding any program which is funded by this Agreement shall provide a written statement acknowledging the role of the Federal funds provided by HHS through City hereunder, which shall read as follows: "The Early Head Start - Child Care Program services provided by the Ella Austin Community Center are funded by the City of San Antonio, Department of Human Services, through a federal grant received from the U.S. Department of Health and Human Services." These public notices or signs include, but are not limited to, signs identifying the facilities from which these programs are provided, and electronic media. In addition, all publicity related to Center's Program services shall note that the Program is operated on a non-discriminatory basis.

XIX. PROPERTY, EQUIPMENT AND SUPPLIES

19.1 The City retains ownership of all equipment/property purchased with funds received through the City and such equipment/property shall, at the City's sole option, revert to the City at Agreement's termination, for whatever reason. Center agrees to relinquish and transfer possession of and, if applicable, title to said

property without the requirement of a court order upon termination of this Agreement. Equipment that has reverted to Center through a City-paid lease agreement with option to buy will be considered the same as though the equipment was purchased outright with Agreement funds. It is understood that the terms, "equipment" and "property", as used herein, means tangible, nonexpendable, personal property having a useful life of more than one year and an acquisition cost of $5,000 or more per unit and shall include not only furniture and other durable property, but also vehicles, but shall not include supplies and consumables.

19.2 Center agrees that no equipment purchased with Agreement funds may be disposed of without receiving prior written approval from the DHS. In cases of theft and/or loss of equipment, it is the responsibility of Center to replace it with like equipment. Agreement funds cannot be used to replace equipment in those instances. All replacement equipment will be treated in the same manner as equipment purchased with Agreement funds.

19.3 Center shall maintain accurate and complete records on all equipment and property obtained with Agreement funds to include:
(A) A description of the equipment, including the model and serial number or other identification number, if applicable;
(B) The date of acquisition, cost and procurement source, purchase order number, and vendor number;
(C) An indication of whether the equipment is new or used;
(D) The vendor's name (or transferred from);
(E) The location of the property;
(F) The property number shown on the property tag; ("City of San Antonio Head Start Program"); and
(G) A list of disposed items and disposition

19.4 Center is fully and solely responsible for the insuring, safeguarding, maintaining, and reporting of lost, stolen, missing, damaged, or destroyed equipment/property purchased or leased with Agreement funds. Center shall inform the City of incidents of loss, theft, damage or destruction of equipment (as defined in 19.1 above) or property, excluding supplies and consumables, purchased or leased with Agreement funds.

19.5 All equipment purchased under this Agreement shall be fully insured against fire, loss and theft. Center shall, at a minimum, provide the equivalent insurance for real property and equipment acquired with Agreement funds as provided to other property acquired or owned by Center.

19.6 Upon request, Center shall provide an annual inventory of assets purchased with funds received through the City to the DHS.

19.7 Center shall fully comply with the property and equipment requirements of 45 C.F.R Part 74, including but not limited to Sections 74.30 through 74.37, and 45 C.F.R. Part 92, as applicable, related to the following:
(A) Insurance Coverage
(B) Real Property
(C) Federally-owned and exempt property
(D) Equipment
(E) Supplies
(F) Intangible property
(G) Property trust relationship

19.8 Relative to property, equipment and supplies purchased with Head Start grant funds, Center shall route all written correspondence to HHS through the DHS for review, endorsement and processing. For equipment purchases in the amount of $25,000.00 or greater or cumulative purchases in the amount of $100,000.00 or greater, Center shall obtain prior approval from the DHS. Center shall not split the purchase of a line item with a value greater than the preceding thresholds in order to avoid obtaining approval from the DHS.

19.9 Center will maintain a system for tracking, on an ongoing basis, inventory of equipment and supplies purchased with Grant funds that either (i) has a purchase price of $5,000.00 or greater; or (ii) meets such

other criteria as City may prescribe (and which City shall notify Center as appropriate). Upon request, Center will provide City a status report of the current inventory of equipment and supplies meeting these requirements. City shall have the right to review and approve Center's inventory tracking system.

19.10 City reserves the right to require transfer of property acquired with funds awarded under this Agreement as provided in the Head Start regulations, as applicable.

19.11 Center acknowledges and agrees that City is an intended third-party beneficiary of any and all facility leases with third-parties to which Center is or becomes a party in connection with the approved Program sites listed in Exhibit I-A to **Attachment I**, or as a consequence of this Agreement. As such, Center shall use its best efforts to cause the lessor of any such lease to execute an acknowledgment prepared by City that City is an intended third-party beneficiary of such lease. Center shall honor all of its material obligations under any and all such leases. Center shall stay in good standing under any and all such leases and Center shall immediately notify City in writing in the event of any breach or alleged breach of any such lease that could result in the termination of such lease. Center shall submit to City for review and approval all non-disturbance, subordination and similar agreements it is requested to execute in connection with any such lease. In the event of an event giving rise to a right of first refusal in favor of Center under any such lease, Center shall promptly notify City of such event and allow City to step into Center's shoes at tenant under such lease in order to exercise such right.

XX. TRAVEL

20.1 The costs associated with budgeted travel for business, either in-town or out-of-town, are allowable costs provided documentation of expenses is present.

(A) Center agrees that mileage reimbursement paid to Center's employees shall be reimbursed at a rate no more liberal than the City's policy for mileage reimbursement, which is consistent with Internal Revenue Service (IRS) rules. Center further agrees that in order for its employees to be eligible for mileage reimbursement, the employees 1) shall be required to possess a valid Texas Driver's License and liability insurance as required by law, and 2) must fully comply with its own established mileage recording policies. Mileage records are subject to spot-checks by City auditors and monitors. Center shall strongly encourage the participation by its employees in an approved defensive driving course. Evidence of the required driver's license and liability insurance must be kept on file with the Center.

(B) Center agrees that in order to obtain reimbursement of the costs associated with budgeted out of town travel for business in connection with this Agreement, Center shall:

1) obtain City's prior approval, unless such expense has been previously submitted and approved as part of Center's budget, and provide City with detailed documentation of such business travel expense(s), (any amount over approved budgeted amounts must be pre-approved by City or such overage will not be paid),
2) ensure that any and all costs associated with out-of-town travel (including per diem rates) shall not be more liberal than the City's travel policies which conform with the reimbursement rates established by the United States General Services Administration,
3) purchase all business travel at economy class rates and shall document such, and
4) maintain supporting documentation for conferences to include itineraries and documentation certifying conference attendance and provide such documentation to City upon request.

XXI. NO USE OF FUNDS FOR RELIGIOUS ACTIVITIES

21.1 Center agrees that none of the performance rendered hereunder shall involve, and no portion of the funds received hereunder shall be used, directly or indirectly, for the construction, operations, maintenance or administration of any sectarian or religious facility or activity, nor shall said performance rendered or funds received be utilized so as to benefit, directly or indirectly, any such sectarian or religious facility or activity.

XXII. DEBARMENT

22.1 Center certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in any state or federal program.

22.2 Center shall provide immediate written notice to City, in accordance with the notice requirements of Article XXVI herein, if, at any time during the term of the Agreement, including any renewals hereof, Center learns that its certification was erroneous when made or have become erroneous by reason of changed circumstances.

XXIII. ASSIGNMENT

23.1 Center shall not assign or transfer Center's interest in this Agreement or any portion thereof without the written consent of the City, and if applicable, the Grantor of the Grant Funds. Any attempt to transfer, pledge or otherwise assign shall be void ab initio and shall confer no rights upon any third person or party.

XXIV. AMENDMENT

24.1 Any alterations, additions or deletions to the terms hereof shall be by amendment in writing executed by both City and Center and evidenced by passage of a subsequent City ordinance, as to City's approval; provided, however, the Director of the DHS shall have the authority to execute an amendment of this Agreement without the necessity of seeking any further approval by the City Council of the City of San Antonio if permitted by all applicable local, state and federal laws, and in the following circumstances:

A. an increase in funding (the cause of which is unrelated to the reason set forth in Section 24.1(E) below) of this Agreement in an amount not exceeding (a) twenty-five percent (25%) of the total amount of this Agreement or (b) $25,000.00, whichever is the lesser amount; provided, however, that the cumulative total of all amendments executed without City Council approval pursuant to this subsection and increasing Agreement funding during the term of this Agreement shall not exceed the foregoing amount;

B. modifications to the Scope of Work set forth in **Attachment I** hereto, so long as the terms of the amendment stay within the substantive parameters set forth in the original Scope of Work, also set forth in **Attachment I** hereto;

C. budget line item shifts of funds, so long as the total dollar amount of the budget set forth in Section 3.1 of this Agreement remains unchanged (these modifications may be accomplished through Budget Revisions);

D. modifications to the insurance provisions described in Article IX of this Agreement that receive the prior written approval of the City of San Antonio's Risk Manager and the Director of the DHS.

E. decreases (and increases if the City agrees to allocate additional enrollment slots to Center) in Agreement funding based upon Program enrollment levels, and modifications to Agreement terms related to enrollment; provided, however, that the cumulative total of all EHS-CCP Program contracts, as amended, shall not exceed the City's total budget for the EHS-CCP Grant budget for the applicable grant year. Center shall execute any and all amendments to this Agreement that are required as a result of a modification made pursuant to this Section 24.1(E).

24.2 Center further agrees that except when the terms of this Agreement expressly provide otherwise, any alterations, additions or deletions to the terms hereof shall be by amendment in writing and approved by HHS.

XXV. SUBCONTRACTING

25.1 None of the work or services covered by this Agreement shall be sub-contracted without the prior written consent of the City and the Grantor of the Grant Funds, if so required by Grantor. If allowed, subcontracting methods must meet City requirements; subcontractor compliance with this Agreemtent must be the responsibility of the Center to monitor.

XXVI. OFFICIAL COMMUNICATIONS

26.1 Except where the terms of this Agreement expressly provide otherwise, any communication required under this Agreement shall be in writing and deemed valid when delivered personally (with receipt acknowledged), or three (3) days after depositing in the U.S. mail, first class, with proper postage prepaid, or upon receipt if sending by certified mail, return receipt requested, or upon receipt when sent by a commercial courier service (such as Federal Express or DHL Worldwide Express) for expedited delivery to be confirmed in writing by such courier, at the addresses set forth below or to such other address as either Party may from time to time designate in writing.

City:	Center:
Director	Ella Austin Community Center
Department of Human Services	1023 N Pine St.
106 S. St. Mary's Street, Suite 700	San Antonio, Texas 78202
San Antonio, TX 78205	

Notices of changes of address by either Party must be made in writing delivered to the other Party's last known address within five (5) business days of the change.

XXVII. VENUE

27.1 Center and City agree that this Agreement shall be governed by and construed in accordance with the laws of the State of Texas. Any action or proceeding brought to enforce the terms of this Agreement or adjudicate any dispute arising out of this Agreement shall be bought in a court of competent jurisdiction in San Antonio, Bexar County, Texas.

XXVIII. GENDER

28.1 Words of any gender used in this Agreement shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires.

XXIX. REPRESENTATIONS AND OTHER OBLIGATIONS

29.1 The signer of this Agreement for Center represents, warrants, assures and guarantees that (s)he has full legal authority to execute this Agreement on behalf of Center and to bind Center to all of the terms, conditions, provisions and obligations herein contained. Whether a non-profit or public entity, Center must be authorized to do business in the State of Texas and be formed under and operating in accordance with all applicable laws of the State of Texas. Upon request by the City, Center shall provide DHS verification of the foregoing requirements.

29.2 In the event that circumstances arise which might result in interference with Center's ability to provide the services which are the subject of this Agreement, Center agrees to inform City of those circumstances immediately upon their discovery. Center agrees that reimbursement to Center, upon reasonable notice, may be suspended by City until such financial circumstances giving rise to the possible interference with

the operation of the Program have been eliminated, provided, however, that authorized expenditures made prior to the suspension, and approved by City shall be disbursed pursuant to the terms of this Agreement.

XXX. LICENSES AND TRAINING

30.1 Center warrants and certifies that Center, and Center's employees and its (sub)contractors have the requisite training, license or certification to provide said services, and meet all competence standards promulgated by all other authoritative bodies, as applicable to the services provided herein.

XXXI. INDEPENDENT CONTRACTOR

31.1 It is expressly understood and agreed that the Center is and shall be deemed to be an independent contractor, responsible for its respective acts or omissions and that the City shall in no way be responsible therefor, and that neither Party hereto has authority to bind the other nor to hold out to third parties that it has the authority to bind the other.

31.2 Nothing contained herein shall be deemed or construed by the parties hereto or by any third party as creating the relationship of employer-employee, principal-agent, partners, joint venture, or any other similar such relationship, between the Parties hereto.

31.3 Any and all of the employees of the Center, wherever located, while engaged in the performance of any work required by the City under this Agreement shall be considered employees of Center only, and not of the City, and any and all claims that may arise from the Workers' Compensation Act on behalf of said employees while so engaged shall be the sole obligation and responsibility of the Center.

XXXII. SEVERABILITY

32.1 If any clause or provision of this Agreement is held invalid, illegal or unenforceable under present or future federal, state or local laws, including but not limited to the City Charter, City Code, or ordinances of City, then and in that event it is the intention of the Parties hereto that such invalidity, illegality or unenforceability shall not affect any other clause or provision hereof and that the remainder of this Agreement shall be construed as if such invalid, illegal or unenforceable clause or provision was never contained herein; it is also the intention of the Parties hereto that in lieu of each clause or provision of this Agreement that is invalid, illegal or unenforceable, there be added as a part of this Agreement a clause or provision as similar in terms to such invalid, illegal or unenforceable clause or provision as may be possible, legal, valid and enforceable.

XXXIII. NON-WAIVER OF PERFORMANCE

33.1 No waiver by City of a breach of any of the terms, conditions, covenants or guarantees of this Agreement shall be construed or held to be a waiver of any succeeding or preceding breach of the same or any other term, condition, covenant or guarantee herein contained. Further, any failure of City to insist in any one or more cases upon the strict performance of any of the covenants of this Agreement, or to exercise any option herein contained, shall in no event be construed as a waiver or relinquishment for the future of such covenant or option.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

XXXV. ENTIRE AGREEMENT

35.1 This Agreement and its attachments, if any, constitute the entire and integrated Agreement between the Parties hereto and contain all of the terms and conditions agreed upon, and supersede all prior negotiations, representations, or agreements, either oral or written. No such other negotiations or representations may be enforced by either Party nor may they be employed for interpretation purposes in any dispute involving this Agreement.

This Agreement has been executed as of the date of the last party to sign below, the _____ day of _____, 2015 and is effective for the term hereof.

CITY OF SAN ANTONIO:

_____
Melody Woosley, Director
Department of Human Services

Ella Austin Community Center:

_____
Anthony E. Hargrove
Chief Executive Officer

APPROVED AS TO FORM:

_____
Assistant City Attorney

ATTACHMENTS

Attachment I – Scope of Work
Attachment II – Program Budget
Attachment III – Special Provisions
Attachment IV – HHS Award Document
Attachment V – HIPAA Business Associate Agreement

ATTACHMENT I

SCOPE OF WORK

1. Summary

The Center ("Contractor") shall work with Grantee to ensure full enrollment and shall serve the number of income and age eligible children as indicated below, and perform Early Head Start services in accordance with the Head Start Performance Standards and the terms of this Contract. The Contractor will operate full day classroom(s) (minimum of 10 hours a day) at the City approved sites for a minimum of 240 days of planned class operations for the Early Head Start – Child Care Partnership grant period.

Number of children in full day care on the first day of the program:	64
Minimum number of children with disabilities:	10% of the number of children in care
Service Area:	Children who reside in San Antonio and are served in the San Antonio and Edgewood Independent School Districts

2. Enrollment, Recruitment, Selection, Eligibility and Attendance (ERSEA)

A. To achieve and maintain full enrollment, Contractor must ensure that once it and the Grantee determines that a vacancy exists, no more than 30 calendar days may elapse before the vacancy is filled. Contractor will work with the City in its efforts to fill all vacancies within 30 calendar days.

B. Contractor will work with Grantee staff in developing, at the beginning of each enrollment year, and maintain during the year, a waiting list that ranks children according to the program's selection criteria and ERSEA policies. If Contractor is under enrolled and does not have a waiting list City shall have the right to temporarily move enrollment slots, in coordination with the Contractor and as a last resort, to maintain compliance with Federal enrollment standards.

C. In accordance with the Head Start Act, Contractor shall work collaboratively with Grantee to ensure that a minimum of 10% of the children enrolled in Contractor's Program are children with disabilities who are determined to be eligible for special education and related services. This 10% requirement must be met by mid-point of the program year, as determined by the City.

D. Contractor agrees that when the monthly average daily attendance rate in a center-based program falls below 85 percent, Contractor shall collaborate with the City in the provision of absentee services in accordance with §1305.8 of the Head Start Performance standards. The City will lead absentee services to include analyzing the cause of absenteeism and the provision of additional support, which may include, but is not limited to, face-to-face meeting(s) with the family and other direct contact with the child's parents. Contractor shall establish procedures for the removal of children from the program due to the lack of attendance in accordance with the City's policies.

3. Program Services

A. Contractor shall provide Early Head Start Program Services (hereinafter defined) to eligible children in the Service Area. Such services shall be provided to eligible children within Contractor's Service Area(s) without regard to age, race, color, religion, national origin, sex, sexual orientation, gender identity, or disability. Any proposal to extend or modify the Service Area(s) or the sites at which services are to be delivered shall be formally submitted in writing to City for approval.

B. Contractor shall provide direct (i) Education and Early Childhood Development Services; (ii) Child Nutrition Services.; (iii) Safe and Healthy Environments; and (iv) Transportation Services in coordination

with the City. The Contractor also agrees that it shall collaborate with the City's efforts to ensure the provision of Family and Community Support Services, Child Mental Health, Medical Health Services and Dental (Oral) Health Services, to meet the needs of the children and families served by Contractor's Program ("Early Head Start Program Services"). Contractor agrees that, notwithstanding the fact that another Early Head Start service provider under the City of San Antonio Head Start program may be contracted to provide a category of service. Contractor, under the leadership of its Early Head Start Program Director will be responsible for coordinating with Early Head Start service providers and working with the City to ensure provision of full array of services to which the children are entitled under the Terms of the Grant. Contractor shall also coordinate with Independent School Districts, health service providers and agencies in the community in order to provide comprehensive services to the children and families served by the Program and to leverage community resources

C. Contractor shall establish and maintain an organizational structure that supports the accomplishment of Program objectives, addresses the major functions and responsibilities assigned to each staff position and provides evidence of adequate mechanisms for staff supervision and support to ensure the effective oversight of the Early Head Start program operations. Contractor shall ensure that, at a minimum, the following program management functions are assigned to and adopted by staff within the Program:

(i) Program management must be assigned to an individual serving in the role of the Early Head Start Director. This individual must have demonstrated skills and abilities in a management capacity relevant to human services program management and must have ultimate responsibility for ensuring the children enrolled in Contractor's Early Head Start program are provided (by Contractor or a collaborating Early Head Start service provider) the full array of services to which the children are entitled under the Terms of the Grant.

(ii) Management of education and early childhood development must be assigned to an individual serving in the role of a Center Director. This individual must have training and experience in areas that include theories and principles of child growth and development, early childhood education, and family support and have a current and good standing Child-Care Center Directors Certificate. (iii) Management of child nutrition services must be assigned to an individual serving in the role of a Nutrition Services Coordinator. This person will manage the Nutrition Program for the Center and Center must maintain positive compliance with CACFP.

Contractor shall ensure that members of program's management team and any other necessary staff provide uninterrupted Head Start Program management services throughout the Agreement term, including during the summer months so as to ensure adequate planning, coordination and performance of critical program activities. Critical program activities include, but are not limited to, ongoing recruitment activities and services, determination of eligibility, development of a waitlist for the upcoming school year, and completion of enrollment.

D. Contractor shall provide the following education and early childhood development services in compliance with the requirements of 45 C.F.R Part 1304.21, *et. seq,*:

i. Contractor must help children gain the skills and confidence necessary to be prepared to succeed in their present environment and with later responsibilities in school and life; the Contractor's approach to child development and education must be developmentally and linguistically appropriate, recognize the child's rate of development, language, cultural background and learning style; be inclusive of children with disabilities; provide an environment of acceptance that supports and respects gender, culture, language, ethnicity and family composition; provide a balanced daily program of child-initiated and adult-directed activities; and allow and enable children to independently use toilet facilities when it is developmentally appropriate and the efforts are supported by the parents.

ii. Contractor shall encourage and support parents in their efforts to become involved in the development of the program's curriculum and approach to child development and education; provide opportunities to increase parents' child observation skills and to share assessments with staff that will help plan the learning experience; and encourage parents to participate in staff-parent conferences and home visits to discuss their child's development and education.

iii. Contractor must support social and emotional development by encouraging development which enhances child's strengths by building trust; fostering independence; encouraging self-control and respect for feelings and rights of others; supporting and respecting the home language, culture, and family composition in ways that support the child's health and wellbeing; and planning for routines and transitions.

iv. Contractor must provide for the development of each child's cognitive and language skills by supporting each child's learning, using various strategies including experimentation, inquiry, observation, play and exploration; ensuring opportunities for creative self-expression through activities such as art, music, movement, and dialogue; promoting interaction and language use among children and between children and adults; and supporting emerging literacy and numeracy developments through materials and activities according to the child's developmental level.

v. Contractor must promote each child's physical development by providing sufficient time, indoor and outdoor space, equipment, materials and adult guidance for active play and movement that support the development of gross motor skills and of fine motor skills according to the child's developmental level; and providing an appropriate environment and adult guidance for the participation of children with special needs.

vi. Contractor, in collaboration with the parents and with support from the Grantee, must implement *Creative Curriculum*© which aligns with the Head Start Child Development and Early Learning Framework (HSCDELF, 2010), and Pre-kindergarten Guidelines that supports each child's individual pattern of development and learning; provides for the development of cognitive skills; integrates all educational aspects of the health, nutrition, and mental health services into program activities; helps children develop emotional security, facility in social relationships, feelings of competence, self-esteem, and positive attitudes toward learning; enhances each child's understanding of self as an individual and as a member of a group; and provides individual and small group experiences both indoors and outdoors.

vii. Contractor must work with the Grantee to create and implement a plan of action to achieve and establish school readiness goals that are age appropriate and will address at a minimum the domains of language, literacy, cognition, general knowledge, physical well-being, motor development, social and emotional development and approaches to learning; and achieve the integration with the Parent, Family, and Community Engagement (PFCE). Contractor will update school readiness goals on an annual basis, analyze achievement, and identify areas for improvement. As part of this plan of action, the Contractor must align the program's curriculum with school readiness goals to include improving the quality of teacher-child interactions, evidence-based teaching practices, evidence-based curriculum, and inclusion of parents to support school readiness.

viii. Contractor will assess child progress on an ongoing basis utilizing Teaching Strategies GOLD Assessment System and conduct data aggregation and submit analysis of child progress assessments to the City at least three times per year (at the beginning, midpoint and end of school year) to demonstrate program-level progress. Contractor will also provide the City direct access to the assessment data management system for the purposes of aggregating, analyzing, and producing program-wide reports. Contractor will make mid-year adjustments in instruction and/or professional development support should patterns or trends be identified in the analysis and coordinate with City as needed. Contractor must maintain and use the information from ongoing child assessment data to inform teachers and survey parents how best to individualize each child's learning and progress across domains. The City will provide support, training and technical assistance to ensure these requirements are met.

E. Contractor shall perform the following services as it relates to the specific service listed below in compliance with the requirements of 45 C.F.R Parts 1304.20, 1304.22, 1304.23, 1304.24 and 1304.40:

i. Child Health and Safety

a. Contractor must establish and implement policies and procedures to respond to medical and dental health emergencies with which all staff are familiar and trained, to include posted policies and plans of action; posted locations and telephone numbers of emergency response systems and up-to-date family contact information and authorization for emergency care; posted emergency evacuation routes and other safety procedures for emergencies; methods of notifying parents in the event of an emergency; and established methods for handling cases

of suspected or known child abuse and neglect. The City will provide support, training and technical assistance to ensure these requirements are met.

b. Contractor must temporarily exclude a child with a short-term injury or an acute or short-term injury or an acute or short-term contagious illness, that cannot be readily accommodated, from program participation in center-based activities or group experiences, but only for that generally short-term period when keeping the child in care poses a significant risk to the health and safety of the child or anyone in contact with the child.
c. Contractor must not deny admission to any child, nor exclude any enrolled child from program participation for a long-term period, solely on the basis of his or her health care needs or medication requirements, unless the child poses a significant risk to the health and safety of the child or anyone in contact with the child and the risk cannot be eliminated or reduced to an acceptable level through reasonable modifications in the Contractor's policies or by providing appropriate auxiliary aids.
d. Contractor must establish and maintain written procedures regarding the administration, handling, and storage of medication for every child. The City will provide support, training and technical assistance to ensure these requirements are met.
e. Contractor must ensure staff and volunteers can demonstrate safety practices; foster safety awareness among children and parents by incorporating it into child and parent activities; and ensure staff, volunteers and children follow the appropriate hygiene requirements.
f. Contractor must have and maintain well-supplied first aid kits, appropriate for all ages served and the program size, at each facility and available on outings away from the site.

ii. Child Nutrition

a. Contractor must work, in collaboration with the City, with families to identify each child's nutritional needs, taking into account staff and family discussions regarding any relevant nutrition-related assessment data; information about family eating patterns, including cultural preference, special dietary requirements, and feeding requirements of each child with disabilities; and information about major community nutritional issues.
b. Contractor must design and implement a nutrition program that meets the nutritional needs and feeding requirements of each child, and takes into account the length of the program day.
c. Contractor must ensure that nutritional services in center-based settings contribute to the development and socialization of enrolled children and ensure that at a minimum one (1) meal per day is served family style.
d. Contractor must use funds from USDA Food and Consumer Services Child Nutrition Programs as the primary source of payment for meal services.
e. Contractor shall participate in the USDA School Lunch or Child and Adult Care Food Program.
    - Pursuant to City policies, Contractor must report the number of meals and snacks served to Head Start children on a monthly basis to City.

iii. Child Mental Health

a. Contractor must work collaboratively with parents to solicit parental information, observation, and concerns about their child's mental health; share staff observations of their child and discuss with parents their child's behavior and development.
b. City, with the assistance and collaboration of the Contractor will secure or refer, when appropriate, the services of mental health professionals on a schedule of sufficient frequency to enable the timely and effective identification of and intervention in family and staff concerns about a child's mental health.

iv. Family and Community Support

a. Contractor, in collaboration with City led family and community support staff, must provide parent involvement and education activities that are responsive to the ongoing and expressed needs of the parents.
b. Contractor, in collaboration with City led family and community support staff, must provide opportunities to include parents in the development of the program's curriculum and approach to child development and education.

c. Contractor shall collaborate with the City, Head Start service providers and other community agencies to provide opportunities to enhance parenting skills, knowledge and understanding of the educational and developmental needs and activities of their children.

d. Contractor Education staff must conduct two (2) home visits, unless parents expressly forbid such visits, and at least two (2) staff-parent conferences per child per program year to enhance the knowledge and understanding of the educational and developmental progress and activities of children in the program. Contractor must not require that parents permit home visits as a condition of the child's participation in the program. The City will provide support, training and technical assistance to ensure these requirements are met.

F. Contractor shall encourage parent participation and attendance in center parent meetings, Parent Connection Committee meetings, Head Start Policy Council, volunteering, parents' activities and contributions.

G. RESERVED

H. Contractor shall ensure that its Head Start Program shall be, and remain, in full compliance with the Head Start Performance Standards as provided in Head Start regulations, 45 CFR Part 1301 *et seq.* and with the Head Start Act, as amended, 42 U.S.C. 9801 *et. seq.*

I. The Contractor shall submit to City all Contractor eligibility, recruitment, selection, enrollment, attendance, performance and staffing plans, which must be in accordance with the City's policies.

J. Contractor shall provide a substantial portion of the substantive programmatic work provided for under this Scope of Work, Attachment I, directly. However, should Contractor desire to perform this work through one or more subawards to third parties, it shall seek and obtain City's written approval prior to doing so. In all such subawards, Contractor shall ensure that it passes through all of the requirements that apply to Contractor hereunder to the subrecipient of such subawarded funds.

K. Contractor must notify the City when the Contractor identifies possible or actual lack of compliance with the Head Start Performance Standards, Head Start Act, City's program policies or terms of this Contract.

4. <u>Program Governance</u>

A. Contractor's Governing Board shall be in full compliance with Head Start requirements regarding governance, management and programmatic operations applicable to recipients of Head Start grant funds, including those set forth at 45 C.F.R. §1301 *et. seq.* Contractor's Governing Board members or representative of the Board shall be offered the opportunity to participate in Board education activities arranged by City. Contractor shall also offer the Governing Board members or representative of the Board the opportunity to engage in a cooperative strategic planning process with respect to the Program and shall submit any final strategic plans developed through such process to City for approval.

B. Contractor shall assure that City is kept fully apprised of the composition and actions of Contractor's Governing Board to the extent such actions affect Contractor's Head Start Program.

C. Contractor shall seek and obtain the City's written approval before making any material revisions in Contractor's Head Start Program that conflicts with or violates (i) the City's refunding application, as amended, to the U.S. Department of Health and Human Services (HHS), (ii) the Terms of the Grant, (iii) the terms of this Contract; or (iv) any changes to the locations of Contractor's Head Start centers.

D. Contractor shall collaborate with the City and Family and Community Support service staff to elect one or more parent members from center locations to serve on City's Head Start Policy Council in accordance with the Policy Council By-laws.

5. <u>Licensure/Staffing</u>

A. Contractor shall obtain and maintain all necessary and appropriate State licenses, permits, certifications, and approvals required for the operation of Contractor's facilities and programs including those supported by this Contract, unless exempt from such requirement. Upon commencement of the Contract, Contractor shall notify the City that it is in compliance with this provision. If at any time Contractor is out of compliance with this provision, Contractor shall notify the City within one (1) Contractor business day of receipt of written notice of violation or complaint from the state licensing, certifying or permit-issuing authority indicating lack of licensure, permitting or certification, as the case may be, and shall take all necessary steps to cure such violation. Contractor further agrees that all personnel, either employed or contracted, assigned by Contractor to perform the Head Start Program Services set forth above shall, as appropriate or required by law, be fully qualified and authorized under applicable law, to perform such Head Start Program Services.

B. Contractor will ensure that staffing will comply with the Head Start Performance Standards, this Agreement, and other applicable law.

6. Facilities.

All Contractor facilities at the approved sites shall meet applicable federal, state and local safety standards. Contractor shall at all times during the term of this Contract, keep the facility in good, clean, safe, and reasonable operating condition and repair. City shall be allowed to inspect the facilities and the licensing and/or certification documents relating to the facility during Contractor's normal operating time as long as the said inspection does not disrupt the delivery of Head Start Program Services, or at any other time as agreed by the Contractor. Upon commencement of this Agreement and upon request, Contractor shall provide City an up-to-date copy of any leases or other agreements (as well as any amendments or modifications thereto) for facilities used to provide services to children enrolled in the Head Start program and funded pursuant to this Agreement. The City will provide support, training and technical assistance to ensure these requirements are met.

7. Participation.

Contractor shall make time and resources available to support: (i) participation by Contractor in meetings with City staff for community assessment, self-assessment, strategic planning, development of training and technical assistance plan, communication and program development activities; (ii) participation in technical assistance trainings and service enhancements developed by City and the Head Start training and technical assistance service provider, as well as other Head Start trainings that may be developed by relevant federal or state agencies; and (iii) an appropriate level of attendance of Contractor's program management team and parent committee members at national, regional and/or State Head Start conferences/trainings.

Contractor, in collaboration with Family and Community Support Service staff, shall ensure that resources are made available through reasonable accommodations to low-income parents to participate, and attend any Parent Connection Committee meetings.

8. Transportation Services/Vehicles.

Should Contractor and City decide that the Contractor shall provide transportation services they must be in compliance with the requirements of 45 CFR part 1310, et. seq., subject to any waiver that may be obtained by City and/or Contractor.

A. Contractor shall successfully complete an annual inspection of all school buses and other vehicles used for the transportation of children under this Contract.

B. Contractor shall ensure that all drivers shall be certified for the operation of said vehicles, and that all bus monitors assigned to vehicles used to provide such services receive the appropriate training. Contractor shall otherwise be in compliance with all applicable federal, State, and local requirements governing the transportation of children.

C. Contractor shall, upon request, submit to City a complete set of such documents regarding the vehicles used for the transportation of children and the drivers operating the vehicles.

9. Submission of Center Information and Program Design

A. Prior to execution of the Contract, Contractor shall submit to the City for its approval a Center list, which shall include the number of centers and the name and address for each center operated by Contractor. If at any time Contractor proposes a change to the Center list, Contractor shall notify and receive the City's approval prior to making said change.

B. Prior to execution of the Contract, Contractor will submit to the City the Contractor's Program Design, which shall include, the total number of children enrolled, number of sites, number of classrooms, classroom age group designation, language designation, and hours of operation, among other things. If at any time Contractor proposes a change to the Program Design, Contractor shall request and receive the City's approval prior to making said change.

Attachment II

[INSERT BUDGET HERE]

ATTACHMENT III
SPECIAL PROVISIONS — Program Year 2015-2016

I. RESTRICTIONS ON USE OF FUNDS OR PROPERTY

In addition to the other applicable restrictions on the use of Head Start funds provided under this Contract, the Contractor is prohibited from:

1) using or transferring funds provided under this Contract for purposes other than authorized Head Start activities;

2) using, pledging, granting a security interest in, or otherwise encumbering any right under this Contract or any property acquired with funds provided under this Contract as collateral or security for any loan, note debenture, bond or any other debt instrument;

3) using any funds provided under this Contract for payment of principal or interest on any loan, note, debenture, bond or any other debt instrument, other than those approved in the 45 C.F.R. Part 74 and by the City

II. REQUIREMENTS FOR PARTICIPATION IN CITY DESIGNATED DATA SYSTEM

2.01 Contractor shall:

a) Utilize the City's designated data management system to input data that pertains to the on-going day-to-day work completed by Partner staff.
b) support all design, development, testing and implementation protocols as established by the City by carrying out and complying therewith;
c) participate in preliminary and final testing of the system using City protocols;
d) allow City and its vendor to install data encryption software on the Child Care System Database network; and
e) provide City and its vendor with access to Confidential Data with parental permission, as defined in Article 3.01 below, which data is critical for the Head Start project.

2.02 Both Parties agree to:

a) use best efforts to cooperate and exchange information regarding all aspects of the Head Start project and comply with all reasonable requests of the other Party with respect to information concerning the system.
b) Parties agree that nothing herein shall be construed as to control or in any way limit the right of parents to choose a Head Start provider.

III. CONFIDENTIAL DATA

3.01 The Parties to this Contract shall have access to the following data ("Confidential Data"), with parental permission in the case of the child:

Parent's Information:

Case Number
First Name
Middle Initial
Last Name
Street Address
City
Zip Code
Telephone
Social Security Number (Optional)
Birth Date

Gender
Race
Handicap (Optional)
Yearly Income
Number of members in the Family
County of Residence
Employment and training status

Each child's Information:

Client Number
First Name
Middle Initial
Last Name
Social Security Number (Optional)
Birth Date
Gender
Race
Handicap (Optional)

3.02 Contractor understands that City intends to enter into additional agreements with other providers of child care services ("Additional Collaborators") in order to promote the success of the Head Start project. Confidential Data may be shared by City, Contractor, and any Additional Collaborator, except that all parties shall share such information in compliance with state and federal laws relating to confidentiality. All Additional Collaborators shall be required to enter into a written agreement with City containing the confidentiality requirements set forth in this Section III.

3.03 Each Party shall establish a method to secure the Confidential Data in accordance with the applicable federal, state, and local laws and regulations. This provision shall not be construed as limiting a Party to this Contract or an Additional Collaborator, or such Party's authorized representative's right of access to that Party's Confidential Data.

3.04 Neither Party shall disclose or publish Confidential Data or public school education data to any individual or organization that is not a Party to this Contract or an Additional Collaborator, unless required by law or a lawful order of a court of competent jurisdiction. Each Party shall take measures within its organization to ensure that Confidential Data or public school education data is accessible only by those persons working on the Head Start project, or directly providing other public school education / child care services, and only for the purpose of performing or assisting with services required by the Head Start project or other specific public school education / child care services.

3.05 Either Party may disclose Confidential Data to a third party ("Third Party") under contract or affiliated with that Party for the sole purpose of performing or assisting with services required in relation to the Head Start project or other specific child care services, and in compliance with state and federal laws relating to confidentiality. Confidential Data provided to a Third Party shall remain confidential and written confirmation by such Third Party that the Third Party will conform to the requirements of this section shall be provided to the Party prior to delivery of any information to the Third Party.

1.RECIPIENT

Department of Health and Human Services
Administration for Children and Families
Notice of Award (NOA)

SAI NUMBER: **Attachment IV**

PMS DOCUMENT NUMBER: 06HP001901

1. AWARDING OFFICE:	2. ASSISTANCE TYPE:	3. AWARD NO.:	4. AMEND. NO.:
OA/OGM/Region VI	Discretionary Grant	06HP0019/01	

5. TYPE OF AWARD:	6. TYPE OF ACTION:	7. AWARD AUTHORITY:
OTHER	New	42 USC 9801 ET SEQ.

8. BUDGET PERIOD:	9. PROJECT PERIOD:	10. CAT NO./CFDA:
02/01/2015 THRU 07/31/2016	02/01/2015 THRU 07/31/2019	93.600

11. RECIPIENT ORGANIZATION:
City of San Antonio
DEPARTMENT OF HUMAN SERVICES
106 S ST MARY'S ST, SUITE 700
SAN ANTONIO TX 78205 3603
Melody Woosley, Department Director (Exec. Dir.)

12. PROJECT / PROGRAM TITLE:
City of San Antonio, Texas EHS-CC Partnership

13. COUNTY:	14. CONGR. DIST:	15. PRINCIPAL INVESTIGATOR OR PROGRAM DIRECTOR:
BEXAR	35	Mikel Brightman , Head Start Administrator

16. APPROVED BUDGET:

Personnel	$	589,562
Fringe Benefits	$	226,019
Travel	$	1,200
Equipment	$	0
Supplies	$	60,675
Contractual	$	2,262,979
Facilities/Construction	$	0
Other	$	68,365
Direct Costs	$	3,208,800
Indirect Costs At % of $	$	0
In Kind Contributions	$	0
Total Approved Budget(**)	$	**3,208,800**

17. AWARD COMPUTATION:

A. NON-FEDERAL SHARE	$	802,200	20.00 %
B. FEDERAL SHARE	$	3,208,800	80.00 %

18. FEDERAL SHARE COMPUTATION:

A. TOTAL FEDERAL SHARE	$	3,208,800
B. UNOBLIGATED BALANCE FEDERAL SHARE	$	
C. FED. SHARE AWARDED THIS BUDGET PERIOD	$	3,208,800

19. AMOUNT AWARDED THIS ACTION:	$	3,208,800
20. FEDERAL $ AWARDED THIS PROJECT PERIOD:	$	3,208,800

21. AUTHORIZED TREATMENT OF PROGRAM INCOME:
DEDUCTIVE

22. APPLICANT EIN:	23. PAYEE EIN:	24. OBJECT CLASS:
1-746002070-A1	1-746002070-A1	41.51

25. FINANCIAL INFORMATION: **DUNS:** 066428400 0000

ORGN	DOCUMENT NO.	APPROPRIATION	CAN NO.	NEW AMT.	UNOBLIG.	NONFED %
OGM	06HP001901	75-4/5-1536	2015 G063120	$64,800		
OGM	06HP001901	75-4/5-1536	2015 G063125	$2,592,000		
OGM	06HP001901	75-5/6-1536	2015 G063128	$552,000		

26. REMARKS: (Continued on separate sheets)

Client Population: 216.
Number of Delegates: 0.
Paid by DHHS Payment Management System (PMS), see attached for payment information.
This award is subject to the requirements of the HHS Grants Policy Statement (HHS GPS) that are applicable to you based on your recipient type and the purpose of this award.
This includes requirements in Parts I and II (available at http://www.hhs.gov/grants/grants/policies-regulations/index.html) of the HHS GPS.
Although consistent with the HHS GPS, any applicable statutory or regulatory requirements, including 45 CFR Part 75,

27. SIGNATURE - ACF GRANTS OFFICER **DATE:** 1/29/2015
for Ray M. Bishop

28. SIGNATURE(S) CERTIFYING FUND AVAILABILITY
Sonja R. Osborn Sonja Osborn

29. SIGNATURE AND TITLE - PROGRAM OFFICIAL(S) **DATE:** 1/29/2015
Kimberly K. Chalk, Regional Program Manager

DGGM-S-785 (Rev. 86) (HP)

1.RECIPIENT

Department of Health and Human Services
Administration for Children and Families
Notice of Award (NOA)

SAI NUMBER: **Attachment IV**

PMS DOCUMENT NUMBER: 06HP001901

1. AWARDING OFFICE:	2. ASSISTANCE TYPE:	3. AWARD NO.:	4. AMEND. NO.
OA/OGM/Region VI	Discretionary Grant	06HP0019/01	

5. TYPE OF AWARD:	6. TYPE OF ACTION:	7. AWARD AUTHORITY:
OTHER	New	42 USC 9801 ET SEQ.

8. BUDGET PERIOD:	9. PROJECT PERIOD:	10. CAT NO./CFDA:
02/01/2015 THRU 07/31/2016	02/01/2015 THRU 07/31/2019	93.600

11. RECIPIENT ORGANIZATION:
City of San Antonio, DEPARTMENT OF HUMAN SERVICES

26. REMARKS: (Continued from previous page)

directly apply to this award apart from any coverage in the HHS GPS.
This award is subject to requirements or limitations in any applicable Appropriations Act.
This award is subject to the requirements of Section 106 (g) of the Trafficking Victims Protection Act of 2000, as amended (22 U.S.C. 7104).
For the full text of the award term, go to http://www.acf.hhs.gov/grants/discretionary-competitive-grants.
This award is subject to the Federal Financial Accountability and Transparency Act (FFATA or Transparency) of 2006 subaward and executive compensation reporting requirements.
For the full text of the award term, go to: http://www.acf.hhs.gov/grants/discretionary-competitive-grants.
This award is subject to requirements as set forth in 2 CFR 25.110 Central Contractor Registration (CCR) and Data Universal Number System (DUNS).
For full text go to http://www.acf.hhs.gov/grants/discretionary-competitive-grants.
This award is subject to the requirements set forth in 45 CFR Part 87.
This award is subject to the requirements set forth in 45 CFR Part 75.
Initial expenditure of funds by the grantee constitutes acceptance of this award.
Future support is anticipated.
This award is subject to HHS regulations codified at 45 CFR 1301, 1302, 1303, 1304, 1305, 1306, 1307, 1308, 1309 and 1310.(**) Reflects only federal share of approved budget.

Under the Consolidated Appropriations Act, 2014 (Public Law 113-76), Division H, Title II and the Consolidated and Further Continuing Appropriations Act, 2015 (Public Law 113-235), this grant action awards City of San Antonio funds for the 02/01/2015-07/31/2019 project period for the operation of the Early Head Start program in the designated service area. This grant action awards partial funds under Common Accounting Numbers (CAN) G063125 and G063120 to provide Early Head Start services to 216 children for the initial 02/01/2015-07/31/2016 budget period of the 54 month project period. The 54 month project period consists of one 18 month budget period followed by three 12 month budget periods.

This initial grant action for the first 18 month budget period includes $2,592,000 in CAN G063125 for 12 months of funding for Early Head Start operations and $64,800 in CAN G063120 for training and technical assistance. This grant action includes $552,000 in CAN G063128 for start-up funds. The projected total funding levels for the initial 18 month budget period are $3,888,000 for Early Head Start operations and $388,800 for training and technical assistance.

The balance of six months of operational funds and additional training and technical assistance funds will be awarded at a later date. The additional training and technical assistance funds will support quality improvements such as attainment of credentials, professional development and training.

The projected annual funding level for each of the three remaining 12 month budget periods for Early Head Start operations is $2,592,000, and the training and technical assistance allocation is $64,800.

This grant is subject to the requirements and conditions specified in Attachments 1, 2 and 3.

Attachment 1

Award Number: 15HP301995/01
Recipient Organization: City of San Antonio

This grant is subject to Section 640(b) of the Head Start Act and 45 C.F.R. § 1301.20 requiring a non-federal match of 20 percent of the total cost of the program. This grant is also subject to the requirements in Section 644(b) of the Head Start Act and 45 C.F.R. § 1301.32 limiting development and administrative costs to a maximum of 15 percent of the total costs of the program, including the non-federal share contribution of such costs. The requirements for a non-federal match of 20 percent and the limitation of 15 percent for development and administrative costs apply to the 02/01/2015-07/31/2016 budget period unless a waiver is approved. Any request for a waiver of the non-federal share match, or a portion thereof, that meets the conditions under Section 640(b)(1)-(5) of the Head Start Act or 45 C.F.R. § 1301.21 or a waiver of the limitation on development and administrative costs that meets the conditions under 45 C.F.R. § 1301.32(g) must be submitted in advance of the end of the budget period. Any waiver request submitted after the expiration of the project period will not be considered.

The HHS GPS (II-56) (see above and 45 C.F.R. § 74.25(c)(2) and 45 C.F.R. § 92.30(d)(3) (as applicable) provide the authority to ACF to approve key staff of Head Start grantees. For the purposes of this grant, key staff is defined as the Head Start Director or person carrying out the duties of the Head Start Director if not under that title and the Chief Executive Officer, Executive Director and/or Chief Fiscal Officer if any of those positions is funded, either directly or through indirect cost recovery, more than 50 percent with Head Start funds.

Section 653 of the Head Start Act prohibits the use of any federal funds, including Head Start grant funds, to pay any portion of the compensation of an individual employed by a Head Start agency if that individual's compensation exceeds the rate payable for Level II of the Executive Schedule.

Prior approval must be obtained under 45 C.F.R. Part 1309 to use Head Start grant funds for the initial or ongoing purchase, construction and major renovation of facilities. No Head Start grant funds may be used toward the payment of one-time expenses, principal and interest for the acquisition, construction or major renovation of a facility without the express written approval of the Administration for Children and Families.

Attachment 2

Budget Period 1
Early Head Start – Child Care Partnership and/or Expansion Grants

Award Number: 15HP301995/01
Recipient Organization: City of San Antonio

Head Start Grantees must comply with the terms and conditions for the project period award in the specified timeframes.

Health and Safety

- *Conduct a screening of the health and safety environment of each Early Head Start center and/or family child care home where services are provided within 45 days of the start of the project period and/or within 45 calendar days of services starting at each new location.*

- *Complete the initial certification of compliance with all Office of Head Start (OHS) health and safety requirements within 75 calendar days of the start of services and submit it to the OHS in the Head Start Enterprise System (HSES) immediately thereafter. Submit an updated certification of compliance with all OHS health and safety requirements 30 days after the first six months of operations.*

School Readiness

- *Participate in ongoing communications in support of school readiness with the OHS, including but not limited to the OHS site visits and monthly scheduled calls.*

Attachment 3

Award Number: 15HP301995/01
Recipient Organization: City of San Antonio

Designated Early Head Start service area: San Antonio ISD and Edgewood ISD boundaries, Bexar County, Texas

Early Head Start – Child Care Partnership Population: 216 infants and toddlers.

Approved program options: Center-based

Approved start-up costs: This grant action includes start-up funds of $552,000 under Common Accounting Number (CAN) G063128 for the following purposes: $510,000 for Contractual costs for five EHS/Child Care Partners for playground upgrades and center repairs and $42,000 for Supplies.

WITNESSETH:

HIPAA BUSINESS ASSOCIATE AGREEMENT

This HIPAA Business Associate Agreement is entered into by and between the City of San Antonio ("Covered Entity"), by and through its Director of the Department of Human Services, and the Ella Austin Community Center, a Business Associate ("BA").

WHEREAS, the City of San Antonio and BA have entered into an Early Head Start – Child Care Partnership Agreement to provide educational and child care services ("Service Contract"), effective February 1, 2015 whereby BA provides educational and child care services to the Covered Entity; and

WHEREAS, Covered Entity and BA may need to use, disclose and/or make available certain information pursuant to the terms of the Service Contract, some of which may constitute Protected Health Information ("PHI"); and

WHEREAS, Covered Entity and BA intend to protect the privacy and provide for the security of PHI disclosed to each other pursuant to the Service Contract in compliance with the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("HIPAA") and regulations promulgated thereunder by the U.S. Department of Health and Human Services (the "HIPAA Regulations") and other applicable laws; and

WHEREAS, the purpose of this Agreement is to satisfy certain standards and requirements of HIPAA and the HIPAA Regulations, including, but not limited to, Title 45, Section 164.504(e) of the Code of Federal Regulations ("C.F.R."), as the same may be amended from time to time;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

A. Definitions. For the purposes of this Agreement, the following terms have the meanings ascribed to them:

(1) "Disclosure" with respect to PHI, shall mean the release, transfer, provision of access to or divulging in any other manner of PHI outside the entity holding the PHI.

(2) "Individual" shall have the same meaning as the term "Individual" in 45 C.F.R. 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. 164.502(g).

(3) "Parties" shall mean Covered Entity and BA.

(4) "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. part 160 and Part 164, subparts A and E.

(5) "Protected Health Information" or "PHI" shall have the same meaning as the term "protected health information" in 45 C.F.R. 164.501, limited to the information created or received by BA from or on behalf of Covered Entity.

(6) "Required By Law" shall have the same meaning as the term "required by law" in 45 CFR § 164.501.

(7) "Secretary" shall mean the Secretary of the Department of Health and Human Services or his designee.

(8) "PHI Breach" shall mean an acquisition, access, use, or disclosure of PHI in a manner not permitted by the Privacy Rules and such action compromises the security or privacy of the PHI.

B. BA Obligations and Activities. BA agrees that it shall:

(1) Not use or disclose the PHI other than as permitted or required by this Agreement or as Required by Law;

(2) Establish and maintain appropriate administrative, physical, and technical safeguards that reasonably and appropriately protect, consistent with the services provided under this Agreement, the confidentiality, integrity, and availability of the electronic protected health information that it creates, receives, maintains, or transmits on behalf of covered entity;

(3) Mitigate, to the extent practicable, any harmful effect that is known to BA of a use or disclosure of PHI by BA in violation of the requirements of this Agreement;

(4) Report to Covered Entity any use or disclosure of PHI of which BA is aware or becomes aware that is not provided for or allowed by this Agreement as well as any security incident that BA becomes of aware of;

(5) Ensure that any of its agents or subcontractors with which BA does business and to whom it provides PHI received from, created or received by BA on behalf of Covered Entity are aware of and agree to the same restrictions and conditions that apply through this Agreement to BA with respect to such information, and further agree to implement reasonable and appropriate administrative, physical and technical safeguards to protect such information;

(6) Provide access, at the request of Covered Entity, and in a reasonable time and manner as agreed by the Parties, to PHI in a Designated Record Set to Covered Entity or, as directed by Covered Entity, to an Individual in order to meet the requirements 45 C.F.R. §164.524;

(7) Make any amendment(s) to PHI in a Designated Record Set that the Covered Entity directs or agrees to pursuant to 45 C.F.R. 164.526 at the request of the Covered Entity or an Individual, and in a reasonable time and manner agreed to by the Parties;

(8) Make available to the Covered Entity or to the Secretary of the U.S. Department of Health and Human Services all internal practices, books and records, including policies and procedures and PHI, relating to the use and disclosure of PHI received from, or created or received by the BA on behalf of the Covered Entity, for purposes of the Secretary of the U.S. Department of Health and Human Services in determining Covered Entity's compliance with the Privacy Rule;

(9) Document such disclosures of PHI, and information related to such disclosures, as would be required for Covered Entity to respond to a request from an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. 164.528;

(10) Provide Covered Entity or an Individual, in a reasonable time and manner as agreed to by the Parties, information collected in accordance with Section B(9) of this Agreement, to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. 164.528.

(11) Will immediately, and in no event later than 14 days of discovery, notify Covered Entity of any breach of PHI and will coordinate with Covered Entity to identify, record, investigate, and report to an affected individual and US Department of Health and Human Services, as required, any covered PHI breach.

C. Permitted Uses and Disclosures by BA

(1) Except as otherwise limited in this Agreement, BA may use or disclose PHI to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in the Service Contract, provided that such use or disclosure would not violate the Privacy Rule if done by Covered Entity.

(2) Except as otherwise limited in this Agreement, BA may disclose PHI for the proper management and administration of the BA, provided that disclosures are Required By Law, or BA obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as Required By Law or for the purpose for which it was disclosed to the person, and the person notifies the BA of any instances of which it is aware in which the confidentiality of the information has been breached.

(3) Except as otherwise limited in this Agreement, BA may use PHI to provide Data Aggregation Services to Covered Entity as permitted by 45 C.F.R. 164.504(e)(2)(i)(B).

(4) BA may use PHI to report violations of law to appropriate Federal and State authorities, consistent with 45 C.F.R. 502(j)(1).

D. Obligations of Covered Entity. Covered Entity shall inform BA of its privacy practices and restrictions as follows. Covered Entity shall:

(1) notify BA of any limitations in its notice of privacy practices in accordance with 45 C.F.R. 164.520, to the extent that such limitation may affect BA's use or disclosure of PHI;

(2) notify BA of any changes in, or revocation of, permission by any Individual to use or disclose PHI, to the extent that such changes may affect BA's use or disclosure of PHI;

(3) notify BA of any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 C.F.R. 164.522 to the extent that such changes may affect BA's use or disclosure of PHI.

(4) coordinate with BA regarding any PHI breach and make timely notification to affected individuals within 60 days of discovery.

E. Permissible Requests by Covered Entity.

Covered Entity shall not request BA to use or disclose PHI in any manner that would not be permissible under the Privacy Rule if done by Covered Entity, except that the Business Associate may use or disclose PHI for data aggregation or management and administrative activities of the BA.

F. Term and Termination.

(1) The term of this Agreement shall commence on February 1, 2015. This Agreement shall terminate when all PHI encompassed by this Agreement is destroyed or returned to Covered Entity or, if it is infeasible to return or destroy the PHI, protections are extended to such information in accordance with the termination provisions in this Section.

(2) Termination for Cause. Upon Covered Entity's knowledge of a material breach by BA, Covered Entity shall either (a) provide an opportunity for BA to cure the breach in accordance with the terms of the Service Contract or, if the BA does not cure the breach or end the violation within the time for cure specified in the Service Contract, end the violation and terminate this Agreement and the Contract; or (b) immediately terminate this Agreement and the Service Contract if BA has breached a material term of this Agreement and cure is not possible. If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary of the U.S. Department of Health and Human Services.

(3) Effect of Termination.

(a) Except as provided below in paragraph (b) of this Section F(3), upon termination of this Agreement for any reason, BA shall return or destroy all PHI received from the Covered Entity, or created or received by BA on behalf of Covered Entity. This provision shall apply to PHI that is in the possession of BA or its subcontractors or agents. BA shall not retain any copies of PHI, except as required by law.

(b) In the event that BA determines that returning or destroying PHI is infeasible, BA shall provide to Covered Entity written notification of the condition that makes the return or destruction of PHI infeasible. Upon BA's conveyance of such written notification, BA shall extend the protections of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make its return or destruction infeasible, for so long as BA maintains such PHI.

(4) Notwithstanding any other provision under this Agreement, the Parties agree that the Service Contract may be terminated by either Party without penalty should the other Party violate a material obligation under this Agreement.

G. Amendment to Comply with Law. The Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy Rule and HIPAA.

H. Survival. The respective rights and obligations of the BA under Sections B, C(2) and (4), and F(3) shall survive the termination of this Agreement.

I. Interpretation. Any ambiguity in this Agreement shall be interpreted to permit Covered Entity to comply with the Privacy Rule.

J. Regulatory References. A reference in this Agreement to a section in the Privacy Rule means the section as in effect or amended.

K. No Third Party Beneficiaries. Nothing express or implied in this Agreement is intended to confer, nor shall anything herein confer upon any person other than Covered Entity, BA, and their respective successors or assigns, any rights, remedies, obligations, or liabilities whatsoever.

L. ***INDEMNIFICATION. BA WILL INDEMNIFY, DEFEND AND HOLD COVERED ENTITY AND ITS OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, SUCCESSORS AND ASSIGNS HARMLESS, FROM AND AGAINST ANY AND ALL LOSSES, LIABILITIES, DAMAGES, COSTS AND EXPENSES ARISING OUT OF OR RELATED TO ANY THIRD-PARTY CLAIM BASED UPON ANY BREACH OF THIS AGREEMENT BY BA IN ACCORDANCE WITH THE INDEMNITY PROVISIONS IN THE SERVICE AGREEMENTS, WHICH ARE HEREBY INCORPORATED BY REFERENCE FOR ALL PURPOSES.***

M. **Reimbursement.** BA will reimburse Covered Entity for reasonable costs incurred responding to a PHI breach by BA or any of BA's subcontractors.

N. **Waiver.** No provision of this Agreement or any breach thereof shall be deemed waived unless such waiver is in writing and signed by the party claimed to have waived such provision or breach. No waiver of a breach shall constitute a waiver of or excuse any different or subsequent breach.

O. **Assignment.** Neither party may assign (whether by operation or law or otherwise) any of its rights or delegate or subcontract any of its obligations under this Agreement without the prior written consent of the other party. Notwithstanding the foregoing, Covered Entity shall have the right to assign its rights and obligations hereunder to any entity that is an affiliate or successor of Covered Entity, without the prior approval of Business Associate.

P. **Entire Agreement.** This Agreement constitutes the complete agreement between Business Associate and Covered Entity relating to the matters specified in this Agreement, and supersedes all prior representations or agreements, whether oral or written, with respect to such matters. In the event of any conflict between the terms of this Agreement and the terms of the Service Contracts or any such later agreement(s), the terms of this Agreement shall control unless the terms of such Service Contract comply with the Privacy Standards and the Security Standards. No oral modification or waiver of any of the provisions of this Agreement shall be binding on either party. This Agreement is for the benefit of, and shall be binding upon the parties, their affiliates and respective successors and assigns. No third

party shall be considered a third-party beneficiary under this Agreement, nor shall any third party have any rights as a result of this Agreement.

Q. **Governing Law.** This Agreement shall be governed by and interpreted in accordance with the laws of the State of Texas.

EXECUTED to be effective February 1, 2015.

COVERED ENTITY
City of San Antonio

By: _____

Print Name: Melody Woosley

Print Title: Director of the Department of Human Services

BUSINESS ASSOCIATE:
Ella Austin Community Center

By: _____

Print Name: Anthony E. Hargrove

Print Title: Chief Executive Officer

APPROVED AS TO FORM:

_____
Kristine Duff
Assistant City Attorney

Attachment III

EARLY HEAD START – CHILD CARE PARTNERSHIP AGREEMENT
FOR CHILD CARE SERVICES
BETWEEN THE CITY OF SAN ANTONIO
&
HEALY-MURPHY CENTER, INC.

This Agreement is entered into by and between the City of San Antonio (hereinafter referred to as "City"), a Texas Municipal Corporation, acting by and through its Director of the Department of Human Services pursuant to Ordinance No. _____ dated _____, and **Healy-Murphy Center, Inc.**(hereinafter referred to as "Center") (individually "the Party" and collectively "the Parties"), to set forth the objectives, understandings, and agreements between the Parties in connection with the use of Early Head Start – Child Care Partnership (hereinafter referred to as EHS–CCP") grant funds as described herein.

PURPOSE:

WHEREAS, the City has received a grant pursuant to the Head Start Act (42 U.S.C. §9801 *et seq.*, as amended) (the "Grant") for the purpose of providing Early Head Start services to children and families in the San Antonio and Edgewood Independent School District areas of Bexar County; and

WHEREAS, the City's Department of Human Services is designated as the managing City department (hereinafter referred to as "DHS") for administration of EHS-CCP program services for the City, as grantee of the EHS-CCP Grant; and

WHEREAS, the City is authorized by the U.S. Department of Health and Human Services ("HHS"), Administration for Children and Families ("ACF"), and desires, to execute an agreement with Center to provide full-day, full-year child care services to children and their families (hereinafter referred to as the "Project" or "Program"); and

WHEREAS, the City has adopted a budget for the expenditure of EHS-CCP Grant Funds (hereinafter referred to as "Grant Fund"), and included therein is an allocation for Center to provide child care and education services; and

WHEREAS, Center desires, and is appropriately licensed and qualified, to enter into this Agreement with City and agrees to deliver the services described herein in accordance with applicable Head Start Performance Standards and other requirements more fully set forth below;

NOW THEREFORE, in consideration of the mutual promises and covenants herein contained and intending to be legally bound hereby, City and Center agree as follows:

The Parties hereto agree as follows:

I. SCOPE OF WORK

1.1 The Center will provide, oversee, administer, and carry out all activities and services in a manner satisfactory to the City and in compliance with the Center's Scope of Work, affixed hereto and incorporated herein for all purposes as **Attachment I**, this Agreement, and the Terms of the Grant (hereinafter defined). If the terms of this Agreement are inconsistent or in conflict with applicable Terms of the Grant, the applicable Terms of the Grant will control, unless the inconsistency or conflict results from more stringent requirements set forth in this Agreement, in which case the terms imposing the most stringent requirements upon the Center shall control.

1.2 For purposes of this Agreement, the terms listed below shall have the following meanings:

(A) "Terms of the Grant" shall mean all requirements of the Grant, whether contained in the Head Start Act, as amended by the Improving Head Start for School Readiness Act of 2007 (42 U.S.C. §9801, et seq.), or other applicable statutes, implementing regulations (e.g., 45 C.F.R. §1301 et seq. (the "Head Start Performance Standards" or "Performance Standards") and 45 C.F.R. Part 75 or 45 C.F.R. Part 87, as applicable), rules, Executive Orders, the award document from U.S. Department of Health and

Human Services ("HHS") to the City, relevant HHS Directives, or elsewhere, including, but not limited to circulars, Program Instructions, Information Memorandums and Policy Clarifications, the City's policies and procedures and any other directives applicable to the Program, as such requirements exist as of the date of this Agreement and as such requirements may be established or modified (by amendment, deletion, addition or otherwise) during the period of the Agreement.

(B) "Relevant HHS directives" shall mean regulations, manuals, guidelines, or other oral or written directives of HHS or any subdivision thereof, including the Administration for Children and Families, Head Start Bureau, the Program Operations Division and ACF Region VI, as such regulations, manuals, guidelines, or other oral or written directives shall be made applicable to the Grant or Grantee.

1.3 Center shall establish and implement policies and procedures governing personnel, financial management, and programmatic management, as specified more fully in 2 C.F.R. 200 *et seq.*, 45 C.F.R Parts 1301 *et. seq,* and/or 45 C.F.R. Part 74, 45 C.F.R. Part 75, 45 C.F.R. Part 87 or 45 C.F.R. Part 92, as applicable. Such policies and procedures shall be consistent with the Terms of the Grant, the policies and procedures approved by the Grantee's Policy Council and Governing Body, and content and service plans.

1.4 City retains the authority to contract with third-parties for the delivery of other EHS-CCP services in the San Antonio and Bexar County area. Center agrees to allow the City's other EHS-CCP service providers access to the facilities leased and/or owned by Center in order to provide said services, so long as access would not cause disruption of Center's child care or educational activities, or purpose as an educational entity. Center agrees to cooperate with City and third-party EHS-CCP service providers to establish, modify and comply with a set of policies and procedures and/or a program design manual governing the City's EHS-CCP Program and the protocol for collaboration between service providers. Center agrees that, notwithstanding the fact that another service provider under the City of San Antonio EHS-CCP program may be contracted to provide a category of service, Center, under the leadership of its EHS-CCP Program Director, will be responsible for coordinating with other Program service providers and working with the City to ensure provision of full array of services to which the children are entitled under the Terms of the Grant.

II. TERM

2.1 Except as otherwise provided for pursuant to the provisions hereof, this Agreement shall begin on February 1, 2015 and shall terminate on July 31, 2016.

III. CONSIDERATION

3.1 In consideration of the services to be delivered by Center, the City will reimburse Center a total amount not to exceed $320,800.00 ("the Federal Share") during the period in which this Agreement is in effect for costs incurred in accordance with the Program Budget affixed hereto and incorporated herein for all purposes as **Attachment II**. Center's Program Budget is comprised of the Federal Share and the Non-Federal Share. The Federal Share shall be no more than 80% of the total Program Budget. Should Center fail to raise all of the non-Federal Share funds (20% of the total Program Budget, or $80,200.00) it is required to raise for the operation of its Program, City reserves the right to limit its reimbursements to Center proportionately. For instance, if Center succeeds in raising only eighty percent (80%) of its required non-Federal Share funds, City may limit its reimbursements to Center to eighty percent (80%) of City's total obligation to Center. Center may provide additional non-Federal share funds if Center, in its discretion, determines such funds are available. To meet the requirements of this Agreement, all claimed non-Federal Share must meet the requirements of 2 C.F.R. 200 *et seq.*, 45 C.F.R. §74.23 or §92.24, or other Head Start regulations, as applicable.

3.2 Prior to commencement of the Agreement, Center shall submit to City for its approval Center's proposed monthly budget by line item for the entire term of the Agreement along with its program Budget, including detail by category alone. Center understands the budget may not include indirect costs. Until the City

receives the initial proposed monthly budget for the entire term of the Agreement and prior to the City's approval, the City reserves the right to redirect the funding City has proposed be allocated to Center under this Agreement. City shall notify the Center of the amount redirected and the revised Agreement funding. Additionally, throughout the term of the Agreement, Center shall submit on or before the last day of each month a forecast of the projected monthly expenses for each month remaining in the Agreement so that the City may review and compare actual expenses to projected expenditures and address issues associated with Center's expenditure rate (e.g., on or before March 31, 2015, Center shall submit the projected expenses by month for April, May, and so on until July 31, 2016). Center's budgeted development and administrative costs (as defined by 45 C.F.R. §1301.32) shall not exceed twelve percent (12%) of the Program Budget, unless the total Program Budget is modified in accordance with this Agreement in which case this amount shall be reduced proportionately unless the Parties otherwise agree.

3.3 Approval required. Center shall seek and obtain City's (City's Head Start Program Administrator and the DHS's Fiscal Administrator) prior written approval 30 calendar days before making budget modifications. City may make exceptions to the 30-day notice requirement on a case by case basis, but otherwise Center must make request in writing or via email to the City's Head Start Program Administrator. Center's written request must be accompanied by a justification for the change and indicate which lines items are affected by such change

3.4 Center understands and agrees that should Center fail to work in collaboration with the City's staff to meet or maintain the Program's funded enrollment level as set forth in the Scope of Work, City may reduce Center's funding by an amount equal to the difference between funded and actual enrollment at the per capita rate.

3.5 The funding level of this Agreement is based on an allocation from the following funding sources:

U.S. Department of Health and Human Services (HHS) – Head Start Funds Catalog of Federal Domestic Assistance # 93.600

Consequently, Center agrees to comply with the Terms of the Grant and the Special Provisions, affixed hereto and incorporated herein for all purposes as **Attachment III**.

3.6 It is expressly understood and agreed by the City and Center that the City's obligations under this Agreement are contingent upon the actual receipt of adequate grant funds from HHS to meet City's liabilities hereunder. This Agreement may be terminated by the City if HHS terminates the City as a grantee or reduces the amount granted to City, for any reason; provided that, if the reduction of grant funds does not result in complete unavailability of such funds, the Parties will use best efforts to amend this Agreement accordingly. City will promptly notify Center of any such HHS action.

IV. PAYMENT

4.1 Center agrees that this is a cost reimbursement contract and that the City's liability hereunder is limited to making reimbursements for allowable costs incurred as a direct result of services provided by the Center in accordance with the terms of this Agreement. Allowable costs are defined as those costs, which are necessary, reasonable and allowable under applicable federal, state, and local law, including but not limited to those laws referenced in Article XII hereof, for the proper administration and performance of the services to be provided under an agreement. All requested reimbursed costs must be consistent with the terms and provisions of the approved budgeted line items described in **Attachment II** of this Agreement, unless (a) a subsequent budget revision has been approved in accordance with the procedure set forth in Section 3.3 and signed by the Director of the DHS in cases where the total Agreement Budget remains the same, or (b) an amendment has been approved and signed by the Director of the DHS pursuant to Section 24.1 of this Agreement in cases where there is an increase or decrease to the total Agreement Budget. Approved budget revisions and amendments modify the Budget attached hereto, and in such cases Center's requested reimbursed costs must be consistent with the last revised, approved budget. Approved budget revisions and amendments supersede prior conflicting or inconsistent agreements with regard to the referenced Project Budget, and all references in the Agreement to the budget shall mean the budget as

revised through approved budget revisions or amendments. In no event shall the City be liable for any cost of Center not eligible for reimbursement as defined within the Agreement. Center shall remit to City within ten (10) business days after the City makes the request for remittance any funded amounts which were paid pursuant to this Article IV and used to cover disallowed costs. Any such amounts not remitted within ten (10) business days may, at City's option, be subject to offset against future funding obligations by City.

4.2 If specific circumstances require an advance payment on this Agreement, Center must submit to the Director of the DHS a written request for such advance payment, including the specific reason for such request in the form prescribed by City. Center agrees that the City shall not be obligated to pay for any advances requested. In those instances in which advance payments are authorized, the Director of the DHS may, in the Director's sole discretion, approve an advance payment on this Agreement. It is understood and agreed by the parties hereto that (a) each request requires submission to the Director of the DHS no less than ten (10) business days prior to the actual ostensible cash need; (b) each request will be considered by the Director of the DHS on a case-by-case basis, and (c) the decision by the Director of the DHS whether or not to approve an advance payment is final. For purposes of this Agreement, the term "business day" shall mean every day of the week except all Saturdays, Sundays and those scheduled holidays officially adopted and approved by the San Antonio City Council for City of San Antonio employees. In those instances in which advance payments are authorized:

(A) Center's payments to its vendors using funds advanced by the City shall be remitted to the vendors in a prompt and timely manner so long as services have been performed by the subject vendor, defined as not later than (10) business days after the Center is notified that an advance payment check is available from the City.

(B) The Center must deposit Agreement funds in an account in a bank insured with the Federal Deposit Insurance Corporation (FDIC). In those situations where Center's total deposits in said bank, including all Agreement funds deposited with said bank, exceed the FDIC insurance limit, the Center must arrange with said bank to automatically have the excess collaterally secured. A written copy of the collateral agreement must be obtained by Center from the Center's banking institution, maintained on file and be available for City monitoring reviews and audits. Advanced funds that cause the Center's account balance to exceed the FDIC limit shall be deposited in a manner consistent with the Public Funds Investment Act (Chapter 2256 of the Texas Government Code) as amended. Center shall maintain the FDIC insured bank account in which Agreement funds are deposited and its recordkeeping in a manner that will allow City to track expenditures made with Agreement funds.

(C) The City may deduct from monthly reimbursements amounts necessary to offset the amount advanced based upon the number of months remaining in the Agreement term, or from a single subsequent monthly reimbursement the full amount previously advanced to Center. The City may consider factors such as projected allowable costs and other indicators such as Center's financial stability. Center shall maintain a financial management system to account for periodic, or a lump sum, deduction from reimbursements.

4.3 Center shall submit to City not later than the forty-fifth (45th) day after the end of every month a monthly Request for Payment in the form prescribed by City, which details the specific costs (by category and by program account number) Center expensed in the previous month for the services delivered as described in Article I herein, including supporting documentation of such costs as may be required by the Director of the DHS. The Request for Payment shall also specify the Program Income (as defined herein) received or projected during the same time period. The Director of the DHS may require the Center's submission of original or certified copies of invoices, cancelled checks, Center's general ledger and/or receipts to verify invoiced expenses.

4.4 City shall make reimbursement payments of eligible expenses to the Center of any undisputed amounts as determined by the Director of the Managing Department in accordance with established procedures, so long as City receives a properly completed and documented Request for Payment. City shall make payment to

Center as soon as reasonably practicable, but not later than 30 calendar days of receiving a valid and approved Request for Payment.

4.5 The Center shall submit to City a full accounting of the Program Income, if applicable, and non-Federal Share funds received and total Program costs incurred, along with all requests for payment for the period February 1, 2015 through July 31, 2016, no later than September 16, 2016. In the event of early termination of this Agreement, Center shall submit the information 45 calendar days from the early termination date of the Agreement. These deadlines may be adjusted only if Center receives written authorization from the Director of the DHS allowing Center to submit a request for payment at a later specified date.

4.6 Center agrees that the City shall not be obligated to any (sub)contractors or third party beneficiaries of the Center.

4.7 Center shall maintain a financial management system and acceptable accounting records with City's assistance and to City's satisfaction, and in accordance with this Agreement and applicable HHS and Head Start regulations and federal directives such as 2 C.F.R. 200 *et seq.*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

4.8 Center agrees that Center costs or earnings claimed under this Agreement may not be claimed under another contract or grant from another agency, organization, business entity or governmental entity.

4.9 Center shall establish and abide by a cost allocation methodology and plan which ensures that the City is paying only its fair share of the costs for services, overhead, and staffing not solely devoted to the Project or funded by this Agreement. The Cost Allocation Plan is a plan that identifies and distributes the cost of services provided by staff and/or departments or functions. It is the means to substantiate and support how the costs of a program are charged to a particular cost category or to the Program so as to assure Grant funds provided hereunder do not subsidize other program(s). Center must ensure that costs allocated and charged to the Ggrant are not charged to other Federal, State or Local awards to overcome fund deficiencies, to avoid restrictions imposed by law or terms of the Federal awards, or for other reasons. Center shall provide to City prior to the beginning of the Agreement term (i) a matrix identifying the shared use of such facilities and/or program services; and (ii) the Cost Allocation Plan and supporting documentation, along with its Budget, financial statements and audit that are applicable to the Center's Project. City shall have the right to approve the Cost Allocation Plan.

4.10 Center agrees to reimburse the City for any Center overpayment based upon reconciled adjustments resulting from Center's balance and/or Statement of Revenue and Expenditure sheet as of July 31, 2016, which balance or Statement sheet shall be due to the City no later than September 1, 2016. Reimbursement shall be made within 20 calendar days of written notification to Center of the need for reimbursement.

4.11 Upon expiration or early termination of this Agreement, or at any time during the term of this Agreement, all unused funds, rebates, advances exceeding allowable costs, or credits on-hand or collected thereafter relating to the Project, shall be returned by Center to the City within twenty (20) days of receipt of written notice.

4.12 Upon execution of this Agreement or at any time during the term of this Agreement, the City's Director of Finance, the City Auditor, or a person designated by the Director of the DHS may review and approve all Center's systems of internal accounting and administrative controls prior to the release of funds hereunder.

V. PROGRAM INCOME

5.1 For purposes of this Agreement, "program income" shall mean earnings of Center realized from activities resulting from this Agreement or from Center's management of funding provided or received hereunder. Such earnings shall include, but shall not be limited to, interest income; usage or rental/lease fees; income produced from Agreement-supported services of individuals or employees or from the use of equipment or facilities of Center provided as a result of this Agreement; and if applicable, payments from clients or third

parties for services rendered by Center pursuant to this Agreement. At the sole option of the Director of the Managing City Department, if Center obtains program income under the Agreement, Center will either (a) be required to return program income funds to City through the Managing City Department, or (b) upon prior written approval by the Director of the Managing City Department, Center may be permitted to retain such funds to be:

(A) added to the Project and used to further eligible Project objectives, in which case proposed expenditures must first be approved by the City; or

(B) deducted from the total Project cost for the purpose of determining the net cost reimbursed by the City.

5.2 In any case where Center is required to return program income to the Managing City Department, Center must return such program income to City within the timeframe that may be specified by the Director of the Managing City Department. If the Director of the Managing City Department does not specify a timeframe for Center to return program income to City, then Center must return such program income to City on the same date that Center submits its statement of expenditures and revenues to the Managing City Department set forth in Article V, Section 5.4 of this Agreement. If the Director of the Managing City Department grants Center authority to retain program income, Center must submit all reports required by the Managing City Department within the timeframe specified in the Agreement.

5.3 Center shall provide the Managing City Department with thirty (30) calendar days written notice prior to the activity that generates program income. Such notice shall detail the type of activity, time, and place of all activities that generate program income.

5.4 The Center shall fully disclose and be accountable to the City for all program income. Center must submit a statement of expenditures and revenues to the Managing City Department within thirty (30) calendar days of the activity that generates program income. The statement is subject to audit verification by the Managing City Department. Failure by Center to report program income as required is grounds for suspension, cancellation, or termination of this Agreement.

5.5 Center is prohibited from charging fees or soliciting donations and is prohibited from inviting or contracting with vendors who shall charge fees or solicit donations from Head Start participants and their parents in any Agreement-funded project without the prior written approval of the Director of the Managing City Department. However, Center may engage in general school activity that is not specifically targeted at Head Start families.

5.6 Center shall include this Article V, in its entirety, in all of its subcontracts involving income-producing services or activities.

VI. ADMINISTRATION OF CONTRACT

6.1 The Center agrees to comply with all the terms and conditions that the City must comply with in its award document from HHS. A copy of said award document is attached hereto and incorporated herein for all purposes as **Attachment IV**. From time to time, the award document may be amended or supplemented, and these shall be incorporated into the Agreement collectively as **Attachment IV**.

6.2 In the event that any disagreement or dispute should arise between the Parties hereto pertaining to the interpretation or meaning of any part of this Agreement or its governing rules, regulations, laws, codes or ordinances, the City Manager or the Director of the DHS, as representatives of the City and the parties ultimately responsible for all matters of compliance with HHS and City rules and regulations, shall have the final authority to render or secure an interpretation. In the event that a dispute arises with regard to interpretation of regulations or law as it applies to this Agreement, Center may request that the City secure, and the City shall request an interpretation or opinion from HHS in order to assist in resolution of the dispute.

6.3 Center shall not use funds awarded from this Agreement as matching funds for any federal, state or local grant without the prior written approval of the Director of the DHS.

6.4 The City shall have the authority during normal business hours to make physical inspections to all operating facilities occupied to administer this Agreement and to require such physical safeguarding devices as locks, alarms, security / surveillance systems, safes, fire extinguishers, sprinkler systems, etc. as reasonably necessary, to safeguard property and/or equipment authorized by this Agreement.

6.5 The Center Board of Directors or Board of Trustees, as applicable, and Center's management staff shall adopt and approve an Employee Integrity Policy, or similar policy, in the event that Center has none, and internal program management procedures, and require all staff to abide by these and the Head Start standards as established in the HHS regulations, to preclude theft, embezzlement, improper inducement, obstruction of investigation or other criminal action, and to prevent fraud and program abuse. These policies and procedures shall require repayment of such erroneously received grant funds or property to the Center, or to the applicable service provider from whom such grant funds or property was received, if other than Center, and shall specify any other consequences to Center's employees and vendors involved in such illegal activities and may include but not be limited to termination and prosecution where necessary. Said policies and procedures shall be provided to the DHS upon request by the DHS. In the event that the DHS finds the policies and procedures to be lacking, the DHS may recommend revision.

6.6 If Center writes or handles checks under this Agreement, Center agrees to comply with the following check writing and handling procedures:

(A) No blank checks are to be signed in advance;
(B) No checks are to be made payable to cash or bearer with the exception of those for petty cash reimbursement, not to exceed a $100.00 maximum per check. Center agrees that the aggregate amount of petty cash reimbursement shall not exceed $500.00 for any given calendar month during the term of this Agreement unless Center receives prior written approval from the DHS to exceed such limit. Such requests for petty cash must be supported by the submission to the DHS of an original receipt.
(C) Checks issued by City to Center shall be deposited into the appropriate bank account no later than three (3) Center business days of Center's receipt of each such check, and shall never be cashed for purposes of receiving the face amount back. If such check(s) are not deposited within three (3) Center business days from the date of issue, such checks shall be investigated by City and stop-payment orders issued, as applicable. City agrees that stop payment orders shall not be issued due to the financial institution's posting policies that result in posting of checks for credit beyond the required timeframe so long as the checks are deposited within the required timeframe. Upon cancellation of any outstanding check, if deemed appropriate by City, such check may be reissued to the Center or if deemed by City not to be a valid expense, such check shall be immediately returned to the City.

6.7 Center agrees to provide City with a copy of all proposed communications to the public, EHS-CCP Program parents and employees as it may relate to the City's implementation of the City's Program model, the transition of Program contracts or transition of the Program, and to obtain the City's approval prior to dissemination.

6.8 Wherever in this Agreement, Center is required to perform an action within a specified number of days or hours, Center may request additional time to perform. City shall give Center's request for additional time due consideration and shall grant Center's request whenever reasonable practicable, unless immediate compliance is required.

6.9 If the starting date of the Agreement term has already passed at the time of approval of the Agreement by Center, all deadlines imposed on Center for providing information to the City on or before the date of approval or within seven (7) Center business days of approval shall be extended in order for the Center to reasonably comply with the City's requirements; except and unless, the information has already been provided to the City. City and Center agree to confer and make best efforts to reasonably permit Center to comply with the extended deadlines.

VII. AUDIT

7.1 If Center expends $750,000.00 or more of funds provided under this Agreement, or cumulative funds provided by or through City, and does not have to comply with the provisions of Section 7.2, then during the term of this Agreement, the Center shall have completed an independent audit of its financial statements for the Head Start program performed within a period not to exceed one hundred twenty (120) days immediately succeeding the end of Center's fiscal year, expiration or early termination of this Agreement, whichever is earlier. Center understands and agrees to furnish the DHS a copy of the audit report within a period not to exceed fifteen (15) days upon receipt of the report. In addition to the report, a copy of the corrective action plan, summary schedule of prior audit findings, management letter and/or conduct of audit letter are to be submitted to the DHS by Center within fifteen (15) days upon receipt of said report or upon submission of said corrective action plan to the auditor.

Center agrees to reimburse the City or supplement any disallowed costs with eligible and allowable expenses based upon reconciled adjustments resulting from Center's Single Audit. Reimbursement shall be made within twenty (20) days of written notification regarding the need for reimbursement.
Center agrees and understands that upon notification from federal, state, or local entities that have conducted program reviews and/or audits of the Center or its programs of any findings about accounting deficiencies, or violations of Center's financial operations, a copy of the notification, review, investigation, and audit violations report must be forwarded to the DHS within a period of ten (10) days upon the Center's receipt of the report.

7.2 Center agrees that if Center receives or expends more than $750,000.00 in federal funds from the City, the audit shall be made in accordance with the Single Audit Act Amendments of 1996, the State of Texas Single Audit Circular, and U.S. Office of Management and Budget Circular (OMB-133 revision) and Center shall also be required to submit copies of its annual independent audit report, and all related reports issued by the independent certified public accountant within a period not to exceed one hundred fifty-three (153) calendar days after the end of Center's fiscal year to the Federal Audit Clearinghouse in Jeffersonville, Indiana. A copy of this report must also be provided to City within this same time period. Center may submit reports through the following website: https://harvester.census.gov/fac and may also contact the Clearinghouse by telephone at (301) 763-1551 (voice) or 1-888-222-9907 (toll free) or 1-800-253-0696.

Upon completion of Form SF-SAC, Center may submit the completed report by mail to:

Federal Audit Clearinghouse
1201 E. 10th Street
Jeffersonville, Indiana 47132

7.3 THIS SECTION INTENTIONALLY LEFT BLANK.

7.4 All financial statement(s) must include a schedule of receipts and disbursements by budgeted cost category for each program funded by or through the City.

7.5 The City reserves the right to conduct, or cause to be conducted, an audit or review of all funds received under this Agreement at any and all reasonable and necessary times required by City. The City Internal Audit Staff, a Certified Public Accounting (CPA) firm, or other personnel as designated by the City, may perform such audit(s) or reviews. The City reserves the right to determine the scope of every audit, so long as it is limited to Center's Head Start program. In accordance herewith, Center agrees to make available to City all accounting and Project records.

Center shall during Center's normal business hours, and as often as deemed reasonably necessary by City and/or the applicable state or federal governing agency or any other auditing entity, make available the books, records, documents, reports, and evidence with respect to all matters covered by this Agreement and shall continue to be so available for a minimum period of four (4) years or whatever period is determined necessary based on the Records Retention guidelines, established by applicable law for this Agreement.

Said records shall be maintained for the required period beginning immediately after Agreement termination, save and except there is litigation or if the audit report covering such agreement has not been accepted, then the Center shall retain the records until the resolution of such issues has satisfactorily occurred. The auditing entity shall have the authority to audit, examine and make excerpts, transcripts, and copies from all such books, records, documents and evidence, including all books and records used by Center in accounting for expenses incurred under this Agreement, all contracts, invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to matters covered by this Agreement.

The City may, in its reasonable discretion, require the Center to use any and all of the City's accounting or administrative procedures that are in conformity with Generally Accepted Accounting Principles for state account standards in Texas in the planning, controlling, monitoring and reporting of all fiscal matters relating to this Agreement, and the Center shall abide by such requirements. Should a conflict exist between the parties' accounting procedures, Center shall use the stricter of the procedures.

7.6 When an audit or examination determines that the Center has expended funds or incurred costs which are questioned by the City and/or the applicable state or federal governing agency, the Center shall be notified and provided an opportunity to address the questioned expenditure or costs.

Should any expense or charge that has been reimbursed be subsequently disapproved or disallowed as a result of any site review or audit, the Center shall refund such amount to the City no later than twenty (20) Center business days from the date of notification of such disapproval or disallowance by the City. At its sole option, the DHS may deduct such claims from subsequent reimbursements and shall notify Center prior to exercising this option. Center shall provide to City a full refund of such amount no later than twenty (20) Center business days from the date of notification of such disapproval or disallowance by the City. If Center is obligated under the provision hereof to refund a disapproved or disallowed cost incurred, such refund shall be required and be made to City by check, cashiers check or money order. In the event that a dispute arises as to the allow ability of an expenditure or charge pursuant to the federal regulations, then Center may request that the City secure, and the City shall request an interpretation or opinion from HHS in order to assist in resolution of the dispute. Should the City deduct such claims from subsequent reimbursements, the Center is forbidden from reducing Project expenditures and Center must use its own funds to maintain the Project.

Center agrees and understands that all expenses, fees, fines and penalties associated with the collection of delinquent debts owed by Center shall be the sole responsibility of the Center and shall not be paid from any Project funds received by the Center under this Agreement. Delinquent debts that would otherwise be identified as allowable costs may be paid with Project funds with approval of the DHS.

7.7 If the City determines that Center is in violation of the above requirements, the City shall have the right to dispatch auditors of its choosing to conduct the required audit and to have the Center pay for such audit from non-City resources. If after the audit is conducted it is determined that Center is in compliance with the contract then the cost of the audit, specifically the auditor's bill alone, shall be borne by the City. Center may recommend the hiring of alternate auditors, but the final decision on the selection of auditors shall rest with the City.

VIII. RECORDS, REPORTING, MONITORING AND INTELLECTUAL PROPERTY

8.1 In addition to those listed in this Agreement, the Center shall submit to the DHS any and all reports as may be required of Center by HHS or as may be reasonably required of the City. Center shall incorporate and use a City-approved tracking or information system, such as ChildPlus, for the delivery of comprehensive EHS-CCP Services and collect, input and update all data required for the Program Information Report in accordance with the City's reasonable timeline to ensure the reporting of accurate and consistent information to HHS.

8.2 Additionally, Center will work with City to maintain and furnish to City the appropriate financial and programmatic information and reports, in such forms as the City may require or prescribe, as required

under the Head Start Act, as amended, or as required under federal regulations, such as 2 C.F.R. 200 *et seq*. or other applicable regulations.

Center agrees to maintain all applicable and appropriate supporting documentation of costs, including but not limited to, payroll records, invoices, contracts or vouchers, and make these available to City upon request.

8.3 Center shall provide to the DHS all information reasonably requested by the DHS relating to the Center's Board functions, if applicable, including but not be limited to:

(A) Roster of current Board Members (name, title, address, telephone number, fax number and e-mail address);
(B) Names and terms of Officers;
(C) Schedule of anticipated board meetings for current Fiscal Year;
(D) Board agendas relating to the Head Start Program to be submitted by electronic or facsimile transmission at the time of posting prior to each Board meeting. Prior to the time of posting, Center's administration shall attempt to notify City when a Head Start program item is anticipated to be placed on the agenda; and
(E) Minutes of every board meeting relating to the Head Start Program.

8.4 City reserves the right to reasonably request Center to provide additional records for travel expenses, long distance calls, faxes, internet service, cell phone calls, or other electronic communication devices charged to the budget associated with this Agreement.

8.5 Center shall report all notices served, violations found or complaints filed with regard to licensing, or lack thereof, of Center's centers within one (1) business day of receipt of written notice from the State licensing, certifying or permit-issuing authority of a violation or complaint not counting weekends. Center shall also sign an Authorization For Release of Information giving the Texas Department of Family and Protective Services (TDFPS) permission to share licensing information about the Center with the Grantee.

8.6 Center shall comply with federal Head Start Performance Standards (federal Head Start regulations), and all applicable federal, state and local laws relating to child safety. Center shall establish and implement mutually agreeable administrative procedures to respond to medical, dental and other health emergencies with which all City and Center staff should be familiar and trained. These procedures shall include, among other things, methods of notifying parents in the event of a health emergency involving their children and established methods for handling cases of suspected or known child endangerment, abuse or neglect that are in compliance with applicable federal, state and local laws. If Center has knowledge of a claim or report of, or is aware of a program crisis related to, or suspects that media coverage would be negative due to, an incident of child endangerment, neglect or abuse of a child while in Center's EHS-CCP program, Center shall contact the City's designated representative immediately, but not later than 24 hours, for the purpose of notification of the incident. Center shall contact the City's designated representative even if the incident of child endangerment, neglect or abuse is not fully investigated by Center. If Center is unable to reach the City's designated representative, Center shall leave a verbal or written message via electronic mail notifying the City that Center is attempting to notify the City of an incident. Center further agrees to notify the parent of the child immediately, in any of the instances cited above, to include a situation in which the parent's child has received physical discipline, whether or not the instance may be characterized as suspected child abuse.

8.7 Within a period not to exceed forty-five (45) calendar days after the expiration or early termination date of the Agreement, Center shall submit all final client reports and all required deliverables to City. Center understands and agrees that in conjunction with the submission of the final report, the Center shall execute and deliver to City a receipt for all sums received and a release of all claims for said sums against the Project.

8.8 Center shall maintain financial records, supporting documents, statistical records, and all other books, documents, papers or other records pertinent to this Agreement or the Grant in accordance with the official

records retention schedules established within the Local Government Records Act of 1989 and any amendments thereto, or for such period as may be specifically required by the Head Start regulations, as applicable, whichever is longer. Notwithstanding the foregoing, Center shall maintain all Agreement and Grant related documents for no less than four (4) years from the date of City's submission of the annual financial report covering the funds awarded hereunder. If an audit, litigation, or other action involving the records has been initiated before the end of the retention period, Center agrees to maintain the records until the end of the retention period or until the audit, litigation, or other action is completed, whichever is later. Records for real property and equipment acquired with Grant funds shall be retained for four (4) years after final disposition.

8.9 Center shall make available to City, HHS, or any of their duly authorized representatives, upon appropriate notice and unless otherwise prohibited by law, such books, records, reports, documents, papers, policies and procedures as may be necessary for audit, examination, excerpt, transcription, and copy purposes, for as long as such records, reports, books, documents, and papers are retained. This right also includes timely and reasonable access to Center's facility and to Center's personnel for the purpose of interview and discussion related to such documents. Center shall, upon request, transfer certain records to the custody of City or HHS when City or HHS determines that the records possess long-term retention value unless otherwise prohibited by law, and subject to Center's right to use "educational records" as that term is understood under the Family Educational Rights and Privacy Act of 1974 ("FERPA").

8.10 The Center agrees to incorporate and use any City-approved tracking or information system for the delivery of comprehensive Program services. Center shall enter current, accurate and complete client data.

8.11 The DHS is assigned monitoring, fiscal control, and evaluation of certain projects funded by the City with General or Grant Funds, including the Project covered by this Agreement. Therefore, Center agrees to permit City and/or HHS to evaluate, through monitoring, reviews, inspection or other means, the quality, appropriateness, and timeliness of services delivered under this Agreement and to assess Center's compliance with applicable legal and programmatic requirements. At such times and in such form as may be required by the DHS, the Center shall make available to the DHS and the Grantor of the Grant Funds, if applicable, such statements, reports, records, personnel files (including evidence of criminal background check as required by Head Start regulations), client files, data, all policies and procedures and information as may be requested by the DHS and shall permit the City and Grantor of the Grant Funds, if applicable, to have interviews with its personnel, board members and program participants pertaining to the matters covered by this Agreement. Center agrees that the failure of the City to monitor, evaluate, or provide guidance and direction shall not relieve the Contactor of any liability to the City for failure to comply with the Terms of the Grant or the terms of this Agreement. Regarding evidence of criminal background check, the parties agree that City will accept a written statement that the checks have been conducted and that all persons who are employed have passed. If, at any time, HHS informs the City and / or Center that such written statement does not satisfy the requirements of the Terms of the Grant, Center agrees to provide additional information as may be legally permissible and as may be required by HHS or to cooperate with the City and HHS in order to resolve any conflict associated with provision of information related to criminal background checks.

8.12 City may, at its discretion, conduct periodic, announced monitoring visits to ensure program and administrative compliance with Head Start Performance Standards and with Program goals and objectives for the agreement period. City reserves the right to make unannounced visits to Center Program sites when it is determined that such unannounced visits are in the interest of effective program management and service delivery. Center Program staff shall be informed by City representative(s) upon arrival at Center's site of the expected purpose and length of visit so that accommodations may be made. City's representative(s) shall provide proper identification to ensure the safety and security of all parties.

8.13 Center understands that the City will timely inform Center of the findings of any such review or monitoring, specifically any default under the Agreement or deficiencies in performance, and will inform Center in writing of Program strengths and weaknesses and specify a deadline for corrective action based upon contract or federal deadlines and the time needed for City to review, monitor and approve when necessary. The City will assist Center in finding solutions for Program improvement if and as appropriate.

8.14 Unless otherwise provided herein, all reports, statements, records, data, policies and procedures or other information requested by the DHS shall be submitted by Center to City within five (5) business days of the request made to Center via electronic communication or by other form of written correspondence. In the event that Center fails to deliver the required reports or information or delivers incomplete information within the prescribed time period, the City may, upon reasonable written notice, suspend reimbursements to Center until such reports are delivered to City. Furthermore, the Center ensures that all information contained in all required reports or information submitted to City is accurate.

8.15 (A) Unless disclosure is authorized by the City or is required by the Attorney General for the State of Texas or his duly authorized representative, Center agrees to maintain in confidence all information pertaining to the Project or other information and materials prepared for, provided by, or obtained from City including, without limitation, reports, information, data, other related information (collectively, the "Confidential Information") and to use the Confidential Information for the sole purpose of performing its obligations pursuant to this Agreement. Center shall protect the Confidential Information and shall take all reasonable steps to prevent the unauthorized disclosure, dissemination, or publication of the Confidential Information.

(B) If disclosure is permitted by law or required by order of a governmental agency or court of competent jurisdiction, Center shall give the Director of the DHS prior written notice that such disclosure is required with a full and complete description regarding such requirement.

(C) Center shall establish specific procedures designed to meet the obligations of this Article VIII, Section 8.15, including, but not limited to execution of confidential disclosure agreements, regarding the Confidential Information with Center's employees, contractors and subcontractors prior to any disclosure of the Confidential Information to third parties. This Article VIII, Section 8.15 shall not be construed to limit HHS's, the City's or its authorized representatives' right to obtain copies, review and audit records or other information, confidential or otherwise, under this Agreement. Upon termination or expiration of this Agreement, Center shall return to City upon request all copies of materials related to the Project, including the Confidential Information and subject to Center's right to use "Educational Records" as that term is understood under FERPA. All confidential obligations contained herein (including those pertaining to information transmitted orally) shall survive the termination of this Agreement. The Parties shall ensure that their respective employees, agents, and contractors are notified of the requirement to comply with the aforementioned obligations.

8.16 The Public Information Act, Government Code Section 552.021, requires the City to make public information available to the public. Under Government Code Section 552.002(a), public information means information that is collected, assembled or maintained under a law or ordinance or in connection with the transaction of official business: 1) by a governmental body; or 2) for a governmental body and the governmental body owns the information or has a right of access to it. Therefore, if City receives a request under the Public Information Act (i.e., ORR) for information within Center's possession pursuant to this Agreement, Center shall forward the requested documents to the City within two (2) business days of Center's designated liaison's receipt of the written request. If the requested information is confidential or may be kept confidential pursuant to state or federal law, the Center shall submit to City the list of specific statutory authority mandating and/or authorizing confidentiality no later than three (3) business days Center's designated liaison's receipt of such request. For the purposes of communicating and coordinating with regard to public information requests, all communications shall be made to the designated public information liaison for each Party. Each Party shall designate in writing to the other Party the public information liaison for its organization and notice of a change in the designated liaison shall be made promptly to the other Party. The parties shall cooperate with each other to preserve confidential information or records that may be excluded from disclosure under the Family Educational Rights and Privacy Act (FERPA) (20 U.S.C. § 1232g; 34 CFR Part 99) and/or the Texas Public Information Act; and the parties shall coordinate efforts to seek any required Attorney General decision for the protection of such information from release.

8.17 In accordance with Texas law, Center acknowledges and agrees that all local government records as defined in Chapter 201, Section 201.003 (8) of the Texas Local Government Code created or received in the transaction of official business or the creation or maintenance of which were paid for with public funds are declared to be public property and subject to the provisions of Chapter 201 of the Texas Local Government Code and Subchapter J, Chapter 441 of the Texas Government Code. Thus, Center agrees that no such local government records produced by or on the behalf of Center pursuant to this Agreement shall be the subject of any copyright or proprietary claim by Center; however Center shall be entitled to maintain the confidentiality of "educational records" as that term is understood under FERPA and to use such records for educational purposes.

With the exception of student records, Center acknowledges and agrees that all local government records, as described herein, produced in the course of the work required by this Agreement, are public information and shall be made available to the City at any time unless otherwise prohibited by law. The parties agree that educational records created pursuant to Section 1.1 shall be maintained and utilized by Center as required by law. Center further agrees to turn over to City all such records upon request, or termination of this Agreement, unless otherwise prohibited by law. Center agrees that it shall not, under any circumstances, release any records created during the course of performance of the Agreement to any entity without the written permission of the Director of the DHS, unless required to do so by a court of competent jurisdiction or the Texas Attorney General or his designee, or as may be required or permitted by Center due to the record being an "educational record" as that term is understood under FERPA. The DHS shall be notified of such request as set forth in Article VIII, Section 8.15 of this Agreement.

8.19 In the event that Center desires to copyright material or to permit any third-party to do so, Center must obtain City's prior written approval to do so and must appropriately acknowledge City's support in any such materials.

8.20 Subject to obligations to maintain confidentiality under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and the HIPAA Business Associate Agreement, attached hereto and incorporated herein for all purposes as **Attachment V,** and subject to the requirements of the Family Educational Rights and Privacy Act ("FERPA") and the limitations imposed under law regarding transfer of information, any and all writings, documents or information in whatsoever form and character produced by Center pursuant to the provisions of this Agreement is the exclusive property of City; and no such writing, document or information shall be the subject of any copyright or proprietary claim by Center. Center understands and acknowledges that as the exclusive owner of any and all such writings, documents and information, City has the right to use all such writings, documents and information as City desires, without restriction; subject, however to Center's continuing rights regarding "educational records" as that term is understood under FERPA. City agrees that it will not release to the public "educational records" that come into its possession unless otherwise authorized by law.

IX. INSURANCE

9.1 Prior to the commencement of any work under this Agreement, Center shall furnish copies of all required endorsements and completed Certificate(s) of Insurance to the City's Department of Human Services, which shall be clearly labeled "***Healy-Murphy Center, Inc.***- *EHS-CCP*" in the Description of Operations block of the Certificate. The Certificate(s) shall be completed by an agent and signed by a person authorized by that insurer to bind coverage on its behalf. The City will not accept a Memorandum of Insurance or Binder as proof of insurance. The certificate(s) must have the agent's signature and phone number, and be mailed, with copies of all applicable endorsements, directly from the insurer's authorized representative to the City. The City shall have no duty to pay or perform under this Agreement until such certificate and endorsements have been received and approved by the City's Department of Human Services. No officer or employee, other than the City's Risk Manager, shall have authority to waive this requirement.

9.2 The City reserves the right to review the insurance requirements of this Article during the effective period of this Agreement and any extension or renewal hereof and to modify insurance coverages and their limits when deemed necessary and prudent by City's Risk Manager based upon changes in statutory law, court decisions, or circumstances surrounding this Agreement. In no instance will City allow modification whereby City may incur increased risk.

9.3 A Center's financial integrity is of interest to the City; therefore, subject to Center's right to maintain reasonable deductibles in such amounts as are approved by the City, Center shall obtain and maintain in full force and effect for the duration of this Agreement, and any extension hereof, at Center's sole expense, insurance coverage written on an occurrence basis, unless otherwise indicated, by companies authorized to do business in the State of Texas and with an A.M Best's rating of no less than A- (VII), in the following types and for an amount not less than the amount listed below:

TYPE	AMOUNTS
1. Workers' Compensation 2. Employers' Liability	Statutory $500,000/$500,000/$500,000
3. Broad form Commercial General Liability Insurance to include coverage for the following: a. Premises/Operations b. Independent Contractors c. Products/Completed Operations d. Personal Injury e. Contractual Liability f. Damage to property rented by you g. Sexual Abuse/Molestation	For Bodily Injury and Property Damage of $1,000,000 per occurrence; $2,000,000 General Aggregate, or its equivalent in Umbrella or Excess Liability Coverage f. $100,000
4. Business Automobile Liability a. Owned/leased vehicles b. Non-owned vehicles c. Hired Vehicles	Combined Single Limit for Bodily Injury and Property Damage of $1,000,000 per occurrence

9.4 Center agrees to require, by written contract, that all subcontractors providing goods or services hereunder obtain the same insurance coverages required of Center herein, and provide a certificate of insurance and endorsement that names the Center and the CITY as additional insureds. Respondent shall provide the CITY with said certificate and endorsement prior to the commencement of any work by the subcontractor. This provision may be modified by City's Risk Manager, without subsequent City Council approval, when deemed necessary and prudent, based upon changes in statutory law, court decisions, or circumstances surrounding this agreement. Such modification may be enacted by letter signed by City's Risk Manager, which shall become a part of the contract for all purposes.

9.5 As they apply to the limits required by the City, the City shall be entitled, upon request and without expense, to receive copies of the policies, declaration page, and all endorsements thereto and may require the deletion, revision, or modification of particular policy terms, conditions, limitations, or exclusions (except where policy provisions are established by law or regulation binding upon either of the parties hereto or the underwriter of any such policies). Center shall be required to comply with any such requests and shall submit a copy of the replacement certificate of insurance to City at the address provided below within 10 days of the requested change. Center shall pay any costs incurred resulting from said changes.

City of San Antonio
Attn: Department of Human Services
P.O. Box 839966
San Antonio, Texas 78283-3966

9.6 Center agrees that with respect to the above required insurance, all insurance policies are to contain or be endorsed to contain the following provisions:

- Name the City, its officers, officials, employees, volunteers, and elected representatives as additional insured by endorsement, as respects operations and activities of, or on behalf of, the named insured performed under contract with the City, with the exception of the workers' compensation and professional liability policies;
- Provide for an endorsement that the "other insurance" clause shall not apply to the City of San Antonio where the City is an additional insured shown on the policy;
- Workers' compensation, employers' liability, general liability and automobile liability policies will provide a waiver of subrogation in favor of the City.
- Provide advance written notice directly to City of any suspension, cancellation, non-renewal or material change in coverage, and not less than ten (10) calendar days advance notice for nonpayment of premium.

9.7 Within five (5) calendar days of a suspension, cancellation or non-renewal of coverage, Center shall provide a replacement Certificate of Insurance and applicable endorsements to City. City shall have the option to suspend Center's performance should there be a lapse in coverage at any time during this contract. Failure to provide and to maintain the required insurance shall constitute a material breach of this Agreement.

9.8 In addition to any other remedies the City may have upon Center's failure to provide and maintain any insurance or policy endorsements to the extent and within the time herein required, the City shall have the right to order Center to stop work hereunder, and/or withhold any payment(s) which become due to Center hereunder until Center demonstrates compliance with the requirements hereof.

9.9 Nothing herein contained shall be construed as limiting in any way the extent to which Center may be held responsible for payments of damages to persons or property resulting from Center's or its subcontractors' performance of the work covered under this Agreement.

9.10 It is agreed that Center's insurance shall be deemed primary and non-contributory with respect to any insurance or self insurance carried by the City of San Antonio for liability arising out of operations under this Agreement.

9.11 It is understood and agreed that the insurance required is in addition to and separate from any other obligation contained in this Agreement and that no claim or action by or on behalf of the City shall be limited to insurance coverage provided..

9.12 Center and any Subcontractors are responsible for all damage to their own equipment and/or property.

X. LIMITED LIABILITY

10.1 **CENTER covenants and agrees to FULLY INDEMNIFY, DEFEND and HOLD HARMLESS, the CITY and the elected officials, employees, officers, directors, volunteers and representatives of the CITY, individually and collectively, from and against any and all costs, claims, liens, damages, losses, expenses, fees, fines, penalties, proceedings, actions, demands, causes of action, liability and suits of any kind and nature, including but not limited to, personal or bodily injury, death and property damage, made upon the CITY directly or indirectly arising out of, resulting from or related to CENTER'S activities under this CONTRACT including any acts or omissions of CENTER, any agent, officer, director, representative, employee, consultant or subcontractor of CENTER, and their**

respective officers, agents employees, directors and representatives while in the exercise of the rights or performance of the duties under this CONTRACT. The indemnity provided for in this paragraph shall not apply to any liability resulting from the negligence of CITY, its officers or employees, in instances where such negligence causes personal injury, death, or property damage. IN THE EVENT CENTER AND CITY ARE FOUND JOINTLY LIABLE BY A COURT OF COMPETENT JURISDICTION, LIABILITY SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS FOR THE STATE OF TEXAS, WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO THE CITY UNDER TEXAS LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER TEXAS LAW.

10.2 The provisions of this INDEMNITY are solely for the benefit of the parties hereto and not intended to create or grant any rights, contractual or otherwise, to any other person or entity. Center shall advise the City in writing within 24 hours of any claim or demand against the City or Center known to Center related to or arising out of Center's activities under this Contract and shall see to the investigation and defense of such claim or demand at Center's cost. The City shall have the right, at its option and at its own expense, to participate in such defense without relieving Center of any of its obligations under this paragraph.

10.3 Defense Counsel - Center shall retain defense counsel within seven (7) business days of City's written notice that City is invoking its right to indemnification under this Contract. If Center fails to retain Counsel within such time period, City shall have the right to retain defense counsel on its own behalf, and Center shall reimburse City for all costs related to retaining defense counsel until such time as Center retains Counsel as required by this section. City shall also have the right, at its option, to be represented by advisory counsel of its own selection and at its own expense, without waiving the foregoing

10.4 Employee Litigation – In any and all claims against any party indemnified hereunder by any employee of Center, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the indemnification obligation herein provided shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for Center or any subcontractor under worker's compensation or other employee benefit acts.

XI. THIS ARTICLE INTENTIONALLY LEFT BLANK

XII. APPLICABLE LAWS

12.1 Center, and all of the work performed under this Agreement, shall comply with all applicable laws, rules, regulations and codes of the United States and the State of Texas and with the charter, ordinances, bond ordinances, and rules and regulations of the City of San Antonio and Bexar County. Center agrees to abide by any and all future amendments or additions to such laws, rules, regulations, policies and procedures as they may be promulgated. Center may request additional time to come into and demonstrate compliance, unless immediate compliance is required by the applicable Head Start regulations, the Head Start Act, or Public Information Act request requirements. Should the City need to abide by some other law, rule, regulation, policy or procedure, such requirement will be made known to Center upon consideration of Center's request for additional time.

12.2 The Center understands that certain funds provided it pursuant to this Agreement are funds which have been made available by the City's General Operating Budget and/or by Federal, State, or other granting entities. Center agrees to comply with all laws, ordinances, codes, rules, regulations, policies, and procedures, including licensing and accreditation standards applicable to the funds received by Center hereunder or as required in this Agreement, including but not limited to:

(A) The Head Start Act (42 U.S.C. §9801 *et seq.*, as amended);

(B) 45 C.F.R. Part 1301 *et seq.*;

(C) The Terms of the Grant;

(D) As applicable, 45 C.F.R. Part 74, 45 C.F.R 75, 45 C.F.R 87 or 45 C.F.R. Part 92 (Grants Administration regulations);

(E) Texas Child Care Licensing laws; and

(F) The most recent Office of Management and Budget (OMB) Circular found at 2 C.F.R. Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards," as applicable to the funds received by Center hereunder, which streamlines:

a. OMB Circular A-21, entitled, "Cost Principles for Educational Institutions";
b. OMB Circular A-87, entitled, "Cost Principles for State, Local and Indian Tribal Governments";
c. OMB Circular A-102, entitled, "Grants and Cooperative Agreements with State and Local Governments";
d. OMB Circular A-110, entitled "Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations"
e. OMB Circular A-122, entitled, "Cost Principles for Non-Profit Organizations"; and
f. OMB Circular A-133, entitled, "Audits of States, Local Governments, and Not for Profit Organizations".

(G) Official record retention schedules as established by the Local Government Records Act of 1989

(H) The Texas Public Information Act, at Chapter 552, The Texas Government Code

12.3 Center agrees to:

(A) comply with applicable standards, orders, or regulations issued pursuant to the Clean Air Act of 1970 (42 U.S.C. §7401 *et. seq.)* and the Federal Water Pollution Control Act (33 U.S.C. §1251 *et seq.)*, as amended.

(B) make positive efforts to utilize small businesses, minority-owned firms and women's business enterprises in connection with the work performed hereunder, whenever possible.

(C) provide for the rights of the Federal Government in any invention resulting from the work performed hereunder, in accordance with 37 C.F.R. Part 401 and any applicable implementing regulations.

(D) include a provision requiring compliance with the Copeland "Anti-Kickback" Act (18 U.S.C. §874 and 40 U.S.C. §276c) and as supplemented by Department of Labor regulations at 29 C.F.R. Part 3, and implementing regulations in any contracts for construction or repair of more than $2,000.00.

(E) include a provision requiring compliance with the Davis-Bacon Act (40 U.S.C. §276a to a-7) and as supplemented by Department of Labor regulations at 29 C.F.R. Part 5, and implementing regulations in any construction contracts of more than $2,000.00.

(F) comply with the certification and disclosure requirements of the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352), and any applicable implementing regulations.

(G) comply with the applicable standards under the McKinney-Vento Homeless Assistance Act (42 U.S.C. §11434a(2)), and any applicable implementing regulations, as may be applicable.

(H) comply with the Contract Work Hours and Safety Standards Act, (40 USC 327-333, Sections 102 and 107), relating to all construction contracts in excess of $2,000.00 that involve the employment of laborers, as it relates to computing wages on the basis of a standard 40 hour work week.

(I) comply with the prohibitions contained in the Pro-Children Act of 1994, relating to not permitting smoking within any indoor facility (or portion thereof) owned or leased or contracted for by Center for the provision of regular or routine health care or day care or early childhood development (Head Start) services to children or for the use of the employees of the City or Center who provide such services.

12.4 Center certifies that it will provide a drug-free workplace in compliance with the Drug-Free Workplace Act of 1988 and the Drug-Free Workplace Rules established by the Texas Worker's Compensation Commission effective April 17, 1991. Failure to comply with the above-referenced law and regulations could subject the Center to suspension of payments, termination of Agreement, and debarment and suspension actions.

12.5 Center shall comply with all federal, State, or local laws, rules, and orders prohibiting discrimination, and shall not engage in employment practices which have the effect of discriminating against any employee or applicant for employment, and will take affirmative steps to ensure that applicants are employed and employees are treated during employment without regard to their race, color, religion, national origin, sex, sexual orientation, gender identity, veteran status, age, disability, or political belief or affiliation, unless exempted by state or federal law, or as otherwise established herein. Consistent with the foregoing, Center agrees to comply with Executive Order 11246, entitled "Equal Employment Opportunity", as amended by Executive Order 11375, and as supplemented by regulations at 41 C.F.R. Part 60. Additionally, Center certifies that it will comply fully with the following nondiscrimination, minimum wage and equal opportunity provisions, including but not limited to:
(A) Title VII of the Civil Rights Act of 1964, as amended;
(B) Section 504 of the Rehabilitation Act of 1973, as amended;
(C) The Age Discrimination Act of 1975, as amended;
(D) Title IX of the Education Amendments of 1972, as amended; (Title 20 USC sections 1681-1688);
(E) Fair Labor Standards Act of 1938, as amended;
(F) Equal Pay Act of 1963, P.L. 88-38; and
(G) All applicable regulations implementing the above laws.

12.6 The Center warrants that any and all taxes that the Center may be obligated for, including but not limited to, Federal, State, and local taxes, fees, special assessments, Federal and State payroll and income taxes, personal property, real estate, sales and franchise taxes, are current, and paid to the fullest extent liable as of the execution date of the Agreement. The Center shall comply with all applicable local, State, and Federal laws including, but not limited to, related to:
(A) worker's compensation;
(B) unemployment insurance;
(C) timely deposits of payroll deductions;
(D) filing of Information on Tax Return form 990 or 990T, Quarterly Tax Return Form 941, W-2's Form 1099 on individuals who received compensation other than wages, such as car allowance, Forms 1099 and 1096 for contract or consultant work, non-employee compensation, etc;
(E) Occupational Safety and Health Act regulations; and
(F) Employee Retirement Income Security Act of 1974, P.L. 93-406.

12.7 Center agrees to comply with the Americans with Disabilities Act P.L. 101-336, enacted July 26, 1990, and all regulations thereunder.

12.8 All expenditures by the Center or any of its contractors must be made in accordance with all applicable federal, state and local laws, rules and regulations.

12.9 If applicable, Center shall submit to the DHS its most recent form 990 or 990T and also submit any that are filed with the Internal Revenue Service subsequent to its last submission to the City if filed during the term of the Agreement.

XIII. NO SOLICITATION/CONFLICT OF INTEREST

13.1 Center acknowledges that no person or selling agency or other organization has been employed or retained to solicit or secure this Agreement upon a contract or understanding for a commission, percentage, brokerage, or contingent fee and further that no such understanding or agreement exists or has existed with any employee of the Center or the City. For breach or violation of this section, the City shall have the right to terminate this Agreement without liability or, at its discretion, to deduct from the Agreement or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee, or to seek such other remedies as legally may be available.

13.2 Center covenants that neither it nor any member of its governing body or of its staff presently has any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. Center further covenants that in the performance of this Agreement, no persons having such interest shall be employed or appointed as a member of its governing body or of its staff.

13.3 Center further covenants that no member of its governing body or of its staff shall possess any interest in, or use their position for, a purpose that is or gives the appearance of being motivated by desire for private gain for themselves or others, particularly those with which they have family, business, or other ties.

13.4 No member of City's governing body or of its staff who exercises any function or responsibility in the review or approval of the undertaking or carrying out of this Agreement shall:

(A) Participate in any decision relating to this Agreement which may affect his or her personal interest or the interest of any corporation, partnership, or association in which he or she has a direct or indirect interest; or
(B) Have any direct or indirect interest in this Agreement or the proceeds thereof.

13.5 Center acknowledges that it is informed that Charter of the City of San Antonio and its Ethics Code prohibit a City officer or employee, as those terms are defined in Section 2-52 of the Ethics Code, from having a financial interest in any contract with the City or any City agency such as City owned utilities. An officer or employee has "prohibited financial interest" in a contract with the City or in the sale to the City of land, materials, supplies or service, if any of the following individual(s) or entities is a party to the contract or sale: A City officer or employee; his parent, child or spouse; a business entity in which the officer or employee, or his parent, child or spouse owns ten (10) percent or more of the voting stock or shares of the business entity, or ten (10) percent or more of the fair market value of the business entity; a business entity in which any individual or entity above listed is a subcontractor on a City contract, a partner or a parent or subsidiary business entity.

13.6 Center warrants and certifies, and this Agreement is made in reliance thereon, that neither the Center nor his or her spouse, parent, child, sibling or first-degree relative is a City officer or employee as defined by Section 2-52 (e) of the City Ethics Code. If Center is a business entity, the Center representative further warrants and certifies that no City officer or employee nor any spouse, parent, child, sibling of first-degree relative of a City officer or employee owns ten (10) percent or more of the voting stock or shares of the business entity, or ten (10) percent or more of the fair market value of the business entity). Center further warrants and certifies that is has tendered to the City a Discretionary Contracts Disclosure Statement in compliance with the City's Ethics Code.

XIV. TERMINATION

14.1 Should the Center fail to fulfill, in a timely and proper manner, obligations under this Agreement to include performance standards established by the City, or if the Center should violate any of the covenants, conditions, or stipulations of the Agreement, the City shall have the right to terminate this Agreement by sending written notice to the Center of such termination, and specifying the effective date of termination.

14.2 The Center shall be entitled to receive just and equitable compensation for any work satisfactorily completed prior to such termination date. The question of satisfactory completion of such work shall be reasonably determined by the City, and its decision shall be final. To the extent that compliance with an Agreement matter falls under HHS authority to review, or in the event that a dispute arises with regard to interpretation of regulations or law as it applies to this Agreement, Center may request that the City secure, and the City shall request an interpretation or opinion from HHS in order to assist in resolution of the dispute. It is further expressly understood and agreed by the Parties that Center's performance upon which final payment is conditioned shall include, but not be limited to, the Center's complete and satisfactory performance, of its obligations for which final payment is sought.

14.3 Notwithstanding any other remedy contained herein or provided by law, the City may delay, suspend, limit, or cancel funds, rights or privileges herein given the Center for failure to comply with the terms and provisions of this Agreement. Specifically, at the sole option of the City, the Center may be placed on probation during which time the City may withhold reimbursements in cases where it determines that the Center is not in compliance with this Agreement. The Center shall not be relieved of liability to the City for damages sustained by the City by virtue of any breach of this Agreement, and the City may withhold funds otherwise due as damages, in addition to retaining and utilizing any other remedies available to City.

14.4 If a Program employee of Center is discharged or otherwise leaves employment with Center, then the Center shall pay in full to such employee all of such employee's earned salaries and wages, within the timeframe specified by law.

14.5 Should the Center be debarred by federal government or the City pursuant to a debarment policy currently existing or hereafter adopted, said debarment may be grounds for termination.

14.6 This Agreement is subject to the availability of federal grant funds to City and may be terminated by the City if HHS terminates the City as a grantee or reduces the amount granted to City, for any reason; provided that, if the reduction of grant funds does not result in complete unavailability of such funds, the Parties will use best efforts to amend this Agreement accordingly. City will promptly notify Center of any such HHS action.

14.7 In all instances of termination, Center shall not incur new obligations after the effective date of termination, and shall cancel as many outstanding obligations as possible. Center shall submit to City all required reports including a final financial statement which shall be a statement of all expenditures incurred by Center under this Agreement. City shall pay Center the full cost of obligations that City determines were not subject to cancellation if such costs are properly documented, allowable, within the approved budget, and unavoidably incurred by Center prior to termination or expiration. The foregoing shall constitute full and complete reimbursement for all of Center's performance under this Agreement.

XV. PROHIBITION OF POLITICAL ACTIVITIES

15.1 Center agrees that no funds provided from or through the City shall be contributed or used to conduct political activities for the benefit of any candidate for elective public office, political party, organization or cause, whether partisan or non-partisan, nor shall the personnel involved in the administration of the Project provided for in this Agreement be assigned to work for or on behalf of any partisan or non-partisan political activity.

15.2 Center agrees that no funds provided under this Agreement may be used in any way to attempt to influence, in any manner, a member of Congress or any other State or local elected or appointed official.

15.3 The prohibitions set forth in Article XV, Sections 15.1 and 15.2 of this Agreement include, but are not limited to, the following:

(A) an activity to further the election or defeat of any candidate for public office or for any activity undertaken to influence the passage, defeat or final content of local, state or federal legislation;

(B) working or directing other personnel to work on any political activity during time paid for with City funds, including, but not limited to activities such as taking part in voter registration drives, voter transportation activities, lobbying, collecting contributions, making speeches, organizing or assisting at meetings or rallies, or distributing political literature;

(C) coercing personnel, whether directly or indirectly, to work on political activities on their personal time, including activities such as taking part in voter registration drives, voter transportation activities, lobbying, collecting contributions, making speeches, organizing or assisting at meetings or rallies, or distributing political literature; and

(D) using facilities or equipment paid for, in whole or in part with City funds for political purposes including physical facilities such as office space, office equipment or supplies, such as telephones, computers, fax machines, during and after regular business hours.

15.4 To ensure that the above policies are complied with, Center shall provide every member of its personnel paid out of Agreement funds with a statement provided by Center of the above prohibitions and have each said individual sign a statement acknowledging receipt of the policy. Such statement shall include a paragraph that directs any staff person who has knowledge of violations or feels that he or she has been pressured to violate the above policies to call and report the same to the DHS. Center shall list the name and number of a contact person from the DHS on the statement that Center's personnel can call to report said violations.

15.5 Center agrees that in any instance where an investigation of the above is ongoing or has been confirmed based upon then current reasonable evidence of impropriety, salaries paid to the Center under this Agreement may, at the City's discretion, be withheld until the situation is resolved.

15.6 This Article shall not be construed to prohibit any person from exercising his or her right to express his or her opinion or to limit any individual's right to vote. Further, Center and staff members are not prohibited from participating in political activities on their own volition, if done during time not paid for with Agreement funds.

XVI. PERSONNEL

16.1 Center shall establish and maintain an organizational structure that supports the accomplishment of Program objectives, addresses the major functions and responsibilities assigned to each staff position and provides evidence of adequate mechanisms for staff supervision and support to ensure the effective oversight of the Program operations. Center shall ensure that, at a minimum, the program management functions listed in the Scope of Work are assigned to and adopted by staff within the Program.

16.2 Center acknowledges and agrees that Head Start guidelines and City policy require that Center shall staff each Early Head Start classroom at ratios of one qualified Early Head Start Teacher for every 4 children with group sizes of no more than 8 at all times., Center shall staff each classroom with a volunteer in addition to the paid staff persons when possible. Additionally, Center will have adequate staff to fully

implement all areas of program operations, including those having the specific management functions and expertise set forth in the Scope of Work.

16.3 At the beginning of this Agreement period, Center shall submit to City a report which specifically (a) lists the number and percentage of classroom personnel in its center based program having child development associate credentials or associate, baccalaureate or advanced degrees; and (b) describes to City Center's compliance with the goals described in Sections 16.3, 16.4 and 16.5 of this Agreement.

16.4 Center understands that the Head Start Act requires that grantees and their contractors, if any, ensure, and demonstrate, upon request, that all of the teachers staffing its Early Head Start center-based program classrooms have a minimum of a child development associate credential, and have been trained (or have equivalent coursework) in early childhood development with a focus on infant and toddler development. Center agrees that during the term of this Agreement, Center will only employ teachers meeting the necessary qualifications.

16.5 Center agrees and acknowledges that each of its Early Head Start teachers shall attend not less than 15 clock hours of professional development per Center fiscal year. The term "professional development" means high-quality activities that will improve the knowledge and skills of Early Head Start teachers and staff, as relevant to their roles and functions, in program administration and the provision of services and instruction, as appropriate, in a manner that has a positive and lasting impact and improves service delivery to enrolled children and their families.

16.6 Center understands that the Head Start Act requires grantees and their contractors, if any, ensure and demonstrate upon request that all Head Start staff have the knowledge, skills, and experience they need to perform their assigned functions responsibly. Therefore, at a minimum, Center agrees that all Program site directors, site managers and other administrators must have education and/or training in the area of early childhood education and family support. Center will only employ Program directors, site managers and administrators meeting the necessary qualifications of Head Start and state licensing.

16.7 Center shall create, in consultation with each of its employees, and implement a professional development plan for all Program employees who provide direct services to children. Center shall regularly evaluate such plans to determine their impact on teacher and staff effectiveness.

16.8 Center understands that the City shall periodically perform its own wage and salary comparison and shall issue such results to Center. Center understands and agrees that City shall have no obligation to reimburse Center in excess of wages to an employee that exceed the average rate of compensation paid to persons providing substantially comparable services in the area. Although the City may consider factors such as training and experience as affecting compensation levels, the City shall have the sole and absolute authority to determine the rate of City's reimbursement under the Agreement and its decision shall be final due to the City's obligation of ensuring that wage comparability studies meet the requirements of the Head Start Act and implementing regulations. Subject to the restriction set forth in 16.10, Center may compensate its employees above the rate the City will reimburse, so long as the additional compensation is not charged to the Agreement budget.

16.9 Center expressly understands and agrees that in accordance with 42 U.S.C. §9848, no portion of the Agreement funds provided hereunder may be used to pay its employee if compensation (including non-federal funds) to that employee exceeds $183,300.00, or the maximum authorized compensation as may be adjusted from time to time. Furthermore, Center agrees that all employees must devote to Center's Program the time proportionate to the percentage of their compensation funded through the EHS-CCP grant (e.g., employees who are one hundred percent (100%) funded through the Grant must devote one hundred percent (100%) of their time and effort to support Center's Program). Center agrees to submit employee certifications if requested by the City or HHS.

16.10 Center agrees to establish internal procedures that assure employees of an established complaint and grievance process. The grievance process will include procedures to receive, investigate, and resolve complaints and grievances in an expeditious manner.

16.11 Center agrees to comply with all applicable federal regulations regarding the setting of, and maximum amount allowable for, salaries of Center's employees.

16.12 Center agrees to continue to work on placing written job descriptions for Program personnel in individual personnel folders for each position in the organization, or to have them placed online, until completed, but that all descriptions shall be filed or online no later than the expiration date of the Agreement. Center agrees to provide to the City specific job description(s) upon request.

16.13 Center agrees to provide the City with the names and license registration of Center and any employees of Center if applicable, regulated by State law whose activities contribute towards, facilitate, or coordinate the performance of this Agreement.

16.14 Chief Executive Officers (CEOs), directors and other supervisory personnel of Center may not supervise a spouse, parents, children, brothers, sisters, and in-laws standing in the same relationship, (hereinafter referred to as "Relatives") who are involved in any capacity with program delivery supported through Agreement funds. Relatives, however, may be co-workers in the same Project in a non-supervisory position.

XVII. ADVERSARIAL PROCEEDINGS

17.1 Except in circumstances where the following is in conflict with federal law or regulations pertaining to the Program, Center agrees to comply with the following special provisions:

(A) Under no circumstances will the funds received under this Agreement be used, either directly or indirectly, to pay costs or attorney fees incurred in any adversarial proceeding against the City or any other public entity; and
(B) Center, at the City's option, could be ineligible for consideration to receive any future funding while any adversarial proceeding against the City remains unresolved.

XVIII. FEDERAL AND CITY-SUPPORTED PROJECT

18.1 This Section is applicable to all EHS-CCP publicity, public presentations, signs, press releases, public notices, flyers, brochures, marketing materials, and other informational material prepared, created, posted and/or disseminated during the term of the Agreement by Center. Center shall obtain City's prior approval of the language and logo, as applicable, to be used, and the Parties agree that all publicity regarding the establishment or operation of the EHS-CCP Program affiliation between City and Center described herein shall be planned and implemented as mutually agreed to in advance by the Parties. Center agrees that all public notices and any publicity, signs and/or marketing materials regarding any program which is funded by this Agreement shall provide a written statement acknowledging the role of the Federal funds provided by HHS through City hereunder, which shall read as follows: "The Early Head Start - Child Care Program services provided by the **Healy-Murphy Center, Inc.** are funded by the City of San Antonio, Department of Human Services, through a federal grant received from the U.S. Department of Health and Human Services." These public notices or signs include, but are not limited to, signs identifying the facilities from which these programs are provided, and electronic media. In addition, all publicity related to Center's Program services shall note that the Program is operated on a non-discriminatory basis.

XIX. PROPERTY, EQUIPMENT AND SUPPLIES

19.1 The City retains ownership of all equipment/property purchased with funds received through the City and such equipment/property shall, at the City's sole option, revert to the City at Agreement's termination, for whatever reason. Center agrees to relinquish and transfer possession of and, if applicable, title to said

property without the requirement of a court order upon termination of this Agreement. Equipment that has reverted to Center through a City-paid lease agreement with option to buy will be considered the same as though the equipment was purchased outright with Agreement funds. It is understood that the terms, "equipment" and "property", as used herein, means tangible, nonexpendable, personal property having a useful life of more than one year and an acquisition cost of $5,000 or more per unit and shall include not only furniture and other durable property, but also vehicles, but shall not include supplies and consumables.

19.2 Center agrees that no equipment purchased with Agreement funds may be disposed of without receiving prior written approval from the DHS. In cases of theft and/or loss of equipment, it is the responsibility of Center to replace it with like equipment. Agreement funds cannot be used to replace equipment in those instances. All replacement equipment will be treated in the same manner as equipment purchased with Agreement funds.

19.3 Center shall maintain accurate and complete records on all equipment and property obtained with Agreement funds to include:
(A) A description of the equipment, including the model and serial number or other identification number, if applicable;
(B) The date of acquisition, cost and procurement source, purchase order number, and vendor number;
(C) An indication of whether the equipment is new or used;
(D) The vendor's name (or transferred from);
(E) The location of the property;
(F) The property number shown on the property tag; ("City of San Antonio Head Start Program"); and
(G) A list of disposed items and disposition

19.4 Center is fully and solely responsible for the insuring, safeguarding, maintaining, and reporting of lost, stolen, missing, damaged, or destroyed equipment/property purchased or leased with Agreement funds. Center shall inform the City of incidents of loss, theft, damage or destruction of equipment (as defined in 19.1 above) or property, excluding supplies and consumables, purchased or leased with Agreement funds.

19.5 All equipment purchased under this Agreement shall be fully insured against fire, loss and theft. Center shall, at a minimum, provide the equivalent insurance for real property and equipment acquired with Agreement funds as provided to other property acquired or owned by Center.

19.6 Upon request, Center shall provide an annual inventory of assets purchased with funds received through the City to the DHS.

19.7 Center shall fully comply with the property and equipment requirements of 45 C.F.R Part 74, including but not limited to Sections 74.30 through 74.37, and 45 C.F.R. Part 92, as applicable, related to the following:
(A) Insurance Coverage
(B) Real Property
(C) Federally-owned and exempt property
(D) Equipment
(E) Supplies
(F) Intangible property
(G) Property trust relationship

19.8 Relative to property, equipment and supplies purchased with Head Start grant funds, Center shall route all written correspondence to HHS through the DHS for review, endorsement and processing. For equipment purchases in the amount of $25,000.00 or greater or cumulative purchases in the amount of $100,000.00 or greater, Center shall obtain prior approval from the DHS. Center shall not split the purchase of a line item with a value greater than the preceding thresholds in order to avoid obtaining approval from the DHS.

19.9 Center will maintain a system for tracking, on an ongoing basis, inventory of equipment and supplies purchased with Grant funds that either (i) has a purchase price of $5,000.00 or greater; or (ii) meets such

other criteria as City may prescribe (and which City shall notify Center as appropriate). Upon request, Center will provide City a status report of the current inventory of equipment and supplies meeting these requirements. City shall have the right to review and approve Center's inventory tracking system.

19.10 City reserves the right to require transfer of property acquired with funds awarded under this Agreement as provided in the Head Start regulations, as applicable.

19.11 Center acknowledges and agrees that City is an intended third-party beneficiary of any and all facility leases with third-parties to which Center is or becomes a party in connection with the approved Program sites listed in Exhibit I-A to **Attachment I**, or as a consequence of this Agreement. As such, Center shall use its best efforts to cause the lessor of any such lease to execute an acknowledgment prepared by City that City is an intended third-party beneficiary of such lease. Center shall honor all of its material obligations under any and all such leases. Center shall stay in good standing under any and all such leases and Center shall immediately notify City in writing in the event of any breach or alleged breach of any such lease that could result in the termination of such lease. Center shall submit to City for review and approval all non-disturbance, subordination and similar agreements it is requested to execute in connection with any such lease. In the event of an event giving rise to a right of first refusal in favor of Center under any such lease, Center shall promptly notify City of such event and allow City to step into Center's shoes at tenant under such lease in order to exercise such right.

XX. TRAVEL

20.1 The costs associated with budgeted travel for business, either in-town or out-of-town, are allowable costs provided documentation of expenses is present.

(A) Center agrees that mileage reimbursement paid to Center's employees shall be reimbursed at a rate no more liberal than the City's policy for mileage reimbursement, which is consistent with Internal Revenue Service (IRS) rules. Center further agrees that in order for its employees to be eligible for mileage reimbursement, the employees 1) shall be required to possess a valid Texas Driver's License and liability insurance as required by law, and 2) must fully comply with its own established mileage recording policies. Mileage records are subject to spot-checks by City auditors and monitors. Center shall strongly encourage the participation by its employees in an approved defensive driving course. Evidence of the required driver's license and liability insurance must be kept on file with the Center.

(B) Center agrees that in order to obtain reimbursement of the costs associated with budgeted out of town travel for business in connection with this Agreement, Center shall:

1) obtain City's prior approval, unless such expense has been previously submitted and approved as part of Center's budget, and provide City with detailed documentation of such business travel expense(s), (any amount over approved budgeted amounts must be pre-approved by City or such overage will not be paid),
2) ensure that any and all costs associated with out-of-town travel (including per diem rates) shall not be more liberal than the City's travel policies which conform with the reimbursement rates established by the United States General Services Administration,
3) purchase all business travel at economy class rates and shall document such, and
4) maintain supporting documentation for conferences to include itineraries and documentation certifying conference attendance and provide such documentation to City upon request.

XXI. NO USE OF FUNDS FOR RELIGIOUS ACTIVITIES

21.1 Center agrees that none of the performance rendered hereunder shall involve, and no portion of the funds received hereunder shall be used, directly or indirectly, for the construction, operations, maintenance or administration of any sectarian or religious facility or activity, nor shall said performance rendered or funds received be utilized so as to benefit, directly or indirectly, any such sectarian or religious facility or activity.

XXII. DEBARMENT

22.1 Center certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in any state or federal program.

22.2 Center shall provide immediate written notice to City, in accordance with the notice requirements of Article XXVI herein, if, at any time during the term of the Agreement, including any renewals hereof, Center learns that its certification was erroneous when made or have become erroneous by reason of changed circumstances.

XXIII. ASSIGNMENT

23.1 Center shall not assign or transfer Center's interest in this Agreement or any portion thereof without the written consent of the City, and if applicable, the Grantor of the Grant Funds. Any attempt to transfer, pledge or otherwise assign shall be void ab initio and shall confer no rights upon any third person or party.

XXIV. AMENDMENT

24.1 Any alterations, additions or deletions to the terms hereof shall be by amendment in writing executed by both City and Center and evidenced by passage of a subsequent City ordinance, as to City's approval; provided, however, the Director of the DHS shall have the authority to execute an amendment of this Agreement without the necessity of seeking any further approval by the City Council of the City of San Antonio if permitted by all applicable local, state and federal laws, and in the following circumstances:

A. an increase in funding (the cause of which is unrelated to the reason set forth in Section 24.1(E) below) of this Agreement in an amount not exceeding (a) twenty-five percent (25%) of the total amount of this Agreement or (b) $25,000.00, whichever is the lesser amount; provided, however, that the cumulative total of all amendments executed without City Council approval pursuant to this subsection and increasing Agreement funding during the term of this Agreement shall not exceed the foregoing amount;

B. modifications to the Scope of Work set forth in **Attachment I** hereto, so long as the terms of the amendment stay within the substantive parameters set forth in the original Scope of Work, also set forth in **Attachment I** hereto;

C. budget line item shifts of funds, so long as the total dollar amount of the budget set forth in Section 3.1 of this Agreement remains unchanged (these modifications may be accomplished through Budget Revisions);

D. modifications to the insurance provisions described in Article IX of this Agreement that receive the prior written approval of the City of San Antonio's Risk Manager and the Director of the DHS.

E. decreases (and increases if the City agrees to allocate additional enrollment slots to Center) in Agreement funding based upon Program enrollment levels, and modifications to Agreement terms related to enrollment; provided, however, that the cumulative total of all EHS-CCP Program contracts, as amended, shall not exceed the City's total budget for the EHS-CCP Grant budget for the applicable grant year. Center shall execute any and all amendments to this Agreement that are required as a result of a modification made pursuant to this Section 24.1(E).

24.2 Center further agrees that except when the terms of this Agreement expressly provide otherwise, any alterations, additions or deletions to the terms hereof shall be by amendment in writing and approved by HHS.

XXV. SUBCONTRACTING

25.1 None of the work or services covered by this Agreement shall be sub-contracted without the prior written consent of the City and the Grantor of the Grant Funds, if so required by Grantor. If allowed, subcontracting methods must meet City requirements; subcontractor compliance with this Agreemtent must be the responsibility of the Center to monitor.

XXVI. OFFICIAL COMMUNICATIONS

26.1 Except where the terms of this Agreement expressly provide otherwise, any communication required under this Agreement shall be in writing and deemed valid when delivered personally (with receipt acknowledged), or three (3) days after depositing in the U.S. mail, first class, with proper postage prepaid, or upon receipt if sending by certified mail, return receipt requested, or upon receipt when sent by a commercial courier service (such as Federal Express or DHL Worldwide Express) for expedited delivery to be confirmed in writing by such courier, at the addresses set forth below or to such other address as either Party may from time to time designate in writing.

City:	Center:
Director	Healy-Murphy Center, Inc.
Department of Human Services	618 Live Oak
106 S. St. Mary's Street, Suite 700	San Antonio, Texas 78202
San Antonio, TX 78205	

Notices of changes of address by either Party must be made in writing delivered to the other Party's last known address within five (5) business days of the change.

XXVII. VENUE

27.1 Center and City agree that this Agreement shall be governed by and construed in accordance with the laws of the State of Texas. Any action or proceeding brought to enforce the terms of this Agreement or adjudicate any dispute arising out of this Agreement shall be bought in a court of competent jurisdiction in San Antonio, Bexar County, Texas.

XXVIII. GENDER

28.1 Words of any gender used in this Agreement shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires.

XXIX. REPRESENTATIONS AND OTHER OBLIGATIONS

29.1 The signer of this Agreement for Center represents, warrants, assures and guarantees that (s)he has full legal authority to execute this Agreement on behalf of Center and to bind Center to all of the terms, conditions, provisions and obligations herein contained. Whether a non-profit or public entity, Center must be authorized to do business in the State of Texas and be formed under and operating in accordance with all applicable laws of the State of Texas. Upon request by the City, Center shall provide DHS verification of the foregoing requirements.

29.2 In the event that circumstances arise which might result in interference with Center's ability to provide the services which are the subject of this Agreement, Center agrees to inform City of those circumstances immediately upon their discovery. Center agrees that reimbursement to Center, upon reasonable notice, may be suspended by City until such financial circumstances giving rise to the possible interference with the operation of the Program have been eliminated, provided, however, that authorized expenditures made prior to the suspension, and approved by City shall be disbursed pursuant to the terms of this Agreement.

XXX. LICENSES AND TRAINING

30.1 Center warrants and certifies that Center, and Center's employees and its (sub)contractors have the requisite training, license or certification to provide said services, and meet all competence standards promulgated by all other authoritative bodies, as applicable to the services provided herein.

XXXI. INDEPENDENT CONTRACTOR

31.1 It is expressly understood and agreed that the Center is and shall be deemed to be an independent contractor, responsible for its respective acts or omissions and that the City shall in no way be responsible therefor, and that neither Party hereto has authority to bind the other nor to hold out to third parties that it has the authority to bind the other.

31.2 Nothing contained herein shall be deemed or construed by the parties hereto or by any third party as creating the relationship of employer-employee, principal-agent, partners, joint venture, or any other similar such relationship, between the Parties hereto.

31.3 Any and all of the employees of the Center, wherever located, while engaged in the performance of any work required by the City under this Agreement shall be considered employees of Center only, and not of the City, and any and all claims that may arise from the Workers' Compensation Act on behalf of said employees while so engaged shall be the sole obligation and responsibility of the Center.

XXXII. SEVERABILITY

32.1 If any clause or provision of this Agreement is held invalid, illegal or unenforceable under present or future federal, state or local laws, including but not limited to the City Charter, City Code, or ordinances of City, then and in that event it is the intention of the Parties hereto that such invalidity, illegality or unenforceability shall not affect any other clause or provision hereof and that the remainder of this Agreement shall be construed as if such invalid, illegal or unenforceable clause or provision was never contained herein; it is also the intention of the Parties hereto that in lieu of each clause or provision of this Agreement that is invalid, illegal or unenforceable, there be added as a part of this Agreement a clause or provision as similar in terms to such invalid, illegal or unenforceable clause or provision as may be possible, legal, valid and enforceable.

XXXIII. NON-WAIVER OF PERFORMANCE

33.1 No waiver by City of a breach of any of the terms, conditions, covenants or guarantees of this Agreement shall be construed or held to be a waiver of any succeeding or preceding breach of the same or any other term, condition, covenant or guarantee herein contained. Further, any failure of City to insist in any one or more cases upon the strict performance of any of the covenants of this Agreement, or to exercise any option herein contained, shall in no event be construed as a waiver or relinquishment for the future of such covenant or option.

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XXXV. ENTIRE AGREEMENT

35.1 This Agreement and its attachments, if any, constitute the entire and integrated Agreement between the Parties hereto and contain all of the terms and conditions agreed upon, and supersede all prior negotiations, representations, or agreements, either oral or written. No such other negotiations or representations may be enforced by either Party nor may they be employed for interpretation purposes in any dispute involving this Agreement.

This Agreement has been executed as of the date of the last party to sign below, the _____ day of _____, 2015 and is effective for the term hereof.

CITY OF SAN ANTONIO:

_____
Melody Woosley, Director
Department of Human Services

Healy-Murphy Center, Inc.:

_____
Douglas J. Watson
Executive Director

APPROVED AS TO FORM:

_____
Assistant City Attorney

ATTACHMENTS

Attachment I – Scope of Work
Attachment II – Program Budget
Attachment III – Special Provisions
Attachment IV – HHS Award Document
Attachment V – HIPAA Business Associate Agreement

ATTACHMENT I

SCOPE OF WORK

1. Summary

The Center ("Contractor") shall work with Grantee to ensure full enrollment and shall serve the number of income and age eligible children as indicated below, and perform Early Head Start services in accordance with the Head Start Performance Standards and the terms of this Contract. The Contractor will operate full day classroom(s) (minimum of 10 hours a day) at the City approved sites for a minimum of 240 days of planned class operations for the Early Head Start – Child Care Partnership grant period.

Number of children in full day care on the first day of the program:	56
Minimum number of children with disabilities:	10% of the number of children in care
Service Area:	Children who reside in San Antonio and are served in the San Antonio and Edgewood Independent School Districts

2. Enrollment, Recruitment, Selection, Eligibility and Attendance (ERSEA)

A. To achieve and maintain full enrollment, Contractor must ensure that once it and the Grantee determines that a vacancy exists, no more than 30 calendar days may elapse before the vacancy is filled. Contractor will work with the City in its efforts to fill all vacancies within 30 calendar days.

B. Contractor will work with Grantee staff in developing, at the beginning of each enrollment year, and maintain during the year, a waiting list that ranks children according to the program's selection criteria and ERSEA policies. If Contractor is under enrolled and does not have a waiting list City shall have the right to temporarily move enrollment slots, in coordination with the Contractor and as a last resort, to maintain compliance with Federal enrollment standards.

C. In accordance with the Head Start Act, Contractor shall work collaboratively with Grantee to ensure that a minimum of 10% of the children enrolled in Contractor's Program are children with disabilities who are determined to be eligible for special education and related services. This 10% requirement must be met by mid-point of the program year, as determined by the City.

D. Contractor agrees that when the monthly average daily attendance rate in a center-based program falls below 85 percent, Contractor shall collaborate with the City in the provision of absentee services in accordance with §1305.8 of the Head Start Performance standards. The City will lead absentee services to include analyzing the cause of absenteeism and the provision of additional support, which may include, but is not limited to, face-to-face meeting(s) with the family and other direct contact with the child's parents. Contractor shall establish procedures for the removal of children from the program due to the lack of attendance in accordance with the City's policies.

3. Program Services

A. Contractor shall provide Early Head Start Program Services (hereinafter defined) to eligible children in the Service Area. Such services shall be provided to eligible children within Contractor's Service Area(s) without regard to age, race, color, religion, national origin, sex, sexual orientation, gender identity, or disability. Any proposal to extend or modify the Service Area(s) or the sites at which services are to be delivered shall be formally submitted in writing to City for approval.

B. Contractor shall provide direct (i) Education and Early Childhood Development Services; (ii) Child Nutrition Services.; (iii) Safe and Healthy Environments; and (iv) Transportation Services in coordination

with the City. The Contractor also agrees that it shall collaborate with the City's efforts to ensure the provision of Family and Community Support Services, Child Mental Health, Medical Health Services and Dental (Oral) Health Services, to meet the needs of the children and families served by Contractor's Program ("Early Head Start Program Services"). Contractor agrees that, notwithstanding the fact that another Early Head Start service provider under the City of San Antonio Head Start program may be contracted to provide a category of service. Contractor, under the leadership of its Early Head Start Program Director will be responsible for coordinating with Early Head Start service providers and working with the City to ensure provision of full array of services to which the children are entitled under the Terms of the Grant. Contractor shall also coordinate with Independent School Districts, health service providers and agencies in the community in order to provide comprehensive services to the children and families served by the Program and to leverage community resources

C. Contractor shall establish and maintain an organizational structure that supports the accomplishment of Program objectives, addresses the major functions and responsibilities assigned to each staff position and provides evidence of adequate mechanisms for staff supervision and support to ensure the effective oversight of the Early Head Start program operations. Contractor shall ensure that, at a minimum, the following program management functions are assigned to and adopted by staff within the Program:

(i) Program management must be assigned to an individual serving in the role of the Early Head Start Director. This individual must have demonstrated skills and abilities in a management capacity relevant to human services program management and must have ultimate responsibility for ensuring the children enrolled in Contractor's Early Head Start program are provided (by Contractor or a collaborating Early Head Start service provider) the full array of services to which the children are entitled under the Terms of the Grant.

(ii) Management of education and early childhood development must be assigned to an individual serving in the role of a Center Director. This individual must have training and experience in areas that include theories and principles of child growth and development, early childhood education, and family support and have a current and good standing Child-Care Center Directors Certificate. (iii) Management of child nutrition services must be assigned to an individual serving in the role of a Nutrition Services Coordinator. This person will manage the Nutrition Program for the Center and Center must maintain positive compliance with CACFP.

Contractor shall ensure that members of program's management team and any other necessary staff provide uninterrupted Head Start Program management services throughout the Agreement term, including during the summer months so as to ensure adequate planning, coordination and performance of critical program activities. Critical program activities include, but are not limited to, ongoing recruitment activities and services, determination of eligibility, development of a waitlist for the upcoming school year, and completion of enrollment.

D. Contractor shall provide the following education and early childhood development services in compliance with the requirements of 45 C.F.R Part 1304.21, *et. seq.*:

i. Contractor must help children gain the skills and confidence necessary to be prepared to succeed in their present environment and with later responsibilities in school and life; the Contractor's approach to child development and education must be developmentally and linguistically appropriate, recognize the child's rate of development, language, cultural background and learning style; be inclusive of children with disabilities; provide an environment of acceptance that supports and respects gender, culture, language, ethnicity and family composition; provide a balanced daily program of child-initiated and adult-directed activities; and allow and enable children to independently use toilet facilities when it is developmentally appropriate and the efforts are supported by the parents.

ii. Contractor shall encourage and support parents in their efforts to become involved in the development of the program's curriculum and approach to child development and education; provide opportunities to increase parents' child observation skills and to share assessments with staff that will help plan the learning experience; and encourage parents to participate in staff-parent conferences and home visits to discuss their child's development and education.

iii. Contractor must support social and emotional development by encouraging development which enhances child's strengths by building trust; fostering independence; encouraging self-control and respect for feelings and rights of others; supporting and respecting the home language, culture, and family composition in ways that support the child's health and wellbeing; and planning for routines and transitions.

iv. Contractor must provide for the development of each child's cognitive and language skills by supporting each child's learning, using various strategies including experimentation, inquiry, observation, play and exploration; ensuring opportunities for creative self-expression through activities such as art, music, movement, and dialogue; promoting interaction and language use among children and between children and adults; and supporting emerging literacy and numeracy developments through materials and activities according to the child's developmental level.

v. Contractor must promote each child's physical development by providing sufficient time, indoor and outdoor space, equipment, materials and adult guidance for active play and movement that support the development of gross motor skills and of fine motor skills according to the child's developmental level; and providing an appropriate environment and adult guidance for the participation of children with special needs.

vi. Contractor, in collaboration with the parents and with support from the Grantee, must implement *Creative Curriculum©* which aligns with the Head Start Child Development and Early Learning Framework (HSCDELF, 2010), and Pre-kindergarten Guidelines that supports each child's individual pattern of development and learning; provides for the development of cognitive skills; integrates all educational aspects of the health, nutrition, and mental health services into program activities; helps children develop emotional security, facility in social relationships, feelings of competence, self-esteem, and positive attitudes toward learning; enhances each child's understanding of self as an individual and as a member of a group; and provides individual and small group experiences both indoors and outdoors.

vii. Contractor must work with the Grantee to create and implement a plan of action to achieve and establish school readiness goals that are age appropriate and will address at a minimum the domains of language, literacy, cognition, general knowledge, physical well-being, motor development, social and emotional development and approaches to learning; and achieve the integration with the Parent, Family, and Community Engagement (PFCE). Contractor will update school readiness goals on an annual basis, analyze achievement, and identify areas for improvement. As part of this plan of action, the Contractor must align the program's curriculum with school readiness goals to include improving the quality of teacher-child interactions, evidence-based teaching practices, evidence-based curriculum, and inclusion of parents to support school readiness.

viii. Contractor will assess child progress on an ongoing basis utilizing Teaching Strategies GOLD Assessment System and conduct data aggregation and submit analysis of child progress assessments to the City at least three times per year (at the beginning, midpoint and end of school year) to demonstrate program-level progress. Contractor will also provide the City direct access to the assessment data management system for the purposes of aggregating, analyzing, and producing program-wide reports. Contractor will make mid-year adjustments in instruction and/or professional development support should patterns or trends be identified in the analysis and coordinate with City as needed. Contractor must maintain and use the information from ongoing child assessment data to inform teachers and survey parents how best to individualize each child's learning and progress across domains. The City will provide support, training and technical assistance to ensure these requirements are met.

E. Contractor shall perform the following services as it relates to the specific service listed below in compliance with the requirements of 45 C.F.R Parts 1304.20, 1304.22, 1304.23, 1304.24 and 1304.40:

i. Child Health and Safety

a. Contractor must establish and implement policies and procedures to respond to medical and dental health emergencies with which all staff are familiar and trained, to include posted policies and plans of action; posted locations and telephone numbers of emergency response systems and up-to-date family contact information and authorization for emergency care; posted emergency evacuation routes and other safety procedures for emergencies; methods of notifying parents in the event of an emergency; and established methods for handling cases

of suspected or known child abuse and neglect. The City will provide support, training and technical assistance to ensure these requirements are met.

b. Contractor must temporarily exclude a child with a short-term injury or an acute or short-term injury or an acute or short-term contagious illness, that cannot be readily accommodated, from program participation in center-based activities or group experiences, but only for that generally short-term period when keeping the child in care poses a significant risk to the health and safety of the child or anyone in contact with the child.
c. Contractor must not deny admission to any child, nor exclude any enrolled child from program participation for a long-term period, solely on the basis of his or her health care needs or medication requirements, unless the child poses a significant risk to the health and safety of the child or anyone in contact with the child and the risk cannot be eliminated or reduced to an acceptable level through reasonable modifications in the Contractor's policies or by providing appropriate auxiliary aids.
d. Contractor must establish and maintain written procedures regarding the administration, handling, and storage of medication for every child. The City will provide support, training and technical assistance to ensure these requirements are met.
e. Contractor must ensure staff and volunteers can demonstrate safety practices; foster safety awareness among children and parents by incorporating it into child and parent activities; and ensure staff, volunteers and children follow the appropriate hygiene requirements.
f. Contractor must have and maintain well-supplied first aid kits, appropriate for all ages served and the program size, at each facility and available on outings away from the site.

ii. Child Nutrition

a. Contractor must work, in collaboration with the City, with families to identify each child's nutritional needs, taking into account staff and family discussions regarding any relevant nutrition-related assessment data; information about family eating patterns, including cultural preference, special dietary requirements, and feeding requirements of each child with disabilities; and information about major community nutritional issues.
b. Contractor must design and implement a nutrition program that meets the nutritional needs and feeding requirements of each child, and takes into account the length of the program day.
c. Contractor must ensure that nutritional services in center-based settings contribute to the development and socialization of enrolled children and ensure that at a minimum one (1) meal per day is served family style.
d. Contractor must use funds from USDA Food and Consumer Services Child Nutrition Programs as the primary source of payment for meal services.
e. Contractor shall participate in the USDA School Lunch or Child and Adult Care Food Program.
    - Pursuant to City policies, Contractor must report the number of meals and snacks served to Head Start children on a monthly basis to City.

iii. Child Mental Health

a. Contractor must work collaboratively with parents to solicit parental information, observation, and concerns about their child's mental health; share staff observations of their child and discuss with parents their child's behavior and development.
b. City, with the assistance and collaboration of the Contractor will secure or refer, when appropriate, the services of mental health professionals on a schedule of sufficient frequency to enable the timely and effective identification of and intervention in family and staff concerns about a child's mental health.

iv. Family and Community Support

a. Contractor, in collaboration with City led family and community support staff, must provide parent involvement and education activities that are responsive to the ongoing and expressed needs of the parents.
b. Contractor, in collaboration with City led family and community support staff, must provide opportunities to include parents in the development of the program's curriculum and approach to child development and education.

c. Contractor shall collaborate with the City, Head Start service providers and other community agencies to provide opportunities to enhance parenting skills, knowledge and understanding of the educational and developmental needs and activities of their children.

d. Contractor Education staff must conduct two (2) home visits, unless parents expressly forbid such visits, and at least two (2) staff-parent conferences per child per program year to enhance the knowledge and understanding of the educational and developmental progress and activities of children in the program. Contractor must not require that parents permit home visits as a condition of the child's participation in the program. The City will provide support, training and technical assistance to ensure these requirements are met.

F. Contractor shall encourage parent participation and attendance in center parent meetings, Parent Connection Committee meetings, Head Start Policy Council, volunteering, parents' activities and contributions.

G. RESERVED

H. Contractor shall ensure that its Head Start Program shall be, and remain, in full compliance with the Head Start Performance Standards as provided in Head Start regulations, 45 CFR Part 1301 *et seq.* and with the Head Start Act, as amended, 42 U.S.C. 9801 *et. seq.*

I. The Contractor shall submit to City all Contractor eligibility, recruitment, selection, enrollment, attendance, performance and staffing plans, which must be in accordance with the City's policies.

J. Contractor shall provide a substantial portion of the substantive programmatic work provided for under this Scope of Work, Attachment I, directly. However, should Contractor desire to perform this work through one or more subawards to third parties, it shall seek and obtain City's written approval prior to doing so. In all such subawards, Contractor shall ensure that it passes through all of the requirements that apply to Contractor hereunder to the subrecipient of such subawarded funds.

K. Contractor must notify the City when the Contractor identifies possible or actual lack of compliance with the Head Start Performance Standards, Head Start Act, City's program policies or terms of this Contract.

4. <u>Program Governance</u>

A. Contractor's Governing Board shall be in full compliance with Head Start requirements regarding governance, management and programmatic operations applicable to recipients of Head Start grant funds, including those set forth at 45 C.F.R. §1301 *et. seq.* Contractor's Governing Board members or representative of the Board shall be offered the opportunity to participate in Board education activities arranged by City. Contractor shall also offer the Governing Board members or representative of the Board the opportunity to engage in a cooperative strategic planning process with respect to the Program and shall submit any final strategic plans developed through such process to City for approval.

B. Contractor shall assure that City is kept fully apprised of the composition and actions of Contractor's Governing Board to the extent such actions affect Contractor's Head Start Program.

C. Contractor shall seek and obtain the City's written approval before making any material revisions in Contractor's Head Start Program that conflicts with or violates (i) the City's refunding application, as amended, to the U.S. Department of Health and Human Services (HHS), (ii) the Terms of the Grant, (iii) the terms of this Contract; or (iv) any changes to the locations of Contractor's Head Start centers.

D. Contractor shall collaborate with the City and Family and Community Support service staff to elect one or more parent members from center locations to serve on City's Head Start Policy Council in accordance with the Policy Council By-laws.

5. <u>Licensure/Staffing</u>

A. Contractor shall obtain and maintain all necessary and appropriate State licenses, permits, certifications, and approvals required for the operation of Contractor's facilities and programs including those supported by this Contract, unless exempt from such requirement. Upon commencement of the Contract, Contractor shall notify the City that it is in compliance with this provision. If at any time Contractor is out of compliance with this provision, Contractor shall notify the City within one (1) Contractor business day of receipt of written notice of violation or complaint from the state licensing, certifying or permit-issuing authority indicating lack of licensure, permitting or certification, as the case may be, and shall take all necessary steps to cure such violation. Contractor further agrees that all personnel, either employed or contracted, assigned by Contractor to perform the Head Start Program Services set forth above shall, as appropriate or required by law, be fully qualified and authorized under applicable law, to perform such Head Start Program Services.

B. Contractor will ensure that staffing will comply with the Head Start Performance Standards, this Agreement, and other applicable law.

6. Facilities.

All Contractor facilities at the approved sites shall meet applicable federal, state and local safety standards. Contractor shall at all times during the term of this Contract, keep the facility in good, clean, safe, and reasonable operating condition and repair. City shall be allowed to inspect the facilities and the licensing and/or certification documents relating to the facility during Contractor's normal operating time as long as the said inspection does not disrupt the delivery of Head Start Program Services, or at any other time as agreed by the Contractor. Upon commencement of this Agreement and upon request, Contractor shall provide City an up-to-date copy of any leases or other agreements (as well as any amendments or modifications thereto) for facilities used to provide services to children enrolled in the Head Start program and funded pursuant to this Agreement. The City will provide support, training and technical assistance to ensure these requirements are met.

7. Participation.

Contractor shall make time and resources available to support: (i) participation by Contractor in meetings with City staff for community assessment, self-assessment, strategic planning, development of training and technical assistance plan, communication and program development activities; (ii) participation in technical assistance trainings and service enhancements developed by City and the Head Start training and technical assistance service provider, as well as other Head Start trainings that may be developed by relevant federal or state agencies; and (iii) an appropriate level of attendance of Contractor's program management team and parent committee members at national, regional and/or State Head Start conferences/trainings.

Contractor, in collaboration with Family and Community Support Service staff, shall ensure that resources are made available through reasonable accommodations to low-income parents to participate, and attend any Parent Connection Committee meetings.

8. Transportation Services/Vehicles.

Should Contractor and City decide that the Contractor shall provide transportation services they must be in compliance with the requirements of 45 CFR part 1310, et. seq., subject to any waiver that may be obtained by City and/or Contractor.

A. Contractor shall successfully complete an annual inspection of all school buses and other vehicles used for the transportation of children under this Contract.

B. Contractor shall ensure that all drivers shall be certified for the operation of said vehicles, and that all bus monitors assigned to vehicles used to provide such services receive the appropriate training. Contractor shall otherwise be in compliance with all applicable federal, State, and local requirements governing the transportation of children.

C. Contractor shall, upon request, submit to City a complete set of such documents regarding the vehicles used for the transportation of children and the drivers operating the vehicles.

9. Submission of Center Information and Program Design

A. Prior to execution of the Contract, Contractor shall submit to the City for its approval a Center list, which shall include the number of centers and the name and address for each center operated by Contractor. If at any time Contractor proposes a change to the Center list, Contractor shall notify and receive the City's approval prior to making said change.

B. Prior to execution of the Contract, Contractor will submit to the City the Contractor's Program Design, which shall include, the total number of children enrolled, number of sites, number of classrooms, classroom age group designation, language designation, and hours of operation, among other things. If at any time Contractor proposes a change to the Program Design, Contractor shall request and receive the City's approval prior to making said change.

Attachment II

[INSERT BUDGET HERE]

ATTACHMENT III
SPECIAL PROVISIONS — Program Year 2015-2016

I. RESTRICTIONS ON USE OF FUNDS OR PROPERTY

In addition to the other applicable restrictions on the use of Head Start funds provided under this Contract, the Contractor is prohibited from:

1) using or transferring funds provided under this Contract for purposes other than authorized Head Start activities;

2) using, pledging, granting a security interest in, or otherwise encumbering any right under this Contract or any property acquired with funds provided under this Contract as collateral or security for any loan, note debenture, bond or any other debt instrument;

3) using any funds provided under this Contract for payment of principal or interest on any loan, note, debenture, bond or any other debt instrument, other than those approved in the 45 C.F.R. Part 74 and by the City

II. REQUIREMENTS FOR PARTICIPATION IN CITY DESIGNATED DATA SYSTEM

2.01 Contractor shall:

a) Utilize the City's designated data management system to input data that pertains to the on-going day-to-day work completed by Partner staff.
b) support all design, development, testing and implementation protocols as established by the City by carrying out and complying therewith;
c) participate in preliminary and final testing of the system using City protocols;
d) allow City and its vendor to install data encryption software on the Child Care System Database network; and
e) provide City and its vendor with access to Confidential Data with parental permission, as defined in Article 3.01 below, which data is critical for the Head Start project.

2.02 Both Parties agree to:

a) use best efforts to cooperate and exchange information regarding all aspects of the Head Start project and comply with all reasonable requests of the other Party with respect to information concerning the system.
b) Parties agree that nothing herein shall be construed as to control or in any way limit the right of parents to choose a Head Start provider.

III. CONFIDENTIAL DATA

3.01 The Parties to this Contract shall have access to the following data ("Confidential Data"), with parental permission in the case of the child:

Parent's Information:

Case Number
First Name
Middle Initial
Last Name
Street Address
City
Zip Code
Telephone
Social Security Number (Optional)
Birth Date

Gender
Race
Handicap (Optional)
Yearly Income
Number of members in the Family
County of Residence
Employment and training status

Each child's Information:

Client Number
First Name
Middle Initial
Last Name
Social Security Number (Optional)
Birth Date
Gender
Race
Handicap (Optional)

3.02 Contractor understands that City intends to enter into additional agreements with other providers of child care services ("Additional Collaborators") in order to promote the success of the Head Start project. Confidential Data may be shared by City, Contractor, and any Additional Collaborator, except that all parties shall share such information in compliance with state and federal laws relating to confidentiality. All Additional Collaborators shall be required to enter into a written agreement with City containing the confidentiality requirements set forth in this Section III.

3.03 Each Party shall establish a method to secure the Confidential Data in accordance with the applicable federal, state, and local laws and regulations. This provision shall not be construed as limiting a Party to this Contract or an Additional Collaborator, or such Party's authorized representative's right of access to that Party's Confidential Data.

3.04 Neither Party shall disclose or publish Confidential Data or public school education data to any individual or organization that is not a Party to this Contract or an Additional Collaborator, unless required by law or a lawful order of a court of competent jurisdiction. Each Party shall take measures within its organization to ensure that Confidential Data or public school education data is accessible only by those persons working on the Head Start project, or directly providing other public school education / child care services, and only for the purpose of performing or assisting with services required by the Head Start project or other specific public school education / child care services.

3.05 Either Party may disclose Confidential Data to a third party ("Third Party") under contract or affiliated with that Party for the sole purpose of performing or assisting with services required in relation to the Head Start project or other specific child care services, and in compliance with state and federal laws relating to confidentiality. Confidential Data provided to a Third Party shall remain confidential and written confirmation by such Third Party that the Third Party will conform to the requirements of this section shall be provided to the Party prior to delivery of any information to the Third Party.

1.RECIPIENT

Department of Health and Human Services
Administration for Children and Families
Notice of Award (NOA)

SAI NUMBER: **Attachment IV**

PMS DOCUMENT NUMBER: 06HP001901

1. AWARDING OFFICE:	2. ASSISTANCE TYPE:	3. AWARD NO.:	4. AMEND. NO.:
OA/OGM/Region VI	Discretionary Grant	06HP0019/01	

5. TYPE OF AWARD:	6. TYPE OF ACTION:	7. AWARD AUTHORITY:
OTHER	New	42 USC 9801 ET SEQ.

8. BUDGET PERIOD:	9. PROJECT PERIOD:	10. CAT NO./CFDA:
02/01/2015 THRU 07/31/2016	02/01/2015 THRU 07/31/2019	93.600

11. RECIPIENT ORGANIZATION:
City of San Antonio
DEPARTMENT OF HUMAN SERVICES
106 S ST MARY'S ST, SUITE 700
SAN ANTONIO TX 78205 3603
Melody Woosley, Department Director (Exec. Dir.)

12. PROJECT / PROGRAM TITLE:
City of San Antonio, Texas EHS-CC Partnership

13. COUNTY:	14. CONGR. DIST:	15. PRINCIPAL INVESTIGATOR OR PROGRAM DIRECTOR:
BEXAR	35	Mikel Brightman , Head Start Administrator

16. APPROVED BUDGET:

Personnel	$	589,562
Fringe Benefits	$	226,019
Travel	$	1,200
Equipment	$	0
Supplies	$	60,675
Contractual	$	2,262,979
Facilities/Construction	$	0
Other	$	68,365
Direct Costs	$	3,208,800
Indirect Costs	$	0
At % of $		
In Kind Contributions	$	0
Total Approved Budget(**)	$	**3,208,800**

17. AWARD COMPUTATION:

A. NON-FEDERAL SHARE	$	802,200	20.00 %
B. FEDERAL SHARE	$	3,208,800	80.00 %

18. FEDERAL SHARE COMPUTATION:

A. TOTAL FEDERAL SHARE	$	3,208,800
B. UNOBLIGATED BALANCE FEDERAL SHARE	$	
C. FED. SHARE AWARDED THIS BUDGET PERIOD	$	3,208,800

19. AMOUNT AWARDED THIS ACTION:	$	3,208,800
20. FEDERAL $ AWARDED THIS PROJECT PERIOD:	$	3,208,800

21. AUTHORIZED TREATMENT OF PROGRAM INCOME:
DEDUCTIVE

22. APPLICANT EIN:	23. PAYEE EIN:	24. OBJECT CLASS:
1-746002070-A1	1-746002070-A1	41.51

25. FINANCIAL INFORMATION: **DUNS:** 066428400 0000

ORGN	DOCUMENT NO.	APPROPRIATION	CAN NO.	NEW AMT.	UNOBLIG.	NONFED %
OGM	06HP001901	75-4/5-1536	2015 G063120	$64,800		
OGM	06HP001901	75-4/5-1536	2015 G063125	$2,592,000		
OGM	06HP001901	75-5/6-1536	2015 G063128	$552,000		

26. REMARKS: (Continued on separate sheets)

Client Population: 216.
Number of Delegates: 0.
Paid by DHHS Payment Management System (PMS), see attached for payment information.
This award is subject to the requirements of the HHS Grants Policy Statement (HHS GPS) that are applicable to you based on your recipient type and the purpose of this award.
This includes requirements in Parts I and II (available at http://www.hhs.gov/grants/grants/policies-regulations/index.html) of the HHS GPS.
Although consistent with the HHS GPS, any applicable statutory or regulatory requirements, including 45 CFR Part 75,

27. SIGNATURE - ACF GRANTS OFFICER **DATE:** 1/29/2015
For Ray M. Bishop

28. SIGNATURE(S) CERTIFYING FUND AVAILABILITY
Sonja R. Osborn Sonja Osborn

29. SIGNATURE AND TITLE - PROGRAM OFFICIAL(S) **DATE:** 1/29/2015
Kimberly K. Chalk, Regional Program Manager

DGCM-3-785 (Rev. 86) (HP)

1.RECIPIENT

Department of Health and Human Services
Administration for Children and Families
Notice of Award (NOA)

SAI NUMBER: **Attachment IV**

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1. AWARDING OFFICE:	2. ASSISTANCE TYPE:	3. AWARD NO.:	4. AMEND. NO.
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OTHER	New	42 USC 9801 ET SEQ.

8. BUDGET PERIOD:	9. PROJECT PERIOD:	10. CAT NO./CFDA:
02/01/2015 THRU 07/31/2016	02/01/2015 THRU 07/31/2019	93.600

11. RECIPIENT ORGANIZATION:
City of San Antonio, DEPARTMENT OF HUMAN SERVICES

26. REMARKS: (Continued from previous page)

directly apply to this award apart from any coverage in the HHS GPS.
This award is subject to requirements or limitations in any applicable Appropriations Act.
This award is subject to the requirements of Section 106 (g) of the Trafficking Victims Protection Act of 2000, as amended (22 U.S.C. 7104).
For the full text of the award term, go to http://www.acf.hhs.gov/grants/discretionary-competitive-grants.
This award is subject to the Federal Financial Accountability and Transparency Act (FFATA or Transparency) of 2006 subaward and executive compensation reporting requirements.
For the full text of the award term, go to: http://www.acf.hhs.gov/grants/discretionary-competitive-grants.
This award is subject to requirements as set forth in 2 CFR 25.110 Central Contractor Registration (CCR) and Data Universal Number System (DUNS).
For full text go to http://www.acf.hhs.gov/grants/discretionary-competitive-grants.
This award is subject to the requirements set forth in 45 CFR Part 87.
This award is subject to the requirements set forth in 45 CFR Part 75.
Initial expenditure of funds by the grantee constitutes acceptance of this award.
Future support is anticipated.
This award is subject to HHS regulations codified at 45 CFR 1301, 1302, 1303, 1304, 1305, 1306, 1307, 1308, 1309 and 1310.(**) Reflects only federal share of approved budget.

Under the Consolidated Appropriations Act, 2014 (Public Law 113-76), Division H, Title II and the Consolidated and Further Continuing Appropriations Act, 2015 (Public Law 113-235), this grant action awards City of San Antonio funds for the 02/01/2015-07/31/2019 project period for the operation of the Early Head Start program in the designated service area. This grant action awards partial funds under Common Accounting Numbers (CAN) G063125 and G063120 to provide Early Head Start services to 216 children for the initial 02/01/2015-07/31/2016 budget period of the 54 month project period. The 54 month project period consists of one 18 month budget period followed by three 12 month budget periods.

This initial grant action for the first 18 month budget period includes $2,592,000 in CAN G063125 for 12 months of funding for Early Head Start operations and $64,800 in CAN G063120 for training and technical assistance. This grant action includes $552,000 in CAN G063128 for start-up funds. The projected total funding levels for the initial 18 month budget period are $3,888,000 for Early Head Start operations and $388,800 for training and technical assistance.

The balance of six months of operational funds and additional training and technical assistance funds will be awarded at a later date. The additional training and technical assistance funds will support quality improvements such as attainment of credentials, professional development and training.

The projected annual funding level for each of the three remaining 12 month budget periods for Early Head Start operations is $2,592,000, and the training and technical assistance allocation is $64,800.

This grant is subject to the requirements and conditions specified in Attachments 1, 2 and 3.

Attachment 1

Award Number: 15HP301995/01
Recipient Organization: City of San Antonio

This grant is subject to Section 640(b) of the Head Start Act and 45 C.F.R. § 1301.20 requiring a non-federal match of 20 percent of the total cost of the program. This grant is also subject to the requirements in Section 644(b) of the Head Start Act and 45 C.F.R. § 1301.32 limiting development and administrative costs to a maximum of 15 percent of the total costs of the program, including the non-federal share contribution of such costs. The requirements for a non-federal match of 20 percent and the limitation of 15 percent for development and administrative costs apply to the 02/01/2015-07/31/2016 budget period unless a waiver is approved. Any request for a waiver of the non-federal share match, or a portion thereof, that meets the conditions under Section 640(b)(1)-(5) of the Head Start Act or 45 C.F.R. § 1301.21 or a waiver of the limitation on development and administrative costs that meets the conditions under 45 C.F.R. § 1301.32(g) must be submitted in advance of the end of the budget period. Any waiver request submitted after the expiration of the project period will not be considered.

The HHS GPS (II-56) (see above and 45 C.F.R. § 74.25(c)(2) and 45 C.F.R. § 92.30(d)(3) (as applicable) provide the authority to ACF to approve key staff of Head Start grantees. For the purposes of this grant, key staff is defined as the Head Start Director or person carrying out the duties of the Head Start Director if not under that title and the Chief Executive Officer, Executive Director and/or Chief Fiscal Officer if any of those positions is funded, either directly or through indirect cost recovery, more than 50 percent with Head Start funds.

Section 653 of the Head Start Act prohibits the use of any federal funds, including Head Start grant funds, to pay any portion of the compensation of an individual employed by a Head Start agency if that individual's compensation exceeds the rate payable for Level II of the Executive Schedule.

Prior approval must be obtained under 45 C.F.R. Part 1309 to use Head Start grant funds for the initial or ongoing purchase, construction and major renovation of facilities. No Head Start grant funds may be used toward the payment of one-time expenses, principal and interest for the acquisition, construction or major renovation of a facility without the express written approval of the Administration for Children and Families.

Attachment 2

Budget Period 1
Early Head Start – Child Care Partnership and/or Expansion Grants

Award Number: 15HP301995/01
Recipient Organization: City of San Antonio

Head Start Grantees must comply with the terms and conditions for the project period award in the specified timeframes.

Health and Safety

- *Conduct a screening of the health and safety environment of each Early Head Start center and/or family child care home where services are provided within 45 days of the start of the project period and/or within 45 calendar days of services starting at each new location.*

- *Complete the initial certification of compliance with all Office of Head Start (OHS) health and safety requirements within 75 calendar days of the start of services and submit it to the OHS in the Head Start Enterprise System (HSES) immediately thereafter. Submit an updated certification of compliance with all OHS health and safety requirements 30 days after the first six months of operations.*

School Readiness

- *Participate in ongoing communications in support of school readiness with the OHS, including but not limited to the OHS site visits and monthly scheduled calls.*

Attachment 3

Award Number: 15HP301995/01
Recipient Organization: City of San Antonio

Designated Early Head Start service area: San Antonio ISD and Edgewood ISD boundaries, Bexar County, Texas

Early Head Start – Child Care Partnership Population: 216 infants and toddlers.

Approved program options: Center-based

Approved start-up costs: This grant action includes start-up funds of $552,000 under Common Accounting Number (CAN) G063128 for the following purposes: $510,000 for Contractual costs for five EHS/Child Care Partners for playground upgrades and center repairs and $42,000 for Supplies.

WITNESSETH:

HIPAA BUSINESS ASSOCIATE AGREEMENT

This HIPAA Business Associate Agreement is entered into by and between the City of San Antonio ("Covered Entity"), by and through its Director of the Department of Human Services, and the Healy-Murphy Center, Inc., a Business Associate ("BA").

WHEREAS, the City of San Antonio and BA have entered into an Early Head Start – Child Care Partnership Agreement to provide educational and child care services ("Service Contract"), effective February 1, 2015 whereby BA provides educational and child care services to the Covered Entity; and

WHEREAS, Covered Entity and BA may need to use, disclose and/or make available certain information pursuant to the terms of the Service Contract, some of which may constitute Protected Health Information ("PHI"); and

WHEREAS, Covered Entity and BA intend to protect the privacy and provide for the security of PHI disclosed to each other pursuant to the Service Contract in compliance with the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("HIPAA") and regulations promulgated thereunder by the U.S. Department of Health and Human Services (the "HIPAA Regulations") and other applicable laws; and

WHEREAS, the purpose of this Agreement is to satisfy certain standards and requirements of HIPAA and the HIPAA Regulations, including, but not limited to, Title 45, Section 164.504(e) of the Code of Federal Regulations ("C.F.R."), as the same may be amended from time to time;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

A. Definitions. For the purposes of this Agreement, the following terms have the meanings ascribed to them:

(1) "Disclosure" with respect to PHI, shall mean the release, transfer, provision of access to or divulging in any other manner of PHI outside the entity holding the PHI.

(2) "Individual" shall have the same meaning as the term "Individual" in 45 C.F.R. 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. 164.502(g).

(3) "Parties" shall mean Covered Entity and BA.

(4) "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. part 160 and Part 164, subparts A and E.

(5) "Protected Health Information" or "PHI" shall have the same meaning as the term "protected health information" in 45 C.F.R. 164.501, limited to the information created or received by BA from or on behalf of Covered Entity.

(6) "Required By Law" shall have the same meaning as the term "required by law" in 45 CFR § 164.501.

(7) "Secretary" shall mean the Secretary of the Department of Health and Human Services or his designee.

(8) "PHI Breach" shall mean an acquisition, access, use, or disclosure of PHI in a manner not permitted by the Privacy Rules and such action compromises the security or privacy of the PHI.

B. BA Obligations and Activities. BA agrees that it shall:

(1) Not use or disclose the PHI other than as permitted or required by this Agreement or as Required by Law;

(2) Establish and maintain appropriate administrative, physical, and technical safeguards that reasonably and appropriately protect, consistent with the services provided under this Agreement, the confidentiality, integrity, and availability of the electronic protected health information that it creates, receives, maintains, or transmits on behalf of covered entity;

(3) Mitigate, to the extent practicable, any harmful effect that is known to BA of a use or disclosure of PHI by BA in violation of the requirements of this Agreement;

(4) Report to Covered Entity any use or disclosure of PHI of which BA is aware or becomes aware that is not provided for or allowed by this Agreement as well as any security incident that BA becomes of aware of;

(5) Ensure that any of its agents or subcontractors with which BA does business and to whom it provides PHI received from, created or received by BA on behalf of Covered Entity are aware of and agree to the same restrictions and conditions that apply through this Agreement to BA with respect to such information, and further agree to implement reasonable and appropriate administrative, physical and technical safeguards to protect such information;

(6) Provide access, at the request of Covered Entity, and in a reasonable time and manner as agreed by the Parties, to PHI in a Designated Record Set to Covered Entity or, as directed by Covered Entity, to an Individual in order to meet the requirements 45 C.F.R. §164.524;

(7) Make any amendment(s) to PHI in a Designated Record Set that the Covered Entity directs or agrees to pursuant to 45 C.F.R. 164.526 at the request of the Covered Entity or an Individual, and in a reasonable time and manner agreed to by the Parties;

(8) Make available to the Covered Entity or to the Secretary of the U.S. Department of Health and Human Services all internal practices, books and records, including policies and procedures and PHI, relating to the use and disclosure of PHI received from, or created or received by the BA on behalf of the Covered Entity, for purposes of the Secretary of the U.S. Department of Health and Human Services in determining Covered Entity's compliance with the Privacy Rule;

(9) Document such disclosures of PHI, and information related to such disclosures, as would be required for Covered Entity to respond to a request from an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. 164.528;

(10) Provide Covered Entity or an Individual, in a reasonable time and manner as agreed to by the Parties, information collected in accordance with Section B(9) of this Agreement, to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. 164.528.

(11) Will immediately, and in no event later than 14 days of discovery, notify Covered Entity of any breach of PHI and will coordinate with Covered Entity to identify, record, investigate, and report to an affected individual and US Department of Health and Human Services, as required, any covered PHI breach.

C. Permitted Uses and Disclosures by BA

(1) Except as otherwise limited in this Agreement, BA may use or disclose PHI to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in the Service Contract, provided that such use or disclosure would not violate the Privacy Rule if done by Covered Entity.

(2) Except as otherwise limited in this Agreement, BA may disclose PHI for the proper management and administration of the BA, provided that disclosures are Required By Law, or BA obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as Required By Law or for the purpose for which it was disclosed to the person, and the person notifies the BA of any instances of which it is aware in which the confidentiality of the information has been breached.

(3) Except as otherwise limited in this Agreement, BA may use PHI to provide Data Aggregation Services to Covered Entity as permitted by 45 C.F.R. 164.504(e)(2)(i)(B).

(4) BA may use PHI to report violations of law to appropriate Federal and State authorities, consistent with 45 C.F.R. 502(j)(1).

D. Obligations of Covered Entity. Covered Entity shall inform BA of its privacy practices and restrictions as follows. Covered Entity shall:

(1) notify BA of any limitations in its notice of privacy practices in accordance with 45 C.F.R. 164.520, to the extent that such limitation may affect BA's use or disclosure of PHI;

(2) notify BA of any changes in, or revocation of, permission by any Individual to use or disclose PHI, to the extent that such changes may affect BA's use or disclosure of PHI;

(3) notify BA of any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 C.F.R. 164.522 to the extent that such changes may affect BA's use or disclosure of PHI.

(4) coordinate with BA regarding any PHI breach and make timely notification to affected individuals within 60 days of discovery.

E. Permissible Requests by Covered Entity.

Covered Entity shall not request BA to use or disclose PHI in any manner that would not be permissible under the Privacy Rule if done by Covered Entity, except that the Business Associate may use or disclose PHI for data aggregation or management and administrative activities of the BA.

F. Term and Termination.

(1) The term of this Agreement shall commence on February 1, 2015. This Agreement shall terminate when all PHI encompassed by this Agreement is destroyed or returned to Covered Entity or, if it is infeasible to return or destroy the PHI, protections are extended to such information in accordance with the termination provisions in this Section.

(2) Termination for Cause. Upon Covered Entity's knowledge of a material breach by BA, Covered Entity shall either (a) provide an opportunity for BA to cure the breach in accordance with the terms of the Service Contract or, if the BA does not cure the breach or end the violation within the time for cure specified in the Service Contract, end the violation and terminate this Agreement and the Contract; or (b) immediately terminate this Agreement and the Service Contract if BA has breached a material term of this Agreement and cure is not possible. If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary of the U.S. Department of Health and Human Services.

(3) Effect of Termination.

(a) Except as provided below in paragraph (b) of this Section F(3), upon termination of this Agreement for any reason, BA shall return or destroy all PHI received from the Covered Entity, or created or received by BA on behalf of Covered Entity. This provision shall apply to PHI that is in the possession of BA or its subcontractors or agents. BA shall not retain any copies of PHI, except as required by law.

(b) In the event that BA determines that returning or destroying PHI is infeasible, BA shall provide to Covered Entity written notification of the condition that makes the return or destruction of PHI infeasible. Upon BA's conveyance of such written notification, BA shall extend the protections of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make its return or destruction infeasible, for so long as BA maintains such PHI.

(4) Notwithstanding any other provision under this Agreement, the Parties agree that the Service Contract may be terminated by either Party without penalty should the other Party violate a material obligation under this Agreement.

G. Amendment to Comply with Law. The Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy Rule and HIPAA.

H. Survival. The respective rights and obligations of the BA under Sections B, C(2) and (4), and F(3) shall survive the termination of this Agreement.

I. Interpretation. Any ambiguity in this Agreement shall be interpreted to permit Covered Entity to comply with the Privacy Rule.

J. Regulatory References. A reference in this Agreement to a section in the Privacy Rule means the section as in effect or amended.

K. No Third Party Beneficiaries. Nothing express or implied in this Agreement is intended to confer, nor shall anything herein confer upon any person other than Covered Entity, BA, and their respective successors or assigns, any rights, remedies, obligations, or liabilities whatsoever.

L. ***INDEMNIFICATION. BA WILL INDEMNIFY, DEFEND AND HOLD COVERED ENTITY AND ITS OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, SUCCESSORS AND ASSIGNS HARMLESS, FROM AND AGAINST ANY AND ALL LOSSES, LIABILITIES, DAMAGES, COSTS AND EXPENSES ARISING OUT OF OR RELATED TO ANY THIRD-PARTY CLAIM BASED UPON ANY BREACH OF THIS AGREEMENT BY BA IN ACCORDANCE WITH THE INDEMNITY PROVISIONS IN THE SERVICE AGREEMENTS, WHICH ARE HEREBY INCORPORATED BY REFERENCE FOR ALL PURPOSES.***

M. **Reimbursement.** BA will reimburse Covered Entity for reasonable costs incurred responding to a PHI breach by BA or any of BA's subcontractors.

N. **Waiver.** No provision of this Agreement or any breach thereof shall be deemed waived unless such waiver is in writing and signed by the party claimed to have waived such provision or breach. No waiver of a breach shall constitute a waiver of or excuse any different or subsequent breach.

O. **Assignment.** Neither party may assign (whether by operation or law or otherwise) any of its rights or delegate or subcontract any of its obligations under this Agreement without the prior written consent of the other party. Notwithstanding the foregoing, Covered Entity shall have the right to assign its rights and obligations hereunder to any entity that is an affiliate or successor of Covered Entity, without the prior approval of Business Associate.

P. **Entire Agreement.** This Agreement constitutes the complete agreement between Business Associate and Covered Entity relating to the matters specified in this Agreement, and supersedes all prior representations or agreements, whether oral or written, with respect to such matters. In the event of any conflict between the terms of this Agreement and the terms of the Service Contracts or any such later agreement(s), the terms of this Agreement shall control unless the terms of such Service Contract comply with the Privacy Standards and the Security Standards. No oral modification or waiver of any of the provisions of this Agreement shall be binding on either party. This Agreement is for the benefit of, and shall be binding upon the parties, their affiliates and respective successors and assigns. No third

party shall be considered a third-party beneficiary under this Agreement, nor shall any third party have any rights as a result of this Agreement.

Q. **Governing Law.** This Agreement shall be governed by and interpreted in accordance with the laws of the State of Texas.

EXECUTED to be effective February 1, 2015.

COVERED ENTITY
City of San Antonio

By: _____

Print Name: Melody Woosley

Print Title: Director of the Department of Human Services

BUSINESS ASSOCIATE:
Healy-Murphy Center, Inc.

By: _____

Print Name: Douglas J. Watson

Print Title: Executive Director

APPROVED AS TO FORM:

_____
Kristine Duff
Assistant City Attorney

Attachment IV

EARLY HEAD START – CHILD CARE PARTNERSHIP AGREEMENT
FOR CHILD CARE SERVICES
BETWEEN THE CITY OF SAN ANTONIO
&
INMAN CHRISTIAN CENTER

This Agreement is entered into by and between the City of San Antonio (hereinafter referred to as "City"), a Texas Municipal Corporation, acting by and through its Director of the Department of Human Services pursuant to Ordinance No. _____ dated _____, and **Inman Christian Center** (hereinafter referred to as "Center") (individually "the Party" and collectively "the Parties"), to set forth the objectives, understandings, and agreements between the Parties in connection with the use of Early Head Start – Child Care Partnership (hereinafter referred to as EHS–CCP") grant funds as described herein.

PURPOSE:

WHEREAS, the City has received a grant pursuant to the Head Start Act (42 U.S.C. §9801 *et seq.*, as amended) (the "Grant") for the purpose of providing Early Head Start services to children and families in the San Antonio and Edgewood Independent School District areas of Bexar County; and

WHEREAS, the City's Department of Human Services is designated as the managing City department (hereinafter referred to as "DHS") for administration of EHS-CCP program services for the City, as grantee of the EHS-CCP Grant; and

WHEREAS, the City is authorized by the U.S. Department of Health and Human Services ("HHS"), Administration for Children and Families ("ACF"), and desires, to execute an agreement with Center to provide full-day, full-year child care services to children and their families (hereinafter referred to as the "Project" or "Program"); and

WHEREAS, the City has adopted a budget for the expenditure of EHS-CCP Grant Funds (hereinafter referred to as "Grant Fund"), and included therein is an allocation for Center to provide child care and education services; and

WHEREAS, Center desires, and is appropriately licensed and qualified, to enter into this Agreement with City and agrees to deliver the services described herein in accordance with applicable Head Start Performance Standards and other requirements more fully set forth below;

NOW THEREFORE, in consideration of the mutual promises and covenants herein contained and intending to be legally bound hereby, City and Center agree as follows:

The Parties hereto agree as follows:

I. SCOPE OF WORK

1.1 The Center will provide, oversee, administer, and carry out all activities and services in a manner satisfactory to the City and in compliance with the Center's Scope of Work, affixed hereto and incorporated herein for all purposes as **Attachment I**, this Agreement, and the Terms of the Grant (hereinafter defined). If the terms of this Agreement are inconsistent or in conflict with applicable Terms of the Grant, the applicable Terms of the Grant will control, unless the inconsistency or conflict results from more stringent requirements set forth in this Agreement, in which case the terms imposing the most stringent requirements upon the Center shall control.

1.2 For purposes of this Agreement, the terms listed below shall have the following meanings:

(A) "Terms of the Grant" shall mean all requirements of the Grant, whether contained in the Head Start Act, as amended by the Improving Head Start for School Readiness Act of 2007 (42 U.S.C. §9801, et seq.), or other applicable statutes, implementing regulations (e.g., 45 C.F.R. §1301 et seq. (the "Head Start Performance Standards" or "Performance Standards") and 45 C.F.R. Part 75 or 45 C.F.R. Part 87, as applicable), rules, Executive Orders, the award document from U.S. Department of Health and

Human Services ("HHS") to the City, relevant HHS Directives, or elsewhere, including, but not limited to circulars, Program Instructions, Information Memorandums and Policy Clarifications, the City's policies and procedures and any other directives applicable to the Program, as such requirements exist as of the date of this Agreement and as such requirements may be established or modified (by amendment, deletion, addition or otherwise) during the period of the Agreement.

(B) "Relevant HHS directives" shall mean regulations, manuals, guidelines, or other oral or written directives of HHS or any subdivision thereof, including the Administration for Children and Families, Head Start Bureau, the Program Operations Division and ACF Region VI, as such regulations, manuals, guidelines, or other oral or written directives shall be made applicable to the Grant or Grantee.

1.3 Center shall establish and implement policies and procedures governing personnel, financial management, and programmatic management, as specified more fully in 2 C.F.R. 200 *et seq.*, 45 C.F.R Parts 1301 *et. seq,* and/or 45 C.F.R. Part 74, 45 C.F.R. Part 75, 45 C.F.R. Part 87 or 45 C.F.R. Part 92, as applicable. Such policies and procedures shall be consistent with the Terms of the Grant, the policies and procedures approved by the Grantee's Policy Council and Governing Body, and content and service plans.

1.4 City retains the authority to contract with third-parties for the delivery of other EHS-CCP services in the San Antonio and Bexar County area. Center agrees to allow the City's other EHS-CCP service providers access to the facilities leased and/or owned by Center in order to provide said services, so long as access would not cause disruption of Center's child care or educational activities, or purpose as an educational entity. Center agrees to cooperate with City and third-party EHS-CCP service providers to establish, modify and comply with a set of policies and procedures and/or a program design manual governing the City's EHS-CCP Program and the protocol for collaboration between service providers. Center agrees that, notwithstanding the fact that another service provider under the City of San Antonio EHS-CCP program may be contracted to provide a category of service, Center, under the leadership of its EHS-CCP Program Director, will be responsible for coordinating with other Program service providers and working with the City to ensure provision of full array of services to which the children are entitled under the Terms of the Grant.

II. TERM

2.1 Except as otherwise provided for pursuant to the provisions hereof, this Agreement shall begin on February 1, 2015 and shall terminate on July 31, 2016.

III. CONSIDERATION

3.1 In consideration of the services to be delivered by Center, the City will reimburse Center a total amount not to exceed $162,000.00 ("the Federal Share") during the period in which this Agreement is in effect for costs incurred in accordance with the Program Budget affixed hereto and incorporated herein for all purposes as **Attachment II**. Center's Program Budget is comprised of the Federal Share and the Non-Federal Share. The Federal Share shall be no more than 80% of the total Program Budget. Should Center fail to raise all of the non-Federal Share funds (20% of the total Program Budget, or $40,500.00) it is required to raise for the operation of its Program, City reserves the right to limit its reimbursements to Center proportionately. For instance, if Center succeeds in raising only eighty percent (80%) of its required non-Federal Share funds, City may limit its reimbursements to Center to eighty percent (80%) of City's total obligation to Center. Center may provide additional non-Federal share funds if Center, in its discretion, determines such funds are available. To meet the requirements of this Agreement, all claimed non-Federal Share must meet the requirements of 2 C.F.R. 200 *et seq.*, 45 C.F.R. §74.23 or §92.24, or other Head Start regulations, as applicable.

3.2 Prior to commencement of the Agreement, Center shall submit to City for its approval Center's proposed monthly budget by line item for the entire term of the Agreement along with its program Budget, including detail by category alone. Center understands the budget may not include indirect costs. Until the City

receives the initial proposed monthly budget for the entire term of the Agreement and prior to the City's approval, the City reserves the right to redirect the funding City has proposed be allocated to Center under this Agreement. City shall notify the Center of the amount redirected and the revised Agreement funding. Additionally, throughout the term of the Agreement, Center shall submit on or before the last day of each month a forecast of the projected monthly expenses for each month remaining in the Agreement so that the City may review and compare actual expenses to projected expenditures and address issues associated with Center's expenditure rate (e.g., on or before March 31, 2015, Center shall submit the projected expenses by month for April, May, and so on until July 31, 2016). Center's budgeted development and administrative costs (as defined by 45 C.F.R. §1301.32) shall not exceed twelve percent (12%) of the Program Budget, unless the total Program Budget is modified in accordance with this Agreement in which case this amount shall be reduced proportionately unless the Parties otherwise agree.

3.3 Approval required. Center shall seek and obtain City's (City's Head Start Program Administrator and the DHS's Fiscal Administrator) prior written approval 30 calendar days before making budget modifications. City may make exceptions to the 30-day notice requirement on a case by case basis, but otherwise Center must make request in writing or via email to the City's Head Start Program Administrator. Center's written request must be accompanied by a justification for the change and indicate which lines items are affected by such change

3.4 Center understands and agrees that should Center fail to work in collaboration with the City's staff to meet or maintain the Program's funded enrollment level as set forth in the Scope of Work, City may reduce Center's funding by an amount equal to the difference between funded and actual enrollment at the per capita rate.

3.5 The funding level of this Agreement is based on an allocation from the following funding sources:

U.S. Department of Health and Human Services (HHS) – Head Start Funds Catalog of Federal Domestic Assistance # 93.600

Consequently, Center agrees to comply with the Terms of the Grant and the Special Provisions, affixed hereto and incorporated herein for all purposes as **Attachment III**.

3.6 It is expressly understood and agreed by the City and Center that the City's obligations under this Agreement are contingent upon the actual receipt of adequate grant funds from HHS to meet City's liabilities hereunder. This Agreement may be terminated by the City if HHS terminates the City as a grantee or reduces the amount granted to City, for any reason; provided that, if the reduction of grant funds does not result in complete unavailability of such funds, the Parties will use best efforts to amend this Agreement accordingly. City will promptly notify Center of any such HHS action.

IV. PAYMENT

4.1 Center agrees that this is a cost reimbursement contract and that the City's liability hereunder is limited to making reimbursements for allowable costs incurred as a direct result of services provided by the Center in accordance with the terms of this Agreement. Allowable costs are defined as those costs, which are necessary, reasonable and allowable under applicable federal, state, and local law, including but not limited to those laws referenced in Article XII hereof, for the proper administration and performance of the services to be provided under an agreement. All requested reimbursed costs must be consistent with the terms and provisions of the approved budgeted line items described in **Attachment II** of this Agreement, unless (a) a subsequent budget revision has been approved in accordance with the procedure set forth in Section 3.3 and signed by the Director of the DHS in cases where the total Agreement Budget remains the same, or (b) an amendment has been approved and signed by the Director of the DHS pursuant to Section 24.1 of this Agreement in cases where there is an increase or decrease to the total Agreement Budget. Approved budget revisions and amendments modify the Budget attached hereto, and in such cases Center's requested reimbursed costs must be consistent with the last revised, approved budget. Approved budget revisions and amendments supersede prior conflicting or inconsistent agreements with regard to the referenced Project Budget, and all references in the Agreement to the budget shall mean the budget as

revised through approved budget revisions or amendments. In no event shall the City be liable for any cost of Center not eligible for reimbursement as defined within the Agreement. Center shall remit to City within ten (10) business days after the City makes the request for remittance any funded amounts which were paid pursuant to this Article IV and used to cover disallowed costs. Any such amounts not remitted within ten (10) business days may, at City's option, be subject to offset against future funding obligations by City.

4.2 If specific circumstances require an advance payment on this Agreement, Center must submit to the Director of the DHS a written request for such advance payment, including the specific reason for such request in the form prescribed by City. Center agrees that the City shall not be obligated to pay for any advances requested. In those instances in which advance payments are authorized, the Director of the DHS may, in the Director's sole discretion, approve an advance payment on this Agreement. It is understood and agreed by the parties hereto that (a) each request requires submission to the Director of the DHS no less than ten (10) business days prior to the actual ostensible cash need; (b) each request will be considered by the Director of the DHS on a case-by-case basis, and (c) the decision by the Director of the DHS whether or not to approve an advance payment is final. For purposes of this Agreement, the term "business day" shall mean every day of the week except all Saturdays, Sundays and those scheduled holidays officially adopted and approved by the San Antonio City Council for City of San Antonio employees. In those instances in which advance payments are authorized:

(A) Center's payments to its vendors using funds advanced by the City shall be remitted to the vendors in a prompt and timely manner so long as services have been performed by the subject vendor, defined as not later than (10) business days after the Center is notified that an advance payment check is available from the City.

(B) The Center must deposit Agreement funds in an account in a bank insured with the Federal Deposit Insurance Corporation (FDIC). In those situations where Center's total deposits in said bank, including all Agreement funds deposited with said bank, exceed the FDIC insurance limit, the Center must arrange with said bank to automatically have the excess collaterally secured. A written copy of the collateral agreement must be obtained by Center from the Center's banking institution, maintained on file and be available for City monitoring reviews and audits. Advanced funds that cause the Center's account balance to exceed the FDIC limit shall be deposited in a manner consistent with the Public Funds Investment Act (Chapter 2256 of the Texas Government Code) as amended. Center shall maintain the FDIC insured bank account in which Agreement funds are deposited and its recordkeeping in a manner that will allow City to track expenditures made with Agreement funds.

(C) The City may deduct from monthly reimbursements amounts necessary to offset the amount advanced based upon the number of months remaining in the Agreement term, or from a single subsequent monthly reimbursement the full amount previously advanced to Center. The City may consider factors such as projected allowable costs and other indicators such as Center's financial stability. Center shall maintain a financial management system to account for periodic, or a lump sum, deduction from reimbursements.

4.3 Center shall submit to City not later than the forty-fifth (45th) day after the end of every month a monthly Request for Payment in the form prescribed by City, which details the specific costs (by category and by program account number) Center expensed in the previous month for the services delivered as described in Article I herein, including supporting documentation of such costs as may be required by the Director of the DHS. The Request for Payment shall also specify the Program Income (as defined herein) received or projected during the same time period. The Director of the DHS may require the Center's submission of original or certified copies of invoices, cancelled checks, Center's general ledger and/or receipts to verify invoiced expenses.

4.4 City shall make reimbursement payments of eligible expenses to the Center of any undisputed amounts as determined by the Director of the Managing Department in accordance with established procedures, so long as City receives a properly completed and documented Request for Payment. City shall make payment to

Center as soon as reasonably practicable, but not later than 30 calendar days of receiving a valid and approved Request for Payment.

4.5 The Center shall submit to City a full accounting of the Program Income, if applicable, and non-Federal Share funds received and total Program costs incurred, along with all requests for payment for the period February 1, 2015 through July 31, 2016, no later than September 16, 2016. In the event of early termination of this Agreement, Center shall submit the information 45 calendar days from the early termination date of the Agreement. These deadlines may be adjusted only if Center receives written authorization from the Director of the DHS allowing Center to submit a request for payment at a later specified date.

4.6 Center agrees that the City shall not be obligated to any (sub)contractors or third party beneficiaries of the Center.

4.7 Center shall maintain a financial management system and acceptable accounting records with City's assistance and to City's satisfaction, and in accordance with this Agreement and applicable HHS and Head Start regulations and federal directives such as 2 C.F.R. 200 *et seq.*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

4.8 Center agrees that Center costs or earnings claimed under this Agreement may not be claimed under another contract or grant from another agency, organization, business entity or governmental entity.

4.9 Center shall establish and abide by a cost allocation methodology and plan which ensures that the City is paying only its fair share of the costs for services, overhead, and staffing not solely devoted to the Project or funded by this Agreement. The Cost Allocation Plan is a plan that identifies and distributes the cost of services provided by staff and/or departments or functions. It is the means to substantiate and support how the costs of a program are charged to a particular cost category or to the Program so as to assure Grant funds provided hereunder do not subsidize other program(s). Center must ensure that costs allocated and charged to the Ggrant are not charged to other Federal, State or Local awards to overcome fund deficiencies, to avoid restrictions imposed by law or terms of the Federal awards, or for other reasons. Center shall provide to City prior to the beginning of the Agreement term (i) a matrix identifying the shared use of such facilities and/or program services; and (ii) the Cost Allocation Plan and supporting documentation, along with its Budget, financial statements and audit that are applicable to the Center's Project. City shall have the right to approve the Cost Allocation Plan.

4.10 Center agrees to reimburse the City for any Center overpayment based upon reconciled adjustments resulting from Center's balance and/or Statement of Revenue and Expenditure sheet as of July 31, 2016, which balance or Statement sheet shall be due to the City no later than September 1, 2016. Reimbursement shall be made within 20 calendar days of written notification to Center of the need for reimbursement.

4.11 Upon expiration or early termination of this Agreement, or at any time during the term of this Agreement, all unused funds, rebates, advances exceeding allowable costs, or credits on-hand or collected thereafter relating to the Project, shall be returned by Center to the City within twenty (20) days of receipt of written notice.

4.12 Upon execution of this Agreement or at any time during the term of this Agreement, the City's Director of Finance, the City Auditor, or a person designated by the Director of the DHS may review and approve all Center's systems of internal accounting and administrative controls prior to the release of funds hereunder.

V. PROGRAM INCOME

5.1 For purposes of this Agreement, "program income" shall mean earnings of Center realized from activities resulting from this Agreement or from Center's management of funding provided or received hereunder. Such earnings shall include, but shall not be limited to, interest income; usage or rental/lease fees; income produced from Agreement-supported services of individuals or employees or from the use of equipment or facilities of Center provided as a result of this Agreement; and if applicable, payments from clients or third

parties for services rendered by Center pursuant to this Agreement. At the sole option of the Director of the Managing City Department, if Center obtains program income under the Agreement, Center will either (a) be required to return program income funds to City through the Managing City Department, or (b) upon prior written approval by the Director of the Managing City Department, Center may be permitted to retain such funds to be:

(A) added to the Project and used to further eligible Project objectives, in which case proposed expenditures must first be approved by the City; or

(B) deducted from the total Project cost for the purpose of determining the net cost reimbursed by the City.

5.2 In any case where Center is required to return program income to the Managing City Department, Center must return such program income to City within the timeframe that may be specified by the Director of the Managing City Department. If the Director of the Managing City Department does not specify a timeframe for Center to return program income to City, then Center must return such program income to City on the same date that Center submits its statement of expenditures and revenues to the Managing City Department set forth in Article V, Section 5.4 of this Agreement. If the Director of the Managing City Department grants Center authority to retain program income, Center must submit all reports required by the Managing City Department within the timeframe specified in the Agreement.

5.3 Center shall provide the Managing City Department with thirty (30) calendar days written notice prior to the activity that generates program income. Such notice shall detail the type of activity, time, and place of all activities that generate program income.

5.4 The Center shall fully disclose and be accountable to the City for all program income. Center must submit a statement of expenditures and revenues to the Managing City Department within thirty (30) calendar days of the activity that generates program income. The statement is subject to audit verification by the Managing City Department. Failure by Center to report program income as required is grounds for suspension, cancellation, or termination of this Agreement.

5.5 Center is prohibited from charging fees or soliciting donations and is prohibited from inviting or contracting with vendors who shall charge fees or solicit donations from Head Start participants and their parents in any Agreement-funded project without the prior written approval of the Director of the Managing City Department. However, Center may engage in general school activity that is not specifically targeted at Head Start families.

5.6 Center shall include this Article V, in its entirety, in all of its subcontracts involving income-producing services or activities.

VI. ADMINISTRATION OF CONTRACT

6.1 The Center agrees to comply with all the terms and conditions that the City must comply with in its award document from HHS. A copy of said award document is attached hereto and incorporated herein for all purposes as **Attachment IV**. From time to time, the award document may be amended or supplemented, and these shall be incorporated into the Agreement collectively as **Attachment IV**.

6.2 In the event that any disagreement or dispute should arise between the Parties hereto pertaining to the interpretation or meaning of any part of this Agreement or its governing rules, regulations, laws, codes or ordinances, the City Manager or the Director of the DHS, as representatives of the City and the parties ultimately responsible for all matters of compliance with HHS and City rules and regulations, shall have the final authority to render or secure an interpretation. In the event that a dispute arises with regard to interpretation of regulations or law as it applies to this Agreement, Center may request that the City secure, and the City shall request an interpretation or opinion from HHS in order to assist in resolution of the dispute.

6.3 Center shall not use funds awarded from this Agreement as matching funds for any federal, state or local grant without the prior written approval of the Director of the DHS.

6.4 The City shall have the authority during normal business hours to make physical inspections to all operating facilities occupied to administer this Agreement and to require such physical safeguarding devices as locks, alarms, security / surveillance systems, safes, fire extinguishers, sprinkler systems, etc. as reasonably necessary, to safeguard property and/or equipment authorized by this Agreement.

6.5 The Center Board of Directors or Board of Trustees, as applicable, and Center's management staff shall adopt and approve an Employee Integrity Policy, or similar policy, in the event that Center has none, and internal program management procedures, and require all staff to abide by these and the Head Start standards as established in the HHS regulations, to preclude theft, embezzlement, improper inducement, obstruction of investigation or other criminal action, and to prevent fraud and program abuse. These policies and procedures shall require repayment of such erroneously received grant funds or property to the Center, or to the applicable service provider from whom such grant funds or property was received, if other than Center, and shall specify any other consequences to Center's employees and vendors involved in such illegal activities and may include but not be limited to termination and prosecution where necessary. Said policies and procedures shall be provided to the DHS upon request by the DHS. In the event that the DHS finds the policies and procedures to be lacking, the DHS may recommend revision.

6.6 If Center writes or handles checks under this Agreement, Center agrees to comply with the following check writing and handling procedures:

(A) No blank checks are to be signed in advance;
(B) No checks are to be made payable to cash or bearer with the exception of those for petty cash reimbursement, not to exceed a $100.00 maximum per check. Center agrees that the aggregate amount of petty cash reimbursement shall not exceed $500.00 for any given calendar month during the term of this Agreement unless Center receives prior written approval from the DHS to exceed such limit. Such requests for petty cash must be supported by the submission to the DHS of an original receipt.
(C) Checks issued by City to Center shall be deposited into the appropriate bank account no later than three (3) Center business days of Center's receipt of each such check, and shall never be cashed for purposes of receiving the face amount back. If such check(s) are not deposited within three (3) Center business days from the date of issue, such checks shall be investigated by City and stop-payment orders issued, as applicable. City agrees that stop payment orders shall not be issued due to the financial institution's posting policies that result in posting of checks for credit beyond the required timeframe so long as the checks are deposited within the required timeframe. Upon cancellation of any outstanding check, if deemed appropriate by City, such check may be reissued to the Center or if deemed by City not to be a valid expense, such check shall be immediately returned to the City.

6.7 Center agrees to provide City with a copy of all proposed communications to the public, EHS-CCP Program parents and employees as it may relate to the City's implementation of the City's Program model, the transition of Program contracts or transition of the Program, and to obtain the City's approval prior to dissemination.

6.8 Wherever in this Agreement, Center is required to perform an action within a specified number of days or hours, Center may request additional time to perform. City shall give Center's request for additional time due consideration and shall grant Center's request whenever reasonable practicable, unless immediate compliance is required.

6.9 If the starting date of the Agreement term has already passed at the time of approval of the Agreement by Center, all deadlines imposed on Center for providing information to the City on or before the date of approval or within seven (7) Center business days of approval shall be extended in order for the Center to reasonably comply with the City's requirements; except and unless, the information has already been provided to the City. City and Center agree to confer and make best efforts to reasonably permit Center to comply with the extended deadlines.

VII. AUDIT

7.1 If Center expends $750,000.00 or more of funds provided under this Agreement, or cumulative funds provided by or through City, and does not have to comply with the provisions of Section 7.2, then during the term of this Agreement, the Center shall have completed an independent audit of its financial statements for the Head Start program performed within a period not to exceed one hundred twenty (120) days immediately succeeding the end of Center's fiscal year, expiration or early termination of this Agreement, whichever is earlier. Center understands and agrees to furnish the DHS a copy of the audit report within a period not to exceed fifteen (15) days upon receipt of the report. In addition to the report, a copy of the corrective action plan, summary schedule of prior audit findings, management letter and/or conduct of audit letter are to be submitted to the DHS by Center within fifteen (15) days upon receipt of said report or upon submission of said corrective action plan to the auditor.

Center agrees to reimburse the City or supplement any disallowed costs with eligible and allowable expenses based upon reconciled adjustments resulting from Center's Single Audit. Reimbursement shall be made within twenty (20) days of written notification regarding the need for reimbursement.
Center agrees and understands that upon notification from federal, state, or local entities that have conducted program reviews and/or audits of the Center or its programs of any findings about accounting deficiencies, or violations of Center's financial operations, a copy of the notification, review, investigation, and audit violations report must be forwarded to the DHS within a period of ten (10) days upon the Center's receipt of the report.

7.2 Center agrees that if Center receives or expends more than $750,000.00 in federal funds from the City, the audit shall be made in accordance with the Single Audit Act Amendments of 1996, the State of Texas Single Audit Circular, and U.S. Office of Management and Budget Circular (OMB-133 revision) and Center shall also be required to submit copies of its annual independent audit report, and all related reports issued by the independent certified public accountant within a period not to exceed one hundred fifty-three (153) calendar days after the end of Center's fiscal year to the Federal Audit Clearinghouse in Jeffersonville, Indiana. A copy of this report must also be provided to City within this same time period. Center may submit reports through the following website: https://harvester.census.gov/fac and may also contact the Clearinghouse by telephone at (301) 763-1551 (voice) or 1-888-222-9907 (toll free) or 1-800-253-0696.

Upon completion of Form SF-SAC, Center may submit the completed report by mail to:

Federal Audit Clearinghouse
1201 E. 10th Street
Jeffersonville, Indiana 47132

7.3 THIS SECTION INTENTIONALLY LEFT BLANK.

7.4 All financial statement(s) must include a schedule of receipts and disbursements by budgeted cost category for each program funded by or through the City.

7.5 The City reserves the right to conduct, or cause to be conducted, an audit or review of all funds received under this Agreement at any and all reasonable and necessary times required by City. The City Internal Audit Staff, a Certified Public Accounting (CPA) firm, or other personnel as designated by the City, may perform such audit(s) or reviews. The City reserves the right to determine the scope of every audit, so long as it is limited to Center's Head Start program. In accordance herewith, Center agrees to make available to City all accounting and Project records.

Center shall during Center's normal business hours, and as often as deemed reasonably necessary by City and/or the applicable state or federal governing agency or any other auditing entity, make available the books, records, documents, reports, and evidence with respect to all matters covered by this Agreement and shall continue to be so available for a minimum period of four (4) years or whatever period is determined necessary based on the Records Retention guidelines, established by applicable law for this Agreement.

Said records shall be maintained for the required period beginning immediately after Agreement termination, save and except there is litigation or if the audit report covering such agreement has not been accepted, then the Center shall retain the records until the resolution of such issues has satisfactorily occurred. The auditing entity shall have the authority to audit, examine and make excerpts, transcripts, and copies from all such books, records, documents and evidence, including all books and records used by Center in accounting for expenses incurred under this Agreement, all contracts, invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to matters covered by this Agreement.

The City may, in its reasonable discretion, require the Center to use any and all of the City's accounting or administrative procedures that are in conformity with Generally Accepted Accounting Principles for state account standards in Texas in the planning, controlling, monitoring and reporting of all fiscal matters relating to this Agreement, and the Center shall abide by such requirements. Should a conflict exist between the parties' accounting procedures, Center shall use the stricter of the procedures.

7.6 When an audit or examination determines that the Center has expended funds or incurred costs which are questioned by the City and/or the applicable state or federal governing agency, the Center shall be notified and provided an opportunity to address the questioned expenditure or costs.

Should any expense or charge that has been reimbursed be subsequently disapproved or disallowed as a result of any site review or audit, the Center shall refund such amount to the City no later than twenty (20) Center business days from the date of notification of such disapproval or disallowance by the City. At its sole option, the DHS may deduct such claims from subsequent reimbursements and shall notify Center prior to exercising this option. Center shall provide to City a full refund of such amount no later than twenty (20) Center business days from the date of notification of such disapproval or disallowance by the City. If Center is obligated under the provision hereof to refund a disapproved or disallowed cost incurred, such refund shall be required and be made to City by check, cashiers check or money order. In the event that a dispute arises as to the allow ability of an expenditure or charge pursuant to the federal regulations, then Center may request that the City secure, and the City shall request an interpretation or opinion from HHS in order to assist in resolution of the dispute. Should the City deduct such claims from subsequent reimbursements, the Center is forbidden from reducing Project expenditures and Center must use its own funds to maintain the Project.

Center agrees and understands that all expenses, fees, fines and penalties associated with the collection of delinquent debts owed by Center shall be the sole responsibility of the Center and shall not be paid from any Project funds received by the Center under this Agreement. Delinquent debts that would otherwise be identified as allowable costs may be paid with Project funds with approval of the DHS.

7.7 If the City determines that Center is in violation of the above requirements, the City shall have the right to dispatch auditors of its choosing to conduct the required audit and to have the Center pay for such audit from non-City resources. If after the audit is conducted it is determined that Center is in compliance with the contract then the cost of the audit, specifically the auditor's bill alone, shall be borne by the City. Center may recommend the hiring of alternate auditors, but the final decision on the selection of auditors shall rest with the City.

VIII. RECORDS, REPORTING, MONITORING AND INTELLECTUAL PROPERTY

8.1 In addition to those listed in this Agreement, the Center shall submit to the DHS any and all reports as may be required of Center by HHS or as may be reasonably required of the City. Center shall incorporate and use a City-approved tracking or information system, such as ChildPlus, for the delivery of comprehensive EHS-CCP Services and collect, input and update all data required for the Program Information Report in accordance with the City's reasonable timeline to ensure the reporting of accurate and consistent information to HHS.

8.2 Additionally, Center will work with City to maintain and furnish to City the appropriate financial and programmatic information and reports, in such forms as the City may require or prescribe, as required

under the Head Start Act, as amended, or as required under federal regulations, such as 2 C.F.R. 200 *et seq*. or other applicable regulations.

Center agrees to maintain all applicable and appropriate supporting documentation of costs, including but not limited to, payroll records, invoices, contracts or vouchers, and make these available to City upon request.

8.3 Center shall provide to the DHS all information reasonably requested by the DHS relating to the Center's Board functions, if applicable, including but not be limited to:

(A) Roster of current Board Members (name, title, address, telephone number, fax number and e-mail address);
(B) Names and terms of Officers;
(C) Schedule of anticipated board meetings for current Fiscal Year;
(D) Board agendas relating to the Head Start Program to be submitted by electronic or facsimile transmission at the time of posting prior to each Board meeting. Prior to the time of posting, Center's administration shall attempt to notify City when a Head Start program item is anticipated to be placed on the agenda; and
(E) Minutes of every board meeting relating to the Head Start Program.

8.4 City reserves the right to reasonably request Center to provide additional records for travel expenses, long distance calls, faxes, internet service, cell phone calls, or other electronic communication devices charged to the budget associated with this Agreement.

8.5 Center shall report all notices served, violations found or complaints filed with regard to licensing, or lack thereof, of Center's centers within one (1) business day of receipt of written notice from the State licensing, certifying or permit-issuing authority of a violation or complaint not counting weekends. Center shall also sign an Authorization For Release of Information giving the Texas Department of Family and Protective Services (TDFPS) permission to share licensing information about the Center with the Grantee.

8.6 Center shall comply with federal Head Start Performance Standards (federal Head Start regulations), and all applicable federal, state and local laws relating to child safety. Center shall establish and implement mutually agreeable administrative procedures to respond to medical, dental and other health emergencies with which all City and Center staff should be familiar and trained. These procedures shall include, among other things, methods of notifying parents in the event of a health emergency involving their children and established methods for handling cases of suspected or known child endangerment, abuse or neglect that are in compliance with applicable federal, state and local laws. If Center has knowledge of a claim or report of, or is aware of a program crisis related to, or suspects that media coverage would be negative due to, an incident of child endangerment, neglect or abuse of a child while in Center's EHS-CCP program, Center shall contact the City's designated representative immediately, but not later than 24 hours, for the purpose of notification of the incident. Center shall contact the City's designated representative even if the incident of child endangerment, neglect or abuse is not fully investigated by Center. If Center is unable to reach the City's designated representative, Center shall leave a verbal or written message via electronic mail notifying the City that Center is attempting to notify the City of an incident. Center further agrees to notify the parent of the child immediately, in any of the instances cited above, to include a situation in which the parent's child has received physical discipline, whether or not the instance may be characterized as suspected child abuse.

8.7 Within a period not to exceed forty-five (45) calendar days after the expiration or early termination date of the Agreement, Center shall submit all final client reports and all required deliverables to City. Center understands and agrees that in conjunction with the submission of the final report, the Center shall execute and deliver to City a receipt for all sums received and a release of all claims for said sums against the Project.

8.8 Center shall maintain financial records, supporting documents, statistical records, and all other books, documents, papers or other records pertinent to this Agreement or the Grant in accordance with the official

records retention schedules established within the Local Government Records Act of 1989 and any amendments thereto, or for such period as may be specifically required by the Head Start regulations, as applicable, whichever is longer. Notwithstanding the foregoing, Center shall maintain all Agreement and Grant related documents for no less than four (4) years from the date of City's submission of the annual financial report covering the funds awarded hereunder. If an audit, litigation, or other action involving the records has been initiated before the end of the retention period, Center agrees to maintain the records until the end of the retention period or until the audit, litigation, or other action is completed, whichever is later. Records for real property and equipment acquired with Grant funds shall be retained for four (4) years after final disposition.

8.9 Center shall make available to City, HHS, or any of their duly authorized representatives, upon appropriate notice and unless otherwise prohibited by law, such books, records, reports, documents, papers, policies and procedures as may be necessary for audit, examination, excerpt, transcription, and copy purposes, for as long as such records, reports, books, documents, and papers are retained. This right also includes timely and reasonable access to Center's facility and to Center's personnel for the purpose of interview and discussion related to such documents. Center shall, upon request, transfer certain records to the custody of City or HHS when City or HHS determines that the records possess long-term retention value unless otherwise prohibited by law, and subject to Center's right to use "educational records" as that term is understood under the Family Educational Rights and Privacy Act of 1974 ("FERPA").

8.10 The Center agrees to incorporate and use any City-approved tracking or information system for the delivery of comprehensive Program services. Center shall enter current, accurate and complete client data.

8.11 The DHS is assigned monitoring, fiscal control, and evaluation of certain projects funded by the City with General or Grant Funds, including the Project covered by this Agreement. Therefore, Center agrees to permit City and/or HHS to evaluate, through monitoring, reviews, inspection or other means, the quality, appropriateness, and timeliness of services delivered under this Agreement and to assess Center's compliance with applicable legal and programmatic requirements. At such times and in such form as may be required by the DHS, the Center shall make available to the DHS and the Grantor of the Grant Funds, if applicable, such statements, reports, records, personnel files (including evidence of criminal background check as required by Head Start regulations), client files, data, all policies and procedures and information as may be requested by the DHS and shall permit the City and Grantor of the Grant Funds, if applicable, to have interviews with its personnel, board members and program participants pertaining to the matters covered by this Agreement. Center agrees that the failure of the City to monitor, evaluate, or provide guidance and direction shall not relieve the Contactor of any liability to the City for failure to comply with the Terms of the Grant or the terms of this Agreement. Regarding evidence of criminal background check, the parties agree that City will accept a written statement that the checks have been conducted and that all persons who are employed have passed. If, at any time, HHS informs the City and / or Center that such written statement does not satisfy the requirements of the Terms of the Grant, Center agrees to provide additional information as may be legally permissible and as may be required by HHS or to cooperate with the City and HHS in order to resolve any conflict associated with provision of information related to criminal background checks.

8.12 City may, at its discretion, conduct periodic, announced monitoring visits to ensure program and administrative compliance with Head Start Performance Standards and with Program goals and objectives for the agreement period. City reserves the right to make unannounced visits to Center Program sites when it is determined that such unannounced visits are in the interest of effective program management and service delivery. Center Program staff shall be informed by City representative(s) upon arrival at Center's site of the expected purpose and length of visit so that accommodations may be made. City's representative(s) shall provide proper identification to ensure the safety and security of all parties.

8.13 Center understands that the City will timely inform Center of the findings of any such review or monitoring, specifically any default under the Agreement or deficiencies in performance, and will inform Center in writing of Program strengths and weaknesses and specify a deadline for corrective action based upon contract or federal deadlines and the time needed for City to review, monitor and approve when necessary. The City will assist Center in finding solutions for Program improvement if and as appropriate.

8.14 Unless otherwise provided herein, all reports, statements, records, data, policies and procedures or other information requested by the DHS shall be submitted by Center to City within five (5) business days of the request made to Center via electronic communication or by other form of written correspondence. In the event that Center fails to deliver the required reports or information or delivers incomplete information within the prescribed time period, the City may, upon reasonable written notice, suspend reimbursements to Center until such reports are delivered to City. Furthermore, the Center ensures that all information contained in all required reports or information submitted to City is accurate.

8.15 (A) Unless disclosure is authorized by the City or is required by the Attorney General for the State of Texas or his duly authorized representative, Center agrees to maintain in confidence all information pertaining to the Project or other information and materials prepared for, provided by, or obtained from City including, without limitation, reports, information, data, other related information (collectively, the "Confidential Information") and to use the Confidential Information for the sole purpose of performing its obligations pursuant to this Agreement. Center shall protect the Confidential Information and shall take all reasonable steps to prevent the unauthorized disclosure, dissemination, or publication of the Confidential Information.

(B) If disclosure is permitted by law or required by order of a governmental agency or court of competent jurisdiction, Center shall give the Director of the DHS prior written notice that such disclosure is required with a full and complete description regarding such requirement.

(C) Center shall establish specific procedures designed to meet the obligations of this Article VIII, Section 8.15, including, but not limited to execution of confidential disclosure agreements, regarding the Confidential Information with Center's employees, contractors and subcontractors prior to any disclosure of the Confidential Information to third parties. This Article VIII, Section 8.15 shall not be construed to limit HHS's, the City's or its authorized representatives' right to obtain copies, review and audit records or other information, confidential or otherwise, under this Agreement. Upon termination or expiration of this Agreement, Center shall return to City upon request all copies of materials related to the Project, including the Confidential Information and subject to Center's right to use "Educational Records" as that term is understood under FERPA. All confidential obligations contained herein (including those pertaining to information transmitted orally) shall survive the termination of this Agreement. The Parties shall ensure that their respective employees, agents, and contractors are notified of the requirement to comply with the aforementioned obligations.

8.16 The Public Information Act, Government Code Section 552.021, requires the City to make public information available to the public. Under Government Code Section 552.002(a), public information means information that is collected, assembled or maintained under a law or ordinance or in connection with the transaction of official business: 1) by a governmental body; or 2) for a governmental body and the governmental body owns the information or has a right of access to it. Therefore, if City receives a request under the Public Information Act (i.e., ORR) for information within Center's possession pursuant to this Agreement, Center shall forward the requested documents to the City within two (2) business days of Center's designated liaison's receipt of the written request. If the requested information is confidential or may be kept confidential pursuant to state or federal law, the Center shall submit to City the list of specific statutory authority mandating and/or authorizing confidentiality no later than three (3) business days Center's designated liaison's receipt of such request. For the purposes of communicating and coordinating with regard to public information requests, all communications shall be made to the designated public information liaison for each Party. Each Party shall designate in writing to the other Party the public information liaison for its organization and notice of a change in the designated liaison shall be made promptly to the other Party. The parties shall cooperate with each other to preserve confidential information or records that may be excluded from disclosure under the Family Educational Rights and Privacy Act (FERPA) (20 U.S.C. § 1232g; 34 CFR Part 99) and/or the Texas Public Information Act; and the parties shall coordinate efforts to seek any required Attorney General decision for the protection of such information from release.

8.17 In accordance with Texas law, Center acknowledges and agrees that all local government records as

defined in Chapter 201, Section 201.003 (8) of the Texas Local Government Code created or received in the transaction of official business or the creation or maintenance of which were paid for with public funds are declared to be public property and subject to the provisions of Chapter 201 of the Texas Local Government Code and Subchapter J, Chapter 441 of the Texas Government Code. Thus, Center agrees that no such local government records produced by or on the behalf of Center pursuant to this Agreement shall be the subject of any copyright or proprietary claim by Center; however Center shall be entitled to maintain the confidentiality of "educational records" as that term is understood under FERPA and to use such records for educational purposes.

With the exception of student records, Center acknowledges and agrees that all local government records, as described herein, produced in the course of the work required by this Agreement, are public information and shall be made available to the City at any time unless otherwise prohibited by law. The parties agree that educational records created pursuant to Section 1.1 shall be maintained and utilized by Center as required by law. Center further agrees to turn over to City all such records upon request, or termination of this Agreement, unless otherwise prohibited by law. Center agrees that it shall not, under any circumstances, release any records created during the course of performance of the Agreement to any entity without the written permission of the Director of the DHS, unless required to do so by a court of competent jurisdiction or the Texas Attorney General or his designee, or as may be required or permitted by Center due to the record being an "educational record" as that term is understood under FERPA. The DHS shall be notified of such request as set forth in Article VIII, Section 8.15 of this Agreement.

8.19 In the event that Center desires to copyright material or to permit any third-party to do so, Center must obtain City's prior written approval to do so and must appropriately acknowledge City's support in any such materials.

8.20 Subject to obligations to maintain confidentiality under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and the HIPAA Business Associate Agreement, attached hereto and incorporated herein for all purposes as **Attachment V,** and subject to the requirements of the Family Educational Rights and Privacy Act ("FERPA") and the limitations imposed under law regarding transfer of information, any and all writings, documents or information in whatsoever form and character produced by Center pursuant to the provisions of this Agreement is the exclusive property of City; and no such writing, document or information shall be the subject of any copyright or proprietary claim by Center. Center understands and acknowledges that as the exclusive owner of any and all such writings, documents and information, City has the right to use all such writings, documents and information as City desires, without restriction; subject, however to Center's continuing rights regarding "educational records" as that term is understood under FERPA. City agrees that it will not release to the public "educational records" that come into its possession unless otherwise authorized by law.

IX. INSURANCE

9.1 Prior to the commencement of any work under this Agreement, Center shall furnish copies of all required endorsements and completed Certificate(s) of Insurance to the City's Department of Human Services, which shall be clearly labeled "***Inman Christian Center***- *EHS-CCP*" in the Description of Operations block of the Certificate. The Certificate(s) shall be completed by an agent and signed by a person authorized by that insurer to bind coverage on its behalf. The City will not accept a Memorandum of Insurance or Binder as proof of insurance. The certificate(s) must have the agent's signature and phone number, and be mailed, with copies of all applicable endorsements, directly from the insurer's authorized representative to the City. The City shall have no duty to pay or perform under this Agreement until such certificate and endorsements have been received and approved by the City's Department of Human Services. No officer or employee, other than the City's Risk Manager, shall have authority to waive this requirement.

9.2 The City reserves the right to review the insurance requirements of this Article during the effective period of this Agreement and any extension or renewal hereof and to modify insurance coverages and their limits

when deemed necessary and prudent by City's Risk Manager based upon changes in statutory law, court decisions, or circumstances surrounding this Agreement. In no instance will City allow modification whereby City may incur increased risk.

9.3 A Center's financial integrity is of interest to the City; therefore, subject to Center's right to maintain reasonable deductibles in such amounts as are approved by the City, Center shall obtain and maintain in full force and effect for the duration of this Agreement, and any extension hereof, at Center's sole expense, insurance coverage written on an occurrence basis, unless otherwise indicated, by companies authorized to do business in the State of Texas and with an A.M Best's rating of no less than A- (VII), in the following types and for an amount not less than the amount listed below:

TYPE	AMOUNTS
1. Workers' Compensation 2. Employers' Liability	Statutory $500,000/$500,000/$500,000
3. Broad form Commercial General Liability Insurance to include coverage for the following: a. Premises/Operations b. Independent Contractors c. Products/Completed Operations d. Personal Injury e. Contractual Liability f. Damage to property rented by you g. Sexual Abuse/Molestation	For Bodily Injury and Property Damage of $1,000,000 per occurrence; $2,000,000 General Aggregate, or its equivalent in Umbrella or Excess Liability Coverage f. $100,000
4. Business Automobile Liability a. Owned/leased vehicles b. Non-owned vehicles c. Hired Vehicles	Combined Single Limit for Bodily Injury and Property Damage of $1,000,000 per occurrence

9.4 Center agrees to require, by written contract, that all subcontractors providing goods or services hereunder obtain the same insurance coverages required of Center herein, and provide a certificate of insurance and endorsement that names the Center and the CITY as additional insureds. Respondent shall provide the CITY with said certificate and endorsement prior to the commencement of any work by the subcontractor. This provision may be modified by City's Risk Manager, without subsequent City Council approval, when deemed necessary and prudent, based upon changes in statutory law, court decisions, or circumstances surrounding this agreement. Such modification may be enacted by letter signed by City's Risk Manager, which shall become a part of the contract for all purposes.

9.5 As they apply to the limits required by the City, the City shall be entitled, upon request and without expense, to receive copies of the policies, declaration page, and all endorsements thereto and may require the deletion, revision, or modification of particular policy terms, conditions, limitations, or exclusions (except where policy provisions are established by law or regulation binding upon either of the parties hereto or the underwriter of any such policies). Center shall be required to comply with any such requests and shall submit a copy of the replacement certificate of insurance to City at the address provided below within 10 days of the requested change. Center shall pay any costs incurred resulting from said changes.

City of San Antonio
Attn: Department of Human Services
P.O. Box 839966
San Antonio, Texas 78283-3966

9.6 Center agrees that with respect to the above required insurance, all insurance policies are to contain or be endorsed to contain the following provisions:

- Name the City, its officers, officials, employees, volunteers, and elected representatives as additional insured by endorsement, as respects operations and activities of, or on behalf of, the named insured performed under contract with the City, with the exception of the workers' compensation and professional liability policies;

- Provide for an endorsement that the "other insurance" clause shall not apply to the City of San Antonio where the City is an additional insured shown on the policy;

- Workers' compensation, employers' liability, general liability and automobile liability policies will provide a waiver of subrogation in favor of the City.

- Provide advance written notice directly to City of any suspension, cancellation, non-renewal or material change in coverage, and not less than ten (10) calendar days advance notice for nonpayment of premium.

9.7 Within five (5) calendar days of a suspension, cancellation or non-renewal of coverage, Center shall provide a replacement Certificate of Insurance and applicable endorsements to City. City shall have the option to suspend Center's performance should there be a lapse in coverage at any time during this contract. Failure to provide and to maintain the required insurance shall constitute a material breach of this Agreement.

9.8 In addition to any other remedies the City may have upon Center's failure to provide and maintain any insurance or policy endorsements to the extent and within the time herein required, the City shall have the right to order Center to stop work hereunder, and/or withhold any payment(s) which become due to Center hereunder until Center demonstrates compliance with the requirements hereof.

9.9 Nothing herein contained shall be construed as limiting in any way the extent to which Center may be held responsible for payments of damages to persons or property resulting from Center's or its subcontractors' performance of the work covered under this Agreement.

9.10 It is agreed that Center's insurance shall be deemed primary and non-contributory with respect to any insurance or self insurance carried by the City of San Antonio for liability arising out of operations under this Agreement.

9.11 It is understood and agreed that the insurance required is in addition to and separate from any other obligation contained in this Agreement and that no claim or action by or on behalf of the City shall be limited to insurance coverage provided..

9.12 Center and any Subcontractors are responsible for all damage to their own equipment and/or property.

X. LIMITED LIABILITY

10.1 **CENTER covenants and agrees to FULLY INDEMNIFY, DEFEND and HOLD HARMLESS, the CITY and the elected officials, employees, officers, directors, volunteers and representatives of the CITY, individually and collectively, from and against any and all costs, claims, liens, damages, losses, expenses, fees, fines, penalties, proceedings, actions, demands, causes of action, liability and suits of any kind and nature, including but not limited to, personal or bodily injury, death and property damage, made upon the CITY directly or indirectly arising out of, resulting from or related to CENTER'S activities under this CONTRACT including any acts or omissions of CENTER, any agent, officer, director, representative, employee, consultant or subcontractor of CENTER, and their respective officers, agents employees, directors and representatives while in the exercise of the rights or performance of the duties under this CONTRACT. The indemnity provided for in this paragraph**

shall not apply to any liability resulting from the negligence of CITY, its officers or employees, in instances where such negligence causes personal injury, death, or property damage. IN THE EVENT CENTER AND CITY ARE FOUND JOINTLY LIABLE BY A COURT OF COMPETENT JURISDICTION, LIABILITY SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS FOR THE STATE OF TEXAS, WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO THE CITY UNDER TEXAS LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER TEXAS LAW.

10.2 The provisions of this INDEMNITY are solely for the benefit of the parties hereto and not intended to create or grant any rights, contractual or otherwise, to any other person or entity. Center shall advise the City in writing within 24 hours of any claim or demand against the City or Center known to Center related to or arising out of Center's activities under this Contract and shall see to the investigation and defense of such claim or demand at Center's cost. The City shall have the right, at its option and at its own expense, to participate in such defense without relieving Center of any of its obligations under this paragraph.

10.3 Defense Counsel - Center shall retain defense counsel within seven (7) business days of City's written notice that City is invoking its right to indemnification under this Contract. If Center fails to retain Counsel within such time period, City shall have the right to retain defense counsel on its own behalf, and Center shall reimburse City for all costs related to retaining defense counsel until such time as Center retains Counsel as required by this section. City shall also have the right, at its option, to be represented by advisory counsel of its own selection and at its own expense, without waiving the foregoing

10.4 Employee Litigation – In any and all claims against any party indemnified hereunder by any employee of Center, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the indemnification obligation herein provided shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for Center or any subcontractor under worker's compensation or other employee benefit acts.

XI. THIS ARTICLE INTENTIONALLY LEFT BLANK

XII. APPLICABLE LAWS

12.1 Center, and all of the work performed under this Agreement, shall comply with all applicable laws, rules, regulations and codes of the United States and the State of Texas and with the charter, ordinances, bond ordinances, and rules and regulations of the City of San Antonio and Bexar County. Center agrees to abide by any and all future amendments or additions to such laws, rules, regulations, policies and procedures as they may be promulgated. Center may request additional time to come into and demonstrate compliance, unless immediate compliance is required by the applicable Head Start regulations, the Head Start Act, or Public Information Act request requirements. Should the City need to abide by some other law, rule, regulation, policy or procedure, such requirement will be made known to Center upon consideration of Center's request for additional time.

12.2 The Center understands that certain funds provided it pursuant to this Agreement are funds which have been made available by the City's General Operating Budget and/or by Federal, State, or other granting entities. Center agrees to comply with all laws, ordinances, codes, rules, regulations, policies, and procedures, including licensing and accreditation standards applicable to the funds received by Center hereunder or as required in this Agreement, including but not limited to:

(A) The Head Start Act (42 U.S.C. §9801 *et seq.*, as amended);

(B) 45 C.F.R. Part 1301 *et seq.*;

(C) The Terms of the Grant;

(D) As applicable, 45 C.F.R. Part 74, 45 C.F.R 75, 45 C.F.R 87 or 45 C.F.R. Part 92 (Grants Administration regulations);

(E) Texas Child Care Licensing laws; and

(F) The most recent Office of Management and Budget (OMB) Circular found at 2 C.F.R. Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards," as applicable to the funds received by Center hereunder, which streamlines:

a. OMB Circular A-21, entitled, "Cost Principles for Educational Institutions";
b. OMB Circular A-87, entitled, "Cost Principles for State, Local and Indian Tribal Governments";
c. OMB Circular A-102, entitled, "Grants and Cooperative Agreements with State and Local Governments";
d. OMB Circular A-110, entitled "Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations"
e. OMB Circular A-122, entitled, "Cost Principles for Non-Profit Organizations"; and
f. OMB Circular A-133, entitled, "Audits of States, Local Governments, and Not for Profit Organizations".

(G) Official record retention schedules as established by the Local Government Records Act of 1989

(H) The Texas Public Information Act, at Chapter 552, The Texas Government Code

12.3 Center agrees to:

(A) comply with applicable standards, orders, or regulations issued pursuant to the Clean Air Act of 1970 (42 U.S.C. §7401 *et. seq.)* and the Federal Water Pollution Control Act (33 U.S.C. §1251 *et seq.)*, as amended.

(B) make positive efforts to utilize small businesses, minority-owned firms and women's business enterprises in connection with the work performed hereunder, whenever possible.

(C) provide for the rights of the Federal Government in any invention resulting from the work performed hereunder, in accordance with 37 C.F.R. Part 401 and any applicable implementing regulations.

(D) include a provision requiring compliance with the Copeland "Anti-Kickback" Act (18 U.S.C. §874 and 40 U.S.C. §276c) and as supplemented by Department of Labor regulations at 29 C.F.R. Part 3, and implementing regulations in any contracts for construction or repair of more than $2,000.00.

(E) include a provision requiring compliance with the Davis-Bacon Act (40 U.S.C. §276a to a-7) and as supplemented by Department of Labor regulations at 29 C.F.R. Part 5, and implementing regulations in any construction contracts of more than $2,000.00.

(F) comply with the certification and disclosure requirements of the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352), and any applicable implementing regulations.

(G) comply with the applicable standards under the McKinney-Vento Homeless Assistance Act (42 U.S.C. §11434a(2)), and any applicable implementing regulations, as may be applicable.

(H) comply with the Contract Work Hours and Safety Standards Act, (40 USC 327-333, Sections 102 and 107), relating to all construction contracts in excess of $2,000.00 that involve the employment of laborers, as it relates to computing wages on the basis of a standard 40 hour work week.

(I) comply with the prohibitions contained in the Pro-Children Act of 1994, relating to not permitting smoking within any indoor facility (or portion thereof) owned or leased or contracted for by Center for the provision of regular or routine health care or day care or early childhood development (Head Start) services to children or for the use of the employees of the City or Center who provide such services.

12.4 Center certifies that it will provide a drug-free workplace in compliance with the Drug-Free Workplace Act of 1988 and the Drug-Free Workplace Rules established by the Texas Worker's Compensation Commission effective April 17, 1991. Failure to comply with the above-referenced law and regulations could subject the Center to suspension of payments, termination of Agreement, and debarment and suspension actions.

12.5 Center shall comply with all federal, State, or local laws, rules, and orders prohibiting discrimination, and shall not engage in employment practices which have the effect of discriminating against any employee or applicant for employment, and will take affirmative steps to ensure that applicants are employed and employees are treated during employment without regard to their race, color, religion, national origin, sex, sexual orientation, gender identity, veteran status, age, disability, or political belief or affiliation, unless exempted by state or federal law, or as otherwise established herein. Consistent with the foregoing, Center agrees to comply with Executive Order 11246, entitled "Equal Employment Opportunity", as amended by Executive Order 11375, and as supplemented by regulations at 41 C.F.R. Part 60. Additionally, Center certifies that it will comply fully with the following nondiscrimination, minimum wage and equal opportunity provisions, including but not limited to:
(A) Title VII of the Civil Rights Act of 1964, as amended;
(B) Section 504 of the Rehabilitation Act of 1973, as amended;
(C) The Age Discrimination Act of 1975, as amended;
(D) Title IX of the Education Amendments of 1972, as amended; (Title 20 USC sections 1681-1688);
(E) Fair Labor Standards Act of 1938, as amended;
(F) Equal Pay Act of 1963, P.L. 88-38; and
(G) All applicable regulations implementing the above laws.

12.6 The Center warrants that any and all taxes that the Center may be obligated for, including but not limited to, Federal, State, and local taxes, fees, special assessments, Federal and State payroll and income taxes, personal property, real estate, sales and franchise taxes, are current, and paid to the fullest extent liable as of the execution date of the Agreement. The Center shall comply with all applicable local, State, and Federal laws including, but not limited to, related to:
(A) worker's compensation;
(B) unemployment insurance;
(C) timely deposits of payroll deductions;
(D) filing of Information on Tax Return form 990 or 990T, Quarterly Tax Return Form 941, W-2's Form 1099 on individuals who received compensation other than wages, such as car allowance, Forms 1099 and 1096 for contract or consultant work, non-employee compensation, etc;
(E) Occupational Safety and Health Act regulations; and
(F) Employee Retirement Income Security Act of 1974, P.L. 93-406.

12.7 Center agrees to comply with the Americans with Disabilities Act P.L. 101-336, enacted July 26, 1990, and all regulations thereunder.

12.8 All expenditures by the Center or any of its contractors must be made in accordance with all applicable federal, state and local laws, rules and regulations.

12.9 If applicable, Center shall submit to the DHS its most recent form 990 or 990T and also submit any that are filed with the Internal Revenue Service subsequent to its last submission to the City if filed during the term of the Agreement.

XIII. NO SOLICITATION/CONFLICT OF INTEREST

13.1 Center acknowledges that no person or selling agency or other organization has been employed or retained to solicit or secure this Agreement upon a contract or understanding for a commission, percentage, brokerage, or contingent fee and further that no such understanding or agreement exists or has existed with any employee of the Center or the City. For breach or violation of this section, the City shall have the right to terminate this Agreement without liability or, at its discretion, to deduct from the Agreement or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee, or to seek such other remedies as legally may be available.

13.2 Center covenants that neither it nor any member of its governing body or of its staff presently has any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. Center further covenants that in the performance of this Agreement, no persons having such interest shall be employed or appointed as a member of its governing body or of its staff.

13.3 Center further covenants that no member of its governing body or of its staff shall possess any interest in, or use their position for, a purpose that is or gives the appearance of being motivated by desire for private gain for themselves or others, particularly those with which they have family, business, or other ties.

13.4 No member of City's governing body or of its staff who exercises any function or responsibility in the review or approval of the undertaking or carrying out of this Agreement shall:

(A) Participate in any decision relating to this Agreement which may affect his or her personal interest or the interest of any corporation, partnership, or association in which he or she has a direct or indirect interest; or
(B) Have any direct or indirect interest in this Agreement or the proceeds thereof.

13.5 Center acknowledges that it is informed that Charter of the City of San Antonio and its Ethics Code prohibit a City officer or employee, as those terms are defined in Section 2-52 of the Ethics Code, from having a financial interest in any contract with the City or any City agency such as City owned utilities. An officer or employee has "prohibited financial interest" in a contract with the City or in the sale to the City of land, materials, supplies or service, if any of the following individual(s) or entities is a party to the contract or sale: A City officer or employee; his parent, child or spouse; a business entity in which the officer or employee, or his parent, child or spouse owns ten (10) percent or more of the voting stock or shares of the business entity, or ten (10) percent or more of the fair market value of the business entity; a business entity in which any individual or entity above listed is a subcontractor on a City contract, a partner or a parent or subsidiary business entity.

13.6 Center warrants and certifies, and this Agreement is made in reliance thereon, that neither the Center nor his or her spouse, parent, child, sibling or first-degree relative is a City officer or employee as defined by Section 2-52 (e) of the City Ethics Code. If Center is a business entity, the Center representative further warrants and certifies that no City officer or employee nor any spouse, parent, child, sibling of first-degree relative of a City officer or employee owns ten (10) percent or more of the voting stock or shares of the business entity, or ten (10) percent or more of the fair market value of the business entity). Center further warrants and certifies that is has tendered to the City a Discretionary Contracts Disclosure Statement in compliance with the City's Ethics Code.

XIV. TERMINATION

14.1 Should the Center fail to fulfill, in a timely and proper manner, obligations under this Agreement to include performance standards established by the City, or if the Center should violate any of the covenants, conditions, or stipulations of the Agreement, the City shall have the right to terminate this Agreement by sending written notice to the Center of such termination, and specifying the effective date of termination.

14.2 The Center shall be entitled to receive just and equitable compensation for any work satisfactorily completed prior to such termination date. The question of satisfactory completion of such work shall be reasonably determined by the City, and its decision shall be final. To the extent that compliance with an Agreement matter falls under HHS authority to review, or in the event that a dispute arises with regard to interpretation of regulations or law as it applies to this Agreement, Center may request that the City secure, and the City shall request an interpretation or opinion from HHS in order to assist in resolution of the dispute. It is further expressly understood and agreed by the Parties that Center's performance upon which final payment is conditioned shall include, but not be limited to, the Center's complete and satisfactory performance, of its obligations for which final payment is sought.

14.3 Notwithstanding any other remedy contained herein or provided by law, the City may delay, suspend, limit, or cancel funds, rights or privileges herein given the Center for failure to comply with the terms and provisions of this Agreement. Specifically, at the sole option of the City, the Center may be placed on probation during which time the City may withhold reimbursements in cases where it determines that the Center is not in compliance with this Agreement. The Center shall not be relieved of liability to the City for damages sustained by the City by virtue of any breach of this Agreement, and the City may withhold funds otherwise due as damages, in addition to retaining and utilizing any other remedies available to City.

14.4 If a Program employee of Center is discharged or otherwise leaves employment with Center, then the Center shall pay in full to such employee all of such employee's earned salaries and wages, within the timeframe specified by law.

14.5 Should the Center be debarred by federal government or the City pursuant to a debarment policy currently existing or hereafter adopted, said debarment may be grounds for termination.

14.6 This Agreement is subject to the availability of federal grant funds to City and may be terminated by the City if HHS terminates the City as a grantee or reduces the amount granted to City, for any reason; provided that, if the reduction of grant funds does not result in complete unavailability of such funds, the Parties will use best efforts to amend this Agreement accordingly. City will promptly notify Center of any such HHS action.

14.7 In all instances of termination, Center shall not incur new obligations after the effective date of termination, and shall cancel as many outstanding obligations as possible. Center shall submit to City all required reports including a final financial statement which shall be a statement of all expenditures incurred by Center under this Agreement. City shall pay Center the full cost of obligations that City determines were not subject to cancellation if such costs are properly documented, allowable, within the approved budget, and unavoidably incurred by Center prior to termination or expiration. The foregoing shall constitute full and complete reimbursement for all of Center's performance under this Agreement.

XV. PROHIBITION OF POLITICAL ACTIVITIES

15.1 Center agrees that no funds provided from or through the City shall be contributed or used to conduct political activities for the benefit of any candidate for elective public office, political party, organization or cause, whether partisan or non-partisan, nor shall the personnel involved in the administration of the Project provided for in this Agreement be assigned to work for or on behalf of any partisan or non-partisan political activity.

15.2 Center agrees that no funds provided under this Agreement may be used in any way to attempt to influence, in any manner, a member of Congress or any other State or local elected or appointed official.

15.3 The prohibitions set forth in Article XV, Sections 15.1 and 15.2 of this Agreement include, but are not limited to, the following:

(A) an activity to further the election or defeat of any candidate for public office or for any activity undertaken to influence the passage, defeat or final content of local, state or federal legislation;

(B) working or directing other personnel to work on any political activity during time paid for with City funds, including, but not limited to activities such as taking part in voter registration drives, voter transportation activities, lobbying, collecting contributions, making speeches, organizing or assisting at meetings or rallies, or distributing political literature;

(C) coercing personnel, whether directly or indirectly, to work on political activities on their personal time, including activities such as taking part in voter registration drives, voter transportation activities, lobbying, collecting contributions, making speeches, organizing or assisting at meetings or rallies, or distributing political literature; and

(D) using facilities or equipment paid for, in whole or in part with City funds for political purposes including physical facilities such as office space, office equipment or supplies, such as telephones, computers, fax machines, during and after regular business hours.

15.4 To ensure that the above policies are complied with, Center shall provide every member of its personnel paid out of Agreement funds with a statement provided by Center of the above prohibitions and have each said individual sign a statement acknowledging receipt of the policy. Such statement shall include a paragraph that directs any staff person who has knowledge of violations or feels that he or she has been pressured to violate the above policies to call and report the same to the DHS. Center shall list the name and number of a contact person from the DHS on the statement that Center's personnel can call to report said violations.

15.5 Center agrees that in any instance where an investigation of the above is ongoing or has been confirmed based upon then current reasonable evidence of impropriety, salaries paid to the Center under this Agreement may, at the City's discretion, be withheld until the situation is resolved.

15.6 This Article shall not be construed to prohibit any person from exercising his or her right to express his or her opinion or to limit any individual's right to vote. Further, Center and staff members are not prohibited from participating in political activities on their own volition, if done during time not paid for with Agreement funds.

XVI. PERSONNEL

16.1 Center shall establish and maintain an organizational structure that supports the accomplishment of Program objectives, addresses the major functions and responsibilities assigned to each staff position and provides evidence of adequate mechanisms for staff supervision and support to ensure the effective oversight of the Program operations. Center shall ensure that, at a minimum, the program management functions listed in the Scope of Work are assigned to and adopted by staff within the Program.

16.2 Center acknowledges and agrees that Head Start guidelines and City policy require that Center shall staff each Early Head Start classroom at ratios of one qualified Early Head Start Teacher for every 4 children with group sizes of no more than 8 at all times., Center shall staff each classroom with a volunteer in addition to the paid staff persons when possible. Additionally, Center will have adequate staff to fully

implement all areas of program operations, including those having the specific management functions and expertise set forth in the Scope of Work.

16.3 At the beginning of this Agreement period, Center shall submit to City a report which specifically (a) lists the number and percentage of classroom personnel in its center based program having child development associate credentials or associate, baccalaureate or advanced degrees; and (b) describes to City Center's compliance with the goals described in Sections 16.3, 16.4 and 16.5 of this Agreement.

16.4 Center understands that the Head Start Act requires that grantees and their contractors, if any, ensure, and demonstrate, upon request, that all of the teachers staffing its Early Head Start center-based program classrooms have a minimum of a child development associate credential, and have been trained (or have equivalent coursework) in early childhood development with a focus on infant and toddler development. Center agrees that during the term of this Agreement, Center will only employ teachers meeting the necessary qualifications.

16.5 Center agrees and acknowledges that each of its Early Head Start teachers shall attend not less than 15 clock hours of professional development per Center fiscal year. The term "professional development" means high-quality activities that will improve the knowledge and skills of Early Head Start teachers and staff, as relevant to their roles and functions, in program administration and the provision of services and instruction, as appropriate, in a manner that has a positive and lasting impact and improves service delivery to enrolled children and their families.

16.6 Center understands that the Head Start Act requires grantees and their contractors, if any, ensure and demonstrate upon request that all Head Start staff have the knowledge, skills, and experience they need to perform their assigned functions responsibly. Therefore, at a minimum, Center agrees that all Program site directors, site managers and other administrators must have education and/or training in the area of early childhood education and family support. Center will only employ Program directors, site managers and administrators meeting the necessary qualifications of Head Start and state licensing.

16.7 Center shall create, in consultation with each of its employees, and implement a professional development plan for all Program employees who provide direct services to children. Center shall regularly evaluate such plans to determine their impact on teacher and staff effectiveness.

16.8 Center understands that the City shall periodically perform its own wage and salary comparison and shall issue such results to Center. Center understands and agrees that City shall have no obligation to reimburse Center in excess of wages to an employee that exceed the average rate of compensation paid to persons providing substantially comparable services in the area. Although the City may consider factors such as training and experience as affecting compensation levels, the City shall have the sole and absolute authority to determine the rate of City's reimbursement under the Agreement and its decision shall be final due to the City's obligation of ensuring that wage comparability studies meet the requirements of the Head Start Act and implementing regulations. Subject to the restriction set forth in 16.10, Center may compensate its employees above the rate the City will reimburse, so long as the additional compensation is not charged to the Agreement budget.

16.9 Center expressly understands and agrees that in accordance with 42 U.S.C. §9848, no portion of the Agreement funds provided hereunder may be used to pay its employee if compensation (including non-federal funds) to that employee exceeds $183,300.00, or the maximum authorized compensation as may be adjusted from time to time. Furthermore, Center agrees that all employees must devote to Center's Program the time proportionate to the percentage of their compensation funded through the EHS-CCP grant (e.g., employees who are one hundred percent (100%) funded through the Grant must devote one hundred percent (100%) of their time and effort to support Center's Program). Center agrees to submit employee certifications if requested by the City or HHS.

16.10 Center agrees to establish internal procedures that assure employees of an established complaint and grievance process. The grievance process will include procedures to receive, investigate, and resolve complaints and grievances in an expeditious manner.

16.11 Center agrees to comply with all applicable federal regulations regarding the setting of, and maximum amount allowable for, salaries of Center's employees.

16.12 Center agrees to continue to work on placing written job descriptions for Program personnel in individual personnel folders for each position in the organization, or to have them placed online, until completed, but that all descriptions shall be filed or online no later than the expiration date of the Agreement. Center agrees to provide to the City specific job description(s) upon request.

16.13 Center agrees to provide the City with the names and license registration of Center and any employees of Center if applicable, regulated by State law whose activities contribute towards, facilitate, or coordinate the performance of this Agreement.

16.14 Chief Executive Officers (CEOs), directors and other supervisory personnel of Center may not supervise a spouse, parents, children, brothers, sisters, and in-laws standing in the same relationship, (hereinafter referred to as "Relatives") who are involved in any capacity with program delivery supported through Agreement funds. Relatives, however, may be co-workers in the same Project in a non-supervisory position.

XVII. ADVERSARIAL PROCEEDINGS

17.1 Except in circumstances where the following is in conflict with federal law or regulations pertaining to the Program, Center agrees to comply with the following special provisions:

(A) Under no circumstances will the funds received under this Agreement be used, either directly or indirectly, to pay costs or attorney fees incurred in any adversarial proceeding against the City or any other public entity; and
(B) Center, at the City's option, could be ineligible for consideration to receive any future funding while any adversarial proceeding against the City remains unresolved.

XVIII. FEDERAL AND CITY-SUPPORTED PROJECT

18.1 This Section is applicable to all EHS-CCP publicity, public presentations, signs, press releases, public notices, flyers, brochures, marketing materials, and other informational material prepared, created, posted and/or disseminated during the term of the Agreement by Center. Center shall obtain City's prior approval of the language and logo, as applicable, to be used, and the Parties agree that all publicity regarding the establishment or operation of the EHS-CCP Program affiliation between City and Center described herein shall be planned and implemented as mutually agreed to in advance by the Parties. Center agrees that all public notices and any publicity, signs and/or marketing materials regarding any program which is funded by this Agreement shall provide a written statement acknowledging the role of the Federal funds provided by HHS through City hereunder, which shall read as follows: "The Early Head Start - Child Care Program services provided by the **Inman Christian Center** are funded by the City of San Antonio, Department of Human Services, through a federal grant received from the U.S. Department of Health and Human Services." These public notices or signs include, but are not limited to, signs identifying the facilities from which these programs are provided, and electronic media. In addition, all publicity related to Center's Program services shall note that the Program is operated on a non-discriminatory basis.

XIX. PROPERTY, EQUIPMENT AND SUPPLIES

19.1 The City retains ownership of all equipment/property purchased with funds received through the City and such equipment/property shall, at the City's sole option, revert to the City at Agreement's termination, for

whatever reason. Center agrees to relinquish and transfer possession of and, if applicable, title to said property without the requirement of a court order upon termination of this Agreement. Equipment that has reverted to Center through a City-paid lease agreement with option to buy will be considered the same as though the equipment was purchased outright with Agreement funds. It is understood that the terms, "equipment" and "property", as used herein, means tangible, nonexpendable, personal property having a useful life of more than one year and an acquisition cost of $5,000 or more per unit and shall include not only furniture and other durable property, but also vehicles, but shall not include supplies and consumables.

19.2 Center agrees that no equipment purchased with Agreement funds may be disposed of without receiving prior written approval from the DHS. In cases of theft and/or loss of equipment, it is the responsibility of Center to replace it with like equipment. Agreement funds cannot be used to replace equipment in those instances. All replacement equipment will be treated in the same manner as equipment purchased with Agreement funds.

19.3 Center shall maintain accurate and complete records on all equipment and property obtained with Agreement funds to include:
(A) A description of the equipment, including the model and serial number or other identification number, if applicable;
(B) The date of acquisition, cost and procurement source, purchase order number, and vendor number;
(C) An indication of whether the equipment is new or used;
(D) The vendor's name (or transferred from);
(E) The location of the property;
(F) The property number shown on the property tag; ("City of San Antonio Head Start Program"); and
(G) A list of disposed items and disposition

19.4 Center is fully and solely responsible for the insuring, safeguarding, maintaining, and reporting of lost, stolen, missing, damaged, or destroyed equipment/property purchased or leased with Agreement funds. Center shall inform the City of incidents of loss, theft, damage or destruction of equipment (as defined in 19.1 above) or property, excluding supplies and consumables, purchased or leased with Agreement funds.

19.5 All equipment purchased under this Agreement shall be fully insured against fire, loss and theft. Center shall, at a minimum, provide the equivalent insurance for real property and equipment acquired with Agreement funds as provided to other property acquired or owned by Center.

19.6 Upon request, Center shall provide an annual inventory of assets purchased with funds received through the City to the DHS.

19.7 Center shall fully comply with the property and equipment requirements of 45 C.F.R Part 74, including but not limited to Sections 74.30 through 74.37, and 45 C.F.R. Part 92, as applicable, related to the following:
(A) Insurance Coverage
(B) Real Property
(C) Federally-owned and exempt property
(D) Equipment
(E) Supplies
(F) Intangible property
(G) Property trust relationship

19.8 Relative to property, equipment and supplies purchased with Head Start grant funds, Center shall route all written correspondence to HHS through the DHS for review, endorsement and processing. For equipment purchases in the amount of $25,000.00 or greater or cumulative purchases in the amount of $100,000.00 or greater, Center shall obtain prior approval from the DHS. Center shall not split the purchase of a line item with a value greater than the preceding thresholds in order to avoid obtaining approval from the DHS.

19.9 Center will maintain a system for tracking, on an ongoing basis, inventory of equipment and supplies

purchased with Grant funds that either (i) has a purchase price of $5,000.00 or greater; or (ii) meets such other criteria as City may prescribe (and which City shall notify Center as appropriate). Upon request, Center will provide City a status report of the current inventory of equipment and supplies meeting these requirements. City shall have the right to review and approve Center's inventory tracking system.

19.10 City reserves the right to require transfer of property acquired with funds awarded under this Agreement as provided in the Head Start regulations, as applicable.

19.11 Center acknowledges and agrees that City is an intended third-party beneficiary of any and all facility leases with third-parties to which Center is or becomes a party in connection with the approved Program sites listed in Exhibit I-A to **Attachment I**, or as a consequence of this Agreement. As such, Center shall use its best efforts to cause the lessor of any such lease to execute an acknowledgment prepared by City that City is an intended third-party beneficiary of such lease. Center shall honor all of its material obligations under any and all such leases. Center shall stay in good standing under any and all such leases and Center shall immediately notify City in writing in the event of any breach or alleged breach of any such lease that could result in the termination of such lease. Center shall submit to City for review and approval all non-disturbance, subordination and similar agreements it is requested to execute in connection with any such lease. In the event of an event giving rise to a right of first refusal in favor of Center under any such lease, Center shall promptly notify City of such event and allow City to step into Center's shoes at tenant under such lease in order to exercise such right.

XX. TRAVEL

20.1 The costs associated with budgeted travel for business, either in-town or out-of-town, are allowable costs provided documentation of expenses is present.

(A) Center agrees that mileage reimbursement paid to Center's employees shall be reimbursed at a rate no more liberal than the City's policy for mileage reimbursement, which is consistent with Internal Revenue Service (IRS) rules. Center further agrees that in order for its employees to be eligible for mileage reimbursement, the employees 1) shall be required to possess a valid Texas Driver's License and liability insurance as required by law, and 2) must fully comply with its own established mileage recording policies. Mileage records are subject to spot-checks by City auditors and monitors. Center shall strongly encourage the participation by its employees in an approved defensive driving course. Evidence of the required driver's license and liability insurance must be kept on file with the Center.

(B) Center agrees that in order to obtain reimbursement of the costs associated with budgeted out of town travel for business in connection with this Agreement, Center shall:

1) obtain City's prior approval, unless such expense has been previously submitted and approved as part of Center's budget, and provide City with detailed documentation of such business travel expense(s), (any amount over approved budgeted amounts must be pre-approved by City or such overage will not be paid),
2) ensure that any and all costs associated with out-of-town travel (including per diem rates) shall not be more liberal than the City's travel policies which conform with the reimbursement rates established by the United States General Services Administration,
3) purchase all business travel at economy class rates and shall document such, and
4) maintain supporting documentation for conferences to include itineraries and documentation certifying conference attendance and provide such documentation to City upon request.

XXI. NO USE OF FUNDS FOR RELIGIOUS ACTIVITIES

21.1 Center agrees that none of the performance rendered hereunder shall involve, and no portion of the funds received hereunder shall be used, directly or indirectly, for the construction, operations, maintenance or administration of any sectarian or religious facility or activity, nor shall said performance rendered or funds received be utilized so as to benefit, directly or indirectly, any such sectarian or religious facility or activity.

XXII. DEBARMENT

22.1 Center certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in any state or federal program.

22.2 Center shall provide immediate written notice to City, in accordance with the notice requirements of Article XXVI herein, if, at any time during the term of the Agreement, including any renewals hereof, Center learns that its certification was erroneous when made or have become erroneous by reason of changed circumstances.

XXIII. ASSIGNMENT

23.1 Center shall not assign or transfer Center's interest in this Agreement or any portion thereof without the written consent of the City, and if applicable, the Grantor of the Grant Funds. Any attempt to transfer, pledge or otherwise assign shall be void ab initio and shall confer no rights upon any third person or party.

XXIV. AMENDMENT

24.1 Any alterations, additions or deletions to the terms hereof shall be by amendment in writing executed by both City and Center and evidenced by passage of a subsequent City ordinance, as to City's approval; provided, however, the Director of the DHS shall have the authority to execute an amendment of this Agreement without the necessity of seeking any further approval by the City Council of the City of San Antonio if permitted by all applicable local, state and federal laws, and in the following circumstances:

A. an increase in funding (the cause of which is unrelated to the reason set forth in Section 24.1(E) below) of this Agreement in an amount not exceeding (a) twenty-five percent (25%) of the total amount of this Agreement or (b) $25,000.00, whichever is the lesser amount; provided, however, that the cumulative total of all amendments executed without City Council approval pursuant to this subsection and increasing Agreement funding during the term of this Agreement shall not exceed the foregoing amount;

B. modifications to the Scope of Work set forth in **Attachment I** hereto, so long as the terms of the amendment stay within the substantive parameters set forth in the original Scope of Work, also set forth in **Attachment I** hereto;

C. budget line item shifts of funds, so long as the total dollar amount of the budget set forth in Section 3.1 of this Agreement remains unchanged (these modifications may be accomplished through Budget Revisions);

D. modifications to the insurance provisions described in Article IX of this Agreement that receive the prior written approval of the City of San Antonio's Risk Manager and the Director of the DHS.

E. decreases (and increases if the City agrees to allocate additional enrollment slots to Center) in Agreement funding based upon Program enrollment levels, and modifications to Agreement terms related to enrollment; provided, however, that the cumulative total of all EHS-CCP Program contracts, as amended, shall not exceed the City's total budget for the EHS-CCP Grant budget for the applicable grant year. Center shall execute any and all amendments to this Agreement that are required as a result of a modification made pursuant to this Section 24.1(E).

24.2 Center further agrees that except when the terms of this Agreement expressly provide otherwise, any alterations, additions or deletions to the terms hereof shall be by amendment in writing and approved by HHS.

XXV. SUBCONTRACTING

25.1 None of the work or services covered by this Agreement shall be sub-contracted without the prior written consent of the City and the Grantor of the Grant Funds, if so required by Grantor. If allowed, subcontracting methods must meet City requirements; subcontractor compliance with this Agreemtent must be the responsibility of the Center to monitor.

XXVI. OFFICIAL COMMUNICATIONS

26.1 Except where the terms of this Agreement expressly provide otherwise, any communication required under this Agreement shall be in writing and deemed valid when delivered personally (with receipt acknowledged), or three (3) days after depositing in the U.S. mail, first class, with proper postage prepaid, or upon receipt if sending by certified mail, return receipt requested, or upon receipt when sent by a commercial courier service (such as Federal Express or DHL Worldwide Express) for expedited delivery to be confirmed in writing by such courier, at the addresses set forth below or to such other address as either Party may from time to time designate in writing.

City:	Center:
Director	Inman Christian Center
Department of Human Services	1214 Colima Street
106 S. St. Mary's Street, Suite 700	San Antonio, Texas 78207
San Antonio, TX 78205	

Notices of changes of address by either Party must be made in writing delivered to the other Party's last known address within five (5) business days of the change.

XXVII. VENUE

27.1 Center and City agree that this Agreement shall be governed by and construed in accordance with the laws of the State of Texas. Any action or proceeding brought to enforce the terms of this Agreement or adjudicate any dispute arising out of this Agreement shall be bought in a court of competent jurisdiction in San Antonio, Bexar County, Texas.

XXVIII. GENDER

28.1 Words of any gender used in this Agreement shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires.

XXIX. REPRESENTATIONS AND OTHER OBLIGATIONS

29.1 The signer of this Agreement for Center represents, warrants, assures and guarantees that (s)he has full legal authority to execute this Agreement on behalf of Center and to bind Center to all of the terms, conditions, provisions and obligations herein contained. Whether a non-profit or public entity, Center must be authorized to do business in the State of Texas and be formed under and operating in accordance with all applicable laws of the State of Texas. Upon request by the City, Center shall provide DHS verification of the foregoing requirements.

29.2 In the event that circumstances arise which might result in interference with Center's ability to provide the services which are the subject of this Agreement, Center agrees to inform City of those circumstances immediately upon their discovery. Center agrees that reimbursement to Center, upon reasonable notice, may be suspended by City until such financial circumstances giving rise to the possible interference with the operation of the Program have been eliminated, provided, however, that authorized expenditures made prior to the suspension, and approved by City shall be disbursed pursuant to the terms of this Agreement.

XXX. LICENSES AND TRAINING

30.1 Center warrants and certifies that Center, and Center's employees and its (sub)contractors have the requisite training, license or certification to provide said services, and meet all competence standards promulgated by all other authoritative bodies, as applicable to the services provided herein.

XXXI. INDEPENDENT CONTRACTOR

31.1 It is expressly understood and agreed that the Center is and shall be deemed to be an independent contractor, responsible for its respective acts or omissions and that the City shall in no way be responsible therefor, and that neither Party hereto has authority to bind the other nor to hold out to third parties that it has the authority to bind the other.

31.2 Nothing contained herein shall be deemed or construed by the parties hereto or by any third party as creating the relationship of employer-employee, principal-agent, partners, joint venture, or any other similar such relationship, between the Parties hereto.

31.3 Any and all of the employees of the Center, wherever located, while engaged in the performance of any work required by the City under this Agreement shall be considered employees of Center only, and not of the City, and any and all claims that may arise from the Workers' Compensation Act on behalf of said employees while so engaged shall be the sole obligation and responsibility of the Center.

XXXII. SEVERABILITY

32.1 If any clause or provision of this Agreement is held invalid, illegal or unenforceable under present or future federal, state or local laws, including but not limited to the City Charter, City Code, or ordinances of City, then and in that event it is the intention of the Parties hereto that such invalidity, illegality or unenforceability shall not affect any other clause or provision hereof and that the remainder of this Agreement shall be construed as if such invalid, illegal or unenforceable clause or provision was never contained herein; it is also the intention of the Parties hereto that in lieu of each clause or provision of this Agreement that is invalid, illegal or unenforceable, there be added as a part of this Agreement a clause or provision as similar in terms to such invalid, illegal or unenforceable clause or provision as may be possible, legal, valid and enforceable.

XXXIII. NON-WAIVER OF PERFORMANCE

33.1 No waiver by City of a breach of any of the terms, conditions, covenants or guarantees of this Agreement shall be construed or held to be a waiver of any succeeding or preceding breach of the same or any other term, condition, covenant or guarantee herein contained. Further, any failure of City to insist in any one or more cases upon the strict performance of any of the covenants of this Agreement, or to exercise any option herein contained, shall in no event be construed as a waiver or relinquishment for the future of such covenant or option.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

XXXV. ENTIRE AGREEMENT

35.1 This Agreement and its attachments, if any, constitute the entire and integrated Agreement between the Parties hereto and contain all of the terms and conditions agreed upon, and supersede all prior negotiations, representations, or agreements, either oral or written. No such other negotiations or representations may be enforced by either Party nor may they be employed for interpretation purposes in any dispute involving this Agreement.

This Agreement has been executed as of the date of the last party to sign below, the _____ day of _____, 2015 and is effective for the term hereof.

CITY OF SAN ANTONIO:

_____
Melody Woosley, Director
Department of Human Services

CENTER:
Inman Christian Center

_____
Jesse Sandoz
Board Vice President

APPROVED AS TO FORM:

_____
Assistant City Attorney

ATTACHMENTS

Attachment I – Scope of Work
Attachment II – Program Budget
Attachment III – Special Provisions
Attachment IV – HHS Award Document
Attachment V – HIPAA Business Associate Agreement

ATTACHMENT I

SCOPE OF WORK

1. Summary

The Center ("Contractor") shall work with Grantee to ensure full enrollment and shall serve the number of income and age eligible children as indicated below, and perform Early Head Start services in accordance with the Head Start Performance Standards and the terms of this Contract. The Contractor will operate full day classroom(s) (minimum of 10 hours a day) at the City approved sites for a minimum of 240 days of planned class operations for the Early Head Start – Child Care Partnership grant period.

Number of children in full day care on the first day of the program:	24
Minimum number of children with disabilities:	(10% of the number of children in care)
Service Area:	Children who reside in San Antonio and are served in the San Antonio and Edgewood Independent School Districts

2. Enrollment, Recruitment, Selection, Eligibility and Attendance (ERSEA)

A. To achieve and maintain full enrollment, Contractor must ensure that once it and the Grantee determines that a vacancy exists, no more than 30 calendar days may elapse before the vacancy is filled. Contractor will work with the City in its efforts to fill all vacancies within 30 calendar days.

B. Contractor will work with Grantee staff in developing, at the beginning of each enrollment year, and maintain during the year, a waiting list that ranks children according to the program's selection criteria and ERSEA policies. If Contractor is under enrolled and does not have a waiting list City shall have the right to temporarily move enrollment slots, in coordination with the Contractor and as a last resort, to maintain compliance with Federal enrollment standards.

C. In accordance with the Head Start Act, Contractor shall work collaboratively with Grantee to ensure that a minimum of 10% of the children enrolled in Contractor's Program are children with disabilities who are determined to be eligible for special education and related services. This 10% requirement must be met by mid-point of the program year, as determined by the City.

D. Contractor agrees that when the monthly average daily attendance rate in a center-based program falls below 85 percent, Contractor shall collaborate with the City in the provision of absentee services in accordance with §1305.8 of the Head Start Performance standards. The City will lead absentee services to include analyzing the cause of absenteeism and the provision of additional support, which may include, but is not limited to, face-to-face meeting(s) with the family and other direct contact with the child's parents. Contractor shall establish procedures for the removal of children from the program due to the lack of attendance in accordance with the City's policies.

3. Program Services

A. Contractor shall provide Early Head Start Program Services (hereinafter defined) to eligible children in the Service Area. Such services shall be provided to eligible children within Contractor's Service Area(s) without regard to age, race, color, religion, national origin, sex, sexual orientation, gender identity, or disability. Any proposal to extend or modify the Service Area(s) or the sites at which services are to be delivered shall be formally submitted in writing to City for approval.

B. Contractor shall provide direct (i) Education and Early Childhood Development Services; (ii) Child Nutrition Services.; (iii) Safe and Healthy Environments; and (iv) Transportation Services in coordination

with the City. The Contractor also agrees that it shall collaborate with the City's efforts to ensure the provision of Family and Community Support Services, Child Mental Health, Medical Health Services and Dental (Oral) Health Services, to meet the needs of the children and families served by Contractor's Program ("Early Head Start Program Services"). Contractor agrees that, notwithstanding the fact that another Early Head Start service provider under the City of San Antonio Head Start program may be contracted to provide a category of service. Contractor, under the leadership of its Early Head Start Program Director will be responsible for coordinating with Early Head Start service providers and working with the City to ensure provision of full array of services to which the children are entitled under the Terms of the Grant. Contractor shall also coordinate with Independent School Districts, health service providers and agencies in the community in order to provide comprehensive services to the children and families served by the Program and to leverage community resources

C. Contractor shall establish and maintain an organizational structure that supports the accomplishment of Program objectives, addresses the major functions and responsibilities assigned to each staff position and provides evidence of adequate mechanisms for staff supervision and support to ensure the effective oversight of the Early Head Start program operations. Contractor shall ensure that, at a minimum, the following program management functions are assigned to and adopted by staff within the Program:

(i) Program management must be assigned to an individual serving in the role of the Early Head Start Director. This individual must have demonstrated skills and abilities in a management capacity relevant to human services program management and must have ultimate responsibility for ensuring the children enrolled in Contractor's Early Head Start program are provided (by Contractor or a collaborating Early Head Start service provider) the full array of services to which the children are entitled under the Terms of the Grant.

(ii) Management of education and early childhood development must be assigned to an individual serving in the role of a Center Director. This individual must have training and experience in areas that include theories and principles of child growth and development, early childhood education, and family support and have a current and good standing Child-Care Center Directors Certificate. (iii) Management of child nutrition services must be assigned to an individual serving in the role of a Nutrition Services Coordinator. This person will manage the Nutrition Program for the Center and Center must maintain positive compliance with CACFP.

Contractor shall ensure that members of program's management team and any other necessary staff provide uninterrupted Head Start Program management services throughout the Agreement term, including during the summer months so as to ensure adequate planning, coordination and performance of critical program activities. Critical program activities include, but are not limited to, ongoing recruitment activities and services, determination of eligibility, development of a waitlist for the upcoming school year, and completion of enrollment.

D. Contractor shall provide the following education and early childhood development services in compliance with the requirements of 45 C.F.R Part 1304.21, *et. seq,*:

i. Contractor must help children gain the skills and confidence necessary to be prepared to succeed in their present environment and with later responsibilities in school and life; the Contractor's approach to child development and education must be developmentally and linguistically appropriate, recognize the child's rate of development, language, cultural background and learning style; be inclusive of children with disabilities; provide an environment of acceptance that supports and respects gender, culture, language, ethnicity and family composition; provide a balanced daily program of child-initiated and adult-directed activities; and allow and enable children to independently use toilet facilities when it is developmentally appropriate and the efforts are supported by the parents.

ii. Contractor shall encourage and support parents in their efforts to become involved in the development of the program's curriculum and approach to child development and education; provide opportunities to increase parents' child observation skills and to share assessments with staff that will help plan the learning experience; and encourage parents to participate in staff-parent conferences and home visits to discuss their child's development and education.

iii. Contractor must support social and emotional development by encouraging development which enhances child's strengths by building trust; fostering independence; encouraging self-control and respect for feelings and rights of others; supporting and respecting the home language, culture, and family composition in ways that support the child's health and wellbeing; and planning for routines and transitions.

iv. Contractor must provide for the development of each child's cognitive and language skills by supporting each child's learning, using various strategies including experimentation, inquiry, observation, play and exploration; ensuring opportunities for creative self-expression through activities such as art, music, movement, and dialogue; promoting interaction and language use among children and between children and adults; and supporting emerging literacy and numeracy developments through materials and activities according to the child's developmental level.

v. Contractor must promote each child's physical development by providing sufficient time, indoor and outdoor space, equipment, materials and adult guidance for active play and movement that support the development of gross motor skills and of fine motor skills according to the child's developmental level; and providing an appropriate environment and adult guidance for the participation of children with special needs.

vi. Contractor, in collaboration with the parents and with support from the Grantee, must implement *Creative Curriculum©* which aligns with the Head Start Child Development and Early Learning Framework (HSCDELF, 2010), and Pre-kindergarten Guidelines that supports each child's individual pattern of development and learning; provides for the development of cognitive skills; integrates all educational aspects of the health, nutrition, and mental health services into program activities; helps children develop emotional security, facility in social relationships, feelings of competence, self-esteem, and positive attitudes toward learning; enhances each child's understanding of self as an individual and as a member of a group; and provides individual and small group experiences both indoors and outdoors.

vii. Contractor must work with the Grantee to create and implement a plan of action to achieve and establish school readiness goals that are age appropriate and will address at a minimum the domains of language, literacy, cognition, general knowledge, physical well-being, motor development, social and emotional development and approaches to learning; and achieve the integration with the Parent, Family, and Community Engagement (PFCE). Contractor will update school readiness goals on an annual basis, analyze achievement, and identify areas for improvement. As part of this plan of action, the Contractor must align the program's curriculum with school readiness goals to include improving the quality of teacher-child interactions, evidence-based teaching practices, evidence-based curriculum, and inclusion of parents to support school readiness.

viii. Contractor will assess child progress on an ongoing basis utilizing Teaching Strategies GOLD Assessment System and conduct data aggregation and submit analysis of child progress assessments to the City at least three times per year (at the beginning, midpoint and end of school year) to demonstrate program-level progress. Contractor will also provide the City direct access to the assessment data management system for the purposes of aggregating, analyzing, and producing program-wide reports. Contractor will make mid-year adjustments in instruction and/or professional development support should patterns or trends be identified in the analysis and coordinate with City as needed. Contractor must maintain and use the information from ongoing child assessment data to inform teachers and survey parents how best to individualize each child's learning and progress across domains. The City will provide support, training and technical assistance to ensure these requirements are met.

E. Contractor shall perform the following services as it relates to the specific service listed below in compliance with the requirements of 45 C.F.R Parts 1304.20, 1304.22, 1304.23, 1304.24 and 1304.40:

i. Child Health and Safety

a. Contractor must establish and implement policies and procedures to respond to medical and dental health emergencies with which all staff are familiar and trained, to include posted policies and plans of action; posted locations and telephone numbers of emergency response systems and up-to-date family contact information and authorization for emergency care; posted emergency evacuation routes and other safety procedures for emergencies; methods of notifying parents in the event of an emergency; and established methods for handling cases

of suspected or known child abuse and neglect. The City will provide support, training and technical assistance to ensure these requirements are met.

b. Contractor must temporarily exclude a child with a short-term injury or an acute or short-term injury or an acute or short-term contagious illness, that cannot be readily accommodated, from program participation in center-based activities or group experiences, but only for that generally short-term period when keeping the child in care poses a significant risk to the health and safety of the child or anyone in contact with the child.
c. Contractor must not deny admission to any child, nor exclude any enrolled child from program participation for a long-term period, solely on the basis of his or her health care needs or medication requirements, unless the child poses a significant risk to the health and safety of the child or anyone in contact with the child and the risk cannot be eliminated or reduced to an acceptable level through reasonable modifications in the Contractor's policies or by providing appropriate auxiliary aids.
d. Contractor must establish and maintain written procedures regarding the administration, handling, and storage of medication for every child. The City will provide support, training and technical assistance to ensure these requirements are met.
e. Contractor must ensure staff and volunteers can demonstrate safety practices; foster safety awareness among children and parents by incorporating it into child and parent activities; and ensure staff, volunteers and children follow the appropriate hygiene requirements.
f. Contractor must have and maintain well-supplied first aid kits, appropriate for all ages served and the program size, at each facility and available on outings away from the site.

ii. Child Nutrition

a. Contractor must work, in collaboration with the City, with families to identify each child's nutritional needs, taking into account staff and family discussions regarding any relevant nutrition-related assessment data; information about family eating patterns, including cultural preference, special dietary requirements, and feeding requirements of each child with disabilities; and information about major community nutritional issues.
b. Contractor must design and implement a nutrition program that meets the nutritional needs and feeding requirements of each child, and takes into account the length of the program day.
c. Contractor must ensure that nutritional services in center-based settings contribute to the development and socialization of enrolled children and ensure that at a minimum one (1) meal per day is served family style.
d. Contractor must use funds from USDA Food and Consumer Services Child Nutrition Programs as the primary source of payment for meal services.
e. Contractor shall participate in the USDA School Lunch or Child and Adult Care Food Program.
    - Pursuant to City policies, Contractor must report the number of meals and snacks served to Head Start children on a monthly basis to City.

iii. Child Mental Health

a. Contractor must work collaboratively with parents to solicit parental information, observation, and concerns about their child's mental health; share staff observations of their child and discuss with parents their child's behavior and development.
b. City, with the assistance and collaboration of the Contractor will secure or refer, when appropriate, the services of mental health professionals on a schedule of sufficient frequency to enable the timely and effective identification of and intervention in family and staff concerns about a child's mental health.

iv. Family and Community Support

a. Contractor, in collaboration with City led family and community support staff, must provide parent involvement and education activities that are responsive to the ongoing and expressed needs of the parents.
b. Contractor, in collaboration with City led family and community support staff, must provide opportunities to include parents in the development of the program's curriculum and approach to child development and education.

c. Contractor shall collaborate with the City, Head Start service providers and other community agencies to provide opportunities to enhance parenting skills, knowledge and understanding of the educational and developmental needs and activities of their children.

d. Contractor Education staff must conduct two (2) home visits, unless parents expressly forbid such visits, and at least two (2) staff-parent conferences per child per program year to enhance the knowledge and understanding of the educational and developmental progress and activities of children in the program. Contractor must not require that parents permit home visits as a condition of the child's participation in the program. The City will provide support, training and technical assistance to ensure these requirements are met.

F. Contractor shall encourage parent participation and attendance in center parent meetings, Parent Connection Committee meetings, Head Start Policy Council, volunteering, parents' activities and contributions.

G. RESERVED

H. Contractor shall ensure that its Head Start Program shall be, and remain, in full compliance with the Head Start Performance Standards as provided in Head Start regulations, 45 CFR Part 1301 *et seq.* and with the Head Start Act, as amended, 42 U.S.C. 9801 *et. seq.*

I. The Contractor shall submit to City all Contractor eligibility, recruitment, selection, enrollment, attendance, performance and staffing plans, which must be in accordance with the City's policies.

J. Contractor shall provide a substantial portion of the substantive programmatic work provided for under this Scope of Work, Attachment I, directly. However, should Contractor desire to perform this work through one or more subawards to third parties, it shall seek and obtain City's written approval prior to doing so. In all such subawards, Contractor shall ensure that it passes through all of the requirements that apply to Contractor hereunder to the subrecipient of such subawarded funds.

K. Contractor must notify the City when the Contractor identifies possible or actual lack of compliance with the Head Start Performance Standards, Head Start Act, City's program policies or terms of this Contract.

4. <u>Program Governance</u>

A. Contractor's Governing Board shall be in full compliance with Head Start requirements regarding governance, management and programmatic operations applicable to recipients of Head Start grant funds, including those set forth at 45 C.F.R. §1301 *et. seq.* Contractor's Governing Board members or representative of the Board shall be offered the opportunity to participate in Board education activities arranged by City. Contractor shall also offer the Governing Board members or representative of the Board the opportunity to engage in a cooperative strategic planning process with respect to the Program and shall submit any final strategic plans developed through such process to City for approval.

B. Contractor shall assure that City is kept fully apprised of the composition and actions of Contractor's Governing Board to the extent such actions affect Contractor's Head Start Program.

C. Contractor shall seek and obtain the City's written approval before making any material revisions in Contractor's Head Start Program that conflicts with or violates (i) the City's refunding application, as amended, to the U.S. Department of Health and Human Services (HHS), (ii) the Terms of the Grant, (iii) the terms of this Contract; or (iv) any changes to the locations of Contractor's Head Start centers.

D. Contractor shall collaborate with the City and Family and Community Support service staff to elect one or more parent members from center locations to serve on City's Head Start Policy Council in accordance with the Policy Council By-laws.

5. <u>Licensure/Staffing</u>

A. Contractor shall obtain and maintain all necessary and appropriate State licenses, permits, certifications, and approvals required for the operation of Contractor's facilities and programs including those supported by this Contract, unless exempt from such requirement. Upon commencement of the Contract, Contractor shall notify the City that it is in compliance with this provision. If at any time Contractor is out of compliance with this provision, Contractor shall notify the City within one (1) Contractor business day of receipt of written notice of violation or complaint from the state licensing, certifying or permit-issuing authority indicating lack of licensure, permitting or certification, as the case may be, and shall take all necessary steps to cure such violation. Contractor further agrees that all personnel, either employed or contracted, assigned by Contractor to perform the Head Start Program Services set forth above shall, as appropriate or required by law, be fully qualified and authorized under applicable law, to perform such Head Start Program Services.

B. Contractor will ensure that staffing will comply with the Head Start Performance Standards, this Agreement, and other applicable law.

6. Facilities.

All Contractor facilities at the approved sites shall meet applicable federal, state and local safety standards. Contractor shall at all times during the term of this Contract, keep the facility in good, clean, safe, and reasonable operating condition and repair. City shall be allowed to inspect the facilities and the licensing and/or certification documents relating to the facility during Contractor's normal operating time as long as the said inspection does not disrupt the delivery of Head Start Program Services, or at any other time as agreed by the Contractor. Upon commencement of this Agreement and upon request, Contractor shall provide City an up-to-date copy of any leases or other agreements (as well as any amendments or modifications thereto) for facilities used to provide services to children enrolled in the Head Start program and funded pursuant to this Agreement. The City will provide support, training and technical assistance to ensure these requirements are met.

7. Participation.

Contractor shall make time and resources available to support: (i) participation by Contractor in meetings with City staff for community assessment, self-assessment, strategic planning, development of training and technical assistance plan, communication and program development activities; (ii) participation in technical assistance trainings and service enhancements developed by City and the Head Start training and technical assistance service provider, as well as other Head Start trainings that may be developed by relevant federal or state agencies; and (iii) an appropriate level of attendance of Contractor's program management team and parent committee members at national, regional and/or State Head Start conferences/trainings.

Contractor, in collaboration with Family and Community Support Service staff, shall ensure that resources are made available through reasonable accommodations to low-income parents to participate, and attend any Parent Connection Committee meetings.

8. Transportation Services/Vehicles.

Should Contractor and City decide that the Contractor shall provide transportation services they must be in compliance with the requirements of 45 CFR part 1310, et. seq., subject to any waiver that may be obtained by City and/or Contractor.

A. Contractor shall successfully complete an annual inspection of all school buses and other vehicles used for the transportation of children under this Contract.

B. Contractor shall ensure that all drivers shall be certified for the operation of said vehicles, and that all bus monitors assigned to vehicles used to provide such services receive the appropriate training. Contractor shall otherwise be in compliance with all applicable federal, State, and local requirements governing the transportation of children.

C. Contractor shall, upon request, submit to City a complete set of such documents regarding the vehicles used for the transportation of children and the drivers operating the vehicles.

9. Submission of Center Information and Program Design

A. Prior to execution of the Contract, Contractor shall submit to the City for its approval a Center list, which shall include the number of centers and the name and address for each center operated by Contractor. If at any time Contractor proposes a change to the Center list, Contractor shall notify and receive the City's approval prior to making said change.

B. Prior to execution of the Contract, Contractor will submit to the City the Contractor's Program Design, which shall include, the total number of children enrolled, number of sites, number of classrooms, classroom age group designation, language designation, and hours of operation, among other things. If at any time Contractor proposes a change to the Program Design, Contractor shall request and receive the City's approval prior to making said change.

Attachment II

[INSERT BUDGET HERE]

ATTACHMENT III
SPECIAL PROVISIONS — Program Year 2015-2016

I. RESTRICTIONS ON USE OF FUNDS OR PROPERTY

In addition to the other applicable restrictions on the use of Head Start funds provided under this Contract, the Contractor is prohibited from:

1) using or transferring funds provided under this Contract for purposes other than authorized Head Start activities;

2) using, pledging, granting a security interest in, or otherwise encumbering any right under this Contract or any property acquired with funds provided under this Contract as collateral or security for any loan, note debenture, bond or any other debt instrument;

3) using any funds provided under this Contract for payment of principal or interest on any loan, note, debenture, bond or any other debt instrument, other than those approved in the 45 C.F.R. Part 74 and by the City

II. REQUIREMENTS FOR PARTICIPATION IN CITY DESIGNATED DATA SYSTEM

2.01 Contractor shall:

a) Utilize the City's designated data management system to input data that pertains to the on-going day-to-day work completed by Partner staff.
b) support all design, development, testing and implementation protocols as established by the City by carrying out and complying therewith;
c) participate in preliminary and final testing of the system using City protocols;
d) allow City and its vendor to install data encryption software on the Child Care System Database network; and
e) provide City and its vendor with access to Confidential Data with parental permission, as defined in Article 3.01 below, which data is critical for the Head Start project.

2.02 Both Parties agree to:

a) use best efforts to cooperate and exchange information regarding all aspects of the Head Start project and comply with all reasonable requests of the other Party with respect to information concerning the system.
b) Parties agree that nothing herein shall be construed as to control or in any way limit the right of parents to choose a Head Start provider.

III. CONFIDENTIAL DATA

3.01 The Parties to this Contract shall have access to the following data ("Confidential Data"), with parental permission in the case of the child:

Parent's Information:

Case Number
First Name
Middle Initial
Last Name
Street Address
City
Zip Code
Telephone
Social Security Number (Optional)
Birth Date

Gender
Race
Handicap (Optional)
Yearly Income
Number of members in the Family
County of Residence
Employment and training status

Each child's Information:

Client Number
First Name
Middle Initial
Last Name
Social Security Number (Optional)
Birth Date
Gender
Race
Handicap (Optional)

3.02 Contractor understands that City intends to enter into additional agreements with other providers of child care services ("Additional Collaborators") in order to promote the success of the Head Start project. Confidential Data may be shared by City, Contractor, and any Additional Collaborator, except that all parties shall share such information in compliance with state and federal laws relating to confidentiality. All Additional Collaborators shall be required to enter into a written agreement with City containing the confidentiality requirements set forth in this Section III.

3.03 Each Party shall establish a method to secure the Confidential Data in accordance with the applicable federal, state, and local laws and regulations. This provision shall not be construed as limiting a Party to this Contract or an Additional Collaborator, or such Party's authorized representative's right of access to that Party's Confidential Data.

3.04 Neither Party shall disclose or publish Confidential Data or public school education data to any individual or organization that is not a Party to this Contract or an Additional Collaborator, unless required by law or a lawful order of a court of competent jurisdiction. Each Party shall take measures within its organization to ensure that Confidential Data or public school education data is accessible only by those persons working on the Head Start project, or directly providing other public school education / child care services, and only for the purpose of performing or assisting with services required by the Head Start project or other specific public school education / child care services.

3.05 Either Party may disclose Confidential Data to a third party ("Third Party") under contract or affiliated with that Party for the sole purpose of performing or assisting with services required in relation to the Head Start project or other specific child care services, and in compliance with state and federal laws relating to confidentiality. Confidential Data provided to a Third Party shall remain confidential and written confirmation by such Third Party that the Third Party will conform to the requirements of this section shall be provided to the Party prior to delivery of any information to the Third Party.

1.RECIPIENT

Department of Health and Human Services
Administration for Children and Families
Notice of Award (NOA)

SAI NUMBER: **Attachment IV**

PMS DOCUMENT NUMBER: 06HP001901

1. AWARDING OFFICE:	2. ASSISTANCE TYPE:	3. AWARD NO.:	4. AMEND. NO.:
OA/OGM/Region VI	Discretionary Grant	06HP0019/01	

5. TYPE OF AWARD:	6. TYPE OF ACTION:	7. AWARD AUTHORITY:
OTHER	New	42 USC 9801 ET SEQ.

8. BUDGET PERIOD:	9. PROJECT PERIOD:	10. CAT NO./CFDA:
02/01/2015 THRU 07/31/2016	02/01/2015 THRU 07/31/2019	93.600

11. RECIPIENT ORGANIZATION:
City of San Antonio
DEPARTMENT OF HUMAN SERVICES
106 S ST MARY'S ST, SUITE 700
SAN ANTONIO TX 78205 3603
Melody Woosley, Department Director (Exec. Dir.)

12. PROJECT / PROGRAM TITLE:
City of San Antonio, Texas EHS-CC Partnership

13. COUNTY:	14. CONGR. DIST:	15. PRINCIPAL INVESTIGATOR OR PROGRAM DIRECTOR:
BEXAR	35	Mikel Brightman , Head Start Administrator

16. APPROVED BUDGET:

Personnel	$	589,562
Fringe Benefits	$	226,019
Travel	$	1,200
Equipment	$	0
Supplies	$	60,675
Contractual	$	2,262,979
Facilities/Construction	$	0
Other	$	68,365
Direct Costs	$	3,208,800
Indirect Costs At % of $	$	0
In Kind Contributions	$	0
Total Approved Budget(**)	$	**3,208,800**

17. AWARD COMPUTATION:

A. NON-FEDERAL SHARE	$	802,200	20.00 %
B. FEDERAL SHARE	$	3,208,800	80.00 %

18. FEDERAL SHARE COMPUTATION:

A. TOTAL FEDERAL SHARE	$	3,208,800
B. UNOBLIGATED BALANCE FEDERAL SHARE	$	
C. FED. SHARE AWARDED THIS BUDGET PERIOD	$	3,208,800

19. AMOUNT AWARDED THIS ACTION:	$	3,208,800
20. FEDERAL $ AWARDED THIS PROJECT PERIOD:	$	3,208,800

21. AUTHORIZED TREATMENT OF PROGRAM INCOME:
DEDUCTIVE

22. APPLICANT EIN:	23. PAYEE EIN:	24. OBJECT CLASS:
1-746002070-A1	1-746002070-A1	41.51

25. FINANCIAL INFORMATION: **DUNS:** 066428400 0000

ORGN	DOCUMENT NO.	APPROPRIATION	CAN NO.	NEW AMT.	UNOBLIG.	NONFED %
OGM	06HP001901	75-4/5-1536	2015 G063120	$64,800		
OGM	06HP001901	75-4/5-1536	2015 G063125	$2,592,000		
OGM	06HP001901	75-5/6-1536	2015 G063128	$552,000		

26. REMARKS: (Continued on separate sheets)

Client Population: 216.
Number of Delegates: 0.
Paid by DHHS Payment Management System (PMS), see attached for payment information.
This award is subject to the requirements of the HHS Grants Policy Statement (HHS GPS) that are applicable to you based on your recipient type and the purpose of this award.
This includes requirements in Parts I and II (available at http://www.hhs.gov/grants/grants/policies-regulations/index.html) of the HHS GPS.
Although consistent with the HHS GPS, any applicable statutory or regulatory requirements, including 45 CFR Part 75,

27. SIGNATURE - ACF GRANTS OFFICER **DATE:**
For Ray M. Bishop 1/29/2015

28. SIGNATURE(S) CERTIFYING FUND AVAILABILITY
Sonja R. Osborn Sonja Osborn

29. SIGNATURE AND TITLE - PROGRAM OFFICIAL(S) **DATE:**
Kimberly K. Chalk, Regional Program Manager 1/29/2015

DGGM-5-785 (Rev. 86) (HP)

1.RECIPIENT

Department of Health and Human Services
Administration for Children and Families
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8. BUDGET PERIOD:	9. PROJECT PERIOD:	10. CAT NO./CFDA:
02/01/2015 THRU 07/31/2016	02/01/2015 THRU 07/31/2019	93.600

11. RECIPIENT ORGANIZATION:
City of San Antonio, DEPARTMENT OF HUMAN SERVICES

26. REMARKS: (Continued from previous page)

directly apply to this award apart from any coverage in the HHS GPS.
This award is subject to requirements or limitations in any applicable Appropriations Act.
This award is subject to the requirements of Section 106 (g) of the Trafficking Victims Protection Act of 2000, as amended (22 U.S.C. 7104).
For the full text of the award term, go to http://www.acf.hhs.gov/grants/discretionary-competitive-grants.
This award is subject to the Federal Financial Accountability and Transparency Act (FFATA or Transparency) of 2006 subaward and executive compensation reporting requirements.
For the full text of the award term, go to: http://www.acf.hhs.gov/grants/discretionary-competitive-grants.
This award is subject to requirements as set forth in 2 CFR 25.110 Central Contractor Registration (CCR) and Data Universal Number System (DUNS).
For full text go to http://www.acf.hhs.gov/grants/discretionary-competitive-grants.
This award is subject to the requirements set forth in 45 CFR Part 87.
This award is subject to the requirements set forth in 45 CFR Part 75.
Initial expenditure of funds by the grantee constitutes acceptance of this award.
Future support is anticipated.
This award is subject to HHS regulations codified at 45 CFR 1301, 1302, 1303, 1304, 1305, 1306, 1307, 1308, 1309 and 1310.(**) Reflects only federal share of approved budget.

Under the Consolidated Appropriations Act, 2014 (Public Law 113-76), Division H, Title II and the Consolidated and Further Continuing Appropriations Act, 2015 (Public Law 113-235), this grant action awards City of San Antonio funds for the 02/01/2015-07/31/2019 project period for the operation of the Early Head Start program in the designated service area. This grant action awards partial funds under Common Accounting Numbers (CAN) G063125 and G063120 to provide Early Head Start services to 216 children for the initial 02/01/2015-07/31/2016 budget period of the 54 month project period. The 54 month project period consists of one 18 month budget period followed by three 12 month budget periods.

This initial grant action for the first 18 month budget period includes $2,592,000 in CAN G063125 for 12 months of funding for Early Head Start operations and $64,800 in CAN G063120 for training and technical assistance. This grant action includes $552,000 in CAN G063128 for start-up funds. The projected total funding levels for the initial 18 month budget period are $3,888,000 for Early Head Start operations and $388,800 for training and technical assistance.

The balance of six months of operational funds and additional training and technical assistance funds will be awarded at a later date. The additional training and technical assistance funds will support quality improvements such as attainment of credentials, professional development and training.

The projected annual funding level for each of the three remaining 12 month budget periods for Early Head Start operations is $2,592,000, and the training and technical assistance allocation is $64,800.

This grant is subject to the requirements and conditions specified in Attachments 1, 2 and 3.

Attachment 1

Award Number: 15HP301995/01
Recipient Organization: City of San Antonio

This grant is subject to Section 640(b) of the Head Start Act and 45 C.F.R. § 1301.20 requiring a non-federal match of 20 percent of the total cost of the program. This grant is also subject to the requirements in Section 644(b) of the Head Start Act and 45 C.F.R. § 1301.32 limiting development and administrative costs to a maximum of 15 percent of the total costs of the program, including the non-federal share contribution of such costs. The requirements for a non-federal match of 20 percent and the limitation of 15 percent for development and administrative costs apply to the 02/01/2015-07/31/2016 budget period unless a waiver is approved. Any request for a waiver of the non-federal share match, or a portion thereof, that meets the conditions under Section 640(b)(1)-(5) of the Head Start Act or 45 C.F.R. § 1301.21 or a waiver of the limitation on development and administrative costs that meets the conditions under 45 C.F.R. § 1301.32(g) must be submitted in advance of the end of the budget period. Any waiver request submitted after the expiration of the project period will not be considered.

The HHS GPS (II-56) (see above and 45 C.F.R. § 74.25(c)(2) and 45 C.F.R. § 92.30(d)(3) (as applicable) provide the authority to ACF to approve key staff of Head Start grantees. For the purposes of this grant, key staff is defined as the Head Start Director or person carrying out the duties of the Head Start Director if not under that title and the Chief Executive Officer, Executive Director and/or Chief Fiscal Officer if any of those positions is funded, either directly or through indirect cost recovery, more than 50 percent with Head Start funds.

Section 653 of the Head Start Act prohibits the use of any federal funds, including Head Start grant funds, to pay any portion of the compensation of an individual employed by a Head Start agency if that individual's compensation exceeds the rate payable for Level II of the Executive Schedule.

Prior approval must be obtained under 45 C.F.R. Part 1309 to use Head Start grant funds for the initial or ongoing purchase, construction and major renovation of facilities. No Head Start grant funds may be used toward the payment of one-time expenses, principal and interest for the acquisition, construction or major renovation of a facility without the express written approval of the Administration for Children and Families.

Attachment 2

Budget Period 1
Early Head Start – Child Care Partnership and/or Expansion Grants

Award Number: 15HP301995/01
Recipient Organization: City of San Antonio

Head Start Grantees must comply with the terms and conditions for the project period award in the specified timeframes.

Health and Safety

- *Conduct a screening of the health and safety environment of each Early Head Start center and/or family child care home where services are provided within 45 days of the start of the project period and/or within 45 calendar days of services starting at each new location.*

- *Complete the initial certification of compliance with all Office of Head Start (OHS) health and safety requirements within 75 calendar days of the start of services and submit it to the OHS in the Head Start Enterprise System (HSES) immediately thereafter. Submit an updated certification of compliance with all OHS health and safety requirements 30 days after the first six months of operations.*

School Readiness

- *Participate in ongoing communications in support of school readiness with the OHS, including but not limited to the OHS site visits and monthly scheduled calls.*

Attachment 3

Award Number: 15HP301995/01
Recipient Organization: City of San Antonio

Designated Early Head Start service area: San Antonio ISD and Edgewood ISD boundaries, Bexar County, Texas

Early Head Start – Child Care Partnership Population: 216 infants and toddlers.

Approved program options: Center-based

Approved start-up costs: This grant action includes start-up funds of $552,000 under Common Accounting Number (CAN) G063128 for the following purposes: $510,000 for Contractual costs for five EHS/Child Care Partners for playground upgrades and center repairs and $42,000 for Supplies.

WITNESSETH:

HIPAA BUSINESS ASSOCIATE AGREEMENT

This HIPAA Business Associate Agreement is entered into by and between the City of San Antonio ("Covered Entity"), by and through its Director of the Department of Human Services, and the Inman Christian Center, a Business Associate ("BA").

WHEREAS, the City of San Antonio and BA have entered into an Early Head Start – Child Care Partnership Agreement to provide educational and child care services ("Service Contract"), effective February 1, 2015 whereby BA provides educational and child care services to the Covered Entity; and

WHEREAS, Covered Entity and BA may need to use, disclose and/or make available certain information pursuant to the terms of the Service Contract, some of which may constitute Protected Health Information ("PHI"); and

WHEREAS, Covered Entity and BA intend to protect the privacy and provide for the security of PHI disclosed to each other pursuant to the Service Contract in compliance with the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("HIPAA") and regulations promulgated thereunder by the U.S. Department of Health and Human Services (the "HIPAA Regulations") and other applicable laws; and

WHEREAS, the purpose of this Agreement is to satisfy certain standards and requirements of HIPAA and the HIPAA Regulations, including, but not limited to, Title 45, Section 164.504(e) of the Code of Federal Regulations ("C.F.R."), as the same may be amended from time to time;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

A. Definitions. For the purposes of this Agreement, the following terms have the meanings ascribed to them:

(1) "Disclosure" with respect to PHI, shall mean the release, transfer, provision of access to or divulging in any other manner of PHI outside the entity holding the PHI.

(2) "Individual" shall have the same meaning as the term "Individual" in 45 C.F.R. 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. 164.502(g).

(3) "Parties" shall mean Covered Entity and BA.

(4) "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. part 160 and Part 164, subparts A and E.

(5) "Protected Health Information" or "PHI" shall have the same meaning as the term "protected health information" in 45 C.F.R. 164.501, limited to the information created or received by BA from or on behalf of Covered Entity.

(6) "Required By Law" shall have the same meaning as the term "required by law" in 45 CFR § 164.501.

(7) "Secretary" shall mean the Secretary of the Department of Health and Human Services or his designee.

(8) "PHI Breach" shall mean an acquisition, access, use, or disclosure of PHI in a manner not permitted by the Privacy Rules and such action compromises the security or privacy of the PHI.

B. BA Obligations and Activities. BA agrees that it shall:

(1) Not use or disclose the PHI other than as permitted or required by this Agreement or as Required by Law;

(2) Establish and maintain appropriate administrative, physical, and technical safeguards that reasonably and appropriately protect, consistent with the services provided under this Agreement, the confidentiality, integrity, and availability of the electronic protected health information that it creates, receives, maintains, or transmits on behalf of covered entity;

(3) Mitigate, to the extent practicable, any harmful effect that is known to BA of a use or disclosure of PHI by BA in violation of the requirements of this Agreement;

(4) Report to Covered Entity any use or disclosure of PHI of which BA is aware or becomes aware that is not provided for or allowed by this Agreement as well as any security incident that BA becomes of aware of;

(5) Ensure that any of its agents or subcontractors with which BA does business and to whom it provides PHI received from, created or received by BA on behalf of Covered Entity are aware of and agree to the same restrictions and conditions that apply through this Agreement to BA with respect to such information, and further agree to implement reasonable and appropriate administrative, physical and technical safeguards to protect such information;

(6) Provide access, at the request of Covered Entity, and in a reasonable time and manner as agreed by the Parties, to PHI in a Designated Record Set to Covered Entity or, as directed by Covered Entity, to an Individual in order to meet the requirements 45 C.F.R. §164.524;

(7) Make any amendment(s) to PHI in a Designated Record Set that the Covered Entity directs or agrees to pursuant to 45 C.F.R. 164.526 at the request of the Covered Entity or an Individual, and in a reasonable time and manner agreed to by the Parties;

(8) Make available to the Covered Entity or to the Secretary of the U.S. Department of Health and Human Services all internal practices, books and records, including policies and procedures and PHI, relating to the use and disclosure of PHI received from, or created or received by the BA on behalf of the Covered Entity, for purposes of the Secretary of the U.S. Department of Health and Human Services in determining Covered Entity's compliance with the Privacy Rule;

(9) Document such disclosures of PHI, and information related to such disclosures, as would be required for Covered Entity to respond to a request from an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. 164.528;

(10) Provide Covered Entity or an Individual, in a reasonable time and manner as agreed to by the Parties, information collected in accordance with Section B(9) of this Agreement, to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. 164.528.

(11) Will immediately, and in no event later than 14 days of discovery, notify Covered Entity of any breach of PHI and will coordinate with Covered Entity to identify, record, investigate, and report to an affected individual and US Department of Health and Human Services, as required, any covered PHI breach.

C. Permitted Uses and Disclosures by BA

(1) Except as otherwise limited in this Agreement, BA may use or disclose PHI to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in the Service Contract, provided that such use or disclosure would not violate the Privacy Rule if done by Covered Entity.

(2) Except as otherwise limited in this Agreement, BA may disclose PHI for the proper management and administration of the BA, provided that disclosures are Required By Law, or BA obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as Required By Law or for the purpose for which it was disclosed to the person, and the person notifies the BA of any instances of which it is aware in which the confidentiality of the information has been breached.

(3) Except as otherwise limited in this Agreement, BA may use PHI to provide Data Aggregation Services to Covered Entity as permitted by 45 C.F.R. 164.504(e)(2)(i)(B).

(4) BA may use PHI to report violations of law to appropriate Federal and State authorities, consistent with 45 C.F.R. 502(j)(1).

D. Obligations of Covered Entity. Covered Entity shall inform BA of its privacy practices and restrictions as follows. Covered Entity shall:

(1) notify BA of any limitations in its notice of privacy practices in accordance with 45 C.F.R. 164.520, to the extent that such limitation may affect BA's use or disclosure of PHI;

(2) notify BA of any changes in, or revocation of, permission by any Individual to use or disclose PHI, to the extent that such changes may affect BA's use or disclosure of PHI;

(3) notify BA of any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 C.F.R. 164.522 to the extent that such changes may affect BA's use or disclosure of PHI.

(4) coordinate with BA regarding any PHI breach and make timely notification to affected individuals within 60 days of discovery.

E. Permissible Requests by Covered Entity.

Covered Entity shall not request BA to use or disclose PHI in any manner that would not be permissible under the Privacy Rule if done by Covered Entity, except that the Business Associate may use or disclose PHI for data aggregation or management and administrative activities of the BA.

F. Term and Termination.

(1) The term of this Agreement shall commence on February 1, 2015. This Agreement shall terminate when all PHI encompassed by this Agreement is destroyed or returned to Covered Entity or, if it is infeasible to return or destroy the PHI, protections are extended to such information in accordance with the termination provisions in this Section.

(2) Termination for Cause. Upon Covered Entity's knowledge of a material breach by BA, Covered Entity shall either (a) provide an opportunity for BA to cure the breach in accordance with the terms of the Service Contract or, if the BA does not cure the breach or end the violation within the time for cure specified in the Service Contract, end the violation and terminate this Agreement and the Contract; or (b) immediately terminate this Agreement and the Service Contract if BA has breached a material term of this Agreement and cure is not possible. If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary of the U.S. Department of Health and Human Services.

(3) Effect of Termination.

(a) Except as provided below in paragraph (b) of this Section F(3), upon termination of this Agreement for any reason, BA shall return or destroy all PHI received from the Covered Entity, or created or received by BA on behalf of Covered Entity. This provision shall apply to PHI that is in the possession of BA or its subcontractors or agents. BA shall not retain any copies of PHI, except as required by law.

(b) In the event that BA determines that returning or destroying PHI is infeasible, BA shall provide to Covered Entity written notification of the condition that makes the return or destruction of PHI infeasible. Upon BA's conveyance of such written notification, BA shall extend the protections of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make its return or destruction infeasible, for so long as BA maintains such PHI.

(4) Notwithstanding any other provision under this Agreement, the Parties agree that the Service Contract may be terminated by either Party without penalty should the other Party violate a material obligation under this Agreement.

G. Amendment to Comply with Law. The Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy Rule and HIPAA.

H. Survival. The respective rights and obligations of the BA under Sections B, C(2) and (4), and F(3) shall survive the termination of this Agreement.

I. Interpretation. Any ambiguity in this Agreement shall be interpreted to permit Covered Entity to comply with the Privacy Rule.

J. Regulatory References. A reference in this Agreement to a section in the Privacy Rule means the section as in effect or amended.

K. No Third Party Beneficiaries. Nothing express or implied in this Agreement is intended to confer, nor shall anything herein confer upon any person other than Covered Entity, BA, and their respective successors or assigns, any rights, remedies, obligations, or liabilities whatsoever.

L. ***INDEMNIFICATION. BA WILL INDEMNIFY, DEFEND AND HOLD COVERED ENTITY AND ITS OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, SUCCESSORS AND ASSIGNS HARMLESS, FROM AND AGAINST ANY AND ALL LOSSES, LIABILITIES, DAMAGES, COSTS AND EXPENSES ARISING OUT OF OR RELATED TO ANY THIRD-PARTY CLAIM BASED UPON ANY BREACH OF THIS AGREEMENT BY BA IN ACCORDANCE WITH THE INDEMNITY PROVISIONS IN THE SERVICE AGREEMENTS, WHICH ARE HEREBY INCORPORATED BY REFERENCE FOR ALL PURPOSES.***

M. **Reimbursement.** BA will reimburse Covered Entity for reasonable costs incurred responding to a PHI breach by BA or any of BA's subcontractors.

N. **Waiver.** No provision of this Agreement or any breach thereof shall be deemed waived unless such waiver is in writing and signed by the party claimed to have waived such provision or breach. No waiver of a breach shall constitute a waiver of or excuse any different or subsequent breach.

O. **Assignment.** Neither party may assign (whether by operation or law or otherwise) any of its rights or delegate or subcontract any of its obligations under this Agreement without the prior written consent of the other party. Notwithstanding the foregoing, Covered Entity shall have the right to assign its rights and obligations hereunder to any entity that is an affiliate or successor of Covered Entity, without the prior approval of Business Associate.

P. **Entire Agreement.** This Agreement constitutes the complete agreement between Business Associate and Covered Entity relating to the matters specified in this Agreement, and supersedes all prior representations or agreements, whether oral or written, with respect to such matters. In the event of any conflict between the terms of this Agreement and the terms of the Service Contracts or any such later agreement(s), the terms of this Agreement shall control unless the terms of such Service Contract comply with the Privacy Standards and the Security Standards. No oral modification or waiver of any of the provisions of this Agreement shall be binding on either party. This Agreement is for the benefit of, and shall be binding upon the parties, their affiliates and respective successors and assigns. No third

party shall be considered a third-party beneficiary under this Agreement, nor shall any third party have any rights as a result of this Agreement.

Q. **Governing Law.** This Agreement shall be governed by and interpreted in accordance with the laws of the State of Texas.

EXECUTED to be effective February 1, 2015.

COVERED ENTITY
By City of San Antonio

By: _____

Print Name: Melody Woosley

Print Title: Director of the Department of Human Services

BUSINESS ASSOCIATE:
By Inman Christian Center

By: _____

Print Name: Jesse Sandoz

Print Title: Board Vice President

APPROVED AS TO FORM:

_____
Kristine Duff
Assistant City Attorney

Attachment V

EARLY HEAD START – CHILD CARE PARTNERSHIP AGREEMENT
FOR CHILD CARE SERVICES
BETWEEN THE CITY OF SAN ANTONIO
&
MILLER CHILD DEVELOPMENT CENTER

This Agreement is entered into by and between the City of San Antonio (hereinafter referred to as "City"), a Texas Municipal Corporation, acting by and through its Director of the Department of Human Services pursuant to Ordinance No. _____ dated _____, and **Miller Child Development Center** (hereinafter referred to as "Center") (individually "the Party" and collectively "the Parties"), to set forth the objectives, understandings, and agreements between the Parties in connection with the use of Early Head Start – Child Care Partnership (hereinafter referred to as EHS–CCP") grant funds as described herein.

PURPOSE:

WHEREAS, the City has received a grant pursuant to the Head Start Act (42 U.S.C. §9801 *et seq.*, as amended) (the "Grant") for the purpose of providing Early Head Start services to children and families in the San Antonio and Edgewood Independent School District areas of Bexar County; and

WHEREAS, the City's Department of Human Services is designated as the managing City department (hereinafter referred to as "DHS") for administration of EHS-CCP program services for the City, as grantee of the EHS-CCP Grant; and

WHEREAS, the City is authorized by the U.S. Department of Health and Human Services ("HHS"), Administration for Children and Families ("ACF"), and desires, to execute an agreement with Center to provide full-day, full-year child care services to children and their families (hereinafter referred to as the "Project" or "Program"); and

WHEREAS, the City has adopted a budget for the expenditure of EHS-CCP Grant Funds (hereinafter referred to as "Grant Fund"), and included therein is an allocation for Center to provide child care and education services; and

WHEREAS, Center desires, and is appropriately licensed and qualified, to enter into this Agreement with City and agrees to deliver the services described herein in accordance with applicable Head Start Performance Standards and other requirements more fully set forth below;

NOW THEREFORE, in consideration of the mutual promises and covenants herein contained and intending to be legally bound hereby, City and Center agree as follows:

The Parties hereto agree as follows:

I. SCOPE OF WORK

1.1 The Center will provide, oversee, administer, and carry out all activities and services in a manner satisfactory to the City and in compliance with the Center's Scope of Work, affixed hereto and incorporated herein for all purposes as **Attachment I**, this Agreement, and the Terms of the Grant (hereinafter defined). If the terms of this Agreement are inconsistent or in conflict with applicable Terms of the Grant, the applicable Terms of the Grant will control, unless the inconsistency or conflict results from more stringent requirements set forth in this Agreement, in which case the terms imposing the most stringent requirements upon the Center shall control.

1.2 For purposes of this Agreement, the terms listed below shall have the following meanings:

(A) "Terms of the Grant" shall mean all requirements of the Grant, whether contained in the Head Start Act, as amended by the Improving Head Start for School Readiness Act of 2007 (42 U.S.C. §9801, et seq.), or other applicable statutes, implementing regulations (e.g., 45 C.F.R. §1301 et seq. (the "Head Start Performance Standards" or "Performance Standards") and 45 C.F.R. Part 75 or 45 C.F.R. Part 87, as applicable), rules, Executive Orders, the award document from U.S. Department of Health and

Human Services ("HHS") to the City, relevant HHS Directives, or elsewhere, including, but not limited to circulars, Program Instructions, Information Memorandums and Policy Clarifications, the City's policies and procedures and any other directives applicable to the Program, as such requirements exist as of the date of this Agreement and as such requirements may be established or modified (by amendment, deletion, addition or otherwise) during the period of the Agreement.

(B) "Relevant HHS directives" shall mean regulations, manuals, guidelines, or other oral or written directives of HHS or any subdivision thereof, including the Administration for Children and Families, Head Start Bureau, the Program Operations Division and ACF Region VI, as such regulations, manuals, guidelines, or other oral or written directives shall be made applicable to the Grant or Grantee.

1.3 Center shall establish and implement policies and procedures governing personnel, financial management, and programmatic management, as specified more fully in 2 C.F.R. 200 *et seq.*, 45 C.F.R Parts 1301 *et. seq,* and/or 45 C.F.R. Part 74, 45 C.F.R. Part 75, 45 C.F.R. Part 87 or 45 C.F.R. Part 92, as applicable. Such policies and procedures shall be consistent with the Terms of the Grant, the policies and procedures approved by the Grantee's Policy Council and Governing Body, and content and service plans.

1.4 City retains the authority to contract with third-parties for the delivery of other EHS-CCP services in the San Antonio and Bexar County area. Center agrees to allow the City's other EHS-CCP service providers access to the facilities leased and/or owned by Center in order to provide said services, so long as access would not cause disruption of Center's child care or educational activities, or purpose as an educational entity. Center agrees to cooperate with City and third-party EHS-CCP service providers to establish, modify and comply with a set of policies and procedures and/or a program design manual governing the City's EHS-CCP Program and the protocol for collaboration between service providers. Center agrees that, notwithstanding the fact that another service provider under the City of San Antonio EHS-CCP program may be contracted to provide a category of service, Center, under the leadership of its EHS-CCP Program Director, will be responsible for coordinating with other Program service providers and working with the City to ensure provision of full array of services to which the children are entitled under the Terms of the Grant.

II. TERM

2.1 Except as otherwise provided for pursuant to the provisions hereof, this Agreement shall begin on February 1, 2015 and shall terminate on July 31, 2016.

III. CONSIDERATION

3.1 In consideration of the services to be delivered by Center, the City will reimburse Center a total amount not to exceed $271,200.00 ("the Federal Share") during the period in which this Agreement is in effect for costs incurred in accordance with the Program Budget affixed hereto and incorporated herein for all purposes as **Attachment II**. Center's Program Budget is comprised of the Federal Share and the Non-Federal Share. The Federal Share shall be no more than 80% of the total Program Budget. Should Center fail to raise all of the non-Federal Share funds (20% of the total Program Budget, or $67,800.00) it is required to raise for the operation of its Program, City reserves the right to limit its reimbursements to Center proportionately. For instance, if Center succeeds in raising only eighty percent (80%) of its required non-Federal Share funds, City may limit its reimbursements to Center to eighty percent (80%) of City's total obligation to Center. Center may provide additional non-Federal share funds if Center, in its discretion, determines such funds are available. To meet the requirements of this Agreement, all claimed non-Federal Share must meet the requirements of 2 C.F.R. 200 *et seq.*, 45 C.F.R. §74.23 or §92.24, or other Head Start regulations, as applicable.

3.2 Prior to commencement of the Agreement, Center shall submit to City for its approval Center's proposed monthly budget by line item for the entire term of the Agreement along with its program Budget, including detail by category alone. Center understands the budget may not include indirect costs. Until the City

receives the initial proposed monthly budget for the entire term of the Agreement and prior to the City's approval, the City reserves the right to redirect the funding City has proposed be allocated to Center under this Agreement. City shall notify the Center of the amount redirected and the revised Agreement funding. Additionally, throughout the term of the Agreement, Center shall submit on or before the last day of each month a forecast of the projected monthly expenses for each month remaining in the Agreement so that the City may review and compare actual expenses to projected expenditures and address issues associated with Center's expenditure rate (e.g., on or before March 31, 2015, Center shall submit the projected expenses by month for April, May, and so on until July 31, 2016). Center's budgeted development and administrative costs (as defined by 45 C.F.R. §1301.32) shall not exceed twelve percent (12%) of the Program Budget, unless the total Program Budget is modified in accordance with this Agreement in which case this amount shall be reduced proportionately unless the Parties otherwise agree.

3.3 Approval required. Center shall seek and obtain City's (City's Head Start Program Administrator and the DHS's Fiscal Administrator) prior written approval 30 calendar days before making budget modifications. City may make exceptions to the 30-day notice requirement on a case by case basis, but otherwise Center must make request in writing or via email to the City's Head Start Program Administrator. Center's written request must be accompanied by a justification for the change and indicate which lines items are affected by such change

3.4 Center understands and agrees that should Center fail to work in collaboration with the City's staff to meet or maintain the Program's funded enrollment level as set forth in the Scope of Work, City may reduce Center's funding by an amount equal to the difference between funded and actual enrollment at the per capita rate.

3.5 The funding level of this Agreement is based on an allocation from the following funding sources:

U.S. Department of Health and Human Services (HHS) – Head Start Funds Catalog of Federal Domestic Assistance # 93.600

Consequently, Center agrees to comply with the Terms of the Grant and the Special Provisions, affixed hereto and incorporated herein for all purposes as **Attachment III**.

3.6 It is expressly understood and agreed by the City and Center that the City's obligations under this Agreement are contingent upon the actual receipt of adequate grant funds from HHS to meet City's liabilities hereunder. This Agreement may be terminated by the City if HHS terminates the City as a grantee or reduces the amount granted to City, for any reason; provided that, if the reduction of grant funds does not result in complete unavailability of such funds, the Parties will use best efforts to amend this Agreement accordingly. City will promptly notify Center of any such HHS action.

IV. PAYMENT

4.1 Center agrees that this is a cost reimbursement contract and that the City's liability hereunder is limited to making reimbursements for allowable costs incurred as a direct result of services provided by the Center in accordance with the terms of this Agreement. Allowable costs are defined as those costs, which are necessary, reasonable and allowable under applicable federal, state, and local law, including but not limited to those laws referenced in Article XII hereof, for the proper administration and performance of the services to be provided under an agreement. All requested reimbursed costs must be consistent with the terms and provisions of the approved budgeted line items described in **Attachment II** of this Agreement, unless (a) a subsequent budget revision has been approved in accordance with the procedure set forth in Section 3.3 and signed by the Director of the DHS in cases where the total Agreement Budget remains the same, or (b) an amendment has been approved and signed by the Director of the DHS pursuant to Section 24.1 of this Agreement in cases where there is an increase or decrease to the total Agreement Budget. Approved budget revisions and amendments modify the Budget attached hereto, and in such cases Center's requested reimbursed costs must be consistent with the last revised, approved budget. Approved budget revisions and amendments supersede prior conflicting or inconsistent agreements with regard to the referenced Project Budget, and all references in the Agreement to the budget shall mean the budget as

revised through approved budget revisions or amendments. In no event shall the City be liable for any cost of Center not eligible for reimbursement as defined within the Agreement. Center shall remit to City within ten (10) business days after the City makes the request for remittance any funded amounts which were paid pursuant to this Article IV and used to cover disallowed costs. Any such amounts not remitted within ten (10) business days may, at City's option, be subject to offset against future funding obligations by City.

4.2 If specific circumstances require an advance payment on this Agreement, Center must submit to the Director of the DHS a written request for such advance payment, including the specific reason for such request in the form prescribed by City. Center agrees that the City shall not be obligated to pay for any advances requested. In those instances in which advance payments are authorized, the Director of the DHS may, in the Director's sole discretion, approve an advance payment on this Agreement. It is understood and agreed by the parties hereto that (a) each request requires submission to the Director of the DHS no less than ten (10) business days prior to the actual ostensible cash need; (b) each request will be considered by the Director of the DHS on a case-by-case basis, and (c) the decision by the Director of the DHS whether or not to approve an advance payment is final. For purposes of this Agreement, the term "business day" shall mean every day of the week except all Saturdays, Sundays and those scheduled holidays officially adopted and approved by the San Antonio City Council for City of San Antonio employees. In those instances in which advance payments are authorized:

(A) Center's payments to its vendors using funds advanced by the City shall be remitted to the vendors in a prompt and timely manner so long as services have been performed by the subject vendor, defined as not later than (10) business days after the Center is notified that an advance payment check is available from the City.

(B) The Center must deposit Agreement funds in an account in a bank insured with the Federal Deposit Insurance Corporation (FDIC). In those situations where Center's total deposits in said bank, including all Agreement funds deposited with said bank, exceed the FDIC insurance limit, the Center must arrange with said bank to automatically have the excess collaterally secured. A written copy of the collateral agreement must be obtained by Center from the Center's banking institution, maintained on file and be available for City monitoring reviews and audits. Advanced funds that cause the Center's account balance to exceed the FDIC limit shall be deposited in a manner consistent with the Public Funds Investment Act (Chapter 2256 of the Texas Government Code) as amended. Center shall maintain the FDIC insured bank account in which Agreement funds are deposited and its recordkeeping in a manner that will allow City to track expenditures made with Agreement funds.

(C) The City may deduct from monthly reimbursements amounts necessary to offset the amount advanced based upon the number of months remaining in the Agreement term, or from a single subsequent monthly reimbursement the full amount previously advanced to Center. The City may consider factors such as projected allowable costs and other indicators such as Center's financial stability. Center shall maintain a financial management system to account for periodic, or a lump sum, deduction from reimbursements.

4.3 Center shall submit to City not later than the forty-fifth (45th) day after the end of every month a monthly Request for Payment in the form prescribed by City, which details the specific costs (by category and by program account number) Center expensed in the previous month for the services delivered as described in Article I herein, including supporting documentation of such costs as may be required by the Director of the DHS. The Request for Payment shall also specify the Program Income (as defined herein) received or projected during the same time period. The Director of the DHS may require the Center's submission of original or certified copies of invoices, cancelled checks, Center's general ledger and/or receipts to verify invoiced expenses.

4.4 City shall make reimbursement payments of eligible expenses to the Center of any undisputed amounts as determined by the Director of the Managing Department in accordance with established procedures, so long as City receives a properly completed and documented Request for Payment. City shall make payment to

Center as soon as reasonably practicable, but not later than 30 calendar days of receiving a valid and approved Request for Payment.

4.5 The Center shall submit to City a full accounting of the Program Income, if applicable, and non-Federal Share funds received and total Program costs incurred, along with all requests for payment for the period February 1, 2015 through July 31, 2016, no later than September 16, 2016. In the event of early termination of this Agreement, Center shall submit the information 45 calendar days from the early termination date of the Agreement. These deadlines may be adjusted only if Center receives written authorization from the Director of the DHS allowing Center to submit a request for payment at a later specified date.

4.6 Center agrees that the City shall not be obligated to any (sub)contractors or third party beneficiaries of the Center.

4.7 Center shall maintain a financial management system and acceptable accounting records with City's assistance and to City's satisfaction, and in accordance with this Agreement and applicable HHS and Head Start regulations and federal directives such as 2 C.F.R. 200 *et seq.*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

4.8 Center agrees that Center costs or earnings claimed under this Agreement may not be claimed under another contract or grant from another agency, organization, business entity or governmental entity.

4.9 Center shall establish and abide by a cost allocation methodology and plan which ensures that the City is paying only its fair share of the costs for services, overhead, and staffing not solely devoted to the Project or funded by this Agreement. The Cost Allocation Plan is a plan that identifies and distributes the cost of services provided by staff and/or departments or functions. It is the means to substantiate and support how the costs of a program are charged to a particular cost category or to the Program so as to assure Grant funds provided hereunder do not subsidize other program(s). Center must ensure that costs allocated and charged to the Ggrant are not charged to other Federal, State or Local awards to overcome fund deficiencies, to avoid restrictions imposed by law or terms of the Federal awards, or for other reasons. Center shall provide to City prior to the beginning of the Agreement term (i) a matrix identifying the shared use of such facilities and/or program services; and (ii) the Cost Allocation Plan and supporting documentation, along with its Budget, financial statements and audit that are applicable to the Center's Project. City shall have the right to approve the Cost Allocation Plan.

4.10 Center agrees to reimburse the City for any Center overpayment based upon reconciled adjustments resulting from Center's balance and/or Statement of Revenue and Expenditure sheet as of July 31, 2016, which balance or Statement sheet shall be due to the City no later than September 1, 2016. Reimbursement shall be made within 20 calendar days of written notification to Center of the need for reimbursement.

4.11 Upon expiration or early termination of this Agreement, or at any time during the term of this Agreement, all unused funds, rebates, advances exceeding allowable costs, or credits on-hand or collected thereafter relating to the Project, shall be returned by Center to the City within twenty (20) days of receipt of written notice.

4.12 Upon execution of this Agreement or at any time during the term of this Agreement, the City's Director of Finance, the City Auditor, or a person designated by the Director of the DHS may review and approve all Center's systems of internal accounting and administrative controls prior to the release of funds hereunder.

V. PROGRAM INCOME

5.1 For purposes of this Agreement, "program income" shall mean earnings of Center realized from activities resulting from this Agreement or from Center's management of funding provided or received hereunder. Such earnings shall include, but shall not be limited to, interest income; usage or rental/lease fees; income produced from Agreement-supported services of individuals or employees or from the use of equipment or facilities of Center provided as a result of this Agreement; and if applicable, payments from clients or third

parties for services rendered by Center pursuant to this Agreement. At the sole option of the Director of the Managing City Department, if Center obtains program income under the Agreement, Center will either (a) be required to return program income funds to City through the Managing City Department, or (b) upon prior written approval by the Director of the Managing City Department, Center may be permitted to retain such funds to be:

(A) added to the Project and used to further eligible Project objectives, in which case proposed expenditures must first be approved by the City; or

(B) deducted from the total Project cost for the purpose of determining the net cost reimbursed by the City.

5.2 In any case where Center is required to return program income to the Managing City Department, Center must return such program income to City within the timeframe that may be specified by the Director of the Managing City Department. If the Director of the Managing City Department does not specify a timeframe for Center to return program income to City, then Center must return such program income to City on the same date that Center submits its statement of expenditures and revenues to the Managing City Department set forth in Article V, Section 5.4 of this Agreement. If the Director of the Managing City Department grants Center authority to retain program income, Center must submit all reports required by the Managing City Department within the timeframe specified in the Agreement.

5.3 Center shall provide the Managing City Department with thirty (30) calendar days written notice prior to the activity that generates program income. Such notice shall detail the type of activity, time, and place of all activities that generate program income.

5.4 The Center shall fully disclose and be accountable to the City for all program income. Center must submit a statement of expenditures and revenues to the Managing City Department within thirty (30) calendar days of the activity that generates program income. The statement is subject to audit verification by the Managing City Department. Failure by Center to report program income as required is grounds for suspension, cancellation, or termination of this Agreement.

5.5 Center is prohibited from charging fees or soliciting donations and is prohibited from inviting or contracting with vendors who shall charge fees or solicit donations from Head Start participants and their parents in any Agreement-funded project without the prior written approval of the Director of the Managing City Department. However, Center may engage in general school activity that is not specifically targeted at Head Start families.

5.6 Center shall include this Article V, in its entirety, in all of its subcontracts involving income-producing services or activities.

VI. ADMINISTRATION OF CONTRACT

6.1 The Center agrees to comply with all the terms and conditions that the City must comply with in its award document from HHS. A copy of said award document is attached hereto and incorporated herein for all purposes as **Attachment IV**. From time to time, the award document may be amended or supplemented, and these shall be incorporated into the Agreement collectively as **Attachment IV**.

6.2 In the event that any disagreement or dispute should arise between the Parties hereto pertaining to the interpretation or meaning of any part of this Agreement or its governing rules, regulations, laws, codes or ordinances, the City Manager or the Director of the DHS, as representatives of the City and the parties ultimately responsible for all matters of compliance with HHS and City rules and regulations, shall have the final authority to render or secure an interpretation. In the event that a dispute arises with regard to interpretation of regulations or law as it applies to this Agreement, Center may request that the City secure, and the City shall request an interpretation or opinion from HHS in order to assist in resolution of the dispute.

6.3 Center shall not use funds awarded from this Agreement as matching funds for any federal, state or local grant without the prior written approval of the Director of the DHS.

6.4 The City shall have the authority during normal business hours to make physical inspections to all operating facilities occupied to administer this Agreement and to require such physical safeguarding devices as locks, alarms, security / surveillance systems, safes, fire extinguishers, sprinkler systems, etc. as reasonably necessary, to safeguard property and/or equipment authorized by this Agreement.

6.5 The Center Board of Directors or Board of Trustees, as applicable, and Center's management staff shall adopt and approve an Employee Integrity Policy, or similar policy, in the event that Center has none, and internal program management procedures, and require all staff to abide by these and the Head Start standards as established in the HHS regulations, to preclude theft, embezzlement, improper inducement, obstruction of investigation or other criminal action, and to prevent fraud and program abuse. These policies and procedures shall require repayment of such erroneously received grant funds or property to the Center, or to the applicable service provider from whom such grant funds or property was received, if other than Center, and shall specify any other consequences to Center's employees and vendors involved in such illegal activities and may include but not be limited to termination and prosecution where necessary. Said policies and procedures shall be provided to the DHS upon request by the DHS. In the event that the DHS finds the policies and procedures to be lacking, the DHS may recommend revision.

6.6 If Center writes or handles checks under this Agreement, Center agrees to comply with the following check writing and handling procedures:

(A) No blank checks are to be signed in advance;
(B) No checks are to be made payable to cash or bearer with the exception of those for petty cash reimbursement, not to exceed a $100.00 maximum per check. Center agrees that the aggregate amount of petty cash reimbursement shall not exceed $500.00 for any given calendar month during the term of this Agreement unless Center receives prior written approval from the DHS to exceed such limit. Such requests for petty cash must be supported by the submission to the DHS of an original receipt.
(C) Checks issued by City to Center shall be deposited into the appropriate bank account no later than three (3) Center business days of Center's receipt of each such check, and shall never be cashed for purposes of receiving the face amount back. If such check(s) are not deposited within three (3) Center business days from the date of issue, such checks shall be investigated by City and stop-payment orders issued, as applicable. City agrees that stop payment orders shall not be issued due to the financial institution's posting policies that result in posting of checks for credit beyond the required timeframe so long as the checks are deposited within the required timeframe. Upon cancellation of any outstanding check, if deemed appropriate by City, such check may be reissued to the Center or if deemed by City not to be a valid expense, such check shall be immediately returned to the City.

6.7 Center agrees to provide City with a copy of all proposed communications to the public, EHS-CCP Program parents and employees as it may relate to the City's implementation of the City's Program model, the transition of Program contracts or transition of the Program, and to obtain the City's approval prior to dissemination.

6.8 Wherever in this Agreement, Center is required to perform an action within a specified number of days or hours, Center may request additional time to perform. City shall give Center's request for additional time due consideration and shall grant Center's request whenever reasonable practicable, unless immediate compliance is required.

6.9 If the starting date of the Agreement term has already passed at the time of approval of the Agreement by Center, all deadlines imposed on Center for providing information to the City on or before the date of approval or within seven (7) Center business days of approval shall be extended in order for the Center to reasonably comply with the City's requirements; except and unless, the information has already been provided to the City. City and Center agree to confer and make best efforts to reasonably permit Center to comply with the extended deadlines.

VII. AUDIT

7.1 If Center expends $750,000.00 or more of funds provided under this Agreement, or cumulative funds provided by or through City, and does not have to comply with the provisions of Section 7.2, then during the term of this Agreement, the Center shall have completed an independent audit of its financial statements for the Head Start program performed within a period not to exceed one hundred twenty (120) days immediately succeeding the end of Center's fiscal year, expiration or early termination of this Agreement, whichever is earlier. Center understands and agrees to furnish the DHS a copy of the audit report within a period not to exceed fifteen (15) days upon receipt of the report. In addition to the report, a copy of the corrective action plan, summary schedule of prior audit findings, management letter and/or conduct of audit letter are to be submitted to the DHS by Center within fifteen (15) days upon receipt of said report or upon submission of said corrective action plan to the auditor.

Center agrees to reimburse the City or supplement any disallowed costs with eligible and allowable expenses based upon reconciled adjustments resulting from Center's Single Audit. Reimbursement shall be made within twenty (20) days of written notification regarding the need for reimbursement.
Center agrees and understands that upon notification from federal, state, or local entities that have conducted program reviews and/or audits of the Center or its programs of any findings about accounting deficiencies, or violations of Center's financial operations, a copy of the notification, review, investigation, and audit violations report must be forwarded to the DHS within a period of ten (10) days upon the Center's receipt of the report.

7.2 Center agrees that if Center receives or expends more than $750,000.00 in federal funds from the City, the audit shall be made in accordance with the Single Audit Act Amendments of 1996, the State of Texas Single Audit Circular, and U.S. Office of Management and Budget Circular (OMB-133 revision) and Center shall also be required to submit copies of its annual independent audit report, and all related reports issued by the independent certified public accountant within a period not to exceed one hundred fifty-three (153) calendar days after the end of Center's fiscal year to the Federal Audit Clearinghouse in Jeffersonville, Indiana. A copy of this report must also be provided to City within this same time period. Center may submit reports through the following website: https://harvester.census.gov/fac and may also contact the Clearinghouse by telephone at (301) 763-1551 (voice) or 1-888-222-9907 (toll free) or 1-800-253-0696.

Upon completion of Form SF-SAC, Center may submit the completed report by mail to:

Federal Audit Clearinghouse
1201 E. 10th Street
Jeffersonville, Indiana 47132

7.3 THIS SECTION INTENTIONALLY LEFT BLANK.

7.4 All financial statement(s) must include a schedule of receipts and disbursements by budgeted cost category for each program funded by or through the City.

7.5 The City reserves the right to conduct, or cause to be conducted, an audit or review of all funds received under this Agreement at any and all reasonable and necessary times required by City. The City Internal Audit Staff, a Certified Public Accounting (CPA) firm, or other personnel as designated by the City, may perform such audit(s) or reviews. The City reserves the right to determine the scope of every audit, so long as it is limited to Center's Head Start program. In accordance herewith, Center agrees to make available to City all accounting and Project records.

Center shall during Center's normal business hours, and as often as deemed reasonably necessary by City and/or the applicable state or federal governing agency or any other auditing entity, make available the books, records, documents, reports, and evidence with respect to all matters covered by this Agreement and shall continue to be so available for a minimum period of four (4) years or whatever period is determined necessary based on the Records Retention guidelines, established by applicable law for this Agreement.

Said records shall be maintained for the required period beginning immediately after Agreement termination, save and except there is litigation or if the audit report covering such agreement has not been accepted, then the Center shall retain the records until the resolution of such issues has satisfactorily occurred. The auditing entity shall have the authority to audit, examine and make excerpts, transcripts, and copies from all such books, records, documents and evidence, including all books and records used by Center in accounting for expenses incurred under this Agreement, all contracts, invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to matters covered by this Agreement.

The City may, in its reasonable discretion, require the Center to use any and all of the City's accounting or administrative procedures that are in conformity with Generally Accepted Accounting Principles for state account standards in Texas in the planning, controlling, monitoring and reporting of all fiscal matters relating to this Agreement, and the Center shall abide by such requirements. Should a conflict exist between the parties' accounting procedures, Center shall use the stricter of the procedures.

7.6 When an audit or examination determines that the Center has expended funds or incurred costs which are questioned by the City and/or the applicable state or federal governing agency, the Center shall be notified and provided an opportunity to address the questioned expenditure or costs.

Should any expense or charge that has been reimbursed be subsequently disapproved or disallowed as a result of any site review or audit, the Center shall refund such amount to the City no later than twenty (20) Center business days from the date of notification of such disapproval or disallowance by the City. At its sole option, the DHS may deduct such claims from subsequent reimbursements and shall notify Center prior to exercising this option. Center shall provide to City a full refund of such amount no later than twenty (20) Center business days from the date of notification of such disapproval or disallowance by the City. If Center is obligated under the provision hereof to refund a disapproved or disallowed cost incurred, such refund shall be required and be made to City by check, cashiers check or money order. In the event that a dispute arises as to the allow ability of an expenditure or charge pursuant to the federal regulations, then Center may request that the City secure, and the City shall request an interpretation or opinion from HHS in order to assist in resolution of the dispute. Should the City deduct such claims from subsequent reimbursements, the Center is forbidden from reducing Project expenditures and Center must use its own funds to maintain the Project.

Center agrees and understands that all expenses, fees, fines and penalties associated with the collection of delinquent debts owed by Center shall be the sole responsibility of the Center and shall not be paid from any Project funds received by the Center under this Agreement. Delinquent debts that would otherwise be identified as allowable costs may be paid with Project funds with approval of the DHS.

7.7 If the City determines that Center is in violation of the above requirements, the City shall have the right to dispatch auditors of its choosing to conduct the required audit and to have the Center pay for such audit from non-City resources. If after the audit is conducted it is determined that Center is in compliance with the contract then the cost of the audit, specifically the auditor's bill alone, shall be borne by the City. Center may recommend the hiring of alternate auditors, but the final decision on the selection of auditors shall rest with the City.

VIII. RECORDS, REPORTING, MONITORING AND INTELLECTUAL PROPERTY

8.1 In addition to those listed in this Agreement, the Center shall submit to the DHS any and all reports as may be required of Center by HHS or as may be reasonably required of the City. Center shall incorporate and use a City-approved tracking or information system, such as ChildPlus, for the delivery of comprehensive EHS-CCP Services and collect, input and update all data required for the Program Information Report in accordance with the City's reasonable timeline to ensure the reporting of accurate and consistent information to HHS.

8.2 Additionally, Center will work with City to maintain and furnish to City the appropriate financial and programmatic information and reports, in such forms as the City may require or prescribe, as required

under the Head Start Act, as amended, or as required under federal regulations, such as 2 C.F.R. 200 *et seq*. or other applicable regulations.

Center agrees to maintain all applicable and appropriate supporting documentation of costs, including but not limited to, payroll records, invoices, contracts or vouchers, and make these available to City upon request.

8.3 Center shall provide to the DHS all information reasonably requested by the DHS relating to the Center's Board functions, if applicable, including but not be limited to:

(A) Roster of current Board Members (name, title, address, telephone number, fax number and e-mail address);
(B) Names and terms of Officers;
(C) Schedule of anticipated board meetings for current Fiscal Year;
(D) Board agendas relating to the Head Start Program to be submitted by electronic or facsimile transmission at the time of posting prior to each Board meeting. Prior to the time of posting, Center's administration shall attempt to notify City when a Head Start program item is anticipated to be placed on the agenda; and
(E) Minutes of every board meeting relating to the Head Start Program.

8.4 City reserves the right to reasonably request Center to provide additional records for travel expenses, long distance calls, faxes, internet service, cell phone calls, or other electronic communication devices charged to the budget associated with this Agreement.

8.5 Center shall report all notices served, violations found or complaints filed with regard to licensing, or lack thereof, of Center's centers within one (1) business day of receipt of written notice from the State licensing, certifying or permit-issuing authority of a violation or complaint not counting weekends. Center shall also sign an Authorization For Release of Information giving the Texas Department of Family and Protective Services (TDFPS) permission to share licensing information about the Center with the Grantee.

8.6 Center shall comply with federal Head Start Performance Standards (federal Head Start regulations), and all applicable federal, state and local laws relating to child safety. Center shall establish and implement mutually agreeable administrative procedures to respond to medical, dental and other health emergencies with which all City and Center staff should be familiar and trained. These procedures shall include, among other things, methods of notifying parents in the event of a health emergency involving their children and established methods for handling cases of suspected or known child endangerment, abuse or neglect that are in compliance with applicable federal, state and local laws. If Center has knowledge of a claim or report of, or is aware of a program crisis related to, or suspects that media coverage would be negative due to, an incident of child endangerment, neglect or abuse of a child while in Center's EHS-CCP program, Center shall contact the City's designated representative immediately, but not later than 24 hours, for the purpose of notification of the incident. Center shall contact the City's designated representative even if the incident of child endangerment, neglect or abuse is not fully investigated by Center. If Center is unable to reach the City's designated representative, Center shall leave a verbal or written message via electronic mail notifying the City that Center is attempting to notify the City of an incident. Center further agrees to notify the parent of the child immediately, in any of the instances cited above, to include a situation in which the parent's child has received physical discipline, whether or not the instance may be characterized as suspected child abuse.

8.7 Within a period not to exceed forty-five (45) calendar days after the expiration or early termination date of the Agreement, Center shall submit all final client reports and all required deliverables to City. Center understands and agrees that in conjunction with the submission of the final report, the Center shall execute and deliver to City a receipt for all sums received and a release of all claims for said sums against the Project.

8.8 Center shall maintain financial records, supporting documents, statistical records, and all other books, documents, papers or other records pertinent to this Agreement or the Grant in accordance with the official

records retention schedules established within the Local Government Records Act of 1989 and any amendments thereto, or for such period as may be specifically required by the Head Start regulations, as applicable, whichever is longer. Notwithstanding the foregoing, Center shall maintain all Agreement and Grant related documents for no less than four (4) years from the date of City's submission of the annual financial report covering the funds awarded hereunder. If an audit, litigation, or other action involving the records has been initiated before the end of the retention period, Center agrees to maintain the records until the end of the retention period or until the audit, litigation, or other action is completed, whichever is later. Records for real property and equipment acquired with Grant funds shall be retained for four (4) years after final disposition.

8.9 Center shall make available to City, HHS, or any of their duly authorized representatives, upon appropriate notice and unless otherwise prohibited by law, such books, records, reports, documents, papers, policies and procedures as may be necessary for audit, examination, excerpt, transcription, and copy purposes, for as long as such records, reports, books, documents, and papers are retained. This right also includes timely and reasonable access to Center's facility and to Center's personnel for the purpose of interview and discussion related to such documents. Center shall, upon request, transfer certain records to the custody of City or HHS when City or HHS determines that the records possess long-term retention value unless otherwise prohibited by law, and subject to Center's right to use "educational records" as that term is understood under the Family Educational Rights and Privacy Act of 1974 ("FERPA").

8.10 The Center agrees to incorporate and use any City-approved tracking or information system for the delivery of comprehensive Program services. Center shall enter current, accurate and complete client data.

8.11 The DHS is assigned monitoring, fiscal control, and evaluation of certain projects funded by the City with General or Grant Funds, including the Project covered by this Agreement. Therefore, Center agrees to permit City and/or HHS to evaluate, through monitoring, reviews, inspection or other means, the quality, appropriateness, and timeliness of services delivered under this Agreement and to assess Center's compliance with applicable legal and programmatic requirements. At such times and in such form as may be required by the DHS, the Center shall make available to the DHS and the Grantor of the Grant Funds, if applicable, such statements, reports, records, personnel files (including evidence of criminal background check as required by Head Start regulations), client files, data, all policies and procedures and information as may be requested by the DHS and shall permit the City and Grantor of the Grant Funds, if applicable, to have interviews with its personnel, board members and program participants pertaining to the matters covered by this Agreement. Center agrees that the failure of the City to monitor, evaluate, or provide guidance and direction shall not relieve the Contactor of any liability to the City for failure to comply with the Terms of the Grant or the terms of this Agreement. Regarding evidence of criminal background check, the parties agree that City will accept a written statement that the checks have been conducted and that all persons who are employed have passed. If, at any time, HHS informs the City and / or Center that such written statement does not satisfy the requirements of the Terms of the Grant, Center agrees to provide additional information as may be legally permissible and as may be required by HHS or to cooperate with the City and HHS in order to resolve any conflict associated with provision of information related to criminal background checks.

8.12 City may, at its discretion, conduct periodic, announced monitoring visits to ensure program and administrative compliance with Head Start Performance Standards and with Program goals and objectives for the agreement period. City reserves the right to make unannounced visits to Center Program sites when it is determined that such unannounced visits are in the interest of effective program management and service delivery. Center Program staff shall be informed by City representative(s) upon arrival at Center's site of the expected purpose and length of visit so that accommodations may be made. City's representative(s) shall provide proper identification to ensure the safety and security of all parties.

8.13 Center understands that the City will timely inform Center of the findings of any such review or monitoring, specifically any default under the Agreement or deficiencies in performance, and will inform Center in writing of Program strengths and weaknesses and specify a deadline for corrective action based upon contract or federal deadlines and the time needed for City to review, monitor and approve when necessary. The City will assist Center in finding solutions for Program improvement if and as appropriate.

8.14 Unless otherwise provided herein, all reports, statements, records, data, policies and procedures or other information requested by the DHS shall be submitted by Center to City within five (5) business days of the request made to Center via electronic communication or by other form of written correspondence. In the event that Center fails to deliver the required reports or information or delivers incomplete information within the prescribed time period, the City may, upon reasonable written notice, suspend reimbursements to Center until such reports are delivered to City. Furthermore, the Center ensures that all information contained in all required reports or information submitted to City is accurate.

8.15 (A) Unless disclosure is authorized by the City or is required by the Attorney General for the State of Texas or his duly authorized representative, Center agrees to maintain in confidence all information pertaining to the Project or other information and materials prepared for, provided by, or obtained from City including, without limitation, reports, information, data, other related information (collectively, the "Confidential Information") and to use the Confidential Information for the sole purpose of performing its obligations pursuant to this Agreement. Center shall protect the Confidential Information and shall take all reasonable steps to prevent the unauthorized disclosure, dissemination, or publication of the Confidential Information.

(B) If disclosure is permitted by law or required by order of a governmental agency or court of competent jurisdiction, Center shall give the Director of the DHS prior written notice that such disclosure is required with a full and complete description regarding such requirement.

(C) Center shall establish specific procedures designed to meet the obligations of this Article VIII, Section 8.15, including, but not limited to execution of confidential disclosure agreements, regarding the Confidential Information with Center's employees, contractors and subcontractors prior to any disclosure of the Confidential Information to third parties. This Article VIII, Section 8.15 shall not be construed to limit HHS's, the City's or its authorized representatives' right to obtain copies, review and audit records or other information, confidential or otherwise, under this Agreement. Upon termination or expiration of this Agreement, Center shall return to City upon request all copies of materials related to the Project, including the Confidential Information and subject to Center's right to use "Educational Records" as that term is understood under FERPA. All confidential obligations contained herein (including those pertaining to information transmitted orally) shall survive the termination of this Agreement. The Parties shall ensure that their respective employees, agents, and contractors are notified of the requirement to comply with the aforementioned obligations.

8.16 The Public Information Act, Government Code Section 552.021, requires the City to make public information available to the public. Under Government Code Section 552.002(a), public information means information that is collected, assembled or maintained under a law or ordinance or in connection with the transaction of official business: 1) by a governmental body; or 2) for a governmental body and the governmental body owns the information or has a right of access to it. Therefore, if City receives a request under the Public Information Act (i.e., ORR) for information within Center's possession pursuant to this Agreement, Center shall forward the requested documents to the City within two (2) business days of Center's designated liaison's receipt of the written request. If the requested information is confidential or may be kept confidential pursuant to state or federal law, the Center shall submit to City the list of specific statutory authority mandating and/or authorizing confidentiality no later than three (3) business days Center's designated liaison's receipt of such request. For the purposes of communicating and coordinating with regard to public information requests, all communications shall be made to the designated public information liaison for each Party. Each Party shall designate in writing to the other Party the public information liaison for its organization and notice of a change in the designated liaison shall be made promptly to the other Party. The parties shall cooperate with each other to preserve confidential information or records that may be excluded from disclosure under the Family Educational Rights and Privacy Act (FERPA) (20 U.S.C. § 1232g; 34 CFR Part 99) and/or the Texas Public Information Act; and the parties shall coordinate efforts to seek any required Attorney General decision for the protection of such information from release.

8.17 In accordance with Texas law, Center acknowledges and agrees that all local government records as

defined in Chapter 201, Section 201.003 (8) of the Texas Local Government Code created or received in the transaction of official business or the creation or maintenance of which were paid for with public funds are declared to be public property and subject to the provisions of Chapter 201 of the Texas Local Government Code and Subchapter J, Chapter 441 of the Texas Government Code. Thus, Center agrees that no such local government records produced by or on the behalf of Center pursuant to this Agreement shall be the subject of any copyright or proprietary claim by Center; however Center shall be entitled to maintain the confidentiality of "educational records" as that term is understood under FERPA and to use such records for educational purposes.

With the exception of student records, Center acknowledges and agrees that all local government records, as described herein, produced in the course of the work required by this Agreement, are public information and shall be made available to the City at any time unless otherwise prohibited by law. The parties agree that educational records created pursuant to Section 1.1 shall be maintained and utilized by Center as required by law. Center further agrees to turn over to City all such records upon request, or termination of this Agreement, unless otherwise prohibited by law. Center agrees that it shall not, under any circumstances, release any records created during the course of performance of the Agreement to any entity without the written permission of the Director of the DHS, unless required to do so by a court of competent jurisdiction or the Texas Attorney General or his designee, or as may be required or permitted by Center due to the record being an "educational record" as that term is understood under FERPA. The DHS shall be notified of such request as set forth in Article VIII, Section 8.15 of this Agreement.

8.19 In the event that Center desires to copyright material or to permit any third-party to do so, Center must obtain City's prior written approval to do so and must appropriately acknowledge City's support in any such materials.

8.20 Subject to obligations to maintain confidentiality under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and the HIPAA Business Associate Agreement, attached hereto and incorporated herein for all purposes as **Attachment V,** and subject to the requirements of the Family Educational Rights and Privacy Act ("FERPA") and the limitations imposed under law regarding transfer of information, any and all writings, documents or information in whatsoever form and character produced by Center pursuant to the provisions of this Agreement is the exclusive property of City; and no such writing, document or information shall be the subject of any copyright or proprietary claim by Center. Center understands and acknowledges that as the exclusive owner of any and all such writings, documents and information, City has the right to use all such writings, documents and information as City desires, without restriction; subject, however to Center's continuing rights regarding "educational records" as that term is understood under FERPA. City agrees that it will not release to the public "educational records" that come into its possession unless otherwise authorized by law.

IX. INSURANCE

9.1 Prior to the commencement of any work under this Agreement, Center shall furnish copies of all required endorsements and completed Certificate(s) of Insurance to the City's Department of Human Services, which shall be clearly labeled "***Miller Child Development Center- EHS-CCP***" in the Description of Operations block of the Certificate. The Certificate(s) shall be completed by an agent and signed by a person authorized by that insurer to bind coverage on its behalf. The City will not accept a Memorandum of Insurance or Binder as proof of insurance. The certificate(s) must have the agent's signature and phone number, and be mailed, with copies of all applicable endorsements, directly from the insurer's authorized representative to the City. The City shall have no duty to pay or perform under this Agreement until such certificate and endorsements have been received and approved by the City's Department of Human Services. No officer or employee, other than the City's Risk Manager, shall have authority to waive this requirement.

9.2 The City reserves the right to review the insurance requirements of this Article during the effective period of this Agreement and any extension or renewal hereof and to modify insurance coverages and their limits

when deemed necessary and prudent by City's Risk Manager based upon changes in statutory law, court decisions, or circumstances surrounding this Agreement. In no instance will City allow modification whereby City may incur increased risk.

9.3 A Center's financial integrity is of interest to the City; therefore, subject to Center's right to maintain reasonable deductibles in such amounts as are approved by the City, Center shall obtain and maintain in full force and effect for the duration of this Agreement, and any extension hereof, at Center's sole expense, insurance coverage written on an occurrence basis, unless otherwise indicated, by companies authorized to do business in the State of Texas and with an A.M Best's rating of no less than A- (VII), in the following types and for an amount not less than the amount listed below:

TYPE	AMOUNTS
1. Workers' Compensation 2. Employers' Liability	Statutory $500,000/$500,000/$500,000
3. Broad form Commercial General Liability Insurance to include coverage for the following: a. Premises/Operations b. Independent Contractors c. Products/Completed Operations d. Personal Injury e. Contractual Liability f. Damage to property rented by you g. Sexual Abuse/Molestation	For Bodily Injury and Property Damage of $1,000,000 per occurrence; $2,000,000 General Aggregate, or its equivalent in Umbrella or Excess Liability Coverage f. $100,000
4. Business Automobile Liability a. Owned/leased vehicles b. Non-owned vehicles c. Hired Vehicles	Combined Single Limit for Bodily Injury and Property Damage of $1,000,000 per occurrence

9.4 Center agrees to require, by written contract, that all subcontractors providing goods or services hereunder obtain the same insurance coverages required of Center herein, and provide a certificate of insurance and endorsement that names the Center and the CITY as additional insureds. Respondent shall provide the CITY with said certificate and endorsement prior to the commencement of any work by the subcontractor. This provision may be modified by City's Risk Manager, without subsequent City Council approval, when deemed necessary and prudent, based upon changes in statutory law, court decisions, or circumstances surrounding this agreement. Such modification may be enacted by letter signed by City's Risk Manager, which shall become a part of the contract for all purposes.

9.5 As they apply to the limits required by the City, the City shall be entitled, upon request and without expense, to receive copies of the policies, declaration page, and all endorsements thereto and may require the deletion, revision, or modification of particular policy terms, conditions, limitations, or exclusions (except where policy provisions are established by law or regulation binding upon either of the parties hereto or the underwriter of any such policies). Center shall be required to comply with any such requests and shall submit a copy of the replacement certificate of insurance to City at the address provided below within 10 days of the requested change. Center shall pay any costs incurred resulting from said changes.

City of San Antonio
Attn: Department of Human Services
P.O. Box 839966
San Antonio, Texas 78283-3966

9.6 Center agrees that with respect to the above required insurance, all insurance policies are to contain or be endorsed to contain the following provisions:

- Name the City, its officers, officials, employees, volunteers, and elected representatives as additional insured by endorsement, as respects operations and activities of, or on behalf of, the named insured performed under contract with the City, with the exception of the workers' compensation and professional liability policies;

- Provide for an endorsement that the "other insurance" clause shall not apply to the City of San Antonio where the City is an additional insured shown on the policy;

- Workers' compensation, employers' liability, general liability and automobile liability policies will provide a waiver of subrogation in favor of the City.

- Provide advance written notice directly to City of any suspension, cancellation, non-renewal or material change in coverage, and not less than ten (10) calendar days advance notice for nonpayment of premium.

9.7 Within five (5) calendar days of a suspension, cancellation or non-renewal of coverage, Center shall provide a replacement Certificate of Insurance and applicable endorsements to City. City shall have the option to suspend Center's performance should there be a lapse in coverage at any time during this contract. Failure to provide and to maintain the required insurance shall constitute a material breach of this Agreement.

9.8 In addition to any other remedies the City may have upon Center's failure to provide and maintain any insurance or policy endorsements to the extent and within the time herein required, the City shall have the right to order Center to stop work hereunder, and/or withhold any payment(s) which become due to Center hereunder until Center demonstrates compliance with the requirements hereof.

9.9 Nothing herein contained shall be construed as limiting in any way the extent to which Center may be held responsible for payments of damages to persons or property resulting from Center's or its subcontractors' performance of the work covered under this Agreement.

9.10 It is agreed that Center's insurance shall be deemed primary and non-contributory with respect to any insurance or self insurance carried by the City of San Antonio for liability arising out of operations under this Agreement.

9.11 It is understood and agreed that the insurance required is in addition to and separate from any other obligation contained in this Agreement and that no claim or action by or on behalf of the City shall be limited to insurance coverage provided..

9.12 Center and any Subcontractors are responsible for all damage to their own equipment and/or property.

X. LIMITED LIABILITY

10.1 **CENTER covenants and agrees to FULLY INDEMNIFY, DEFEND and HOLD HARMLESS, the CITY and the elected officials, employees, officers, directors, volunteers and representatives of the CITY, individually and collectively, from and against any and all costs, claims, liens, damages, losses, expenses, fees, fines, penalties, proceedings, actions, demands, causes of action, liability and suits of any kind and nature, including but not limited to, personal or bodily injury, death and property damage, made upon the CITY directly or indirectly arising out of, resulting from or related to CENTER'S activities under this CONTRACT including any acts or omissions of CENTER, any agent, officer, director, representative, employee, consultant or subcontractor of CENTER, and their respective officers, agents employees, directors and representatives while in the exercise of the rights or performance of the duties under this CONTRACT. The indemnity provided for in this paragraph**

shall not apply to any liability resulting from the negligence of CITY, its officers or employees, in instances where such negligence causes personal injury, death, or property damage. IN THE EVENT CENTER AND CITY ARE FOUND JOINTLY LIABLE BY A COURT OF COMPETENT JURISDICTION, LIABILITY SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS FOR THE STATE OF TEXAS, WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO THE CITY UNDER TEXAS LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER TEXAS LAW.

10.2 The provisions of this INDEMNITY are solely for the benefit of the parties hereto and not intended to create or grant any rights, contractual or otherwise, to any other person or entity. Center shall advise the City in writing within 24 hours of any claim or demand against the City or Center known to Center related to or arising out of Center's activities under this Contract and shall see to the investigation and defense of such claim or demand at Center's cost. The City shall have the right, at its option and at its own expense, to participate in such defense without relieving Center of any of its obligations under this paragraph.

10.3 Defense Counsel - Center shall retain defense counsel within seven (7) business days of City's written notice that City is invoking its right to indemnification under this Contract. If Center fails to retain Counsel within such time period, City shall have the right to retain defense counsel on its own behalf, and Center shall reimburse City for all costs related to retaining defense counsel until such time as Center retains Counsel as required by this section. City shall also have the right, at its option, to be represented by advisory counsel of its own selection and at its own expense, without waiving the foregoing

10.4 Employee Litigation – In any and all claims against any party indemnified hereunder by any employee of Center, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the indemnification obligation herein provided shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for Center or any subcontractor under worker's compensation or other employee benefit acts.

XI. THIS ARTICLE INTENTIONALLY LEFT BLANK

XII. APPLICABLE LAWS

12.1 Center, and all of the work performed under this Agreement, shall comply with all applicable laws, rules, regulations and codes of the United States and the State of Texas and with the charter, ordinances, bond ordinances, and rules and regulations of the City of San Antonio and Bexar County. Center agrees to abide by any and all future amendments or additions to such laws, rules, regulations, policies and procedures as they may be promulgated. Center may request additional time to come into and demonstrate compliance, unless immediate compliance is required by the applicable Head Start regulations, the Head Start Act, or Public Information Act request requirements. Should the City need to abide by some other law, rule, regulation, policy or procedure, such requirement will be made known to Center upon consideration of Center's request for additional time.

12.2 The Center understands that certain funds provided it pursuant to this Agreement are funds which have been made available by the City's General Operating Budget and/or by Federal, State, or other granting entities. Center agrees to comply with all laws, ordinances, codes, rules, regulations, policies, and procedures, including licensing and accreditation standards applicable to the funds received by Center hereunder or as required in this Agreement, including but not limited to:

(A) The Head Start Act (42 U.S.C. §9801 *et seq.*, as amended);

(B) 45 C.F.R. Part 1301 *et seq.*;

(C) The Terms of the Grant;

(D) As applicable, 45 C.F.R. Part 74, 45 C.F.R 75, 45 C.F.R 87 or 45 C.F.R. Part 92 (Grants Administration regulations);

(E) Texas Child Care Licensing laws; and

(F) The most recent Office of Management and Budget (OMB) Circular found at 2 C.F.R. Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards," as applicable to the funds received by Center hereunder, which streamlines:

a. OMB Circular A-21, entitled, "Cost Principles for Educational Institutions";
b. OMB Circular A-87, entitled, "Cost Principles for State, Local and Indian Tribal Governments";
c. OMB Circular A-102, entitled, "Grants and Cooperative Agreements with State and Local Governments";
d. OMB Circular A-110, entitled "Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations"
e. OMB Circular A-122, entitled, "Cost Principles for Non-Profit Organizations"; and
f. OMB Circular A-133, entitled, "Audits of States, Local Governments, and Not for Profit Organizations".

(G) Official record retention schedules as established by the Local Government Records Act of 1989

(H) The Texas Public Information Act, at Chapter 552, The Texas Government Code

12.3 Center agrees to:

(A) comply with applicable standards, orders, or regulations issued pursuant to the Clean Air Act of 1970 (42 U.S.C. §7401 *et. seq.)* and the Federal Water Pollution Control Act (33 U.S.C. §1251 *et seq.)*, as amended.

(B) make positive efforts to utilize small businesses, minority-owned firms and women's business enterprises in connection with the work performed hereunder, whenever possible.

(C) provide for the rights of the Federal Government in any invention resulting from the work performed hereunder, in accordance with 37 C.F.R. Part 401 and any applicable implementing regulations.

(D) include a provision requiring compliance with the Copeland "Anti-Kickback" Act (18 U.S.C. §874 and 40 U.S.C. §276c) and as supplemented by Department of Labor regulations at 29 C.F.R. Part 3, and implementing regulations in any contracts for construction or repair of more than $2,000.00.

(E) include a provision requiring compliance with the Davis-Bacon Act (40 U.S.C. §276a to a-7) and as supplemented by Department of Labor regulations at 29 C.F.R. Part 5, and implementing regulations in any construction contracts of more than $2,000.00.

(F) comply with the certification and disclosure requirements of the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352), and any applicable implementing regulations.

(G) comply with the applicable standards under the McKinney-Vento Homeless Assistance Act (42 U.S.C. §11434a(2)), and any applicable implementing regulations, as may be applicable.

(H) comply with the Contract Work Hours and Safety Standards Act, (40 USC 327-333, Sections 102 and 107), relating to all construction contracts in excess of $2,000.00 that involve the employment of laborers, as it relates to computing wages on the basis of a standard 40 hour work week.

(I) comply with the prohibitions contained in the Pro-Children Act of 1994, relating to not permitting smoking within any indoor facility (or portion thereof) owned or leased or contracted for by Center for the provision of regular or routine health care or day care or early childhood development (Head Start) services to children or for the use of the employees of the City or Center who provide such services.

12.4 Center certifies that it will provide a drug-free workplace in compliance with the Drug-Free Workplace Act of 1988 and the Drug-Free Workplace Rules established by the Texas Worker's Compensation Commission effective April 17, 1991. Failure to comply with the above-referenced law and regulations could subject the Center to suspension of payments, termination of Agreement, and debarment and suspension actions.

12.5 Center shall comply with all federal, State, or local laws, rules, and orders prohibiting discrimination, and shall not engage in employment practices which have the effect of discriminating against any employee or applicant for employment, and will take affirmative steps to ensure that applicants are employed and employees are treated during employment without regard to their race, color, religion, national origin, sex, sexual orientation, gender identity, veteran status, age, disability, or political belief or affiliation, unless exempted by state or federal law, or as otherwise established herein. Consistent with the foregoing, Center agrees to comply with Executive Order 11246, entitled "Equal Employment Opportunity", as amended by Executive Order 11375, and as supplemented by regulations at 41 C.F.R. Part 60. Additionally, Center certifies that it will comply fully with the following nondiscrimination, minimum wage and equal opportunity provisions, including but not limited to:
(A) Title VII of the Civil Rights Act of 1964, as amended;
(B) Section 504 of the Rehabilitation Act of 1973, as amended;
(C) The Age Discrimination Act of 1975, as amended;
(D) Title IX of the Education Amendments of 1972, as amended; (Title 20 USC sections 1681-1688);
(E) Fair Labor Standards Act of 1938, as amended;
(F) Equal Pay Act of 1963, P.L. 88-38; and
(G) All applicable regulations implementing the above laws.

12.6 The Center warrants that any and all taxes that the Center may be obligated for, including but not limited to, Federal, State, and local taxes, fees, special assessments, Federal and State payroll and income taxes, personal property, real estate, sales and franchise taxes, are current, and paid to the fullest extent liable as of the execution date of the Agreement. The Center shall comply with all applicable local, State, and Federal laws including, but not limited to, related to:
(A) worker's compensation;
(B) unemployment insurance;
(C) timely deposits of payroll deductions;
(D) filing of Information on Tax Return form 990 or 990T, Quarterly Tax Return Form 941, W-2's Form 1099 on individuals who received compensation other than wages, such as car allowance, Forms 1099 and 1096 for contract or consultant work, non-employee compensation, etc;
(E) Occupational Safety and Health Act regulations; and
(F) Employee Retirement Income Security Act of 1974, P.L. 93-406.

12.7 Center agrees to comply with the Americans with Disabilities Act P.L. 101-336, enacted July 26, 1990, and all regulations thereunder.

12.8 All expenditures by the Center or any of its contractors must be made in accordance with all applicable federal, state and local laws, rules and regulations.

12.9 If applicable, Center shall submit to the DHS its most recent form 990 or 990T and also submit any that are

filed with the Internal Revenue Service subsequent to its last submission to the City if filed during the term of the Agreement.

XIII. NO SOLICITATION/CONFLICT OF INTEREST

13.1 Center acknowledges that no person or selling agency or other organization has been employed or retained to solicit or secure this Agreement upon a contract or understanding for a commission, percentage, brokerage, or contingent fee and further that no such understanding or agreement exists or has existed with any employee of the Center or the City. For breach or violation of this section, the City shall have the right to terminate this Agreement without liability or, at its discretion, to deduct from the Agreement or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee, or to seek such other remedies as legally may be available.

13.2 Center covenants that neither it nor any member of its governing body or of its staff presently has any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. Center further covenants that in the performance of this Agreement, no persons having such interest shall be employed or appointed as a member of its governing body or of its staff.

13.3 Center further covenants that no member of its governing body or of its staff shall possess any interest in, or use their position for, a purpose that is or gives the appearance of being motivated by desire for private gain for themselves or others, particularly those with which they have family, business, or other ties.

13.4 No member of City's governing body or of its staff who exercises any function or responsibility in the review or approval of the undertaking or carrying out of this Agreement shall:

(A) Participate in any decision relating to this Agreement which may affect his or her personal interest or the interest of any corporation, partnership, or association in which he or she has a direct or indirect interest; or
(B) Have any direct or indirect interest in this Agreement or the proceeds thereof.

13.5 Center acknowledges that it is informed that Charter of the City of San Antonio and its Ethics Code prohibit a City officer or employee, as those terms are defined in Section 2-52 of the Ethics Code, from having a financial interest in any contract with the City or any City agency such as City owned utilities. An officer or employee has "prohibited financial interest" in a contract with the City or in the sale to the City of land, materials, supplies or service, if any of the following individual(s) or entities is a party to the contract or sale: A City officer or employee; his parent, child or spouse; a business entity in which the officer or employee, or his parent, child or spouse owns ten (10) percent or more of the voting stock or shares of the business entity, or ten (10) percent or more of the fair market value of the business entity; a business entity in which any individual or entity above listed is a subcontractor on a City contract, a partner or a parent or subsidiary business entity.

13.6 Center warrants and certifies, and this Agreement is made in reliance thereon, that neither the Center nor his or her spouse, parent, child, sibling or first-degree relative is a City officer or employee as defined by Section 2-52 (e) of the City Ethics Code. If Center is a business entity, the Center representative further warrants and certifies that no City officer or employee nor any spouse, parent, child, sibling of first-degree relative of a City officer or employee owns ten (10) percent or more of the voting stock or shares of the business entity, or ten (10) percent or more of the fair market value of the business entity). Center further warrants and certifies that is has tendered to the City a Discretionary Contracts Disclosure Statement in compliance with the City's Ethics Code.

XIV. TERMINATION

14.1 Should the Center fail to fulfill, in a timely and proper manner, obligations under this Agreement to include

performance standards established by the City, or if the Center should violate any of the covenants, conditions, or stipulations of the Agreement, the City shall have the right to terminate this Agreement by sending written notice to the Center of such termination, and specifying the effective date of termination.

14.2 The Center shall be entitled to receive just and equitable compensation for any work satisfactorily completed prior to such termination date. The question of satisfactory completion of such work shall be reasonably determined by the City, and its decision shall be final. To the extent that compliance with an Agreement matter falls under HHS authority to review, or in the event that a dispute arises with regard to interpretation of regulations or law as it applies to this Agreement, Center may request that the City secure, and the City shall request an interpretation or opinion from HHS in order to assist in resolution of the dispute. It is further expressly understood and agreed by the Parties that Center's performance upon which final payment is conditioned shall include, but not be limited to, the Center's complete and satisfactory performance, of its obligations for which final payment is sought.

14.3 Notwithstanding any other remedy contained herein or provided by law, the City may delay, suspend, limit, or cancel funds, rights or privileges herein given the Center for failure to comply with the terms and provisions of this Agreement. Specifically, at the sole option of the City, the Center may be placed on probation during which time the City may withhold reimbursements in cases where it determines that the Center is not in compliance with this Agreement. The Center shall not be relieved of liability to the City for damages sustained by the City by virtue of any breach of this Agreement, and the City may withhold funds otherwise due as damages, in addition to retaining and utilizing any other remedies available to City.

14.4 If a Program employee of Center is discharged or otherwise leaves employment with Center, then the Center shall pay in full to such employee all of such employee's earned salaries and wages, within the timeframe specified by law.

14.5 Should the Center be debarred by federal government or the City pursuant to a debarment policy currently existing or hereafter adopted, said debarment may be grounds for termination.

14.6 This Agreement is subject to the availability of federal grant funds to City and may be terminated by the City if HHS terminates the City as a grantee or reduces the amount granted to City, for any reason; provided that, if the reduction of grant funds does not result in complete unavailability of such funds, the Parties will use best efforts to amend this Agreement accordingly. City will promptly notify Center of any such HHS action.

14.7 In all instances of termination, Center shall not incur new obligations after the effective date of termination, and shall cancel as many outstanding obligations as possible. Center shall submit to City all required reports including a final financial statement which shall be a statement of all expenditures incurred by Center under this Agreement. City shall pay Center the full cost of obligations that City determines were not subject to cancellation if such costs are properly documented, allowable, within the approved budget, and unavoidably incurred by Center prior to termination or expiration. The foregoing shall constitute full and complete reimbursement for all of Center's performance under this Agreement.

XV. PROHIBITION OF POLITICAL ACTIVITIES

15.1 Center agrees that no funds provided from or through the City shall be contributed or used to conduct political activities for the benefit of any candidate for elective public office, political party, organization or cause, whether partisan or non-partisan, nor shall the personnel involved in the administration of the Project provided for in this Agreement be assigned to work for or on behalf of any partisan or non-partisan political activity.

15.2 Center agrees that no funds provided under this Agreement may be used in any way to attempt to influence, in any manner, a member of Congress or any other State or local elected or appointed official.

15.3 The prohibitions set forth in Article XV, Sections 15.1 and 15.2 of this Agreement include, but are not limited to, the following:

(A) an activity to further the election or defeat of any candidate for public office or for any activity undertaken to influence the passage, defeat or final content of local, state or federal legislation;

(B) working or directing other personnel to work on any political activity during time paid for with City funds, including, but not limited to activities such as taking part in voter registration drives, voter transportation activities, lobbying, collecting contributions, making speeches, organizing or assisting at meetings or rallies, or distributing political literature;

(C) coercing personnel, whether directly or indirectly, to work on political activities on their personal time, including activities such as taking part in voter registration drives, voter transportation activities, lobbying, collecting contributions, making speeches, organizing or assisting at meetings or rallies, or distributing political literature; and

(D) using facilities or equipment paid for, in whole or in part with City funds for political purposes including physical facilities such as office space, office equipment or supplies, such as telephones, computers, fax machines, during and after regular business hours.

15.4 To ensure that the above policies are complied with, Center shall provide every member of its personnel paid out of Agreement funds with a statement provided by Center of the above prohibitions and have each said individual sign a statement acknowledging receipt of the policy. Such statement shall include a paragraph that directs any staff person who has knowledge of violations or feels that he or she has been pressured to violate the above policies to call and report the same to the DHS. Center shall list the name and number of a contact person from the DHS on the statement that Center's personnel can call to report said violations.

15.5 Center agrees that in any instance where an investigation of the above is ongoing or has been confirmed based upon then current reasonable evidence of impropriety, salaries paid to the Center under this Agreement may, at the City's discretion, be withheld until the situation is resolved.

15.6 This Article shall not be construed to prohibit any person from exercising his or her right to express his or her opinion or to limit any individual's right to vote. Further, Center and staff members are not prohibited from participating in political activities on their own volition, if done during time not paid for with Agreement funds.

XVI. PERSONNEL

16.1 Center shall establish and maintain an organizational structure that supports the accomplishment of Program objectives, addresses the major functions and responsibilities assigned to each staff position and provides evidence of adequate mechanisms for staff supervision and support to ensure the effective oversight of the Program operations. Center shall ensure that, at a minimum, the program management functions listed in the Scope of Work are assigned to and adopted by staff within the Program.

16.2 Center acknowledges and agrees that Head Start guidelines and City policy require that Center shall staff each Early Head Start classroom at ratios of one qualified Early Head Start Teacher for every 4 children with group sizes of no more than 8 at all times., Center shall staff each classroom with a volunteer in addition to the paid staff persons when possible. Additionally, Center will have adequate staff to fully implement all areas of program operations, including those having the specific management functions and expertise set forth in the Scope of Work.

16.3 At the beginning of this Agreement period, Center shall submit to City a report which specifically (a) lists the number and percentage of classroom personnel in its center based program having child development

associate credentials or associate, baccalaureate or advanced degrees; and (b) describes to City Center's compliance with the goals described in Sections 16.3, 16.4 and 16.5 of this Agreement.

16.4 Center understands that the Head Start Act requires that grantees and their contractors, if any, ensure, and demonstrate, upon request, that all of the teachers staffing its Early Head Start center-based program classrooms have a minimum of a child development associate credential, and have been trained (or have equivalent coursework) in early childhood development with a focus on infant and toddler development. Center agrees that during the term of this Agreement, Center will only employ teachers meeting the necessary qualifications.

16.5 Center agrees and acknowledges that each of its Early Head Start teachers shall attend not less than 15 clock hours of professional development per Center fiscal year. The term "professional development" means high-quality activities that will improve the knowledge and skills of Early Head Start teachers and staff, as relevant to their roles and functions, in program administration and the provision of services and instruction, as appropriate, in a manner that has a positive and lasting impact and improves service delivery to enrolled children and their families.

16.6 Center understands that the Head Start Act requires grantees and their contractors, if any, ensure and demonstrate upon request that all Head Start staff have the knowledge, skills, and experience they need to perform their assigned functions responsibly. Therefore, at a minimum, Center agrees that all Program site directors, site managers and other administrators must have education and/or training in the area of early childhood education and family support. Center will only employ Program directors, site managers and administrators meeting the necessary qualifications of Head Start and state licensing.

16.7 Center shall create, in consultation with each of its employees, and implement a professional development plan for all Program employees who provide direct services to children. Center shall regularly evaluate such plans to determine their impact on teacher and staff effectiveness.

16.8 Center understands that the City shall periodically perform its own wage and salary comparison and shall issue such results to Center. Center understands and agrees that City shall have no obligation to reimburse Center in excess of wages to an employee that exceed the average rate of compensation paid to persons providing substantially comparable services in the area. Although the City may consider factors such as training and experience as affecting compensation levels, the City shall have the sole and absolute authority to determine the rate of City's reimbursement under the Agreement and its decision shall be final due to the City's obligation of ensuring that wage comparability studies meet the requirements of the Head Start Act and implementing regulations. Subject to the restriction set forth in 16.10, Center may compensate its employees above the rate the City will reimburse, so long as the additional compensation is not charged to the Agreement budget.

16.9 Center expressly understands and agrees that in accordance with 42 U.S.C. §9848, no portion of the Agreement funds provided hereunder may be used to pay its employee if compensation (including non-federal funds) to that employee exceeds $183,300.00, or the maximum authorized compensation as may be adjusted from time to time. Furthermore, Center agrees that all employees must devote to Center's Program the time proportionate to the percentage of their compensation funded through the EHS-CCP grant (e.g., employees who are one hundred percent (100%) funded through the Grant must devote one hundred percent (100%) of their time and effort to support Center's Program). Center agrees to submit employee certifications if requested by the City or HHS.

16.10 Center agrees to establish internal procedures that assure employees of an established complaint and grievance process. The grievance process will include procedures to receive, investigate, and resolve complaints and grievances in an expeditious manner.

16.11 Center agrees to comply with all applicable federal regulations regarding the setting of, and maximum amount allowable for, salaries of Center's employees.

16.12 Center agrees to continue to work on placing written job descriptions for Program personnel in individual personnel folders for each position in the organization, or to have them placed online, until completed, but that all descriptions shall be filed or online no later than the expiration date of the Agreement. Center agrees to provide to the City specific job description(s) upon request.

16.13 Center agrees to provide the City with the names and license registration of Center and any employees of Center if applicable, regulated by State law whose activities contribute towards, facilitate, or coordinate the performance of this Agreement.

16.14 Chief Executive Officers (CEOs), directors and other supervisory personnel of Center may not supervise a spouse, parents, children, brothers, sisters, and in-laws standing in the same relationship, (hereinafter referred to as "Relatives") who are involved in any capacity with program delivery supported through Agreement funds. Relatives, however, may be co-workers in the same Project in a non-supervisory position.

XVII. ADVERSARIAL PROCEEDINGS

17.1 Except in circumstances where the following is in conflict with federal law or regulations pertaining to the Program, Center agrees to comply with the following special provisions:

(A) Under no circumstances will the funds received under this Agreement be used, either directly or indirectly, to pay costs or attorney fees incurred in any adversarial proceeding against the City or any other public entity; and
(B) Center, at the City's option, could be ineligible for consideration to receive any future funding while any adversarial proceeding against the City remains unresolved.

XVIII. FEDERAL AND CITY-SUPPORTED PROJECT

18.1 This Section is applicable to all EHS-CCP publicity, public presentations, signs, press releases, public notices, flyers, brochures, marketing materials, and other informational material prepared, created, posted and/or disseminated during the term of the Agreement by Center. Center shall obtain City's prior approval of the language and logo, as applicable, to be used, and the Parties agree that all publicity regarding the establishment or operation of the EHS-CCP Program affiliation between City and Center described herein shall be planned and implemented as mutually agreed to in advance by the Parties. Center agrees that all public notices and any publicity, signs and/or marketing materials regarding any program which is funded by this Agreement shall provide a written statement acknowledging the role of the Federal funds provided by HHS through City hereunder, which shall read as follows: "The Early Head Start - Child Care Program services provided by the **Miller Child Development Center** are funded by the City of San Antonio, Department of Human Services, through a federal grant received from the U.S. Department of Health and Human Services." These public notices or signs include, but are not limited to, signs identifying the facilities from which these programs are provided, and electronic media. In addition, all publicity related to Center's Program services shall note that the Program is operated on a non-discriminatory basis.

XIX. PROPERTY, EQUIPMENT AND SUPPLIES

19.1 The City retains ownership of all equipment/property purchased with funds received through the City and such equipment/property shall, at the City's sole option, revert to the City at Agreement's termination, for whatever reason. Center agrees to relinquish and transfer possession of and, if applicable, title to said property without the requirement of a court order upon termination of this Agreement. Equipment that has reverted to Center through a City-paid lease agreement with option to buy will be considered the same as though the equipment was purchased outright with Agreement funds. It is understood that the terms,

"equipment" and "property", as used herein, means tangible, nonexpendable, personal property having a useful life of more than one year and an acquisition cost of $5,000 or more per unit and shall include not only furniture and other durable property, but also vehicles, but shall not include supplies and consumables.

19.2 Center agrees that no equipment purchased with Agreement funds may be disposed of without receiving prior written approval from the DHS. In cases of theft and/or loss of equipment, it is the responsibility of Center to replace it with like equipment. Agreement funds cannot be used to replace equipment in those instances. All replacement equipment will be treated in the same manner as equipment purchased with Agreement funds.

19.3 Center shall maintain accurate and complete records on all equipment and property obtained with Agreement funds to include:
(A) A description of the equipment, including the model and serial number or other identification number, if applicable;
(B) The date of acquisition, cost and procurement source, purchase order number, and vendor number;
(C) An indication of whether the equipment is new or used;
(D) The vendor's name (or transferred from);
(E) The location of the property;
(F) The property number shown on the property tag; ("City of San Antonio Head Start Program"); and
(G) A list of disposed items and disposition

19.4 Center is fully and solely responsible for the insuring, safeguarding, maintaining, and reporting of lost, stolen, missing, damaged, or destroyed equipment/property purchased or leased with Agreement funds. Center shall inform the City of incidents of loss, theft, damage or destruction of equipment (as defined in 19.1 above) or property, excluding supplies and consumables, purchased or leased with Agreement funds.

19.5 All equipment purchased under this Agreement shall be fully insured against fire, loss and theft. Center shall, at a minimum, provide the equivalent insurance for real property and equipment acquired with Agreement funds as provided to other property acquired or owned by Center.

19.6 Upon request, Center shall provide an annual inventory of assets purchased with funds received through the City to the DHS.

19.7 Center shall fully comply with the property and equipment requirements of 45 C.F.R Part 74, including but not limited to Sections 74.30 through 74.37, and 45 C.F.R. Part 92, as applicable, related to the following:
(A) Insurance Coverage
(B) Real Property
(C) Federally-owned and exempt property
(D) Equipment
(E) Supplies
(F) Intangible property
(G) Property trust relationship

19.8 Relative to property, equipment and supplies purchased with Head Start grant funds, Center shall route all written correspondence to HHS through the DHS for review, endorsement and processing. For equipment purchases in the amount of $25,000.00 or greater or cumulative purchases in the amount of $100,000.00 or greater, Center shall obtain prior approval from the DHS. Center shall not split the purchase of a line item with a value greater than the preceding thresholds in order to avoid obtaining approval from the DHS.

19.9 Center will maintain a system for tracking, on an ongoing basis, inventory of equipment and supplies purchased with Grant funds that either (i) has a purchase price of $5,000.00 or greater; or (ii) meets such other criteria as City may prescribe (and which City shall notify Center as appropriate). Upon request, Center will provide City a status report of the current inventory of equipment and supplies meeting these requirements. City shall have the right to review and approve Center's inventory tracking system.

19.10 City reserves the right to require transfer of property acquired with funds awarded under this Agreement as provided in the Head Start regulations, as applicable.

19.11 Center acknowledges and agrees that City is an intended third-party beneficiary of any and all facility leases with third-parties to which Center is or becomes a party in connection with the approved Program sites listed in Exhibit I-A to **Attachment I**, or as a consequence of this Agreement. As such, Center shall use its best efforts to cause the lessor of any such lease to execute an acknowledgment prepared by City that City is an intended third-party beneficiary of such lease. Center shall honor all of its material obligations under any and all such leases. Center shall stay in good standing under any and all such leases and Center shall immediately notify City in writing in the event of any breach or alleged breach of any such lease that could result in the termination of such lease. Center shall submit to City for review and approval all non-disturbance, subordination and similar agreements it is requested to execute in connection with any such lease. In the event of an event giving rise to a right of first refusal in favor of Center under any such lease, Center shall promptly notify City of such event and allow City to step into Center's shoes at tenant under such lease in order to exercise such right.

XX. TRAVEL

20.1 The costs associated with budgeted travel for business, either in-town or out-of-town, are allowable costs provided documentation of expenses is present.

(A) Center agrees that mileage reimbursement paid to Center's employees shall be reimbursed at a rate no more liberal than the City's policy for mileage reimbursement, which is consistent with Internal Revenue Service (IRS) rules. Center further agrees that in order for its employees to be eligible for mileage reimbursement, the employees 1) shall be required to possess a valid Texas Driver's License and liability insurance as required by law, and 2) must fully comply with its own established mileage recording policies. Mileage records are subject to spot-checks by City auditors and monitors. Center shall strongly encourage the participation by its employees in an approved defensive driving course. Evidence of the required driver's license and liability insurance must be kept on file with the Center.

(B) Center agrees that in order to obtain reimbursement of the costs associated with budgeted out of town travel for business in connection with this Agreement, Center shall:

1) obtain City's prior approval, unless such expense has been previously submitted and approved as part of Center's budget, and provide City with detailed documentation of such business travel expense(s), (any amount over approved budgeted amounts must be pre-approved by City or such overage will not be paid),
2) ensure that any and all costs associated with out-of-town travel (including per diem rates) shall not be more liberal than the City's travel policies which conform with the reimbursement rates established by the United States General Services Administration,
3) purchase all business travel at economy class rates and shall document such, and
4) maintain supporting documentation for conferences to include itineraries and documentation certifying conference attendance and provide such documentation to City upon request.

XXI. NO USE OF FUNDS FOR RELIGIOUS ACTIVITIES

21.1 Center agrees that none of the performance rendered hereunder shall involve, and no portion of the funds received hereunder shall be used, directly or indirectly, for the construction, operations, maintenance or administration of any sectarian or religious facility or activity, nor shall said performance rendered or funds received be utilized so as to benefit, directly or indirectly, any such sectarian or religious facility or activity.

XXII. DEBARMENT

22.1 Center certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in any state or federal program.

22.2 Center shall provide immediate written notice to City, in accordance with the notice requirements of Article XXVI herein, if, at any time during the term of the Agreement, including any renewals hereof, Center learns that its certification was erroneous when made or have become erroneous by reason of changed circumstances.

XXIII. ASSIGNMENT

23.1 Center shall not assign or transfer Center's interest in this Agreement or any portion thereof without the written consent of the City, and if applicable, the Grantor of the Grant Funds. Any attempt to transfer, pledge or otherwise assign shall be void ab initio and shall confer no rights upon any third person or party.

XXIV. AMENDMENT

24.1 Any alterations, additions or deletions to the terms hereof shall be by amendment in writing executed by both City and Center and evidenced by passage of a subsequent City ordinance, as to City's approval; provided, however, the Director of the DHS shall have the authority to execute an amendment of this Agreement without the necessity of seeking any further approval by the City Council of the City of San Antonio if permitted by all applicable local, state and federal laws, and in the following circumstances:

A. an increase in funding (the cause of which is unrelated to the reason set forth in Section 24.1(E) below) of this Agreement in an amount not exceeding (a) twenty-five percent (25%) of the total amount of this Agreement or (b) $25,000.00, whichever is the lesser amount; provided, however, that the cumulative total of all amendments executed without City Council approval pursuant to this subsection and increasing Agreement funding during the term of this Agreement shall not exceed the foregoing amount;

B. modifications to the Scope of Work set forth in **Attachment I** hereto, so long as the terms of the amendment stay within the substantive parameters set forth in the original Scope of Work, also set forth in **Attachment I** hereto;

C. budget line item shifts of funds, so long as the total dollar amount of the budget set forth in Section 3.1 of this Agreement remains unchanged (these modifications may be accomplished through Budget Revisions);

D. modifications to the insurance provisions described in Article IX of this Agreement that receive the prior written approval of the City of San Antonio's Risk Manager and the Director of the DHS.

E. decreases (and increases if the City agrees to allocate additional enrollment slots to Center) in Agreement funding based upon Program enrollment levels, and modifications to Agreement terms related to enrollment; provided, however, that the cumulative total of all EHS-CCP Program contracts, as amended, shall not exceed the City's total budget for the EHS-CCP Grant budget for the applicable grant year. Center shall execute any and all amendments to this Agreement that are required as a result of a modification made pursuant to this Section 24.1(E).

24.2 Center further agrees that except when the terms of this Agreement expressly provide otherwise, any alterations, additions or deletions to the terms hereof shall be by amendment in writing and approved by HHS.

XXV. SUBCONTRACTING

25.1 None of the work or services covered by this Agreement shall be sub-contracted without the prior written consent of the City and the Grantor of the Grant Funds, if so required by Grantor. If allowed, subcontracting methods must meet City requirements; subcontractor compliance with this Agreemtent must be the responsibility of the Center to monitor.

XXVI. OFFICIAL COMMUNICATIONS

26.1 Except where the terms of this Agreement expressly provide otherwise, any communication required under this Agreement shall be in writing and deemed valid when delivered personally (with receipt acknowledged), or three (3) days after depositing in the U.S. mail, first class, with proper postage prepaid, or upon receipt if sending by certified mail, return receipt requested, or upon receipt when sent by a commercial courier service (such as Federal Express or DHL Worldwide Express) for expedited delivery to be confirmed in writing by such courier, at the addresses set forth below or to such other address as either Party may from time to time designate in writing.

City:	Center:
Director	Miller Child Development Center
Department of Human Services	102 South Rio Grande Street
106 S. St. Mary's Street, Suite 700	San Antonio, Texas 78203
San Antonio, TX 78205	

Notices of changes of address by either Party must be made in writing delivered to the other Party's last known address within five (5) business days of the change.

XXVII. VENUE

27.1 Center and City agree that this Agreement shall be governed by and construed in accordance with the laws of the State of Texas. Any action or proceeding brought to enforce the terms of this Agreement or adjudicate any dispute arising out of this Agreement shall be bought in a court of competent jurisdiction in San Antonio, Bexar County, Texas.

XXVIII. GENDER

28.1 Words of any gender used in this Agreement shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires.

XXIX. REPRESENTATIONS AND OTHER OBLIGATIONS

29.1 The signer of this Agreement for Center represents, warrants, assures and guarantees that (s)he has full legal authority to execute this Agreement on behalf of Center and to bind Center to all of the terms, conditions, provisions and obligations herein contained. Whether a non-profit or public entity, Center must be authorized to do business in the State of Texas and be formed under and operating in accordance with all applicable laws of the State of Texas. Upon request by the City, Center shall provide DHS verification of the foregoing requirements.

29.2 In the event that circumstances arise which might result in interference with Center's ability to provide the services which are the subject of this Agreement, Center agrees to inform City of those circumstances immediately upon their discovery. Center agrees that reimbursement to Center, upon reasonable notice, may be suspended by City until such financial circumstances giving rise to the possible interference with the operation of the Program have been eliminated, provided, however, that authorized expenditures made

prior to the suspension, and approved by City shall be disbursed pursuant to the terms of this Agreement.

XXX. LICENSES AND TRAINING

30.1 Center warrants and certifies that Center, and Center's employees and its (sub)contractors have the requisite training, license or certification to provide said services, and meet all competence standards promulgated by all other authoritative bodies, as applicable to the services provided herein.

XXXI. INDEPENDENT CONTRACTOR

31.1 It is expressly understood and agreed that the Center is and shall be deemed to be an independent contractor, responsible for its respective acts or omissions and that the City shall in no way be responsible therefor, and that neither Party hereto has authority to bind the other nor to hold out to third parties that it has the authority to bind the other.

31.2 Nothing contained herein shall be deemed or construed by the parties hereto or by any third party as creating the relationship of employer-employee, principal-agent, partners, joint venture, or any other similar such relationship, between the Parties hereto.

31.3 Any and all of the employees of the Center, wherever located, while engaged in the performance of any work required by the City under this Agreement shall be considered employees of Center only, and not of the City, and any and all claims that may arise from the Workers' Compensation Act on behalf of said employees while so engaged shall be the sole obligation and responsibility of the Center.

XXXII. SEVERABILITY

32.1 If any clause or provision of this Agreement is held invalid, illegal or unenforceable under present or future federal, state or local laws, including but not limited to the City Charter, City Code, or ordinances of City, then and in that event it is the intention of the Parties hereto that such invalidity, illegality or unenforceability shall not affect any other clause or provision hereof and that the remainder of this Agreement shall be construed as if such invalid, illegal or unenforceable clause or provision was never contained herein; it is also the intention of the Parties hereto that in lieu of each clause or provision of this Agreement that is invalid, illegal or unenforceable, there be added as a part of this Agreement a clause or provision as similar in terms to such invalid, illegal or unenforceable clause or provision as may be possible, legal, valid and enforceable.

XXXIII. NON-WAIVER OF PERFORMANCE

33.1 No waiver by City of a breach of any of the terms, conditions, covenants or guarantees of this Agreement shall be construed or held to be a waiver of any succeeding or preceding breach of the same or any other term, condition, covenant or guarantee herein contained. Further, any failure of City to insist in any one or more cases upon the strict performance of any of the covenants of this Agreement, or to exercise any option herein contained, shall in no event be construed as a waiver or relinquishment for the future of such covenant or option.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

XXXV. ENTIRE AGREEMENT

35.1 This Agreement and its attachments, if any, constitute the entire and integrated Agreement between the Parties hereto and contain all of the terms and conditions agreed upon, and supersede all prior negotiations, representations, or agreements, either oral or written. No such other negotiations or representations may be enforced by either Party nor may they be employed for interpretation purposes in any dispute involving this Agreement.

This Agreement has been executed as of the date of the last party to sign below, the _____ day of _____, 2015 and is effective for the term hereof.

CITY OF SAN ANTONIO:

_____
Melody Woosley, Director
Department of Human Services

CENTER:
Miller Child Development Center

Byron E. Miller
Byron E. Miller, CEO/Chairman

APPROVED AS TO FORM:

_____
Assistant City Attorney

ATTACHMENTS

Attachment I – Scope of Work
Attachment II – Program Budget
Attachment III – Special Provisions
Attachment IV – HHS Award Document
Attachment V – HIPAA Business Associate Agreement

ATTACHMENT I

SCOPE OF WORK

1. Summary

The Center ("Contractor") shall work with Grantee to ensure full enrollment and shall serve the number of income and age eligible children as indicated below, and perform Early Head Start services in accordance with the Head Start Performance Standards and the terms of this Contract. The Contractor will operate full day classroom(s) (minimum of 10 hours a day) at the City approved sites for a minimum of 240 days of planned class operations for the Early Head Start – Child Care Partnership grant period.

Number of children in full day care on the first day of the program:	48
Minimum number of children with disabilities:	(10% of the number of children in care)
Service Area:	Children who reside in San Antonio and are served in the San Antonio and Edgewood Independent School Districts

2. Enrollment, Recruitment, Selection, Eligibility and Attendance (ERSEA)

A. To achieve and maintain full enrollment, Contractor must ensure that once it and the Grantee determines that a vacancy exists, no more than 30 calendar days may elapse before the vacancy is filled. Contractor will work with the City in its efforts to fill all vacancies within 30 calendar days.

B. Contractor will work with Grantee staff in developing, at the beginning of each enrollment year, and maintain during the year, a waiting list that ranks children according to the program's selection criteria and ERSEA policies. If Contractor is under enrolled and does not have a waiting list City shall have the right to temporarily move enrollment slots, in coordination with the Contractor and as a last resort, to maintain compliance with Federal enrollment standards.

C. In accordance with the Head Start Act, Contractor shall work collaboratively with Grantee to ensure that a minimum of 10% of the children enrolled in Contractor's Program are children with disabilities who are determined to be eligible for special education and related services. This 10% requirement must be met by mid-point of the program year, as determined by the City.

D. Contractor agrees that when the monthly average daily attendance rate in a center-based program falls below 85 percent, Contractor shall collaborate with the City in the provision of absentee services in accordance with §1305.8 of the Head Start Performance standards. The City will lead absentee services to include analyzing the cause of absenteeism and the provision of additional support, which may include, but is not limited to, face-to-face meeting(s) with the family and other direct contact with the child's parents. Contractor shall establish procedures for the removal of children from the program due to the lack of attendance in accordance with the City's policies.

3. Program Services

A. Contractor shall provide Early Head Start Program Services (hereinafter defined) to eligible children in the Service Area. Such services shall be provided to eligible children within Contractor's Service Area(s) without regard to age, race, color, religion, national origin, sex, sexual orientation, gender identity, or disability. Any proposal to extend or modify the Service Area(s) or the sites at which services are to be delivered shall be formally submitted in writing to City for approval.

B. Contractor shall provide direct (i) Education and Early Childhood Development Services; (ii) Child Nutrition Services.; (iii) Safe and Healthy Environments; and (iv) Transportation Services in coordination

with the City. The Contractor also agrees that it shall collaborate with the City's efforts to ensure the provision of Family and Community Support Services, Child Mental Health, Medical Health Services and Dental (Oral) Health Services, to meet the needs of the children and families served by Contractor's Program ("Early Head Start Program Services"). Contractor agrees that, notwithstanding the fact that another Early Head Start service provider under the City of San Antonio Head Start program may be contracted to provide a category of service. Contractor, under the leadership of its Early Head Start Program Director will be responsible for coordinating with Early Head Start service providers and working with the City to ensure provision of full array of services to which the children are entitled under the Terms of the Grant. Contractor shall also coordinate with Independent School Districts, health service providers and agencies in the community in order to provide comprehensive services to the children and families served by the Program and to leverage community resources

C. Contractor shall establish and maintain an organizational structure that supports the accomplishment of Program objectives, addresses the major functions and responsibilities assigned to each staff position and provides evidence of adequate mechanisms for staff supervision and support to ensure the effective oversight of the Early Head Start program operations. Contractor shall ensure that, at a minimum, the following program management functions are assigned to and adopted by staff within the Program:

(i) Program management must be assigned to an individual serving in the role of the Early Head Start Director. This individual must have demonstrated skills and abilities in a management capacity relevant to human services program management and must have ultimate responsibility for ensuring the children enrolled in Contractor's Early Head Start program are provided (by Contractor or a collaborating Early Head Start service provider) the full array of services to which the children are entitled under the Terms of the Grant.

(ii) Management of education and early childhood development must be assigned to an individual serving in the role of a Center Director. This individual must have training and experience in areas that include theories and principles of child growth and development, early childhood education, and family support and have a current and good standing Child-Care Center Directors Certificate. (iii) Management of child nutrition services must be assigned to an individual serving in the role of a Nutrition Services Coordinator. This person will manage the Nutrition Program for the Center and Center must maintain positive compliance with CACFP.

Contractor shall ensure that members of program's management team and any other necessary staff provide uninterrupted Head Start Program management services throughout the Agreement term, including during the summer months so as to ensure adequate planning, coordination and performance of critical program activities. Critical program activities include, but are not limited to, ongoing recruitment activities and services, determination of eligibility, development of a waitlist for the upcoming school year, and completion of enrollment.

D. Contractor shall provide the following education and early childhood development services in compliance with the requirements of 45 C.F.R Part 1304.21, *et. seq,*:

i. Contractor must help children gain the skills and confidence necessary to be prepared to succeed in their present environment and with later responsibilities in school and life; the Contractor's approach to child development and education must be developmentally and linguistically appropriate, recognize the child's rate of development, language, cultural background and learning style; be inclusive of children with disabilities; provide an environment of acceptance that supports and respects gender, culture, language, ethnicity and family composition; provide a balanced daily program of child-initiated and adult-directed activities; and allow and enable children to independently use toilet facilities when it is developmentally appropriate and the efforts are supported by the parents.

ii. Contractor shall encourage and support parents in their efforts to become involved in the development of the program's curriculum and approach to child development and education; provide opportunities to increase parents' child observation skills and to share assessments with staff that will help plan the learning experience; and encourage parents to participate in staff-parent conferences and home visits to discuss their child's development and education.

iii. Contractor must support social and emotional development by encouraging development which enhances child's strengths by building trust; fostering independence; encouraging self-control and respect for feelings and rights of others; supporting and respecting the home language, culture, and family composition in ways that support the child's health and wellbeing; and planning for routines and transitions.

iv. Contractor must provide for the development of each child's cognitive and language skills by supporting each child's learning, using various strategies including experimentation, inquiry, observation, play and exploration; ensuring opportunities for creative self-expression through activities such as art, music, movement, and dialogue; promoting interaction and language use among children and between children and adults; and supporting emerging literacy and numeracy developments through materials and activities according to the child's developmental level.

v. Contractor must promote each child's physical development by providing sufficient time, indoor and outdoor space, equipment, materials and adult guidance for active play and movement that support the development of gross motor skills and of fine motor skills according to the child's developmental level; and providing an appropriate environment and adult guidance for the participation of children with special needs.

vi. Contractor, in collaboration with the parents and with support from the Grantee, must implement *Creative Curriculum©* which aligns with the Head Start Child Development and Early Learning Framework (HSCDELF, 2010), and Pre-kindergarten Guidelines that supports each child's individual pattern of development and learning; provides for the development of cognitive skills; integrates all educational aspects of the health, nutrition, and mental health services into program activities; helps children develop emotional security, facility in social relationships, feelings of competence, self-esteem, and positive attitudes toward learning; enhances each child's understanding of self as an individual and as a member of a group; and provides individual and small group experiences both indoors and outdoors.

vii. Contractor must work with the Grantee to create and implement a plan of action to achieve and establish school readiness goals that are age appropriate and will address at a minimum the domains of language, literacy, cognition, general knowledge, physical well-being, motor development, social and emotional development and approaches to learning; and achieve the integration with the Parent, Family, and Community Engagement (PFCE). Contractor will update school readiness goals on an annual basis, analyze achievement, and identify areas for improvement. As part of this plan of action, the Contractor must align the program's curriculum with school readiness goals to include improving the quality of teacher-child interactions, evidence-based teaching practices, evidence-based curriculum, and inclusion of parents to support school readiness.

viii. Contractor will assess child progress on an ongoing basis utilizing Teaching Strategies GOLD Assessment System and conduct data aggregation and submit analysis of child progress assessments to the City at least three times per year (at the beginning, midpoint and end of school year) to demonstrate program-level progress. Contractor will also provide the City direct access to the assessment data management system for the purposes of aggregating, analyzing, and producing program-wide reports. Contractor will make mid-year adjustments in instruction and/or professional development support should patterns or trends be identified in the analysis and coordinate with City as needed. Contractor must maintain and use the information from ongoing child assessment data to inform teachers and survey parents how best to individualize each child's learning and progress across domains. The City will provide support, training and technical assistance to ensure these requirements are met.

E. Contractor shall perform the following services as it relates to the specific service listed below in compliance with the requirements of 45 C.F.R Parts 1304.20, 1304.22, 1304.23, 1304.24 and 1304.40:

i. Child Health and Safety

a. Contractor must establish and implement policies and procedures to respond to medical and dental health emergencies with which all staff are familiar and trained, to include posted policies and plans of action; posted locations and telephone numbers of emergency response systems and up-to-date family contact information and authorization for emergency care; posted emergency evacuation routes and other safety procedures for emergencies; methods of notifying parents in the event of an emergency; and established methods for handling cases

of suspected or known child abuse and neglect. The City will provide support, training and technical assistance to ensure these requirements are met.

b. Contractor must temporarily exclude a child with a short-term injury or an acute or short-term injury or an acute or short-term contagious illness, that cannot be readily accommodated, from program participation in center-based activities or group experiences, but only for that generally short-term period when keeping the child in care poses a significant risk to the health and safety of the child or anyone in contact with the child.
c. Contractor must not deny admission to any child, nor exclude any enrolled child from program participation for a long-term period, solely on the basis of his or her health care needs or medication requirements, unless the child poses a significant risk to the health and safety of the child or anyone in contact with the child and the risk cannot be eliminated or reduced to an acceptable level through reasonable modifications in the Contractor's policies or by providing appropriate auxiliary aids.
d. Contractor must establish and maintain written procedures regarding the administration, handling, and storage of medication for every child. The City will provide support, training and technical assistance to ensure these requirements are met.
e. Contractor must ensure staff and volunteers can demonstrate safety practices; foster safety awareness among children and parents by incorporating it into child and parent activities; and ensure staff, volunteers and children follow the appropriate hygiene requirements.
f. Contractor must have and maintain well-supplied first aid kits, appropriate for all ages served and the program size, at each facility and available on outings away from the site.

ii. Child Nutrition

a. Contractor must work, in collaboration with the City, with families to identify each child's nutritional needs, taking into account staff and family discussions regarding any relevant nutrition-related assessment data; information about family eating patterns, including cultural preference, special dietary requirements, and feeding requirements of each child with disabilities; and information about major community nutritional issues.
b. Contractor must design and implement a nutrition program that meets the nutritional needs and feeding requirements of each child, and takes into account the length of the program day.
c. Contractor must ensure that nutritional services in center-based settings contribute to the development and socialization of enrolled children and ensure that at a minimum one (1) meal per day is served family style.
d. Contractor must use funds from USDA Food and Consumer Services Child Nutrition Programs as the primary source of payment for meal services.
e. Contractor shall participate in the USDA School Lunch or Child and Adult Care Food Program.
    - Pursuant to City policies, Contractor must report the number of meals and snacks served to Head Start children on a monthly basis to City.

iii. Child Mental Health

a. Contractor must work collaboratively with parents to solicit parental information, observation, and concerns about their child's mental health; share staff observations of their child and discuss with parents their child's behavior and development.
b. City, with the assistance and collaboration of the Contractor will secure or refer, when appropriate, the services of mental health professionals on a schedule of sufficient frequency to enable the timely and effective identification of and intervention in family and staff concerns about a child's mental health.

iv. Family and Community Support

a. Contractor, in collaboration with City led family and community support staff, must provide parent involvement and education activities that are responsive to the ongoing and expressed needs of the parents.
b. Contractor, in collaboration with City led family and community support staff, must provide opportunities to include parents in the development of the program's curriculum and approach to child development and education.

c. Contractor shall collaborate with the City, Head Start service providers and other community agencies to provide opportunities to enhance parenting skills, knowledge and understanding of the educational and developmental needs and activities of their children.

d. Contractor Education staff must conduct two (2) home visits, unless parents expressly forbid such visits, and at least two (2) staff-parent conferences per child per program year to enhance the knowledge and understanding of the educational and developmental progress and activities of children in the program. Contractor must not require that parents permit home visits as a condition of the child's participation in the program. The City will provide support, training and technical assistance to ensure these requirements are met.

F. Contractor shall encourage parent participation and attendance in center parent meetings, Parent Connection Committee meetings, Head Start Policy Council, volunteering, parents' activities and contributions.

G. RESERVED

H. Contractor shall ensure that its Head Start Program shall be, and remain, in full compliance with the Head Start Performance Standards as provided in Head Start regulations, 45 CFR Part 1301 *et seq.* and with the Head Start Act, as amended, 42 U.S.C. 9801 *et. seq.*

I. The Contractor shall submit to City all Contractor eligibility, recruitment, selection, enrollment, attendance, performance and staffing plans, which must be in accordance with the City's policies.

J. Contractor shall provide a substantial portion of the substantive programmatic work provided for under this Scope of Work, Attachment I, directly. However, should Contractor desire to perform this work through one or more subawards to third parties, it shall seek and obtain City's written approval prior to doing so. In all such subawards, Contractor shall ensure that it passes through all of the requirements that apply to Contractor hereunder to the subrecipient of such subawarded funds.

K. Contractor must notify the City when the Contractor identifies possible or actual lack of compliance with the Head Start Performance Standards, Head Start Act, City's program policies or terms of this Contract.

4. <u>Program Governance</u>

A. Contractor's Governing Board shall be in full compliance with Head Start requirements regarding governance, management and programmatic operations applicable to recipients of Head Start grant funds, including those set forth at 45 C.F.R. §1301 *et. seq.* Contractor's Governing Board members or representative of the Board shall be offered the opportunity to participate in Board education activities arranged by City. Contractor shall also offer the Governing Board members or representative of the Board the opportunity to engage in a cooperative strategic planning process with respect to the Program and shall submit any final strategic plans developed through such process to City for approval.

B. Contractor shall assure that City is kept fully apprised of the composition and actions of Contractor's Governing Board to the extent such actions affect Contractor's Head Start Program.

C. Contractor shall seek and obtain the City's written approval before making any material revisions in Contractor's Head Start Program that conflicts with or violates (i) the City's refunding application, as amended, to the U.S. Department of Health and Human Services (HHS), (ii) the Terms of the Grant, (iii) the terms of this Contract; or (iv) any changes to the locations of Contractor's Head Start centers.

D. Contractor shall collaborate with the City and Family and Community Support service staff to elect one or more parent members from center locations to serve on City's Head Start Policy Council in accordance with the Policy Council By-laws.

5. <u>Licensure/Staffing</u>

A. Contractor shall obtain and maintain all necessary and appropriate State licenses, permits, certifications, and approvals required for the operation of Contractor's facilities and programs including those supported by this Contract, unless exempt from such requirement. Upon commencement of the Contract, Contractor shall notify the City that it is in compliance with this provision. If at any time Contractor is out of compliance with this provision, Contractor shall notify the City within one (1) Contractor business day of receipt of written notice of violation or complaint from the state licensing, certifying or permit-issuing authority indicating lack of licensure, permitting or certification, as the case may be, and shall take all necessary steps to cure such violation. Contractor further agrees that all personnel, either employed or contracted, assigned by Contractor to perform the Head Start Program Services set forth above shall, as appropriate or required by law, be fully qualified and authorized under applicable law, to perform such Head Start Program Services.

B. Contractor will ensure that staffing will comply with the Head Start Performance Standards, this Agreement, and other applicable law.

6. Facilities.

All Contractor facilities at the approved sites shall meet applicable federal, state and local safety standards. Contractor shall at all times during the term of this Contract, keep the facility in good, clean, safe, and reasonable operating condition and repair. City shall be allowed to inspect the facilities and the licensing and/or certification documents relating to the facility during Contractor's normal operating time as long as the said inspection does not disrupt the delivery of Head Start Program Services, or at any other time as agreed by the Contractor. Upon commencement of this Agreement and upon request, Contractor shall provide City an up-to-date copy of any leases or other agreements (as well as any amendments or modifications thereto) for facilities used to provide services to children enrolled in the Head Start program and funded pursuant to this Agreement. The City will provide support, training and technical assistance to ensure these requirements are met.

7. Participation.

Contractor shall make time and resources available to support: (i) participation by Contractor in meetings with City staff for community assessment, self-assessment, strategic planning, development of training and technical assistance plan, communication and program development activities; (ii) participation in technical assistance trainings and service enhancements developed by City and the Head Start training and technical assistance service provider, as well as other Head Start trainings that may be developed by relevant federal or state agencies; and (iii) an appropriate level of attendance of Contractor's program management team and parent committee members at national, regional and/or State Head Start conferences/trainings.

Contractor, in collaboration with Family and Community Support Service staff, shall ensure that resources are made available through reasonable accommodations to low-income parents to participate, and attend any Parent Connection Committee meetings.

8. Transportation Services/Vehicles.

Should Contractor and City decide that the Contractor shall provide transportation services they must be in compliance with the requirements of 45 CFR part 1310, et. seq., subject to any waiver that may be obtained by City and/or Contractor.

A. Contractor shall successfully complete an annual inspection of all school buses and other vehicles used for the transportation of children under this Contract.

B. Contractor shall ensure that all drivers shall be certified for the operation of said vehicles, and that all bus monitors assigned to vehicles used to provide such services receive the appropriate training. Contractor shall otherwise be in compliance with all applicable federal, State, and local requirements governing the transportation of children.

C. Contractor shall, upon request, submit to City a complete set of such documents regarding the vehicles used for the transportation of children and the drivers operating the vehicles.

9. Submission of Center Information and Program Design

A. Prior to execution of the Contract, Contractor shall submit to the City for its approval a Center list, which shall include the number of centers and the name and address for each center operated by Contractor. If at any time Contractor proposes a change to the Center list, Contractor shall notify and receive the City's approval prior to making said change.

B. Prior to execution of the Contract, Contractor will submit to the City the Contractor's Program Design, which shall include, the total number of children enrolled, number of sites, number of classrooms, classroom age group designation, language designation, and hours of operation, among other things. If at any time Contractor proposes a change to the Program Design, Contractor shall request and receive the City's approval prior to making said change.

Attachment II

[INSERT BUDGET HERE]

ATTACHMENT III
SPECIAL PROVISIONS — Program Year 2015-2016

I. RESTRICTIONS ON USE OF FUNDS OR PROPERTY

In addition to the other applicable restrictions on the use of Head Start funds provided under this Contract, the Contractor is prohibited from:

1) using or transferring funds provided under this Contract for purposes other than authorized Head Start activities;

2) using, pledging, granting a security interest in, or otherwise encumbering any right under this Contract or any property acquired with funds provided under this Contract as collateral or security for any loan, note debenture, bond or any other debt instrument;

3) using any funds provided under this Contract for payment of principal or interest on any loan, note, debenture, bond or any other debt instrument, other than those approved in the 45 C.F.R. Part 74 and by the City

II. REQUIREMENTS FOR PARTICIPATION IN CITY DESIGNATED DATA SYSTEM

2.01 Contractor shall:

a) Utilize the City's designated data management system to input data that pertains to the on-going day-to-day work completed by Partner staff.
b) support all design, development, testing and implementation protocols as established by the City by carrying out and complying therewith;
c) participate in preliminary and final testing of the system using City protocols;
d) allow City and its vendor to install data encryption software on the Child Care System Database network; and
e) provide City and its vendor with access to Confidential Data with parental permission, as defined in Article 3.01 below, which data is critical for the Head Start project.

2.02 Both Parties agree to:

a) use best efforts to cooperate and exchange information regarding all aspects of the Head Start project and comply with all reasonable requests of the other Party with respect to information concerning the system.
b) Parties agree that nothing herein shall be construed as to control or in any way limit the right of parents to choose a Head Start provider.

III. CONFIDENTIAL DATA

3.01 The Parties to this Contract shall have access to the following data ("Confidential Data"), with parental permission in the case of the child:

Parent's Information:

Case Number
First Name
Middle Initial
Last Name
Street Address
City
Zip Code
Telephone
Social Security Number (Optional)
Birth Date

Gender
Race
Handicap (Optional)
Yearly Income
Number of members in the Family
County of Residence
Employment and training status

Each child's Information:

Client Number
First Name
Middle Initial
Last Name
Social Security Number (Optional)
Birth Date
Gender
Race
Handicap (Optional)

3.02 Contractor understands that City intends to enter into additional agreements with other providers of child care services ("Additional Collaborators") in order to promote the success of the Head Start project. Confidential Data may be shared by City, Contractor, and any Additional Collaborator, except that all parties shall share such information in compliance with state and federal laws relating to confidentiality. All Additional Collaborators shall be required to enter into a written agreement with City containing the confidentiality requirements set forth in this Section III.

3.03 Each Party shall establish a method to secure the Confidential Data in accordance with the applicable federal, state, and local laws and regulations. This provision shall not be construed as limiting a Party to this Contract or an Additional Collaborator, or such Party's authorized representative's right of access to that Party's Confidential Data.

3.04 Neither Party shall disclose or publish Confidential Data or public school education data to any individual or organization that is not a Party to this Contract or an Additional Collaborator, unless required by law or a lawful order of a court of competent jurisdiction. Each Party shall take measures within its organization to ensure that Confidential Data or public school education data is accessible only by those persons working on the Head Start project, or directly providing other public school education / child care services, and only for the purpose of performing or assisting with services required by the Head Start project or other specific public school education / child care services.

3.05 Either Party may disclose Confidential Data to a third party ("Third Party") under contract or affiliated with that Party for the sole purpose of performing or assisting with services required in relation to the Head Start project or other specific child care services, and in compliance with state and federal laws relating to confidentiality. Confidential Data provided to a Third Party shall remain confidential and written confirmation by such Third Party that the Third Party will conform to the requirements of this section shall be provided to the Party prior to delivery of any information to the Third Party.

1.RECIPIENT

Department of Health and Human Services
Administration for Children and Families
Notice of Award (NOA)

SAI NUMBER: **Attachment IV**

PMS DOCUMENT NUMBER: 06HP001901

1. AWARDING OFFICE:	2. ASSISTANCE TYPE:	3. AWARD NO.:	4. AMEND. NO.:
OA/OGM/Region VI	Discretionary Grant	06HP0019/01	

5. TYPE OF AWARD:	6. TYPE OF ACTION:	7. AWARD AUTHORITY:
OTHER	New	42 USC 9801 ET SEQ.

8. BUDGET PERIOD:	9. PROJECT PERIOD:	10. CAT NO./CFDA:
02/01/2015 THRU 07/31/2016	02/01/2015 THRU 07/31/2019	93.600

11. RECIPIENT ORGANIZATION:
City of San Antonio
DEPARTMENT OF HUMAN SERVICES
106 S ST MARY'S ST, SUITE 700
SAN ANTONIO TX 78205 3603
Melody Woosley, Department Director (Exec. Dir.)

12. PROJECT / PROGRAM TITLE:
City of San Antonio, Texas EHS-CC Partnership

13. COUNTY:	14. CONGR. DIST:	15. PRINCIPAL INVESTIGATOR OR PROGRAM DIRECTOR:
BEXAR	35	Mikel Brightman , Head Start Administrator

16. APPROVED BUDGET:

Personnel	$	589,562
Fringe Benefits	$	226,019
Travel	$	1,200
Equipment	$	0
Supplies	$	60,675
Contractual	$	2,262,979
Facilities/Construction	$	0
Other	$	68,365
Direct Costs	$	3,208,800
Indirect Costs At % of $	$	0
In Kind Contributions	$	0
Total Approved Budget(**)	$	**3,208,800**

17. AWARD COMPUTATION:

A. NON-FEDERAL SHARE	$	802,200	20.00 %
B. FEDERAL SHARE	$	3,208,800	80.00 %

18. FEDERAL SHARE COMPUTATION:

A. TOTAL FEDERAL SHARE	$	3,208,800
B. UNOBLIGATED BALANCE FEDERAL SHARE	$	
C. FED. SHARE AWARDED THIS BUDGET PERIOD	$	3,208,800

19. AMOUNT AWARDED THIS ACTION:	$	3,208,800
20. FEDERAL $ AWARDED THIS PROJECT PERIOD:	$	3,208,800

21. AUTHORIZED TREATMENT OF PROGRAM INCOME:
DEDUCTIVE

22. APPLICANT EIN:	23. PAYEE EIN:	24. OBJECT CLASS:
1-746002070-A1	1-746002070-A1	41.51

25. FINANCIAL INFORMATION: **DUNS:** 066428400 0000

ORGN	DOCUMENT NO.	APPROPRIATION	CAN NO.	NEW AMT.	UNOBLIG.	NONFED %
OGM	06HP001901	75-4/5-1536	2015 G063120	$64,800		
OGM	06HP001901	75-4/5-1536	2015 G063125	$2,592,000		
OGM	06HP001901	75-5/6-1536	2015 G063128	$552,000		

26. REMARKS: (Continued on separate sheets)

Client Population: 216.
Number of Delegates: 0.
Paid by DHHS Payment Management System (PMS), see attached for payment information.
This award is subject to the requirements of the HHS Grants Policy Statement (HHS GPS) that are applicable to you based on your recipient type and the purpose of this award.
This includes requirements in Parts I and II (available at http://www.hhs.gov/grants/grants/policies-regulations/index.html) of the HHS GPS.
Although consistent with the HHS GPS, any applicable statutory or regulatory requirements, including 45 CFR Part 75,

27. SIGNATURE - ACF GRANTS OFFICER **DATE:** 1/29/2015
For Ray M. Bishop

28. SIGNATURE(S) CERTIFYING FUND AVAILABILITY
Sonja R. Osborn Sonja Osborn

29. SIGNATURE AND TITLE - PROGRAM OFFICIAL(S) **DATE:** 1/29/2015
Kimberly K. Chalk, Regional Program Manager

DGCM-3-785 (Rev. 86) (HP)

1.RECIPIENT

Department of Health and Human Services
Administration for Children and Families
Notice of Award (NOA)

SAI NUMBER: **Attachment IV**

PMS DOCUMENT NUMBER: 06HP001901

1. AWARDING OFFICE:	2. ASSISTANCE TYPE:	3. AWARD NO.:	4. AMEND. NO.
OA/OGM/Region VI	Discretionary Grant	06HP0019/01	

5. TYPE OF AWARD:	6. TYPE OF ACTION:	7. AWARD AUTHORITY:
OTHER	New	42 USC 9801 ET SEQ.

8. BUDGET PERIOD:	9. PROJECT PERIOD:	10. CAT NO./CFDA:
02/01/2015 THRU 07/31/2016	02/01/2015 THRU 07/31/2019	93.600

11. RECIPIENT ORGANIZATION:
City of San Antonio, DEPARTMENT OF HUMAN SERVICES

26. REMARKS: (Continued from previous page)

directly apply to this award apart from any coverage in the HHS GPS.
This award is subject to requirements or limitations in any applicable Appropriations Act.
This award is subject to the requirements of Section 106 (g) of the Trafficking Victims Protection Act of 2000, as amended (22 U.S.C. 7104).
For the full text of the award term, go to http://www.acf.hhs.gov/grants/discretionary-competitive-grants.
This award is subject to the Federal Financial Accountability and Transparency Act (FFATA or Transparency) of 2006 subaward and executive compensation reporting requirements.
For the full text of the award term, go to: http://www.acf.hhs.gov/grants/discretionary-competitive-grants.
This award is subject to requirements as set forth in 2 CFR 25.110 Central Contractor Registration (CCR) and Data Universal Number System (DUNS).
For full text go to http://www.acf.hhs.gov/grants/discretionary-competitive-grants.
This award is subject to the requirements set forth in 45 CFR Part 87.
This award is subject to the requirements set forth in 45 CFR Part 75.
Initial expenditure of funds by the grantee constitutes acceptance of this award.
Future support is anticipated.
This award is subject to HHS regulations codified at 45 CFR 1301, 1302, 1303, 1304, 1305, 1306, 1307, 1308, 1309 and 1310.(**) Reflects only federal share of approved budget.

Under the Consolidated Appropriations Act, 2014 (Public Law 113-76), Division H, Title II and the Consolidated and Further Continuing Appropriations Act, 2015 (Public Law 113-235), this grant action awards City of San Antonio funds for the 02/01/2015-07/31/2019 project period for the operation of the Early Head Start program in the designated service area. This grant action awards partial funds under Common Accounting Numbers (CAN) G063125 and G063120 to provide Early Head Start services to 216 children for the initial 02/01/2015-07/31/2016 budget period of the 54 month project period. The 54 month project period consists of one 18 month budget period followed by three 12 month budget periods.

This initial grant action for the first 18 month budget period includes $2,592,000 in CAN G063125 for 12 months of funding for Early Head Start operations and $64,800 in CAN G063120 for training and technical assistance. This grant action includes $552,000 in CAN G063128 for start-up funds. The projected total funding levels for the initial 18 month budget period are $3,888,000 for Early Head Start operations and $388,800 for training and technical assistance.

The balance of six months of operational funds and additional training and technical assistance funds will be awarded at a later date. The additional training and technical assistance funds will support quality improvements such as attainment of credentials, professional development and training.

The projected annual funding level for each of the three remaining 12 month budget periods for Early Head Start operations is $2,592,000, and the training and technical assistance allocation is $64,800.

This grant is subject to the requirements and conditions specified in Attachments 1, 2 and 3.

Attachment 1

Award Number: 15HP301995/01
Recipient Organization: City of San Antonio

This grant is subject to Section 640(b) of the Head Start Act and 45 C.F.R. § 1301.20 requiring a non-federal match of 20 percent of the total cost of the program. This grant is also subject to the requirements in Section 644(b) of the Head Start Act and 45 C.F.R. § 1301.32 limiting development and administrative costs to a maximum of 15 percent of the total costs of the program, including the non-federal share contribution of such costs. The requirements for a non-federal match of 20 percent and the limitation of 15 percent for development and administrative costs apply to the 02/01/2015-07/31/2016 budget period unless a waiver is approved. Any request for a waiver of the non-federal share match, or a portion thereof, that meets the conditions under Section 640(b)(1)-(5) of the Head Start Act or 45 C.F.R. § 1301.21 or a waiver of the limitation on development and administrative costs that meets the conditions under 45 C.F.R. § 1301.32(g) must be submitted in advance of the end of the budget period. Any waiver request submitted after the expiration of the project period will not be considered.

The HHS GPS (II-56) (see above and 45 C.F.R. § 74.25(c)(2) and 45 C.F.R. § 92.30(d)(3) (as applicable) provide the authority to ACF to approve key staff of Head Start grantees. For the purposes of this grant, key staff is defined as the Head Start Director or person carrying out the duties of the Head Start Director if not under that title and the Chief Executive Officer, Executive Director and/or Chief Fiscal Officer if any of those positions is funded, either directly or through indirect cost recovery, more than 50 percent with Head Start funds.

Section 653 of the Head Start Act prohibits the use of any federal funds, including Head Start grant funds, to pay any portion of the compensation of an individual employed by a Head Start agency if that individual's compensation exceeds the rate payable for Level II of the Executive Schedule.

Prior approval must be obtained under 45 C.F.R. Part 1309 to use Head Start grant funds for the initial or ongoing purchase, construction and major renovation of facilities. No Head Start grant funds may be used toward the payment of one-time expenses, principal and interest for the acquisition, construction or major renovation of a facility without the express written approval of the Administration for Children and Families.

Attachment 2

Budget Period 1
Early Head Start – Child Care Partnership and/or Expansion Grants

Award Number: 15HP301995/01
Recipient Organization: City of San Antonio

Head Start Grantees must comply with the terms and conditions for the project period award in the specified timeframes.

Health and Safety

- *Conduct a screening of the health and safety environment of each Early Head Start center and/or family child care home where services are provided within 45 days of the start of the project period and/or within 45 calendar days of services starting at each new location.*

- *Complete the initial certification of compliance with all Office of Head Start (OHS) health and safety requirements within 75 calendar days of the start of services and submit it to the OHS in the Head Start Enterprise System (HSES) immediately thereafter. Submit an updated certification of compliance with all OHS health and safety requirements 30 days after the first six months of operations.*

School Readiness

- *Participate in ongoing communications in support of school readiness with the OHS, including but not limited to the OHS site visits and monthly scheduled calls.*

Attachment 3

Award Number: 15HP301995/01
Recipient Organization: City of San Antonio

Designated Early Head Start service area: San Antonio ISD and Edgewood ISD boundaries, Bexar County, Texas

Early Head Start – Child Care Partnership Population: 216 infants and toddlers.

Approved program options: Center-based

Approved start-up costs: This grant action includes start-up funds of $552,000 under Common Accounting Number (CAN) G063128 for the following purposes: $510,000 for Contractual costs for five EHS/Child Care Partners for playground upgrades and center repairs and $42,000 for Supplies.

WITNESSETH:

HIPAA BUSINESS ASSOCIATE AGREEMENT

This HIPAA Business Associate Agreement is entered into by and between the City of San Antonio ("Covered Entity"), by and through its Director of the Department of Human Services, and the Miller Child Development Center, a Business Associate ("BA").

WHEREAS, the City of San Antonio and BA have entered into an Early Head Start – Child Care Partnership Agreement to provide educational and child care services ("Service Contract"), effective February 1, 2015 whereby BA provides educational and child care services to the Covered Entity; and

WHEREAS, Covered Entity and BA may need to use, disclose and/or make available certain information pursuant to the terms of the Service Contract, some of which may constitute Protected Health Information ("PHI"); and

WHEREAS, Covered Entity and BA intend to protect the privacy and provide for the security of PHI disclosed to each other pursuant to the Service Contract in compliance with the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("HIPAA") and regulations promulgated thereunder by the U.S. Department of Health and Human Services (the "HIPAA Regulations") and other applicable laws; and

WHEREAS, the purpose of this Agreement is to satisfy certain standards and requirements of HIPAA and the HIPAA Regulations, including, but not limited to, Title 45, Section 164.504(e) of the Code of Federal Regulations ("C.F.R."), as the same may be amended from time to time;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

A. Definitions. For the purposes of this Agreement, the following terms have the meanings ascribed to them:

(1) "Disclosure" with respect to PHI, shall mean the release, transfer, provision of access to or divulging in any other manner of PHI outside the entity holding the PHI.

(2) "Individual" shall have the same meaning as the term "Individual" in 45 C.F.R. 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. 164.502(g).

(3) "Parties" shall mean Covered Entity and BA.

(4) "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. part 160 and Part 164, subparts A and E.

(5) "Protected Health Information" or "PHI" shall have the same meaning as the term "protected health information" in 45 C.F.R. 164.501, limited to the information created or received by BA from or on behalf of Covered Entity.

(6) "Required By Law" shall have the same meaning as the term "required by law" in 45 CFR § 164.501.

(7) "Secretary" shall mean the Secretary of the Department of Health and Human Services or his designee.

(8) "PHI Breach" shall mean an acquisition, access, use, or disclosure of PHI in a manner not permitted by the Privacy Rules and such action compromises the security or privacy of the PHI.

B. BA Obligations and Activities. BA agrees that it shall:

(1) Not use or disclose the PHI other than as permitted or required by this Agreement or as Required by Law;

(2) Establish and maintain appropriate administrative, physical, and technical safeguards that reasonably and appropriately protect, consistent with the services provided under this Agreement, the confidentiality, integrity, and availability of the electronic protected health information that it creates, receives, maintains, or transmits on behalf of covered entity;

(3) Mitigate, to the extent practicable, any harmful effect that is known to BA of a use or disclosure of PHI by BA in violation of the requirements of this Agreement;

(4) Report to Covered Entity any use or disclosure of PHI of which BA is aware or becomes aware that is not provided for or allowed by this Agreement as well as any security incident that BA becomes of aware of;

(5) Ensure that any of its agents or subcontractors with which BA does business and to whom it provides PHI received from, created or received by BA on behalf of Covered Entity are aware of and agree to the same restrictions and conditions that apply through this Agreement to BA with respect to such information, and further agree to implement reasonable and appropriate administrative, physical and technical safeguards to protect such information;

(6) Provide access, at the request of Covered Entity, and in a reasonable time and manner as agreed by the Parties, to PHI in a Designated Record Set to Covered Entity or, as directed by Covered Entity, to an Individual in order to meet the requirements 45 C.F.R. §164.524;

(7) Make any amendment(s) to PHI in a Designated Record Set that the Covered Entity directs or agrees to pursuant to 45 C.F.R. 164.526 at the request of the Covered Entity or an Individual, and in a reasonable time and manner agreed to by the Parties;

(8) Make available to the Covered Entity or to the Secretary of the U.S. Department of Health and Human Services all internal practices, books and records, including policies and procedures and PHI, relating to the use and disclosure of PHI received from, or created or received by the BA on behalf of the Covered Entity, for purposes of the Secretary of the U.S. Department of Health and Human Services in determining Covered Entity's compliance with the Privacy Rule;

(9) Document such disclosures of PHI, and information related to such disclosures, as would be required for Covered Entity to respond to a request from an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. 164.528;

(10) Provide Covered Entity or an Individual, in a reasonable time and manner as agreed to by the Parties, information collected in accordance with Section B(9) of this Agreement, to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. 164.528.

(11) Will immediately, and in no event later than 14 days of discovery, notify Covered Entity of any breach of PHI and will coordinate with Covered Entity to identify, record, investigate, and report to an affected individual and US Department of Health and Human Services, as required, any covered PHI breach.

C. Permitted Uses and Disclosures by BA

(1) Except as otherwise limited in this Agreement, BA may use or disclose PHI to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in the Service Contract, provided that such use or disclosure would not violate the Privacy Rule if done by Covered Entity.

(2) Except as otherwise limited in this Agreement, BA may disclose PHI for the proper management and administration of the BA, provided that disclosures are Required By Law, or BA obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as Required By Law or for the purpose for which it was disclosed to the person, and the person notifies the BA of any instances of which it is aware in which the confidentiality of the information has been breached.

(3) Except as otherwise limited in this Agreement, BA may use PHI to provide Data Aggregation Services to Covered Entity as permitted by 45 C.F.R. 164.504(e)(2)(i)(B).

(4) BA may use PHI to report violations of law to appropriate Federal and State authorities, consistent with 45 C.F.R. 502(j)(1).

D. Obligations of Covered Entity. Covered Entity shall inform BA of its privacy practices and restrictions as follows. Covered Entity shall:

(1) notify BA of any limitations in its notice of privacy practices in accordance with 45 C.F.R. 164.520, to the extent that such limitation may affect BA's use or disclosure of PHI;

(2) notify BA of any changes in, or revocation of, permission by any Individual to use or disclose PHI, to the extent that such changes may affect BA's use or disclosure of PHI;

(3) notify BA of any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 C.F.R. 164.522 to the extent that such changes may affect BA's use or disclosure of PHI.

(4) coordinate with BA regarding any PHI breach and make timely notification to affected individuals within 60 days of discovery.

E. Permissible Requests by Covered Entity.

Covered Entity shall not request BA to use or disclose PHI in any manner that would not be permissible under the Privacy Rule if done by Covered Entity, except that the Business Associate may use or disclose PHI for data aggregation or management and administrative activities of the BA.

F. Term and Termination.

(1) The term of this Agreement shall commence on February 1, 2015. This Agreement shall terminate when all PHI encompassed by this Agreement is destroyed or returned to Covered Entity or, if it is infeasible to return or destroy the PHI, protections are extended to such information in accordance with the termination provisions in this Section.

(2) Termination for Cause. Upon Covered Entity's knowledge of a material breach by BA, Covered Entity shall either (a) provide an opportunity for BA to cure the breach in accordance with the terms of the Service Contract or, if the BA does not cure the breach or end the violation within the time for cure specified in the Service Contract, end the violation and terminate this Agreement and the Contract; or (b) immediately terminate this Agreement and the Service Contract if BA has breached a material term of this Agreement and cure is not possible. If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary of the U.S. Department of Health and Human Services.

(3) Effect of Termination.

(a) Except as provided below in paragraph (b) of this Section F(3), upon termination of this Agreement for any reason, BA shall return or destroy all PHI received from the Covered Entity, or created or received by BA on behalf of Covered Entity. This provision shall apply to PHI that is in the possession of BA or its subcontractors or agents. BA shall not retain any copies of PHI, except as required by law.

(b) In the event that BA determines that returning or destroying PHI is infeasible, BA shall provide to Covered Entity written notification of the condition that makes the return or destruction of PHI infeasible. Upon BA's conveyance of such written notification, BA shall extend the protections of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make its return or destruction infeasible, for so long as BA maintains such PHI.

(4) Notwithstanding any other provision under this Agreement, the Parties agree that the Service Contract may be terminated by either Party without penalty should the other Party violate a material obligation under this Agreement.

G. Amendment to Comply with Law. The Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy Rule and HIPAA.

H. Survival. The respective rights and obligations of the BA under Sections B, C(2) and (4), and F(3) shall survive the termination of this Agreement.

I. Interpretation. Any ambiguity in this Agreement shall be interpreted to permit Covered Entity to comply with the Privacy Rule.

J. Regulatory References. A reference in this Agreement to a section in the Privacy Rule means the section as in effect or amended.

K. No Third Party Beneficiaries. Nothing express or implied in this Agreement is intended to confer, nor shall anything herein confer upon any person other than Covered Entity, BA, and their respective successors or assigns, any rights, remedies, obligations, or liabilities whatsoever.

L. ***INDEMNIFICATION. BA WILL INDEMNIFY, DEFEND AND HOLD COVERED ENTITY AND ITS OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, SUCCESSORS AND ASSIGNS HARMLESS, FROM AND AGAINST ANY AND ALL LOSSES, LIABILITIES, DAMAGES, COSTS AND EXPENSES ARISING OUT OF OR RELATED TO ANY THIRD-PARTY CLAIM BASED UPON ANY BREACH OF THIS AGREEMENT BY BA IN ACCORDANCE WITH THE INDEMNITY PROVISIONS IN THE SERVICE AGREEMENTS, WHICH ARE HEREBY INCORPORATED BY REFERENCE FOR ALL PURPOSES.***

M. **Reimbursement.** BA will reimburse Covered Entity for reasonable costs incurred responding to a PHI breach by BA or any of BA's subcontractors.

N. **Waiver.** No provision of this Agreement or any breach thereof shall be deemed waived unless such waiver is in writing and signed by the party claimed to have waived such provision or breach. No waiver of a breach shall constitute a waiver of or excuse any different or subsequent breach.

O. **Assignment.** Neither party may assign (whether by operation or law or otherwise) any of its rights or delegate or subcontract any of its obligations under this Agreement without the prior written consent of the other party. Notwithstanding the foregoing, Covered Entity shall have the right to assign its rights and obligations hereunder to any entity that is an affiliate or successor of Covered Entity, without the prior approval of Business Associate.

P. **Entire Agreement.** This Agreement constitutes the complete agreement between Business Associate and Covered Entity relating to the matters specified in this Agreement, and supersedes all prior representations or agreements, whether oral or written, with respect to such matters. In the event of any conflict between the terms of this Agreement and the terms of the Service Contracts or any such later agreement(s), the terms of this Agreement shall control unless the terms of such Service Contract comply with the Privacy Standards and the Security Standards. No oral modification or waiver of any of the provisions of this Agreement shall be binding on either party. This Agreement is for the benefit of, and shall be binding upon the parties, their affiliates and respective successors and assigns. No third

party shall be considered a third-party beneficiary under this Agreement, nor shall any third party have any rights as a result of this Agreement.

Q. **Governing Law**. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Texas.

EXECUTED to be effective February 1, 2015.

COVERED ENTITY
By City of San Antonio

By: _____

Print Name: Melody Woosley

Print Title: Director of the Department of Human Services

BUSINESS ASSOCIATE:
By Miller Child Development Center

By: Byron E. Miller

Print Name: Byron E. Miller

Print Title: CEO/Chairman

APPROVED AS TO FORM:

_____
Kristine Duff
Assistant City Attorney

Attachment VI

EARLY HEAD START – CHILD CARE PARTNERSHIP AGREEMENT
FOR CHILD CARE SERVICES
BETWEEN THE CITY OF SAN ANTONIO
&
YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SAN ANTONIO, TEXAS

This Agreement is entered into by and between the City of San Antonio (hereinafter referred to as "City"), a Texas Municipal Corporation, acting by and through its Director of the Department of Human Services pursuant to Ordinance No. _____ dated _____, and **Young Women's Christian Association of San Antonio, Texas** (hereinafter referred to as "Center") (individually "the Party" and collectively "the Parties"), to set forth the objectives, understandings, and agreements between the Parties in connection with the use of Early Head Start – Child Care Partnership (hereinafter referred to as EHS–CCP") grant funds as described herein.

PURPOSE:

WHEREAS, the City has received a grant pursuant to the Head Start Act (42 U.S.C. §9801 *et seq.*, as amended) (the "Grant") for the purpose of providing Early Head Start services to children and families in the San Antonio and Edgewood Independent School District areas of Bexar County; and

WHEREAS, the City's Department of Human Services is designated as the managing City department (hereinafter referred to as "DHS") for administration of EHS-CCP program services for the City, as grantee of the EHS-CCP Grant; and

WHEREAS, the City is authorized by the U.S. Department of Health and Human Services ("HHS"), Administration for Children and Families ("ACF"), and desires, to execute an agreement with Center to provide full-day, full-year child care services to children and their families (hereinafter referred to as the "Project" or "Program"); and

WHEREAS, the City has adopted a budget for the expenditure of EHS-CCP Grant Funds (hereinafter referred to as "Grant Fund"), and included therein is an allocation for Center to provide child care and education services; and

WHEREAS, Center desires, and is appropriately licensed and qualified, to enter into this Agreement with City and agrees to deliver the services described herein in accordance with applicable Head Start Performance Standards and other requirements more fully set forth below;

NOW THEREFORE, in consideration of the mutual promises and covenants herein contained and intending to be legally bound hereby, City and Center agree as follows:

The Parties hereto agree as follows:

I. SCOPE OF WORK

1.1 The Center will provide, oversee, administer, and carry out all activities and services in a manner satisfactory to the City and in compliance with the Center's Scope of Work, affixed hereto and incorporated herein for all purposes as **Attachment I**, this Agreement, and the Terms of the Grant (hereinafter defined). If the terms of this Agreement are inconsistent or in conflict with applicable Terms of the Grant, the applicable Terms of the Grant will control, unless the inconsistency or conflict results from more stringent requirements set forth in this Agreement, in which case the terms imposing the most stringent requirements upon the Center shall control.

1.2 For purposes of this Agreement, the terms listed below shall have the following meanings:

(A) "Terms of the Grant" shall mean all requirements of the Grant, whether contained in the Head Start Act, as amended by the Improving Head Start for School Readiness Act of 2007 (42 U.S.C. §9801, et seq.), or other applicable statutes, implementing regulations (e.g., 45 C.F.R. §1301 et seq. (the "Head Start Performance Standards" or "Performance Standards") and 45 C.F.R. Part 75 or 45 C.F.R. Part 87, as applicable), rules, Executive Orders, the award document from U.S. Department of Health and

Human Services ("HHS") to the City, relevant HHS Directives, or elsewhere, including, but not limited to circulars, Program Instructions, Information Memorandums and Policy Clarifications, the City's policies and procedures and any other directives applicable to the Program, as such requirements exist as of the date of this Agreement and as such requirements may be established or modified (by amendment, deletion, addition or otherwise) during the period of the Agreement.

(B) "Relevant HHS directives" shall mean regulations, manuals, guidelines, or other oral or written directives of HHS or any subdivision thereof, including the Administration for Children and Families, Head Start Bureau, the Program Operations Division and ACF Region VI, as such regulations, manuals, guidelines, or other oral or written directives shall be made applicable to the Grant or Grantee.

1.3 Center shall establish and implement policies and procedures governing personnel, financial management, and programmatic management, as specified more fully in 2 C.F.R. 200 *et seq.*, 45 C.F.R Parts 1301 *et. seq,* and/or 45 C.F.R. Part 74, 45 C.F.R. Part 75, 45 C.F.R. Part 87 or 45 C.F.R. Part 92, as applicable. Such policies and procedures shall be consistent with the Terms of the Grant, the policies and procedures approved by the Grantee's Policy Council and Governing Body, and content and service plans.

1.4 City retains the authority to contract with third-parties for the delivery of other EHS-CCP services in the San Antonio and Bexar County area. Center agrees to allow the City's other EHS-CCP service providers access to the facilities leased and/or owned by Center in order to provide said services, so long as access would not cause disruption of Center's child care or educational activities, or purpose as an educational entity. Center agrees to cooperate with City and third-party EHS-CCP service providers to establish, modify and comply with a set of policies and procedures and/or a program design manual governing the City's EHS-CCP Program and the protocol for collaboration between service providers. Center agrees that, notwithstanding the fact that another service provider under the City of San Antonio EHS-CCP program may be contracted to provide a category of service, Center, under the leadership of its EHS-CCP Program Director, will be responsible for coordinating with other Program service providers and working with the City to ensure provision of full array of services to which the children are entitled under the Terms of the Grant.

II. TERM

2.1 Except as otherwise provided for pursuant to the provisions hereof, this Agreement shall begin on February 1, 2015 and shall terminate on July 31, 2016.

III. CONSIDERATION

3.1 In consideration of the services to be delivered by Center, the City will reimburse Center a total amount not to exceed $162,000.00 ("the Federal Share") during the period in which this Agreement is in effect for costs incurred in accordance with the Program Budget affixed hereto and incorporated herein for all purposes as **Attachment II**. Center's Program Budget is comprised of the Federal Share and the Non-Federal Share. The Federal Share shall be no more than 80% of the total Program Budget. Should Center fail to raise all of the non-Federal Share funds (20% of the total Program Budget, or $40,500.00) it is required to raise for the operation of its Program, City reserves the right to limit its reimbursements to Center proportionately. For instance, if Center succeeds in raising only eighty percent (80%) of its required non-Federal Share funds, City may limit its reimbursements to Center to eighty percent (80%) of City's total obligation to Center. Center may provide additional non-Federal share funds if Center, in its discretion, determines such funds are available. To meet the requirements of this Agreement, all claimed non-Federal Share must meet the requirements of 2 C.F.R. 200 *et seq.*, 45 C.F.R. §74.23 or §92.24, or other Head Start regulations, as applicable.

3.2 Prior to commencement of the Agreement, Center shall submit to City for its approval Center's proposed monthly budget by line item for the entire term of the Agreement along with its program Budget, including detail by category alone. Center understands the budget may not include indirect costs. Until the City

receives the initial proposed monthly budget for the entire term of the Agreement and prior to the City's approval, the City reserves the right to redirect the funding City has proposed be allocated to Center under this Agreement. City shall notify the Center of the amount redirected and the revised Agreement funding. Additionally, throughout the term of the Agreement, Center shall submit on or before the last day of each month a forecast of the projected monthly expenses for each month remaining in the Agreement so that the City may review and compare actual expenses to projected expenditures and address issues associated with Center's expenditure rate (e.g., on or before March 31, 2015, Center shall submit the projected expenses by month for April, May, and so on until July 31, 2016). Center's budgeted development and administrative costs (as defined by 45 C.F.R. §1301.32) shall not exceed twelve percent (12%) of the Program Budget, unless the total Program Budget is modified in accordance with this Agreement in which case this amount shall be reduced proportionately unless the Parties otherwise agree.

3.3 Approval required. Center shall seek and obtain City's (City's Head Start Program Administrator and the DHS's Fiscal Administrator) prior written approval 30 calendar days before making budget modifications. City may make exceptions to the 30-day notice requirement on a case by case basis, but otherwise Center must make request in writing or via email to the City's Head Start Program Administrator. Center's written request must be accompanied by a justification for the change and indicate which lines items are affected by such change

3.4 Center understands and agrees that should Center fail to work in collaboration with the City's staff to meet or maintain the Program's funded enrollment level as set forth in the Scope of Work, City may reduce Center's funding by an amount equal to the difference between funded and actual enrollment at the per capita rate.

3.5 The funding level of this Agreement is based on an allocation from the following funding sources:

U.S. Department of Health and Human Services (HHS) – Head Start Funds Catalog of Federal Domestic Assistance # 93.600

Consequently, Center agrees to comply with the Terms of the Grant and the Special Provisions, affixed hereto and incorporated herein for all purposes as **Attachment III**.

3.6 It is expressly understood and agreed by the City and Center that the City's obligations under this Agreement are contingent upon the actual receipt of adequate grant funds from HHS to meet City's liabilities hereunder. This Agreement may be terminated by the City if HHS terminates the City as a grantee or reduces the amount granted to City, for any reason; provided that, if the reduction of grant funds does not result in complete unavailability of such funds, the Parties will use best efforts to amend this Agreement accordingly. City will promptly notify Center of any such HHS action.

IV. PAYMENT

4.1 Center agrees that this is a cost reimbursement contract and that the City's liability hereunder is limited to making reimbursements for allowable costs incurred as a direct result of services provided by the Center in accordance with the terms of this Agreement. Allowable costs are defined as those costs, which are necessary, reasonable and allowable under applicable federal, state, and local law, including but not limited to those laws referenced in Article XII hereof, for the proper administration and performance of the services to be provided under an agreement. All requested reimbursed costs must be consistent with the terms and provisions of the approved budgeted line items described in **Attachment II** of this Agreement, unless (a) a subsequent budget revision has been approved in accordance with the procedure set forth in Section 3.3 and signed by the Director of the DHS in cases where the total Agreement Budget remains the same, or (b) an amendment has been approved and signed by the Director of the DHS pursuant to Section 24.1 of this Agreement in cases where there is an increase or decrease to the total Agreement Budget. Approved budget revisions and amendments modify the Budget attached hereto, and in such cases Center's requested reimbursed costs must be consistent with the last revised, approved budget. Approved budget revisions and amendments supersede prior conflicting or inconsistent agreements with regard to the referenced Project Budget, and all references in the Agreement to the budget shall mean the budget as

revised through approved budget revisions or amendments. In no event shall the City be liable for any cost of Center not eligible for reimbursement as defined within the Agreement. Center shall remit to City within ten (10) business days after the City makes the request for remittance any funded amounts which were paid pursuant to this Article IV and used to cover disallowed costs. Any such amounts not remitted within ten (10) business days may, at City's option, be subject to offset against future funding obligations by City.

4.2 If specific circumstances require an advance payment on this Agreement, Center must submit to the Director of the DHS a written request for such advance payment, including the specific reason for such request in the form prescribed by City. Center agrees that the City shall not be obligated to pay for any advances requested. In those instances in which advance payments are authorized, the Director of the DHS may, in the Director's sole discretion, approve an advance payment on this Agreement. It is understood and agreed by the parties hereto that (a) each request requires submission to the Director of the DHS no less than ten (10) business days prior to the actual ostensible cash need; (b) each request will be considered by the Director of the DHS on a case-by-case basis, and (c) the decision by the Director of the DHS whether or not to approve an advance payment is final. For purposes of this Agreement, the term "business day" shall mean every day of the week except all Saturdays, Sundays and those scheduled holidays officially adopted and approved by the San Antonio City Council for City of San Antonio employees. In those instances in which advance payments are authorized:

(A) Center's payments to its vendors using funds advanced by the City shall be remitted to the vendors in a prompt and timely manner so long as services have been performed by the subject vendor, defined as not later than (10) business days after the Center is notified that an advance payment check is available from the City.

(B) The Center must deposit Agreement funds in an account in a bank insured with the Federal Deposit Insurance Corporation (FDIC). In those situations where Center's total deposits in said bank, including all Agreement funds deposited with said bank, exceed the FDIC insurance limit, the Center must arrange with said bank to automatically have the excess collaterally secured. A written copy of the collateral agreement must be obtained by Center from the Center's banking institution, maintained on file and be available for City monitoring reviews and audits. Advanced funds that cause the Center's account balance to exceed the FDIC limit shall be deposited in a manner consistent with the Public Funds Investment Act (Chapter 2256 of the Texas Government Code) as amended. Center shall maintain the FDIC insured bank account in which Agreement funds are deposited and its recordkeeping in a manner that will allow City to track expenditures made with Agreement funds.

(C) The City may deduct from monthly reimbursements amounts necessary to offset the amount advanced based upon the number of months remaining in the Agreement term, or from a single subsequent monthly reimbursement the full amount previously advanced to Center. The City may consider factors such as projected allowable costs and other indicators such as Center's financial stability. Center shall maintain a financial management system to account for periodic, or a lump sum, deduction from reimbursements.

4.3 Center shall submit to City not later than the forty-fifth (45th) day after the end of every month a monthly Request for Payment in the form prescribed by City, which details the specific costs (by category and by program account number) Center expensed in the previous month for the services delivered as described in Article I herein, including supporting documentation of such costs as may be required by the Director of the DHS. The Request for Payment shall also specify the Program Income (as defined herein) received or projected during the same time period. The Director of the DHS may require the Center's submission of original or certified copies of invoices, cancelled checks, Center's general ledger and/or receipts to verify invoiced expenses.

4.4 City shall make reimbursement payments of eligible expenses to the Center of any undisputed amounts as determined by the Director of the Managing Department in accordance with established procedures, so long as City receives a properly completed and documented Request for Payment. City shall make payment to

Center as soon as reasonably practicable, but not later than 30 calendar days of receiving a valid and approved Request for Payment.

4.5 The Center shall submit to City a full accounting of the Program Income, if applicable, and non-Federal Share funds received and total Program costs incurred, along with all requests for payment for the period February 1, 2015 through July 31, 2016, no later than September 16, 2016. In the event of early termination of this Agreement, Center shall submit the information 45 calendar days from the early termination date of the Agreement. These deadlines may be adjusted only if Center receives written authorization from the Director of the DHS allowing Center to submit a request for payment at a later specified date.

4.6 Center agrees that the City shall not be obligated to any (sub)contractors or third party beneficiaries of the Center.

4.7 Center shall maintain a financial management system and acceptable accounting records with City's assistance and to City's satisfaction, and in accordance with this Agreement and applicable HHS and Head Start regulations and federal directives such as 2 C.F.R. 200 *et seq.*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

4.8 Center agrees that Center costs or earnings claimed under this Agreement may not be claimed under another contract or grant from another agency, organization, business entity or governmental entity.

4.9 Center shall establish and abide by a cost allocation methodology and plan which ensures that the City is paying only its fair share of the costs for services, overhead, and staffing not solely devoted to the Project or funded by this Agreement. The Cost Allocation Plan is a plan that identifies and distributes the cost of services provided by staff and/or departments or functions. It is the means to substantiate and support how the costs of a program are charged to a particular cost category or to the Program so as to assure Grant funds provided hereunder do not subsidize other program(s). Center must ensure that costs allocated and charged to the Ggrant are not charged to other Federal, State or Local awards to overcome fund deficiencies, to avoid restrictions imposed by law or terms of the Federal awards, or for other reasons. Center shall provide to City prior to the beginning of the Agreement term (i) a matrix identifying the shared use of such facilities and/or program services; and (ii) the Cost Allocation Plan and supporting documentation, along with its Budget, financial statements and audit that are applicable to the Center's Project. City shall have the right to approve the Cost Allocation Plan.

4.10 Center agrees to reimburse the City for any Center overpayment based upon reconciled adjustments resulting from Center's balance and/or Statement of Revenue and Expenditure sheet as of July 31, 2016, which balance or Statement sheet shall be due to the City no later than August 15, 2016. Reimbursement shall be made within 20 calendar days of written notification to Center of the need for reimbursement.

4.11 Upon expiration or early termination of this Agreement, or at any time during the term of this Agreement, all unused funds, rebates, advances exceeding allowable costs, or credits on-hand or collected thereafter relating to the Project, shall be returned by Center to the City within twenty (20) days of receipt of written notice.

4.12 Upon execution of this Agreement or at any time during the term of this Agreement, the City's Director of Finance, the City Auditor, or a person designated by the Director of the DHS may review and approve all Center's systems of internal accounting and administrative controls prior to the release of funds hereunder.

V. PROGRAM INCOME

5.1 For purposes of this Agreement, "program income" shall mean earnings of Center realized from activities resulting from this Agreement or from Center's management of funding provided or received hereunder. Such earnings shall include, but shall not be limited to, interest income; usage or rental/lease fees; income produced from Agreement-supported services of individuals or employees or from the use of equipment or facilities of Center provided as a result of this Agreement; and if applicable, payments from clients or third

parties for services rendered by Center pursuant to this Agreement. At the sole option of the Director of the Managing City Department, if Center obtains program income under the Agreement, Center will either (a) be required to return program income funds to City through the Managing City Department, or (b) upon prior written approval by the Director of the Managing City Department, Center may be permitted to retain such funds to be:

(A) added to the Project and used to further eligible Project objectives, in which case proposed expenditures must first be approved by the City; or

(B) deducted from the total Project cost for the purpose of determining the net cost reimbursed by the City.

5.2 In any case where Center is required to return program income to the Managing City Department, Center must return such program income to City within the timeframe that may be specified by the Director of the Managing City Department. If the Director of the Managing City Department does not specify a timeframe for Center to return program income to City, then Center must return such program income to City on the same date that Center submits its statement of expenditures and revenues to the Managing City Department set forth in Article V, Section 5.4 of this Agreement. If the Director of the Managing City Department grants Center authority to retain program income, Center must submit all reports required by the Managing City Department within the timeframe specified in the Agreement.

5.3 Center shall provide the Managing City Department with thirty (30) calendar days written notice prior to the activity that generates program income. Such notice shall detail the type of activity, time, and place of all activities that generate program income.

5.4 The Center shall fully disclose and be accountable to the City for all program income. Center must submit a statement of expenditures and revenues to the Managing City Department within thirty (30) calendar days of the activity that generates program income. The statement is subject to audit verification by the Managing City Department. Failure by Center to report program income as required is grounds for suspension, cancellation, or termination of this Agreement.

5.5 Center is prohibited from charging fees or soliciting donations and is prohibited from inviting or contracting with vendors who shall charge fees or solicit donations from Head Start participants and their parents in any Agreement-funded project without the prior written approval of the Director of the Managing City Department. However, Center may engage in general school activity that is not specifically targeted at Head Start families.

5.6 Center shall include this Article V, in its entirety, in all of its subcontracts involving income-producing services or activities.

VI. ADMINISTRATION OF CONTRACT

6.1 The Center agrees to comply with all the terms and conditions that the City must comply with in its award document from HHS. A copy of said award document is attached hereto and incorporated herein for all purposes as **Attachment IV**. From time to time, the award document may be amended or supplemented, and these shall be incorporated into the Agreement collectively as **Attachment IV**.

6.2 In the event that any disagreement or dispute should arise between the Parties hereto pertaining to the interpretation or meaning of any part of this Agreement or its governing rules, regulations, laws, codes or ordinances, the City Manager or the Director of the DHS, as representatives of the City and the parties ultimately responsible for all matters of compliance with HHS and City rules and regulations, shall have the final authority to render or secure an interpretation. In the event that a dispute arises with regard to interpretation of regulations or law as it applies to this Agreement, Center may request that the City secure, and the City shall request an interpretation or opinion from HHS in order to assist in resolution of the dispute.

6.3 Center shall not use funds awarded from this Agreement as matching funds for any federal, state or local grant without the prior written approval of the Director of the DHS.

6.4 The City shall have the authority during normal business hours to make physical inspections to all operating facilities occupied to administer this Agreement and to require such physical safeguarding devices as locks, alarms, security / surveillance systems, safes, fire extinguishers, sprinkler systems, etc. as reasonably necessary, to safeguard property and/or equipment authorized by this Agreement.

6.5 The Center Board of Directors or Board of Trustees, as applicable, and Center's management staff shall adopt and approve an Employee Integrity Policy, or similar policy, in the event that Center has none, and internal program management procedures, and require all staff to abide by these and the Head Start standards as established in the HHS regulations, to preclude theft, embezzlement, improper inducement, obstruction of investigation or other criminal action, and to prevent fraud and program abuse. These policies and procedures shall require repayment of such erroneously received grant funds or property to the Center, or to the applicable service provider from whom such grant funds or property was received, if other than Center, and shall specify any other consequences to Center's employees and vendors involved in such illegal activities and may include but not be limited to termination and prosecution where necessary. Said policies and procedures shall be provided to the DHS upon request by the DHS. In the event that the DHS finds the policies and procedures to be lacking, the DHS may recommend revision.

6.6 If Center writes or handles checks under this Agreement, Center agrees to comply with the following check writing and handling procedures:

(A) No blank checks are to be signed in advance;
(B) No checks are to be made payable to cash or bearer with the exception of those for petty cash reimbursement, not to exceed a $100.00 maximum per check. Center agrees that the aggregate amount of petty cash reimbursement shall not exceed $500.00 for any given calendar month during the term of this Agreement unless Center receives prior written approval from the DHS to exceed such limit. Such requests for petty cash must be supported by the submission to the DHS of an original receipt.
(C) Checks issued by City to Center shall be deposited into the appropriate bank account no later than three (3) Center business days of Center's receipt of each such check, and shall never be cashed for purposes of receiving the face amount back. If such check(s) are not deposited within three (3) Center business days from the date of issue, such checks shall be investigated by City and stop-payment orders issued, as applicable. City agrees that stop payment orders shall not be issued due to the financial institution's posting policies that result in posting of checks for credit beyond the required timeframe so long as the checks are deposited within the required timeframe. Upon cancellation of any outstanding check, if deemed appropriate by City, such check may be reissued to the Center or if deemed by City not to be a valid expense, such check shall be immediately returned to the City.

6.7 Center agrees to provide City with a copy of all proposed communications to the public, EHS-CCP Program parents and employees as it may relate to the City's implementation of the City's Program model, the transition of Program contracts or transition of the Program, and to obtain the City's approval prior to dissemination.

6.8 Wherever in this Agreement, Center is required to perform an action within a specified number of days or hours, Center may request additional time to perform. City shall give Center's request for additional time due consideration and shall grant Center's request whenever reasonable practicable, unless immediate compliance is required.

6.9 If the starting date of the Agreement term has already passed at the time of approval of the Agreement by Center, all deadlines imposed on Center for providing information to the City on or before the date of approval or within seven (7) Center business days of approval shall be extended in order for the Center to reasonably comply with the City's requirements; except and unless, the information has already been provided to the City. City and Center agree to confer and make best efforts to reasonably permit Center to comply with the extended deadlines.

VII. AUDIT

7.1 If Center expends $750,000.00 or more of funds provided under this Agreement, or cumulative funds provided by or through City, and does not have to comply with the provisions of Section 7.2, then during the term of this Agreement, the Center shall have completed an independent audit of its financial statements for the Head Start program performed within a period not to exceed one hundred twenty (120) days immediately succeeding the end of Center's fiscal year, expiration or early termination of this Agreement, whichever is earlier. Center understands and agrees to furnish the DHS a copy of the audit report within a period not to exceed fifteen (15) days upon receipt of the report. In addition to the report, a copy of the corrective action plan, summary schedule of prior audit findings, management letter and/or conduct of audit letter are to be submitted to the DHS by Center within fifteen (15) days upon receipt of said report or upon submission of said corrective action plan to the auditor.

Center agrees to reimburse the City or supplement any disallowed costs with eligible and allowable expenses based upon reconciled adjustments resulting from Center's Single Audit. Reimbursement shall be made within twenty (20) days of written notification regarding the need for reimbursement.
Center agrees and understands that upon notification from federal, state, or local entities that have conducted program reviews and/or audits of the Center or its programs of any findings about accounting deficiencies, or violations of Center's financial operations, a copy of the notification, review, investigation, and audit violations report must be forwarded to the DHS within a period of ten (10) days upon the Center's receipt of the report.

7.2 Center agrees that if Center receives or expends more than $750,000.00 in federal funds from the City, the audit shall be made in accordance with the Single Audit Act Amendments of 1996, the State of Texas Single Audit Circular, and U.S. Office of Management and Budget Circular (OMB-133 revision) and Center shall also be required to submit copies of its annual independent audit report, and all related reports issued by the independent certified public accountant within a period not to exceed one hundred fifty-three (153) calendar days after the end of Center's fiscal year to the Federal Audit Clearinghouse in Jeffersonville, Indiana. A copy of this report must also be provided to City within this same time period. Center may submit reports through the following website: https://harvester.census.gov/fac and may also contact the Clearinghouse by telephone at (301) 763-1551 (voice) or 1-888-222-9907 (toll free) or 1-800-253-0696.

Upon completion of Form SF-SAC, Center may submit the completed report by mail to:

Federal Audit Clearinghouse
1201 E. 10th Street
Jeffersonville, Indiana 47132

7.3 THIS SECTION INTENTIONALLY LEFT BLANK.

7.4 All financial statement(s) must include a schedule of receipts and disbursements by budgeted cost category for each program funded by or through the City.

7.5 The City reserves the right to conduct, or cause to be conducted, an audit or review of all funds received under this Agreement at any and all reasonable and necessary times required by City. The City Internal Audit Staff, a Certified Public Accounting (CPA) firm, or other personnel as designated by the City, may perform such audit(s) or reviews. The City reserves the right to determine the scope of every audit, so long as it is limited to Center's Head Start program. In accordance herewith, Center agrees to make available to City all accounting and Project records.

Center shall during Center's normal business hours, and as often as deemed reasonably necessary by City and/or the applicable state or federal governing agency or any other auditing entity, make available the books, records, documents, reports, and evidence with respect to all matters covered by this Agreement and shall continue to be so available for a minimum period of four (4) years or whatever period is determined necessary based on the Records Retention guidelines, established by applicable law for this Agreement.

Said records shall be maintained for the required period beginning immediately after Agreement termination, save and except there is litigation or if the audit report covering such agreement has not been accepted, then the Center shall retain the records until the resolution of such issues has satisfactorily occurred. The auditing entity shall have the authority to audit, examine and make excerpts, transcripts, and copies from all such books, records, documents and evidence, including all books and records used by Center in accounting for expenses incurred under this Agreement, all contracts, invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to matters covered by this Agreement.

The City may, in its reasonable discretion, require the Center to use any and all of the City's accounting or administrative procedures that are in conformity with Generally Accepted Accounting Principles for state account standards in Texas in the planning, controlling, monitoring and reporting of all fiscal matters relating to this Agreement, and the Center shall abide by such requirements. Should a conflict exist between the parties' accounting procedures, Center shall use the stricter of the procedures.

7.6 When an audit or examination determines that the Center has expended funds or incurred costs which are questioned by the City and/or the applicable state or federal governing agency, the Center shall be notified and provided an opportunity to address the questioned expenditure or costs.

Should any expense or charge that has been reimbursed be subsequently disapproved or disallowed as a result of any site review or audit, the Center shall refund such amount to the City no later than twenty (20) Center business days from the date of notification of such disapproval or disallowance by the City. At its sole option, the DHS may deduct such claims from subsequent reimbursements and shall notify Center prior to exercising this option. Center shall provide to City a full refund of such amount no later than twenty (20) Center business days from the date of notification of such disapproval or disallowance by the City. If Center is obligated under the provision hereof to refund a disapproved or disallowed cost incurred, such refund shall be required and be made to City by check, cashiers check or money order. In the event that a dispute arises as to the allow ability of an expenditure or charge pursuant to the federal regulations, then Center may request that the City secure, and the City shall request an interpretation or opinion from HHS in order to assist in resolution of the dispute. Should the City deduct such claims from subsequent reimbursements, the Center is forbidden from reducing Project expenditures and Center must use its own funds to maintain the Project.

Center agrees and understands that all expenses, fees, fines and penalties associated with the collection of delinquent debts owed by Center shall be the sole responsibility of the Center and shall not be paid from any Project funds received by the Center under this Agreement. Delinquent debts that would otherwise be identified as allowable costs may be paid with Project funds with approval of the DHS.

7.7 If the City determines that Center is in violation of the above requirements, the City shall have the right to dispatch auditors of its choosing to conduct the required audit and to have the Center pay for such audit from non-City resources. If after the audit is conducted it is determined that Center is in compliance with the contract then the cost of the audit, specifically the auditor's bill alone, shall be borne by the City. Center may recommend the hiring of alternate auditors, but the final decision on the selection of auditors shall rest with the City.

VIII. RECORDS, REPORTING, MONITORING AND INTELLECTUAL PROPERTY

8.1 In addition to those listed in this Agreement, the Center shall submit to the DHS any and all reports as may be required of Center by HHS or as may be reasonably required of the City. Center shall incorporate and use a City-approved tracking or information system, such as ChildPlus, for the delivery of comprehensive EHS-CCP Services and collect, input and update all data required for the Program Information Report in accordance with the City's reasonable timeline to ensure the reporting of accurate and consistent information to HHS.

8.2 Additionally, Center will work with City to maintain and furnish to City the appropriate financial and programmatic information and reports, in such forms as the City may require or prescribe, as required under the Head Start Act, as amended, or as required under federal regulations, such as 2 C.F.R. 200 *et seq*. or other applicable regulations.

Center agrees to maintain all applicable and appropriate supporting documentation of costs, including but not limited to, payroll records, invoices, contracts or vouchers, and make these available to City upon request.

8.3 Center shall provide to the DHS all information reasonably requested by the DHS relating to the Center's Board functions, if applicable, including but not be limited to:

(A) Roster of current Board Members (name, title, address, telephone number, fax number and e-mail address);
(B) Names and terms of Officers;
(C) Schedule of anticipated board meetings for current Fiscal Year;
(D) Board agendas relating to the Head Start Program to be submitted by electronic or facsimile transmission at the time of posting prior to each Board meeting. Prior to the time of posting, Center's administration shall attempt to notify City when a Head Start program item is anticipated to be placed on the agenda; and
(E) Minutes of every board meeting relating to the Head Start Program.

8.4 City reserves the right to reasonably request Center to provide additional records for travel expenses, long distance calls, faxes, internet service, cell phone calls, or other electronic communication devices charged to the budget associated with this Agreement.

8.5 Center shall report all notices served, violations found or complaints filed with regard to licensing, or lack thereof, of Center's centers within one (1) business day of receipt of written notice from the State licensing, certifying or permit-issuing authority of a violation or complaint not counting weekends. Center shall also sign an Authorization For Release of Information giving the Texas Department of Family and Protective Services (TDFPS) permission to share licensing information about the Center with the Grantee.

8.6 Center shall comply with federal Head Start Performance Standards (federal Head Start regulations), and all applicable federal, state and local laws relating to child safety. Center shall establish and implement mutually agreeable administrative procedures to respond to medical, dental and other health emergencies with which all City and Center staff should be familiar and trained. These procedures shall include, among other things, methods of notifying parents in the event of a health emergency involving their children and established methods for handling cases of suspected or known child endangerment, abuse or neglect that are in compliance with applicable federal, state and local laws. If Center has knowledge of a claim or report of, or is aware of a program crisis related to, or suspects that media coverage would be negative due to, an incident of child endangerment, neglect or abuse of a child while in Center's EHS-CCP program, Center shall contact the City's designated representative immediately, but not later than 24 hours, for the purpose of notification of the incident. Center shall contact the City's designated representative even if the incident of child endangerment, neglect or abuse is not fully investigated by Center. If Center is unable to reach the City's designated representative, Center shall leave a verbal or written message via electronic mail notifying the City that Center is attempting to notify the City of an incident. Center further agrees to notify the parent of the child immediately, in any of the instances cited above, to include a situation in which the parent's child has received physical discipline, whether or not the instance may be characterized as suspected child abuse.

8.7 Within a period not to exceed forty-five (45) calendar days after the expiration or early termination date of the Agreement, Center shall submit all final client reports and all required deliverables to City. Center understands and agrees that in conjunction with the submission of the final report, the Center shall execute and deliver to City a receipt for all sums received and a release of all claims for said sums against the Project.

8.8 Center shall maintain financial records, supporting documents, statistical records, and all other books, documents, papers or other records pertinent to this Agreement or the Grant in accordance with the official records retention schedules established within the Local Government Records Act of 1989 and any amendments thereto, or for such period as may be specifically required by the Head Start regulations, as applicable, whichever is longer. Notwithstanding the foregoing, Center shall maintain all Agreement and Grant related documents for no less than four (4) years from the date of City's submission of the annual financial report covering the funds awarded hereunder. If an audit, litigation, or other action involving the records has been initiated before the end of the retention period, Center agrees to maintain the records until the end of the retention period or until the audit, litigation, or other action is completed, whichever is later. Records for real property and equipment acquired with Grant funds shall be retained for four (4) years after final disposition.

8.9 Center shall make available to City, HHS, or any of their duly authorized representatives, upon appropriate notice and unless otherwise prohibited by law, such books, records, reports, documents, papers, policies and procedures as may be necessary for audit, examination, excerpt, transcription, and copy purposes, for as long as such records, reports, books, documents, and papers are retained. This right also includes timely and reasonable access to Center's facility and to Center's personnel for the purpose of interview and discussion related to such documents. Center shall, upon request, transfer certain records to the custody of City or HHS when City or HHS determines that the records possess long-term retention value unless otherwise prohibited by law, and subject to Center's right to use "educational records" as that term is understood under the Family Educational Rights and Privacy Act of 1974 ("FERPA").

8.10 The Center agrees to incorporate and use any City-approved tracking or information system for the delivery of comprehensive Program services. Center shall enter current, accurate and complete client data.

8.11 The DHS is assigned monitoring, fiscal control, and evaluation of certain projects funded by the City with General or Grant Funds, including the Project covered by this Agreement. Therefore, Center agrees to permit City and/or HHS to evaluate, through monitoring, reviews, inspection or other means, the quality, appropriateness, and timeliness of services delivered under this Agreement and to assess Center's compliance with applicable legal and programmatic requirements. At such times and in such form as may be required by the DHS, the Center shall make available to the DHS and the Grantor of the Grant Funds, if applicable, such statements, reports, records, personnel files (including evidence of criminal background check as required by Head Start regulations), client files, data, all policies and procedures and information as may be requested by the DHS and shall permit the City and Grantor of the Grant Funds, if applicable, to have interviews with its personnel, board members and program participants pertaining to the matters covered by this Agreement. Center agrees that the failure of the City to monitor, evaluate, or provide guidance and direction shall not relieve the Contactor of any liability to the City for failure to comply with the Terms of the Grant or the terms of this Agreement. Regarding evidence of criminal background check, the parties agree that City will accept a written statement that the checks have been conducted and that all persons who are employed have passed. If, at any time, HHS informs the City and / or Center that such written statement does not satisfy the requirements of the Terms of the Grant, Center agrees to provide additional information as may be legally permissible and as may be required by HHS or to cooperate with the City and HHS in order to resolve any conflict associated with provision of information related to criminal background checks.

8.12 City may, at its discretion, conduct periodic, announced monitoring visits to ensure program and administrative compliance with Head Start Performance Standards and with Program goals and objectives for the agreement period. City reserves the right to make unannounced visits to Center Program sites when it is determined that such unannounced visits are in the interest of effective program management and service delivery. Center Program staff shall be informed by City representative(s) upon arrival at Center's site of the expected purpose and length of visit so that accommodations may be made. City's representative(s) shall provide proper identification to ensure the safety and security of all parties.

8.13 Center understands that the City will timely inform Center of the findings of any such review or monitoring, specifically any default under the Agreement or deficiencies in performance, and will inform Center in writing of Program strengths and weaknesses and specify a deadline for corrective action based

upon contract or federal deadlines and the time needed for City to review, monitor and approve when necessary. The City will assist Center in finding solutions for Program improvement if and as appropriate.

8.14 Unless otherwise provided herein, all reports, statements, records, data, policies and procedures or other information requested by the DHS shall be submitted by Center to City within five (5) business days of the request made to Center via electronic communication or by other form of written correspondence. In the event that Center fails to deliver the required reports or information or delivers incomplete information within the prescribed time period, the City may, upon reasonable written notice, suspend reimbursements to Center until such reports are delivered to City. Furthermore, the Center ensures that all information contained in all required reports or information submitted to City is accurate.

8.15 (A) Unless disclosure is authorized by the City or is required by the Attorney General for the State of Texas or his duly authorized representative, Center agrees to maintain in confidence all information pertaining to the Project or other information and materials prepared for, provided by, or obtained from City including, without limitation, reports, information, data, other related information (collectively, the "Confidential Information") and to use the Confidential Information for the sole purpose of performing its obligations pursuant to this Agreement. Center shall protect the Confidential Information and shall take all reasonable steps to prevent the unauthorized disclosure, dissemination, or publication of the Confidential Information.

(B) If disclosure is permitted by law or required by order of a governmental agency or court of competent jurisdiction, Center shall give the Director of the DHS prior written notice that such disclosure is required with a full and complete description regarding such requirement.

(C) Center shall establish specific procedures designed to meet the obligations of this Article VIII, Section 8.15, including, but not limited to execution of confidential disclosure agreements, regarding the Confidential Information with Center's employees, contractors and subcontractors prior to any disclosure of the Confidential Information to third parties. This Article VIII, Section 8.15 shall not be construed to limit HHS's, the City's or its authorized representatives' right to obtain copies, review and audit records or other information, confidential or otherwise, under this Agreement. Upon termination or expiration of this Agreement, Center shall return to City upon request all copies of materials related to the Project, including the Confidential Information and subject to Center's right to use "Educational Records" as that term is understood under FERPA. All confidential obligations contained herein (including those pertaining to information transmitted orally) shall survive the termination of this Agreement. The Parties shall ensure that their respective employees, agents, and contractors are notified of the requirement to comply with the aforementioned obligations.

8.16 The Public Information Act, Government Code Section 552.021, requires the City to make public information available to the public. Under Government Code Section 552.002(a), public information means information that is collected, assembled or maintained under a law or ordinance or in connection with the transaction of official business: 1) by a governmental body; or 2) for a governmental body and the governmental body owns the information or has a right of access to it. Therefore, if City receives a request under the Public Information Act (i.e., ORR) for information within Center's possession pursuant to this Agreement, Center shall forward the requested documents to the City within two (2) business days of Center's designated liaison's receipt of the written request. If the requested information is confidential or may be kept confidential pursuant to state or federal law, the Center shall submit to City the list of specific statutory authority mandating and/or authorizing confidentiality no later than three (3) business days Center's designated liaison's receipt of such request. For the purposes of communicating and coordinating with regard to public information requests, all communications shall be made to the designated public information liaison for each Party. Each Party shall designate in writing to the other Party the public information liaison for its organization and notice of a change in the designated liaison shall be made promptly to the other Party. The parties shall cooperate with each other to preserve confidential information or records that may be excluded from disclosure under the Family Educational Rights and Privacy Act (FERPA) (20 U.S.C. § 1232g; 34 CFR Part 99) and/or the Texas Public Information Act; and the parties shall coordinate efforts to seek any required Attorney General decision for the protection of such information from release.

8.17 In accordance with Texas law, Center acknowledges and agrees that all local government records as defined in Chapter 201, Section 201.003 (8) of the Texas Local Government Code created or received in the transaction of official business or the creation or maintenance of which were paid for with public funds are declared to be public property and subject to the provisions of Chapter 201 of the Texas Local Government Code and Subchapter J, Chapter 441 of the Texas Government Code. Thus, Center agrees that no such local government records produced by or on the behalf of Center pursuant to this Agreement shall be the subject of any copyright or proprietary claim by Center; however Center shall be entitled to maintain the confidentiality of "educational records" as that term is understood under FERPA and to use such records for educational purposes.

With the exception of student records, Center acknowledges and agrees that all local government records, as described herein, produced in the course of the work required by this Agreement, are public information and shall be made available to the City at any time unless otherwise prohibited by law. The parties agree that educational records created pursuant to Section 1.1 shall be maintained and utilized by Center as required by law. Center further agrees to turn over to City all such records upon request, or termination of this Agreement, unless otherwise prohibited by law. Center agrees that it shall not, under any circumstances, release any records created during the course of performance of the Agreement to any entity without the written permission of the Director of the DHS, unless required to do so by a court of competent jurisdiction or the Texas Attorney General or his designee, or as may be required or permitted by Center due to the record being an "educational record" as that term is understood under FERPA. The DHS shall be notified of such request as set forth in Article VIII, Section 8.15 of this Agreement.

8.19 In the event that Center desires to copyright material or to permit any third-party to do so, Center must obtain City's prior written approval to do so and must appropriately acknowledge City's support in any such materials.

8.20 Subject to obligations to maintain confidentiality under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and the HIPAA Business Associate Agreement, attached hereto and incorporated herein for all purposes as **Attachment V,** and subject to the requirements of the Family Educational Rights and Privacy Act ("FERPA") and the limitations imposed under law regarding transfer of information, any and all writings, documents or information in whatsoever form and character produced by Center pursuant to the provisions of this Agreement is the exclusive property of City; and no such writing, document or information shall be the subject of any copyright or proprietary claim by Center. Center understands and acknowledges that as the exclusive owner of any and all such writings, documents and information, City has the right to use all such writings, documents and information as City desires, without restriction; subject, however to Center's continuing rights regarding "educational records" as that term is understood under FERPA. City agrees that it will not release to the public "educational records" that come into its possession unless otherwise authorized by law.

IX. INSURANCE

9.1 Prior to the commencement of any work under this Agreement, Center shall furnish copies of all required endorsements and completed Certificate(s) of Insurance to the City's Department of Human Services, which shall be clearly labeled "***Young Women's Christian Association of San Antonio, Texas- EHS-CCP***" in the Description of Operations block of the Certificate. The Certificate(s) shall be completed by an agent and signed by a person authorized by that insurer to bind coverage on its behalf. The City will not accept a Memorandum of Insurance or Binder as proof of insurance. The certificate(s) must have the agent's signature and phone number, and be mailed, with copies of all applicable endorsements, directly from the insurer's authorized representative to the City. The City shall have no duty to pay or perform under this Agreement until such certificate and endorsements have been received and approved by the City's Department of Human Services. No officer or employee, other than the City's Risk Manager, shall have authority to waive this requirement.

9.2 The City reserves the right to review the insurance requirements of this Article during the effective period of this Agreement and any extension or renewal hereof and to modify insurance coverages and their limits when deemed necessary and prudent by City's Risk Manager based upon changes in statutory law, court decisions, or circumstances surrounding this Agreement. In no instance will City allow modification whereby City may incur increased risk.

9.3 A Center's financial integrity is of interest to the City; therefore, subject to Center's right to maintain reasonable deductibles in such amounts as are approved by the City, Center shall obtain and maintain in full force and effect for the duration of this Agreement, and any extension hereof, at Center's sole expense, insurance coverage written on an occurrence basis, unless otherwise indicated, by companies authorized to do business in the State of Texas and with an A.M Best's rating of no less than A- (VII), in the following types and for an amount not less than the amount listed below:

TYPE	AMOUNTS
1. Workers' Compensation 2. Employers' Liability	Statutory $500,000/$500,000/$500,000
3. Broad form Commercial General Liability Insurance to include coverage for the following: a. Premises/Operations b. Independent Contractors c. Products/Completed Operations d. Personal Injury e. Contractual Liability f. Damage to property rented by you g. Sexual Abuse/Molestation	For Bodily Injury and Property Damage of $1,000,000 per occurrence; $2,000,000 General Aggregate, or its equivalent in Umbrella or Excess Liability Coverage f. $100,000
4. Business Automobile Liability a. Owned/leased vehicles b. Non-owned vehicles c. Hired Vehicles	Combined Single Limit for Bodily Injury and Property Damage of $1,000,000 per occurrence

9.4 Center agrees to require, by written contract, that all subcontractors providing goods or services hereunder obtain the same insurance coverages required of Center herein, and provide a certificate of insurance and endorsement that names the Center and the CITY as additional insureds. Respondent shall provide the CITY with said certificate and endorsement prior to the commencement of any work by the subcontractor. This provision may be modified by City's Risk Manager, without subsequent City Council approval, when deemed necessary and prudent, based upon changes in statutory law, court decisions, or circumstances surrounding this agreement. Such modification may be enacted by letter signed by City's Risk Manager, which shall become a part of the contract for all purposes.

9.5 As they apply to the limits required by the City, the City shall be entitled, upon request and without expense, to receive copies of the policies, declaration page, and all endorsements thereto and may require the deletion, revision, or modification of particular policy terms, conditions, limitations, or exclusions (except where policy provisions are established by law or regulation binding upon either of the parties hereto or the underwriter of any such policies). Center shall be required to comply with any such requests and shall submit a copy of the replacement certificate of insurance to City at the address provided below within 10 days of the requested change. Center shall pay any costs incurred resulting from said changes.

City of San Antonio
Attn: Department of Human Services
P.O. Box 839966
San Antonio, Texas 78283-3966

9.6 Center agrees that with respect to the above required insurance, all insurance policies are to contain or be endorsed to contain the following provisions:

- Name the City, its officers, officials, employees, volunteers, and elected representatives as additional insured by endorsement, as respects operations and activities of, or on behalf of, the named insured performed under contract with the City, with the exception of the workers' compensation and professional liability policies;

- Provide for an endorsement that the "other insurance" clause shall not apply to the City of San Antonio where the City is an additional insured shown on the policy;

- Workers' compensation, employers' liability, general liability and automobile liability policies will provide a waiver of subrogation in favor of the City.

- Provide advance written notice directly to City of any suspension, cancellation, non-renewal or material change in coverage, and not less than ten (10) calendar days advance notice for nonpayment of premium.

9.7 Within five (5) calendar days of a suspension, cancellation or non-renewal of coverage, Center shall provide a replacement Certificate of Insurance and applicable endorsements to City. City shall have the option to suspend Center's performance should there be a lapse in coverage at any time during this contract. Failure to provide and to maintain the required insurance shall constitute a material breach of this Agreement.

9.8 In addition to any other remedies the City may have upon Center's failure to provide and maintain any insurance or policy endorsements to the extent and within the time herein required, the City shall have the right to order Center to stop work hereunder, and/or withhold any payment(s) which become due to Center hereunder until Center demonstrates compliance with the requirements hereof.

9.9 Nothing herein contained shall be construed as limiting in any way the extent to which Center may be held responsible for payments of damages to persons or property resulting from Center's or its subcontractors' performance of the work covered under this Agreement.

9.10 It is agreed that Center's insurance shall be deemed primary and non-contributory with respect to any insurance or self insurance carried by the City of San Antonio for liability arising out of operations under this Agreement.

9.11 It is understood and agreed that the insurance required is in addition to and separate from any other obligation contained in this Agreement and that no claim or action by or on behalf of the City shall be limited to insurance coverage provided..

9.12 Center and any Subcontractors are responsible for all damage to their own equipment and/or property.

X. LIMITED LIABILITY

10.1 **CENTER covenants and agrees to FULLY INDEMNIFY, DEFEND and HOLD HARMLESS, the CITY and the elected officials, employees, officers, directors, volunteers and representatives of the CITY, individually and collectively, from and against any and all costs, claims, liens, damages, losses, expenses, fees, fines, penalties, proceedings, actions, demands, causes of action, liability and suits of any kind and nature, including but not limited to, personal or bodily injury, death and property damage, made upon the CITY directly or indirectly arising out of, resulting from or related to CENTER'S activities under this CONTRACT including any acts or omissions of CENTER, any agent, officer, director, representative, employee, consultant or subcontractor of CENTER, and their**

respective officers, agents employees, directors and representatives while in the exercise of the rights or performance of the duties under this CONTRACT. The indemnity provided for in this paragraph shall not apply to any liability resulting from the negligence of CITY, its officers or employees, in instances where such negligence causes personal injury, death, or property damage. IN THE EVENT CENTER AND CITY ARE FOUND JOINTLY LIABLE BY A COURT OF COMPETENT JURISDICTION, LIABILITY SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS FOR THE STATE OF TEXAS, WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO THE CITY UNDER TEXAS LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER TEXAS LAW.

10.2 The provisions of this INDEMNITY are solely for the benefit of the parties hereto and not intended to create or grant any rights, contractual or otherwise, to any other person or entity. Center shall advise the City in writing within 24 hours of any claim or demand against the City or Center known to Center related to or arising out of Center's activities under this Contract and shall see to the investigation and defense of such claim or demand at Center's cost. The City shall have the right, at its option and at its own expense, to participate in such defense without relieving Center of any of its obligations under this paragraph.

10.3 Defense Counsel - Center shall retain defense counsel within seven (7) business days of City's written notice that City is invoking its right to indemnification under this Contract. If Center fails to retain Counsel within such time period, City shall have the right to retain defense counsel on its own behalf, and Center shall reimburse City for all costs related to retaining defense counsel until such time as Center retains Counsel as required by this section. City shall also have the right, at its option, to be represented by advisory counsel of its own selection and at its own expense, without waiving the foregoing

10.4 Employee Litigation – In any and all claims against any party indemnified hereunder by any employee of Center, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the indemnification obligation herein provided shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for Center or any subcontractor under worker's compensation or other employee benefit acts.

XI. THIS ARTICLE INTENTIONALLY LEFT BLANK

XII. APPLICABLE LAWS

12.1 Center, and all of the work performed under this Agreement, shall comply with all applicable laws, rules, regulations and codes of the United States and the State of Texas and with the charter, ordinances, bond ordinances, and rules and regulations of the City of San Antonio and Bexar County. Center agrees to abide by any and all future amendments or additions to such laws, rules, regulations, policies and procedures as they may be promulgated. Center may request additional time to come into and demonstrate compliance, unless immediate compliance is required by the applicable Head Start regulations, the Head Start Act, or Public Information Act request requirements. Should the City need to abide by some other law, rule, regulation, policy or procedure, such requirement will be made known to Center upon consideration of Center's request for additional time.

12.2 The Center understands that certain funds provided it pursuant to this Agreement are funds which have been made available by the City's General Operating Budget and/or by Federal, State, or other granting entities. Center agrees to comply with all laws, ordinances, codes, rules, regulations, policies, and procedures, including licensing and accreditation standards applicable to the funds received by Center hereunder or as required in this Agreement, including but not limited to:

(A) The Head Start Act (42 U.S.C. §9801 *et seq*., as amended);

(B) 45 C.F.R. Part 1301 *et seq*.;

(C) The Terms of the Grant;

(D) As applicable, 45 C.F.R. Part 74, 45 C.F.R 75, 45 C.F.R 87 or 45 C.F.R. Part 92 (Grants Administration regulations);

(E) Texas Child Care Licensing laws; and

(F) The most recent Office of Management and Budget (OMB) Circular found at 2 C.F.R. Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards," as applicable to the funds received by Center hereunder, which streamlines:

a. OMB Circular A-21, entitled, "Cost Principles for Educational Institutions";
b. OMB Circular A-87, entitled, "Cost Principles for State, Local and Indian Tribal Governments";
c. OMB Circular A-102, entitled, "Grants and Cooperative Agreements with State and Local Governments";
d. OMB Circular A-110, entitled "Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations"
e. OMB Circular A-122, entitled, "Cost Principles for Non-Profit Organizations"; and
f. OMB Circular A-133, entitled, "Audits of States, Local Governments, and Not for Profit Organizations".

(G) Official record retention schedules as established by the Local Government Records Act of 1989

(H) The Texas Public Information Act, at Chapter 552, The Texas Government Code

12.3 Center agrees to:

(A) comply with applicable standards, orders, or regulations issued pursuant to the Clean Air Act of 1970 (42 U.S.C. §7401 *et. seq.)* and the Federal Water Pollution Control Act (33 U.S.C. §1251 *et seq.)*, as amended.

(B) make positive efforts to utilize small businesses, minority-owned firms and women's business enterprises in connection with the work performed hereunder, whenever possible.

(C) provide for the rights of the Federal Government in any invention resulting from the work performed hereunder, in accordance with 37 C.F.R. Part 401 and any applicable implementing regulations.

(D) include a provision requiring compliance with the Copeland "Anti-Kickback" Act (18 U.S.C. §874 and 40 U.S.C. §276c) and as supplemented by Department of Labor regulations at 29 C.F.R. Part 3, and implementing regulations in any contracts for construction or repair of more than $2,000.00.

(E) include a provision requiring compliance with the Davis-Bacon Act (40 U.S.C. §276a to a-7) and as supplemented by Department of Labor regulations at 29 C.F.R. Part 5, and implementing regulations in any construction contracts of more than $2,000.00.

(F) comply with the certification and disclosure requirements of the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352), and any applicable implementing regulations.

(G) comply with the applicable standards under the McKinney-Vento Homeless Assistance Act (42 U.S.C. §11434a(2)), and any applicable implementing regulations, as may be applicable.

(H) comply with the Contract Work Hours and Safety Standards Act, (40 USC 327-333, Sections 102 and 107), relating to all construction contracts in excess of $2,000.00 that involve the employment of laborers, as it relates to computing wages on the basis of a standard 40 hour work week.

(I) comply with the prohibitions contained in the Pro-Children Act of 1994, relating to not permitting smoking within any indoor facility (or portion thereof) owned or leased or contracted for by Center for the provision of regular or routine health care or day care or early childhood development (Head Start) services to children or for the use of the employees of the City or Center who provide such services.

12.4 Center certifies that it will provide a drug-free workplace in compliance with the Drug-Free Workplace Act of 1988 and the Drug-Free Workplace Rules established by the Texas Worker's Compensation Commission effective April 17, 1991. Failure to comply with the above-referenced law and regulations could subject the Center to suspension of payments, termination of Agreement, and debarment and suspension actions.

12.5 Center shall comply with all federal, State, or local laws, rules, and orders prohibiting discrimination, and shall not engage in employment practices which have the effect of discriminating against any employee or applicant for employment, and will take affirmative steps to ensure that applicants are employed and employees are treated during employment without regard to their race, color, religion, national origin, sex, sexual orientation, gender identity, veteran status, age, disability, or political belief or affiliation, unless exempted by state or federal law, or as otherwise established herein. Consistent with the foregoing, Center agrees to comply with Executive Order 11246, entitled "Equal Employment Opportunity", as amended by Executive Order 11375, and as supplemented by regulations at 41 C.F.R. Part 60. Additionally, Center certifies that it will comply fully with the following nondiscrimination, minimum wage and equal opportunity provisions, including but not limited to:

(A) Title VII of the Civil Rights Act of 1964, as amended;
(B) Section 504 of the Rehabilitation Act of 1973, as amended;
(C) The Age Discrimination Act of 1975, as amended;
(D) Title IX of the Education Amendments of 1972, as amended; (Title 20 USC sections 1681-1688);
(E) Fair Labor Standards Act of 1938, as amended;
(F) Equal Pay Act of 1963, P.L. 88-38; and
(G) All applicable regulations implementing the above laws.

12.6 The Center warrants that any and all taxes that the Center may be obligated for, including but not limited to, Federal, State, and local taxes, fees, special assessments, Federal and State payroll and income taxes, personal property, real estate, sales and franchise taxes, are current, and paid to the fullest extent liable as of the execution date of the Agreement. The Center shall comply with all applicable local, State, and Federal laws including, but not limited to, related to:

(A) worker's compensation;
(B) unemployment insurance;
(C) timely deposits of payroll deductions;
(D) filing of Information on Tax Return form 990 or 990T, Quarterly Tax Return Form 941, W-2's Form 1099 on individuals who received compensation other than wages, such as car allowance, Forms 1099 and 1096 for contract or consultant work, non-employee compensation, etc;
(E) Occupational Safety and Health Act regulations; and
(F) Employee Retirement Income Security Act of 1974, P.L. 93-406.

12.7 Center agrees to comply with the Americans with Disabilities Act P.L. 101-336, enacted July 26, 1990, and all regulations thereunder.

12.8 All expenditures by the Center or any of its contractors must be made in accordance with all applicable federal, state and local laws, rules and regulations.

12.9 If applicable, Center shall submit to the DHS its most recent form 990 or 990T and also submit any that are filed with the Internal Revenue Service subsequent to its last submission to the City if filed during the term of the Agreement.

XIII. NO SOLICITATION/CONFLICT OF INTEREST

13.1 Center acknowledges that no person or selling agency or other organization has been employed or retained to solicit or secure this Agreement upon a contract or understanding for a commission, percentage, brokerage, or contingent fee and further that no such understanding or agreement exists or has existed with any employee of the Center or the City. For breach or violation of this section, the City shall have the right to terminate this Agreement without liability or, at its discretion, to deduct from the Agreement or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee, or to seek such other remedies as legally may be available.

13.2 Center covenants that neither it nor any member of its governing body or of its staff presently has any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. Center further covenants that in the performance of this Agreement, no persons having such interest shall be employed or appointed as a member of its governing body or of its staff.

13.3 Center further covenants that no member of its governing body or of its staff shall possess any interest in, or use their position for, a purpose that is or gives the appearance of being motivated by desire for private gain for themselves or others, particularly those with which they have family, business, or other ties.

13.4 No member of City's governing body or of its staff who exercises any function or responsibility in the review or approval of the undertaking or carrying out of this Agreement shall:

(A) Participate in any decision relating to this Agreement which may affect his or her personal interest or the interest of any corporation, partnership, or association in which he or she has a direct or indirect interest; or
(B) Have any direct or indirect interest in this Agreement or the proceeds thereof.

13.5 Center acknowledges that it is informed that Charter of the City of San Antonio and its Ethics Code prohibit a City officer or employee, as those terms are defined in Section 2-52 of the Ethics Code, from having a financial interest in any contract with the City or any City agency such as City owned utilities. An officer or employee has "prohibited financial interest" in a contract with the City or in the sale to the City of land, materials, supplies or service, if any of the following individual(s) or entities is a party to the contract or sale: A City officer or employee; his parent, child or spouse; a business entity in which the officer or employee, or his parent, child or spouse owns ten (10) percent or more of the voting stock or shares of the business entity, or ten (10) percent or more of the fair market value of the business entity; a business entity in which any individual or entity above listed is a subcontractor on a City contract, a partner or a parent or subsidiary business entity.

13.6 Center warrants and certifies, and this Agreement is made in reliance thereon, that neither the Center nor his or her spouse, parent, child, sibling or first-degree relative is a City officer or employee as defined by Section 2-52 (e) of the City Ethics Code. If Center is a business entity, the Center representative further warrants and certifies that no City officer or employee nor any spouse, parent, child, sibling of first-degree relative of a City officer or employee owns ten (10) percent or more of the voting stock or shares of the business entity, or ten (10) percent or more of the fair market value of the business entity). Center further warrants and certifies that is has tendered to the City a Discretionary Contracts Disclosure Statement in compliance with the City's Ethics Code.

XIV. TERMINATION

14.1 Should the Center fail to fulfill, in a timely and proper manner, obligations under this Agreement to include performance standards established by the City, or if the Center should violate any of the covenants, conditions, or stipulations of the Agreement, the City shall have the right to terminate this Agreement by sending written notice to the Center of such termination, and specifying the effective date of termination.

14.2 The Center shall be entitled to receive just and equitable compensation for any work satisfactorily completed prior to such termination date. The question of satisfactory completion of such work shall be reasonably determined by the City, and its decision shall be final. To the extent that compliance with an Agreement matter falls under HHS authority to review, or in the event that a dispute arises with regard to interpretation of regulations or law as it applies to this Agreement, Center may request that the City secure, and the City shall request an interpretation or opinion from HHS in order to assist in resolution of the dispute. It is further expressly understood and agreed by the Parties that Center's performance upon which final payment is conditioned shall include, but not be limited to, the Center's complete and satisfactory performance, of its obligations for which final payment is sought.

14.3 Notwithstanding any other remedy contained herein or provided by law, the City may delay, suspend, limit, or cancel funds, rights or privileges herein given the Center for failure to comply with the terms and provisions of this Agreement. Specifically, at the sole option of the City, the Center may be placed on probation during which time the City may withhold reimbursements in cases where it determines that the Center is not in compliance with this Agreement. The Center shall not be relieved of liability to the City for damages sustained by the City by virtue of any breach of this Agreement, and the City may withhold funds otherwise due as damages, in addition to retaining and utilizing any other remedies available to City.

14.4 If a Program employee of Center is discharged or otherwise leaves employment with Center, then the Center shall pay in full to such employee all of such employee's earned salaries and wages, within the timeframe specified by law.

14.5 Should the Center be debarred by federal government or the City pursuant to a debarment policy currently existing or hereafter adopted, said debarment may be grounds for termination.

14.6 This Agreement is subject to the availability of federal grant funds to City and may be terminated by the City if HHS terminates the City as a grantee or reduces the amount granted to City, for any reason; provided that, if the reduction of grant funds does not result in complete unavailability of such funds, the Parties will use best efforts to amend this Agreement accordingly. City will promptly notify Center of any such HHS action.

14.7 In all instances of termination, Center shall not incur new obligations after the effective date of termination, and shall cancel as many outstanding obligations as possible. Center shall submit to City all required reports including a final financial statement which shall be a statement of all expenditures incurred by Center under this Agreement. City shall pay Center the full cost of obligations that City determines were not subject to cancellation if such costs are properly documented, allowable, within the approved budget, and unavoidably incurred by Center prior to termination or expiration. The foregoing shall constitute full and complete reimbursement for all of Center's performance under this Agreement.

XV. PROHIBITION OF POLITICAL ACTIVITIES

15.1 Center agrees that no funds provided from or through the City shall be contributed or used to conduct political activities for the benefit of any candidate for elective public office, political party, organization or cause, whether partisan or non-partisan, nor shall the personnel involved in the administration of the Project provided for in this Agreement be assigned to work for or on behalf of any partisan or non-partisan political activity.

15.2 Center agrees that no funds provided under this Agreement may be used in any way to attempt to influence, in any manner, a member of Congress or any other State or local elected or appointed official.

15.3 The prohibitions set forth in Article XV, Sections 15.1 and 15.2 of this Agreement include, but are not limited to, the following:

(A) an activity to further the election or defeat of any candidate for public office or for any activity undertaken to influence the passage, defeat or final content of local, state or federal legislation;

(B) working or directing other personnel to work on any political activity during time paid for with City funds, including, but not limited to activities such as taking part in voter registration drives, voter transportation activities, lobbying, collecting contributions, making speeches, organizing or assisting at meetings or rallies, or distributing political literature;

(C) coercing personnel, whether directly or indirectly, to work on political activities on their personal time, including activities such as taking part in voter registration drives, voter transportation activities, lobbying, collecting contributions, making speeches, organizing or assisting at meetings or rallies, or distributing political literature; and

(D) using facilities or equipment paid for, in whole or in part with City funds for political purposes including physical facilities such as office space, office equipment or supplies, such as telephones, computers, fax machines, during and after regular business hours.

15.4 To ensure that the above policies are complied with, Center shall provide every member of its personnel paid out of Agreement funds with a statement provided by Center of the above prohibitions and have each said individual sign a statement acknowledging receipt of the policy. Such statement shall include a paragraph that directs any staff person who has knowledge of violations or feels that he or she has been pressured to violate the above policies to call and report the same to the DHS. Center shall list the name and number of a contact person from the DHS on the statement that Center's personnel can call to report said violations.

15.5 Center agrees that in any instance where an investigation of the above is ongoing or has been confirmed based upon then current reasonable evidence of impropriety, salaries paid to the Center under this Agreement may, at the City's discretion, be withheld until the situation is resolved.

15.6 This Article shall not be construed to prohibit any person from exercising his or her right to express his or her opinion or to limit any individual's right to vote. Further, Center and staff members are not prohibited from participating in political activities on their own volition, if done during time not paid for with Agreement funds.

XVI. PERSONNEL

16.1 Center shall establish and maintain an organizational structure that supports the accomplishment of Program objectives, addresses the major functions and responsibilities assigned to each staff position and provides evidence of adequate mechanisms for staff supervision and support to ensure the effective oversight of the Program operations. Center shall ensure that, at a minimum, the program management functions listed in the Scope of Work are assigned to and adopted by staff within the Program.

16.2 Center acknowledges and agrees that Head Start guidelines and City policy require that Center shall staff each Early Head Start classroom at ratios of one qualified Early Head Start Teacher for every 4 children with group sizes of no more than 8 at all times., Center shall staff each classroom with a volunteer in addition to the paid staff persons when possible. Additionally, Center will have adequate staff to fully

implement all areas of program operations, including those having the specific management functions and expertise set forth in the Scope of Work.

16.3 At the beginning of this Agreement period, Center shall submit to City a report which specifically (a) lists the number and percentage of classroom personnel in its center based program having child development associate credentials or associate, baccalaureate or advanced degrees; and (b) describes to City Center's compliance with the goals described in Sections 16.3, 16.4 and 16.5 of this Agreement.

16.4 Center understands that the Head Start Act requires that grantees and their contractors, if any, ensure, and demonstrate, upon request, that all of the teachers staffing its Early Head Start center-based program classrooms have a minimum of a child development associate credential, and have been trained (or have equivalent coursework) in early childhood development with a focus on infant and toddler development. Center agrees that during the term of this Agreement, Center will only employ teachers meeting the necessary qualifications.

16.5 Center agrees and acknowledges that each of its Early Head Start teachers shall attend not less than 15 clock hours of professional development per Center fiscal year. The term "professional development" means high-quality activities that will improve the knowledge and skills of Early Head Start teachers and staff, as relevant to their roles and functions, in program administration and the provision of services and instruction, as appropriate, in a manner that has a positive and lasting impact and improves service delivery to enrolled children and their families.

16.6 Center understands that the Head Start Act requires grantees and their contractors, if any, ensure and demonstrate upon request that all Head Start staff have the knowledge, skills, and experience they need to perform their assigned functions responsibly. Therefore, at a minimum, Center agrees that all Program site directors, site managers and other administrators must have education and/or training in the area of early childhood education and family support. Center will only employ Program directors, site managers and administrators meeting the necessary qualifications of Head Start and state licensing.

16.7 Center shall create, in consultation with each of its employees, and implement a professional development plan for all Program employees who provide direct services to children. Center shall regularly evaluate such plans to determine their impact on teacher and staff effectiveness.

16.8 Center understands that the City shall periodically perform its own wage and salary comparison and shall issue such results to Center. Center understands and agrees that City shall have no obligation to reimburse Center in excess of wages to an employee that exceed the average rate of compensation paid to persons providing substantially comparable services in the area. Although the City may consider factors such as training and experience as affecting compensation levels, the City shall have the sole and absolute authority to determine the rate of City's reimbursement under the Agreement and its decision shall be final due to the City's obligation of ensuring that wage comparability studies meet the requirements of the Head Start Act and implementing regulations. Subject to the restriction set forth in 16.10, Center may compensate its employees above the rate the City will reimburse, so long as the additional compensation is not charged to the Agreement budget.

16.9 Center expressly understands and agrees that in accordance with 42 U.S.C. §9848, no portion of the Agreement funds provided hereunder may be used to pay its employee if compensation (including non-federal funds) to that employee exceeds $183,300.00, or the maximum authorized compensation as may be adjusted from time to time. Furthermore, Center agrees that all employees must devote to Center's Program the time proportionate to the percentage of their compensation funded through the EHS-CCP grant (e.g., employees who are one hundred percent (100%) funded through the Grant must devote one hundred percent (100%) of their time and effort to support Center's Program). Center agrees to submit employee certifications if requested by the City or HHS.

16.10 Center agrees to establish internal procedures that assure employees of an established complaint and grievance process. The grievance process will include procedures to receive, investigate, and resolve complaints and grievances in an expeditious manner.

16.11 Center agrees to comply with all applicable federal regulations regarding the setting of, and maximum amount allowable for, salaries of Center's employees.

16.12 Center agrees to continue to work on placing written job descriptions for Program personnel in individual personnel folders for each position in the organization, or to have them placed online, until completed, but that all descriptions shall be filed or online no later than the expiration date of the Agreement. Center agrees to provide to the City specific job description(s) upon request.

16.13 Center agrees to provide the City with the names and license registration of Center and any employees of Center if applicable, regulated by State law whose activities contribute towards, facilitate, or coordinate the performance of this Agreement.

16.14 Chief Executive Officers (CEOs), directors and other supervisory personnel of Center may not supervise a spouse, parents, children, brothers, sisters, and in-laws standing in the same relationship, (hereinafter referred to as "Relatives") who are involved in any capacity with program delivery supported through Agreement funds. Relatives, however, may be co-workers in the same Project in a non-supervisory position.

XVII. ADVERSARIAL PROCEEDINGS

17.1 Except in circumstances where the following is in conflict with federal law or regulations pertaining to the Program, Center agrees to comply with the following special provisions:

(A) Under no circumstances will the funds received under this Agreement be used, either directly or indirectly, to pay costs or attorney fees incurred in any adversarial proceeding against the City or any other public entity; and
(B) Center, at the City's option, could be ineligible for consideration to receive any future funding while any adversarial proceeding against the City remains unresolved.

XVIII. FEDERAL AND CITY-SUPPORTED PROJECT

18.1 This Section is applicable to all EHS-CCP publicity, public presentations, signs, press releases, public notices, flyers, brochures, marketing materials, and other informational material prepared, created, posted and/or disseminated during the term of the Agreement by Center. Center shall obtain City's prior approval of the language and logo, as applicable, to be used, and the Parties agree that all publicity regarding the establishment or operation of the EHS-CCP Program affiliation between City and Center described herein shall be planned and implemented as mutually agreed to in advance by the Parties. Center agrees that all public notices and any publicity, signs and/or marketing materials regarding any program which is funded by this Agreement shall provide a written statement acknowledging the role of the Federal funds provided by HHS through City hereunder, which shall read as follows: "The Early Head Start - Child Care Program services provided by the **Young Women's Christian Association of San Antonio, Texas** are funded by the City of San Antonio, Department of Human Services, through a federal grant received from the U.S. Department of Health and Human Services." These public notices or signs include, but are not limited to, signs identifying the facilities from which these programs are provided, and electronic media. In addition, all publicity related to Center's Program services shall note that the Program is operated on a non-discriminatory basis.

XIX. PROPERTY, EQUIPMENT AND SUPPLIES

19.1 The City retains ownership of all equipment/property purchased with funds received through the City and such equipment/property shall, at the City's sole option, revert to the City at Agreement's termination, for whatever reason. Center agrees to relinquish and transfer possession of and, if applicable, title to said property without the requirement of a court order upon termination of this Agreement. Equipment that has

reverted to Center through a City-paid lease agreement with option to buy will be considered the same as though the equipment was purchased outright with Agreement funds. It is understood that the terms, "equipment" and "property", as used herein, means tangible, nonexpendable, personal property having a useful life of more than one year and an acquisition cost of $5,000 or more per unit and shall include not only furniture and other durable property, but also vehicles, but shall not include supplies and consumables.

19.2 Center agrees that no equipment purchased with Agreement funds may be disposed of without receiving prior written approval from the DHS. In cases of theft and/or loss of equipment, it is the responsibility of Center to replace it with like equipment. Agreement funds cannot be used to replace equipment in those instances. All replacement equipment will be treated in the same manner as equipment purchased with Agreement funds.

19.3 Center shall maintain accurate and complete records on all equipment and property obtained with Agreement funds to include:
(A) A description of the equipment, including the model and serial number or other identification number, if applicable;
(B) The date of acquisition, cost and procurement source, purchase order number, and vendor number;
(C) An indication of whether the equipment is new or used;
(D) The vendor's name (or transferred from);
(E) The location of the property;
(F) The property number shown on the property tag; ("City of San Antonio Head Start Program"); and
(G) A list of disposed items and disposition

19.4 Center is fully and solely responsible for the insuring, safeguarding, maintaining, and reporting of lost, stolen, missing, damaged, or destroyed equipment/property purchased or leased with Agreement funds. Center shall inform the City of incidents of loss, theft, damage or destruction of equipment (as defined in 19.1 above) or property, excluding supplies and consumables, purchased or leased with Agreement funds.

19.5 All equipment purchased under this Agreement shall be fully insured against fire, loss and theft. Center shall, at a minimum, provide the equivalent insurance for real property and equipment acquired with Agreement funds as provided to other property acquired or owned by Center.

19.6 Upon request, Center shall provide an annual inventory of assets purchased with funds received through the City to the DHS.

19.7 Center shall fully comply with the property and equipment requirements of 45 C.F.R Part 74, including but not limited to Sections 74.30 through 74.37, and 45 C.F.R. Part 92, as applicable, related to the following:
(A) Insurance Coverage
(B) Real Property
(C) Federally-owned and exempt property
(D) Equipment
(E) Supplies
(F) Intangible property
(G) Property trust relationship

19.8 Relative to property, equipment and supplies purchased with Head Start grant funds, Center shall route all written correspondence to HHS through the DHS for review, endorsement and processing. For equipment purchases in the amount of $25,000.00 or greater or cumulative purchases in the amount of $100,000.00 or greater, Center shall obtain prior approval from the DHS. Center shall not split the purchase of a line item with a value greater than the preceding thresholds in order to avoid obtaining approval from the DHS.

19.9 Center will maintain a system for tracking, on an ongoing basis, inventory of equipment and supplies purchased with Grant funds that either (i) has a purchase price of $5,000.00 or greater; or (ii) meets such other criteria as City may prescribe (and which City shall notify Center as appropriate). Upon request,

Center will provide City a status report of the current inventory of equipment and supplies meeting these requirements. City shall have the right to review and approve Center's inventory tracking system.

19.10 City reserves the right to require transfer of property acquired with funds awarded under this Agreement as provided in the Head Start regulations, as applicable.

19.11 Center acknowledges and agrees that City is an intended third-party beneficiary of any and all facility leases with third-parties to which Center is or becomes a party in connection with the approved Program sites listed in Exhibit I-A to **Attachment I**, or as a consequence of this Agreement. As such, Center shall use its best efforts to cause the lessor of any such lease to execute an acknowledgment prepared by City that City is an intended third-party beneficiary of such lease. Center shall honor all of its material obligations under any and all such leases. Center shall stay in good standing under any and all such leases and Center shall immediately notify City in writing in the event of any breach or alleged breach of any such lease that could result in the termination of such lease. Center shall submit to City for review and approval all non-disturbance, subordination and similar agreements it is requested to execute in connection with any such lease. In the event of an event giving rise to a right of first refusal in favor of Center under any such lease, Center shall promptly notify City of such event and allow City to step into Center's shoes at tenant under such lease in order to exercise such right.

XX. TRAVEL

20.1 The costs associated with budgeted travel for business, either in-town or out-of-town, are allowable costs provided documentation of expenses is present.

(A) Center agrees that mileage reimbursement paid to Center's employees shall be reimbursed at a rate no more liberal than the City's policy for mileage reimbursement, which is consistent with Internal Revenue Service (IRS) rules. Center further agrees that in order for its employees to be eligible for mileage reimbursement, the employees 1) shall be required to possess a valid Texas Driver's License and liability insurance as required by law, and 2) must fully comply with its own established mileage recording policies. Mileage records are subject to spot-checks by City auditors and monitors. Center shall strongly encourage the participation by its employees in an approved defensive driving course. Evidence of the required driver's license and liability insurance must be kept on file with the Center.

(B) Center agrees that in order to obtain reimbursement of the costs associated with budgeted out of town travel for business in connection with this Agreement, Center shall:

1) obtain City's prior approval, unless such expense has been previously submitted and approved as part of Center's budget, and provide City with detailed documentation of such business travel expense(s), (any amount over approved budgeted amounts must be pre-approved by City or such overage will not be paid),
2) ensure that any and all costs associated with out-of-town travel (including per diem rates) shall not be more liberal than the City's travel policies which conform with the reimbursement rates established by the United States General Services Administration,
3) purchase all business travel at economy class rates and shall document such, and
4) maintain supporting documentation for conferences to include itineraries and documentation certifying conference attendance and provide such documentation to City upon request.

XXI. NO USE OF FUNDS FOR RELIGIOUS ACTIVITIES

21.1 Center agrees that none of the performance rendered hereunder shall involve, and no portion of the funds received hereunder shall be used, directly or indirectly, for the construction, operations, maintenance or administration of any sectarian or religious facility or activity, nor shall said performance rendered or funds received be utilized so as to benefit, directly or indirectly, any such sectarian or religious facility or activity.

XXII. DEBARMENT

22.1 Center certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in any state or federal program.

22.2 Center shall provide immediate written notice to City, in accordance with the notice requirements of Article XXVI herein, if, at any time during the term of the Agreement, including any renewals hereof, Center learns that its certification was erroneous when made or have become erroneous by reason of changed circumstances.

XXIII. ASSIGNMENT

23.1 Center shall not assign or transfer Center's interest in this Agreement or any portion thereof without the written consent of the City, and if applicable, the Grantor of the Grant Funds. Any attempt to transfer, pledge or otherwise assign shall be void ab initio and shall confer no rights upon any third person or party.

XXIV. AMENDMENT

24.1 Any alterations, additions or deletions to the terms hereof shall be by amendment in writing executed by both City and Center and evidenced by passage of a subsequent City ordinance, as to City's approval; provided, however, the Director of the DHS shall have the authority to execute an amendment of this Agreement without the necessity of seeking any further approval by the City Council of the City of San Antonio if permitted by all applicable local, state and federal laws, and in the following circumstances:

A. an increase in funding (the cause of which is unrelated to the reason set forth in Section 24.1(E) below) of this Agreement in an amount not exceeding (a) twenty-five percent (25%) of the total amount of this Agreement or (b) $25,000.00, whichever is the lesser amount; provided, however, that the cumulative total of all amendments executed without City Council approval pursuant to this subsection and increasing Agreement funding during the term of this Agreement shall not exceed the foregoing amount;

B. modifications to the Scope of Work set forth in **Attachment I** hereto, so long as the terms of the amendment stay within the substantive parameters set forth in the original Scope of Work, also set forth in **Attachment I** hereto;

C. budget line item shifts of funds, so long as the total dollar amount of the budget set forth in Section 3.1 of this Agreement remains unchanged (these modifications may be accomplished through Budget Revisions);

D. modifications to the insurance provisions described in Article IX of this Agreement that receive the prior written approval of the City of San Antonio's Risk Manager and the Director of the DHS.

E. decreases (and increases if the City agrees to allocate additional enrollment slots to Center) in Agreement funding based upon Program enrollment levels, and modifications to Agreement terms related to enrollment; provided, however, that the cumulative total of all EHS-CCP Program contracts, as amended, shall not exceed the City's total budget for the EHS-CCP Grant budget for the applicable grant year. Center shall execute any and all amendments to this Agreement that are required as a result of a modification made pursuant to this Section 24.1(E).

24.2 Center further agrees that except when the terms of this Agreement expressly provide otherwise, any alterations, additions or deletions to the terms hereof shall be by amendment in writing and approved by HHS.

XXV. SUBCONTRACTING

25.1 None of the work or services covered by this Agreement shall be sub-contracted without the prior written consent of the City and the Grantor of the Grant Funds, if so required by Grantor. If allowed,

subcontracting methods must meet City requirements; subcontractor compliance with this Agreemtent must be the responsibility of the Center to monitor.

XXVI. OFFICIAL COMMUNICATIONS

26.1 Except where the terms of this Agreement expressly provide otherwise, any communication required under this Agreement shall be in writing and deemed valid when delivered personally (with receipt acknowledged), or three (3) days after depositing in the U.S. mail, first class, with proper postage prepaid, or upon receipt if sending by certified mail, return receipt requested, or upon receipt when sent by a commercial courier service (such as Federal Express or DHL Worldwide Express) for expedited delivery to be confirmed in writing by such courier, at the addresses set forth below or to such other address as either Party may from time to time designate in writing.

City:	Center:
Director	Young Women's Christian Association of San Antonio, Texas
Department of Human Services	314 N. Hackberry Ste.101
106 S. St. Mary's Street, Suite 700	San Antonio, Texas 78202
San Antonio, TX 78205	

Notices of changes of address by either Party must be made in writing delivered to the other Party's last known address within five (5) business days of the change.

XXVII. VENUE

27.1 Center and City agree that this Agreement shall be governed by and construed in accordance with the laws of the State of Texas. Any action or proceeding brought to enforce the terms of this Agreement or adjudicate any dispute arising out of this Agreement shall be bought in a court of competent jurisdiction in San Antonio, Bexar County, Texas.

XXVIII. GENDER

28.1 Words of any gender used in this Agreement shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires.

XXIX. REPRESENTATIONS AND OTHER OBLIGATIONS

29.1 The signer of this Agreement for Center represents, warrants, assures and guarantees that (s)he has full legal authority to execute this Agreement on behalf of Center and to bind Center to all of the terms, conditions, provisions and obligations herein contained. Whether a non-profit or public entity, Center must be authorized to do business in the State of Texas and be formed under and operating in accordance with all applicable laws of the State of Texas. Upon request by the City, Center shall provide DHS verification of the foregoing requirements.

29.2 In the event that circumstances arise which might result in interference with Center's ability to provide the services which are the subject of this Agreement, Center agrees to inform City of those circumstances immediately upon their discovery. Center agrees that reimbursement to Center, upon reasonable notice, may be suspended by City until such financial circumstances giving rise to the possible interference with the operation of the Program have been eliminated, provided, however, that authorized expenditures made prior to the suspension, and approved by City shall be disbursed pursuant to the terms of this Agreement.

XXX. LICENSES AND TRAINING

30.1 Center warrants and certifies that Center, and Center's employees and its (sub)contractors have the requisite training, license or certification to provide said services, and meet all competence standards promulgated by all other authoritative bodies, as applicable to the services provided herein.

XXXI. INDEPENDENT CONTRACTOR

31.1 It is expressly understood and agreed that the Center is and shall be deemed to be an independent contractor, responsible for its respective acts or omissions and that the City shall in no way be responsible therefor, and that neither Party hereto has authority to bind the other nor to hold out to third parties that it has the authority to bind the other.

31.2 Nothing contained herein shall be deemed or construed by the parties hereto or by any third party as creating the relationship of employer-employee, principal-agent, partners, joint venture, or any other similar such relationship, between the Parties hereto.

31.3 Any and all of the employees of the Center, wherever located, while engaged in the performance of any work required by the City under this Agreement shall be considered employees of Center only, and not of the City, and any and all claims that may arise from the Workers' Compensation Act on behalf of said employees while so engaged shall be the sole obligation and responsibility of the Center.

XXXII. SEVERABILITY

32.1 If any clause or provision of this Agreement is held invalid, illegal or unenforceable under present or future federal, state or local laws, including but not limited to the City Charter, City Code, or ordinances of City, then and in that event it is the intention of the Parties hereto that such invalidity, illegality or unenforceability shall not affect any other clause or provision hereof and that the remainder of this Agreement shall be construed as if such invalid, illegal or unenforceable clause or provision was never contained herein; it is also the intention of the Parties hereto that in lieu of each clause or provision of this Agreement that is invalid, illegal or unenforceable, there be added as a part of this Agreement a clause or provision as similar in terms to such invalid, illegal or unenforceable clause or provision as may be possible, legal, valid and enforceable.

XXXIII. NON-WAIVER OF PERFORMANCE

33.1 No waiver by City of a breach of any of the terms, conditions, covenants or guarantees of this Agreement shall be construed or held to be a waiver of any succeeding or preceding breach of the same or any other term, condition, covenant or guarantee herein contained. Further, any failure of City to insist in any one or more cases upon the strict performance of any of the covenants of this Agreement, or to exercise any option herein contained, shall in no event be construed as a waiver or relinquishment for the future of such covenant or option.

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XXXV. ENTIRE AGREEMENT

35.1 This Agreement and its attachments, if any, constitute the entire and integrated Agreement between the Parties hereto and contain all of the terms and conditions agreed upon, and supersede all prior negotiations, representations, or agreements, either oral or written. No such other negotiations or representations may be enforced by either Party nor may they be employed for interpretation purposes in any dispute involving this Agreement.

This Agreement has been executed as of the date of the last party to sign below, the _____ day of _____, 2015 and is effective for the term hereof.

CITY OF SAN ANTONIO:

_____
Melody Woosley, Director
Department of Human Services

CENTER:
Young Women's Christian Association of San Antonio, Texas

_____
Alma Smith, Chief Executive Officer

APPROVED AS TO FORM:

_____
Assistant City Attorney

ATTACHMENTS

Attachment I – Scope of Work
Attachment II – Program Budget
Attachment III – Special Provisions
Attachment IV – HHS Award Document
Attachment V – HIPAA Business Associate Agreement

ATTACHMENT I

SCOPE OF WORK

1. Summary

The Center ("Contractor") shall work with Grantee to ensure full enrollment and shall serve the number of income and age eligible children as indicated below, and perform Early Head Start services in accordance with the Head Start Performance Standards and the terms of this Contract. The Contractor will operate full day classroom(s) (minimum of 10 hours a day) at the City approved sites for a minimum of 240 days of planned class operations for the Early Head Start – Child Care Partnership grant period.

Number of children in full day care on the first day of the program:	24
Minimum number of children with disabilities:	(10% of the number of children in care)
Service Area:	Children who reside in San Antonio and are served in the San Antonio and Edgewood Independent School Districts

2. Enrollment, Recruitment, Selection, Eligibility and Attendance (ERSEA)

A. To achieve and maintain full enrollment, Contractor must ensure that once it and the Grantee determines that a vacancy exists, no more than 30 calendar days may elapse before the vacancy is filled. Contractor will work with the City in its efforts to fill all vacancies within 30 calendar days.

B. Contractor will work with Grantee staff in developing, at the beginning of each enrollment year, and maintain during the year, a waiting list that ranks children according to the program's selection criteria and ERSEA policies. If Contractor is under enrolled and does not have a waiting list City shall have the right to temporarily move enrollment slots, in coordination with the Contractor and as a last resort, to maintain compliance with Federal enrollment standards.

C. In accordance with the Head Start Act, Contractor shall work collaboratively with Grantee to ensure that a minimum of 10% of the children enrolled in Contractor's Program are children with disabilities who are determined to be eligible for special education and related services. This 10% requirement must be met by mid-point of the program year, as determined by the City.

D. Contractor agrees that when the monthly average daily attendance rate in a center-based program falls below 85 percent, Contractor shall collaborate with the City in the provision of absentee services in accordance with §1305.8 of the Head Start Performance standards. The City will lead absentee services to include analyzing the cause of absenteeism and the provision of additional support, which may include, but is not limited to, face-to-face meeting(s) with the family and other direct contact with the child's parents. Contractor shall establish procedures for the removal of children from the program due to the lack of attendance in accordance with the City's policies.

3. Program Services

A. Contractor shall provide Early Head Start Program Services (hereinafter defined) to eligible children in the Service Area. Such services shall be provided to eligible children within Contractor's Service Area(s) without regard to age, race, color, religion, national origin, sex, sexual orientation, gender identity, or disability. Any proposal to extend or modify the Service Area(s) or the sites at which services are to be delivered shall be formally submitted in writing to City for approval.

B. Contractor shall provide direct (i) Education and Early Childhood Development Services; (ii) Child Nutrition Services.; (iii) Safe and Healthy Environments; and (iv) Transportation Services in coordination

with the City. The Contractor also agrees that it shall collaborate with the City's efforts to ensure the provision of Family and Community Support Services, Child Mental Health, Medical Health Services and Dental (Oral) Health Services, to meet the needs of the children and families served by Contractor's Program ("Early Head Start Program Services"). Contractor agrees that, notwithstanding the fact that another Early Head Start service provider under the City of San Antonio Head Start program may be contracted to provide a category of service. Contractor, under the leadership of its Early Head Start Program Director will be responsible for coordinating with Early Head Start service providers and working with the City to ensure provision of full array of services to which the children are entitled under the Terms of the Grant. Contractor shall also coordinate with Independent School Districts, health service providers and agencies in the community in order to provide comprehensive services to the children and families served by the Program and to leverage community resources

C. Contractor shall establish and maintain an organizational structure that supports the accomplishment of Program objectives, addresses the major functions and responsibilities assigned to each staff position and provides evidence of adequate mechanisms for staff supervision and support to ensure the effective oversight of the Early Head Start program operations. Contractor shall ensure that, at a minimum, the following program management functions are assigned to and adopted by staff within the Program:

(i) Program management must be assigned to an individual serving in the role of the Early Head Start Director. This individual must have demonstrated skills and abilities in a management capacity relevant to human services program management and must have ultimate responsibility for ensuring the children enrolled in Contractor's Early Head Start program are provided (by Contractor or a collaborating Early Head Start service provider) the full array of services to which the children are entitled under the Terms of the Grant.

(ii) Management of education and early childhood development must be assigned to an individual serving in the role of a Center Director. This individual must have training and experience in areas that include theories and principles of child growth and development, early childhood education, and family support and have a current and good standing Child-Care Center Directors Certificate. (iii) Management of child nutrition services must be assigned to an individual serving in the role of a Nutrition Services Coordinator. This person will manage the Nutrition Program for the Center and Center must maintain positive compliance with CACFP.

Contractor shall ensure that members of program's management team and any other necessary staff provide uninterrupted Head Start Program management services throughout the Agreement term, including during the summer months so as to ensure adequate planning, coordination and performance of critical program activities. Critical program activities include, but are not limited to, ongoing recruitment activities and services, determination of eligibility, development of a waitlist for the upcoming school year, and completion of enrollment.

D. Contractor shall provide the following education and early childhood development services in compliance with the requirements of 45 C.F.R Part 1304.21, *et. seq,*:

i. Contractor must help children gain the skills and confidence necessary to be prepared to succeed in their present environment and with later responsibilities in school and life; the Contractor's approach to child development and education must be developmentally and linguistically appropriate, recognize the child's rate of development, language, cultural background and learning style; be inclusive of children with disabilities; provide an environment of acceptance that supports and respects gender, culture, language, ethnicity and family composition; provide a balanced daily program of child-initiated and adult-directed activities; and allow and enable children to independently use toilet facilities when it is developmentally appropriate and the efforts are supported by the parents.

ii. Contractor shall encourage and support parents in their efforts to become involved in the development of the program's curriculum and approach to child development and education; provide opportunities to increase parents' child observation skills and to share assessments with staff that will help plan the learning experience; and encourage parents to participate in staff-parent conferences and home visits to discuss their child's development and education.

iii. Contractor must support social and emotional development by encouraging development which enhances child's strengths by building trust; fostering independence; encouraging self-control and respect for feelings and rights of others; supporting and respecting the home language, culture, and family composition in ways that support the child's health and wellbeing; and planning for routines and transitions.

iv. Contractor must provide for the development of each child's cognitive and language skills by supporting each child's learning, using various strategies including experimentation, inquiry, observation, play and exploration; ensuring opportunities for creative self-expression through activities such as art, music, movement, and dialogue; promoting interaction and language use among children and between children and adults; and supporting emerging literacy and numeracy developments through materials and activities according to the child's developmental level.

v. Contractor must promote each child's physical development by providing sufficient time, indoor and outdoor space, equipment, materials and adult guidance for active play and movement that support the development of gross motor skills and of fine motor skills according to the child's developmental level; and providing an appropriate environment and adult guidance for the participation of children with special needs.

vi. Contractor, in collaboration with the parents and with support from the Grantee, must implement *Creative Curriculum©* which aligns with the Head Start Child Development and Early Learning Framework (HSCDELF, 2010), and Pre-kindergarten Guidelines that supports each child's individual pattern of development and learning; provides for the development of cognitive skills; integrates all educational aspects of the health, nutrition, and mental health services into program activities; helps children develop emotional security, facility in social relationships, feelings of competence, self-esteem, and positive attitudes toward learning; enhances each child's understanding of self as an individual and as a member of a group; and provides individual and small group experiences both indoors and outdoors.

vii. Contractor must work with the Grantee to create and implement a plan of action to achieve and establish school readiness goals that are age appropriate and will address at a minimum the domains of language, literacy, cognition, general knowledge, physical well-being, motor development, social and emotional development and approaches to learning; and achieve the integration with the Parent, Family, and Community Engagement (PFCE). Contractor will update school readiness goals on an annual basis, analyze achievement, and identify areas for improvement. As part of this plan of action, the Contractor must align the program's curriculum with school readiness goals to include improving the quality of teacher-child interactions, evidence-based teaching practices, evidence-based curriculum, and inclusion of parents to support school readiness.

viii. Contractor will assess child progress on an ongoing basis utilizing Teaching Strategies GOLD Assessment System and conduct data aggregation and submit analysis of child progress assessments to the City at least three times per year (at the beginning, midpoint and end of school year) to demonstrate program-level progress. Contractor will also provide the City direct access to the assessment data management system for the purposes of aggregating, analyzing, and producing program-wide reports. Contractor will make mid-year adjustments in instruction and/or professional development support should patterns or trends be identified in the analysis and coordinate with City as needed. Contractor must maintain and use the information from ongoing child assessment data to inform teachers and survey parents how best to individualize each child's learning and progress across domains. The City will provide support, training and technical assistance to ensure these requirements are met.

E. Contractor shall perform the following services as it relates to the specific service listed below in compliance with the requirements of 45 C.F.R Parts 1304.20, 1304.22, 1304.23, 1304.24 and 1304.40:

i. Child Health and Safety

a. Contractor must establish and implement policies and procedures to respond to medical and dental health emergencies with which all staff are familiar and trained, to include posted policies and plans of action; posted locations and telephone numbers of emergency response systems and up-to-date family contact information and authorization for emergency care; posted emergency evacuation routes and other safety procedures for emergencies; methods of notifying parents in the event of an emergency; and established methods for handling cases

of suspected or known child abuse and neglect. The City will provide support, training and technical assistance to ensure these requirements are met.

b. Contractor must temporarily exclude a child with a short-term injury or an acute or short-term injury or an acute or short-term contagious illness, that cannot be readily accommodated, from program participation in center-based activities or group experiences, but only for that generally short-term period when keeping the child in care poses a significant risk to the health and safety of the child or anyone in contact with the child.
c. Contractor must not deny admission to any child, nor exclude any enrolled child from program participation for a long-term period, solely on the basis of his or her health care needs or medication requirements, unless the child poses a significant risk to the health and safety of the child or anyone in contact with the child and the risk cannot be eliminated or reduced to an acceptable level through reasonable modifications in the Contractor's policies or by providing appropriate auxiliary aids.
d. Contractor must establish and maintain written procedures regarding the administration, handling, and storage of medication for every child. The City will provide support, training and technical assistance to ensure these requirements are met.
e. Contractor must ensure staff and volunteers can demonstrate safety practices; foster safety awareness among children and parents by incorporating it into child and parent activities; and ensure staff, volunteers and children follow the appropriate hygiene requirements.
f. Contractor must have and maintain well-supplied first aid kits, appropriate for all ages served and the program size, at each facility and available on outings away from the site.

ii. Child Nutrition

a. Contractor must work, in collaboration with the City, with families to identify each child's nutritional needs, taking into account staff and family discussions regarding any relevant nutrition-related assessment data; information about family eating patterns, including cultural preference, special dietary requirements, and feeding requirements of each child with disabilities; and information about major community nutritional issues.
b. Contractor must design and implement a nutrition program that meets the nutritional needs and feeding requirements of each child, and takes into account the length of the program day.
c. Contractor must ensure that nutritional services in center-based settings contribute to the development and socialization of enrolled children and ensure that at a minimum one (1) meal per day is served family style.
d. Contractor must use funds from USDA Food and Consumer Services Child Nutrition Programs as the primary source of payment for meal services.
e. Contractor shall participate in the USDA School Lunch or Child and Adult Care Food Program.
    - Pursuant to City policies, Contractor must report the number of meals and snacks served to Head Start children on a monthly basis to City.

iii. Child Mental Health

a. Contractor must work collaboratively with parents to solicit parental information, observation, and concerns about their child's mental health; share staff observations of their child and discuss with parents their child's behavior and development.
b. City, with the assistance and collaboration of the Contractor will secure or refer, when appropriate, the services of mental health professionals on a schedule of sufficient frequency to enable the timely and effective identification of and intervention in family and staff concerns about a child's mental health.

iv. Family and Community Support

a. Contractor, in collaboration with City led family and community support staff, must provide parent involvement and education activities that are responsive to the ongoing and expressed needs of the parents.
b. Contractor, in collaboration with City led family and community support staff, must provide opportunities to include parents in the development of the program's curriculum and approach to child development and education.

c. Contractor shall collaborate with the City, Head Start service providers and other community agencies to provide opportunities to enhance parenting skills, knowledge and understanding of the educational and developmental needs and activities of their children.

d. Contractor Education staff must conduct two (2) home visits, unless parents expressly forbid such visits, and at least two (2) staff-parent conferences per child per program year to enhance the knowledge and understanding of the educational and developmental progress and activities of children in the program. Contractor must not require that parents permit home visits as a condition of the child's participation in the program. The City will provide support, training and technical assistance to ensure these requirements are met.

F. Contractor shall encourage parent participation and attendance in center parent meetings, Parent Connection Committee meetings, Head Start Policy Council, volunteering, parents' activities and contributions.

G. RESERVED

H. Contractor shall ensure that its Head Start Program shall be, and remain, in full compliance with the Head Start Performance Standards as provided in Head Start regulations, 45 CFR Part 1301 *et seq.* and with the Head Start Act, as amended, 42 U.S.C. 9801 *et. seq.*

I. The Contractor shall submit to City all Contractor eligibility, recruitment, selection, enrollment, attendance, performance and staffing plans, which must be in accordance with the City's policies.

J. Contractor shall provide a substantial portion of the substantive programmatic work provided for under this Scope of Work, Attachment I, directly. However, should Contractor desire to perform this work through one or more subawards to third parties, it shall seek and obtain City's written approval prior to doing so. In all such subawards, Contractor shall ensure that it passes through all of the requirements that apply to Contractor hereunder to the subrecipient of such subawarded funds.

K. Contractor must notify the City when the Contractor identifies possible or actual lack of compliance with the Head Start Performance Standards, Head Start Act, City's program policies or terms of this Contract.

4. <u>Program Governance</u>

A. Contractor's Governing Board shall be in full compliance with Head Start requirements regarding governance, management and programmatic operations applicable to recipients of Head Start grant funds, including those set forth at 45 C.F.R. §1301 *et. seq.* Contractor's Governing Board members or representative of the Board shall be offered the opportunity to participate in Board education activities arranged by City. Contractor shall also offer the Governing Board members or representative of the Board the opportunity to engage in a cooperative strategic planning process with respect to the Program and shall submit any final strategic plans developed through such process to City for approval.

B. Contractor shall assure that City is kept fully apprised of the composition and actions of Contractor's Governing Board to the extent such actions affect Contractor's Head Start Program.

C. Contractor shall seek and obtain the City's written approval before making any material revisions in Contractor's Head Start Program that conflicts with or violates (i) the City's refunding application, as amended, to the U.S. Department of Health and Human Services (HHS), (ii) the Terms of the Grant, (iii) the terms of this Contract; or (iv) any changes to the locations of Contractor's Head Start centers.

D. Contractor shall collaborate with the City and Family and Community Support service staff to elect one or more parent members from center locations to serve on City's Head Start Policy Council in accordance with the Policy Council By-laws.

5. <u>Licensure/Staffing</u>

A. Contractor shall obtain and maintain all necessary and appropriate State licenses, permits, certifications, and approvals required for the operation of Contractor's facilities and programs including those supported by this Contract, unless exempt from such requirement. Upon commencement of the Contract, Contractor shall notify the City that it is in compliance with this provision. If at any time Contractor is out of compliance with this provision, Contractor shall notify the City within one (1) Contractor business day of receipt of written notice of violation or complaint from the state licensing, certifying or permit-issuing authority indicating lack of licensure, permitting or certification, as the case may be, and shall take all necessary steps to cure such violation. Contractor further agrees that all personnel, either employed or contracted, assigned by Contractor to perform the Head Start Program Services set forth above shall, as appropriate or required by law, be fully qualified and authorized under applicable law, to perform such Head Start Program Services.

B. Contractor will ensure that staffing will comply with the Head Start Performance Standards, this Agreement, and other applicable law.

6. Facilities.

All Contractor facilities at the approved sites shall meet applicable federal, state and local safety standards. Contractor shall at all times during the term of this Contract, keep the facility in good, clean, safe, and reasonable operating condition and repair. City shall be allowed to inspect the facilities and the licensing and/or certification documents relating to the facility during Contractor's normal operating time as long as the said inspection does not disrupt the delivery of Head Start Program Services, or at any other time as agreed by the Contractor. Upon commencement of this Agreement and upon request, Contractor shall provide City an up-to-date copy of any leases or other agreements (as well as any amendments or modifications thereto) for facilities used to provide services to children enrolled in the Head Start program and funded pursuant to this Agreement. The City will provide support, training and technical assistance to ensure these requirements are met.

7. Participation.

Contractor shall make time and resources available to support: (i) participation by Contractor in meetings with City staff for community assessment, self-assessment, strategic planning, development of training and technical assistance plan, communication and program development activities; (ii) participation in technical assistance trainings and service enhancements developed by City and the Head Start training and technical assistance service provider, as well as other Head Start trainings that may be developed by relevant federal or state agencies; and (iii) an appropriate level of attendance of Contractor's program management team and parent committee members at national, regional and/or State Head Start conferences/trainings.

Contractor, in collaboration with Family and Community Support Service staff, shall ensure that resources are made available through reasonable accommodations to low-income parents to participate, and attend any Parent Connection Committee meetings.

8. Transportation Services/Vehicles.

Should Contractor and City decide that the Contractor shall provide transportation services they must be in compliance with the requirements of 45 CFR part 1310, et. seq., subject to any waiver that may be obtained by City and/or Contractor.

A. Contractor shall successfully complete an annual inspection of all school buses and other vehicles used for the transportation of children under this Contract.

B. Contractor shall ensure that all drivers shall be certified for the operation of said vehicles, and that all bus monitors assigned to vehicles used to provide such services receive the appropriate training. Contractor shall otherwise be in compliance with all applicable federal, State, and local requirements governing the transportation of children.

C. Contractor shall, upon request, submit to City a complete set of such documents regarding the vehicles used for the transportation of children and the drivers operating the vehicles.

9. Submission of Center Information and Program Design

A. Prior to execution of the Contract, Contractor shall submit to the City for its approval a Center list, which shall include the number of centers and the name and address for each center operated by Contractor. If at any time Contractor proposes a change to the Center list, Contractor shall notify and receive the City's approval prior to making said change.

B. Prior to execution of the Contract, Contractor will submit to the City the Contractor's Program Design, which shall include, the total number of children enrolled, number of sites, number of classrooms, classroom age group designation, language designation, and hours of operation, among other things. If at any time Contractor proposes a change to the Program Design, Contractor shall request and receive the City's approval prior to making said change.

Attachment II

[INSERT BUDGET HERE]

ATTACHMENT III
SPECIAL PROVISIONS — Program Year 2015-2016

I. RESTRICTIONS ON USE OF FUNDS OR PROPERTY

In addition to the other applicable restrictions on the use of Head Start funds provided under this Contract, the Contractor is prohibited from:

1) using or transferring funds provided under this Contract for purposes other than authorized Head Start activities;

2) using, pledging, granting a security interest in, or otherwise encumbering any right under this Contract or any property acquired with funds provided under this Contract as collateral or security for any loan, note debenture, bond or any other debt instrument;

3) using any funds provided under this Contract for payment of principal or interest on any loan, note, debenture, bond or any other debt instrument, other than those approved in the 45 C.F.R. Part 74 and by the City

II. REQUIREMENTS FOR PARTICIPATION IN CITY DESIGNATED DATA SYSTEM

2.01 Contractor shall:

a) Utilize the City's designated data management system to input data that pertains to the on-going day-to-day work completed by Partner staff.
b) support all design, development, testing and implementation protocols as established by the City by carrying out and complying therewith;
c) participate in preliminary and final testing of the system using City protocols;
d) allow City and its vendor to install data encryption software on the Child Care System Database network; and
e) provide City and its vendor with access to Confidential Data with parental permission, as defined in Article 3.01 below, which data is critical for the Head Start project.

2.02 Both Parties agree to:

a) use best efforts to cooperate and exchange information regarding all aspects of the Head Start project and comply with all reasonable requests of the other Party with respect to information concerning the system.
b) Parties agree that nothing herein shall be construed as to control or in any way limit the right of parents to choose a Head Start provider.

III. CONFIDENTIAL DATA

3.01 The Parties to this Contract shall have access to the following data ("Confidential Data"), with parental permission in the case of the child:

Parent's Information:

Case Number
First Name
Middle Initial
Last Name
Street Address
City
Zip Code
Telephone
Social Security Number (Optional)
Birth Date

Gender
Race
Handicap (Optional)
Yearly Income
Number of members in the Family
County of Residence
Employment and training status

Each child's Information:

Client Number
First Name
Middle Initial
Last Name
Social Security Number (Optional)
Birth Date
Gender
Race
Handicap (Optional)

3.02 Contractor understands that City intends to enter into additional agreements with other providers of child care services ("Additional Collaborators") in order to promote the success of the Head Start project. Confidential Data may be shared by City, Contractor, and any Additional Collaborator, except that all parties shall share such information in compliance with state and federal laws relating to confidentiality. All Additional Collaborators shall be required to enter into a written agreement with City containing the confidentiality requirements set forth in this Section III.

3.03 Each Party shall establish a method to secure the Confidential Data in accordance with the applicable federal, state, and local laws and regulations. This provision shall not be construed as limiting a Party to this Contract or an Additional Collaborator, or such Party's authorized representative's right of access to that Party's Confidential Data.

3.04 Neither Party shall disclose or publish Confidential Data or public school education data to any individual or organization that is not a Party to this Contract or an Additional Collaborator, unless required by law or a lawful order of a court of competent jurisdiction. Each Party shall take measures within its organization to ensure that Confidential Data or public school education data is accessible only by those persons working on the Head Start project, or directly providing other public school education / child care services, and only for the purpose of performing or assisting with services required by the Head Start project or other specific public school education / child care services.

3.05 Either Party may disclose Confidential Data to a third party ("Third Party") under contract or affiliated with that Party for the sole purpose of performing or assisting with services required in relation to the Head Start project or other specific child care services, and in compliance with state and federal laws relating to confidentiality. Confidential Data provided to a Third Party shall remain confidential and written confirmation by such Third Party that the Third Party will conform to the requirements of this section shall be provided to the Party prior to delivery of any information to the Third Party.

1.RECIPIENT

Department of Health and Human Services
Administration for Children and Families
Notice of Award (NOA)

SAI NUMBER: **Attachment IV**

PMS DOCUMENT NUMBER: 06HP001901

1. AWARDING OFFICE:	2. ASSISTANCE TYPE:	3. AWARD NO.:	4. AMEND. NO.:
OA/OGM/Region VI	Discretionary Grant	06HP0019/01	

5. TYPE OF AWARD:	6. TYPE OF ACTION:	7. AWARD AUTHORITY:
OTHER	New	42 USC 9801 ET SEQ.

8. BUDGET PERIOD:	9. PROJECT PERIOD:	10. CAT NO./CFDA:
02/01/2015 THRU 07/31/2016	02/01/2015 THRU 07/31/2019	93.600

11. RECIPIENT ORGANIZATION:
City of San Antonio
DEPARTMENT OF HUMAN SERVICES
106 S ST MARY'S ST, SUITE 700
SAN ANTONIO TX 78205 3603
Melody Woosley, Department Director (Exec. Dir.)

12. PROJECT / PROGRAM TITLE:
City of San Antonio, Texas EHS-CC Partnership

13. COUNTY:	14. CONGR. DIST:	15. PRINCIPAL INVESTIGATOR OR PROGRAM DIRECTOR:
BEXAR	35	Mikel Brightman , Head Start Administrator

16. APPROVED BUDGET:

Personnel	$	589,562
Fringe Benefits	$	226,019
Travel	$	1,200
Equipment	$	0
Supplies	$	60,675
Contractual	$	2,262,979
Facilities/Construction	$	0
Other	$	68,365
Direct Costs	$	3,208,800
Indirect Costs	$	0
At % of $		
In Kind Contributions	$	0
Total Approved Budget(**)	$	**3,208,800**

17. AWARD COMPUTATION:

A. NON-FEDERAL SHARE	$	802,200	20.00 %
B. FEDERAL SHARE	$	3,208,800	80.00 %

18. FEDERAL SHARE COMPUTATION:

A. TOTAL FEDERAL SHARE	$	3,208,800
B. UNOBLIGATED BALANCE FEDERAL SHARE	$	
C. FED. SHARE AWARDED THIS BUDGET PERIOD	$	3,208,800

19. AMOUNT AWARDED THIS ACTION:	$	3,208,800
20. FEDERAL $ AWARDED THIS PROJECT PERIOD:	$	3,208,800

21. AUTHORIZED TREATMENT OF PROGRAM INCOME:
DEDUCTIVE

22. APPLICANT EIN:	23. PAYEE EIN:	24. OBJECT CLASS:
1-746002070-A1	1-746002070-A1	41.51

25. FINANCIAL INFORMATION: DUNS: 066428400 0000

ORGN	DOCUMENT NO.	APPROPRIATION	CAN NO.	NEW AMT.	UNOBLIG.	NONFED %
OGM	06HP001901	75-4/5-1536	2015 G063120	$64,800		
OGM	06HP001901	75-4/5-1536	2015 G063125	$2,592,000		
OGM	06HP001901	75-5/6-1536	2015 G063128	$552,000		

26. REMARKS: (Continued on separate sheets)

Client Population: 216.
Number of Delegates: 0.
Paid by DHHS Payment Management System (PMS), see attached for payment information.
This award is subject to the requirements of the HHS Grants Policy Statement (HHS GPS) that are applicable to you based on your recipient type and the purpose of this award.
This includes requirements in Parts I and II (available at http://www.hhs.gov/grants/grants/policies-regulations/index.html) of the HHS GPS.
Although consistent with the HHS GPS, any applicable statutory or regulatory requirements, including 45 CFR Part 75,

27. SIGNATURE - ACF GRANTS OFFICER DATE: 1/29/2015
For Ray M. Bishop

28. SIGNATURE(S) CERTIFYING FUND AVAILABILITY
Sonja R. Osborn Sonja Osborn

29. SIGNATURE AND TITLE - PROGRAM OFFICIAL(S) DATE: 1/29/2015
Kimberly K. Chalk, Regional Program Manager

DGCM-5-785 (Rev. 86) (HP)

1.RECIPIENT

Department of Health and Human Services
Administration for Children and Families
Notice of Award (NOA)

SAI NUMBER: **Attachment IV**

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02/01/2015 THRU 07/31/2016	02/01/2015 THRU 07/31/2019	93.600

11. RECIPIENT ORGANIZATION:
City of San Antonio, DEPARTMENT OF HUMAN SERVICES

26. REMARKS: (Continued from previous page)

directly apply to this award apart from any coverage in the HHS GPS.
This award is subject to requirements or limitations in any applicable Appropriations Act.
This award is subject to the requirements of Section 106 (g) of the Trafficking Victims Protection Act of 2000, as amended (22 U.S.C. 7104).
For the full text of the award term, go to http://www.acf.hhs.gov/grants/discretionary-competitive-grants.
This award is subject to the Federal Financial Accountability and Transparency Act (FFATA or Transparency) of 2006 subaward and executive compensation reporting requirements.
For the full text of the award term, go to: http://www.acf.hhs.gov/grants/discretionary-competitive-grants.
This award is subject to requirements as set forth in 2 CFR 25.110 Central Contractor Registration (CCR) and Data Universal Number System (DUNS).
For full text go to http://www.acf.hhs.gov/grants/discretionary-competitive-grants.
This award is subject to the requirements set forth in 45 CFR Part 87.
This award is subject to the requirements set forth in 45 CFR Part 75.
Initial expenditure of funds by the grantee constitutes acceptance of this award.
Future support is anticipated.
This award is subject to HHS regulations codified at 45 CFR 1301, 1302, 1303, 1304, 1305, 1306, 1307, 1308, 1309 and 1310.(**) Reflects only federal share of approved budget.

Under the Consolidated Appropriations Act, 2014 (Public Law 113-76), Division H, Title II and the Consolidated and Further Continuing Appropriations Act, 2015 (Public Law 113-235), this grant action awards City of San Antonio funds for the 02/01/2015-07/31/2019 project period for the operation of the Early Head Start program in the designated service area. This grant action awards partial funds under Common Accounting Numbers (CAN) G063125 and G063120 to provide Early Head Start services to 216 children for the initial 02/01/2015-07/31/2016 budget period of the 54 month project period. The 54 month project period consists of one 18 month budget period followed by three 12 month budget periods.

This initial grant action for the first 18 month budget period includes $2,592,000 in CAN G063125 for 12 months of funding for Early Head Start operations and $64,800 in CAN G063120 for training and technical assistance. This grant action includes $552,000 in CAN G063128 for start-up funds. The projected total funding levels for the initial 18 month budget period are $3,888,000 for Early Head Start operations and $388,800 for training and technical assistance.

The balance of six months of operational funds and additional training and technical assistance funds will be awarded at a later date. The additional training and technical assistance funds will support quality improvements such as attainment of credentials, professional development and training.

The projected annual funding level for each of the three remaining 12 month budget periods for Early Head Start operations is $2,592,000, and the training and technical assistance allocation is $64,800.

This grant is subject to the requirements and conditions specified in Attachments 1, 2 and 3.

Attachment 1

Award Number: 15HP301995/01
Recipient Organization: City of San Antonio

This grant is subject to Section 640(b) of the Head Start Act and 45 C.F.R. § 1301.20 requiring a non-federal match of 20 percent of the total cost of the program. This grant is also subject to the requirements in Section 644(b) of the Head Start Act and 45 C.F.R. § 1301.32 limiting development and administrative costs to a maximum of 15 percent of the total costs of the program, including the non-federal share contribution of such costs. The requirements for a non-federal match of 20 percent and the limitation of 15 percent for development and administrative costs apply to the 02/01/2015-07/31/2016 budget period unless a waiver is approved. Any request for a waiver of the non-federal share match, or a portion thereof, that meets the conditions under Section 640(b)(1)-(5) of the Head Start Act or 45 C.F.R. § 1301.21 or a waiver of the limitation on development and administrative costs that meets the conditions under 45 C.F.R. § 1301.32(g) must be submitted in advance of the end of the budget period. Any waiver request submitted after the expiration of the project period will not be considered.

The HHS GPS (II-56) (see above and 45 C.F.R. § 74.25(c)(2) and 45 C.F.R. § 92.30(d)(3) (as applicable) provide the authority to ACF to approve key staff of Head Start grantees. For the purposes of this grant, key staff is defined as the Head Start Director or person carrying out the duties of the Head Start Director if not under that title and the Chief Executive Officer, Executive Director and/or Chief Fiscal Officer if any of those positions is funded, either directly or through indirect cost recovery, more than 50 percent with Head Start funds.

Section 653 of the Head Start Act prohibits the use of any federal funds, including Head Start grant funds, to pay any portion of the compensation of an individual employed by a Head Start agency if that individual's compensation exceeds the rate payable for Level II of the Executive Schedule.

Prior approval must be obtained under 45 C.F.R. Part 1309 to use Head Start grant funds for the initial or ongoing purchase, construction and major renovation of facilities. No Head Start grant funds may be used toward the payment of one-time expenses, principal and interest for the acquisition, construction or major renovation of a facility without the express written approval of the Administration for Children and Families.

Attachment 2

Budget Period 1
Early Head Start – Child Care Partnership and/or Expansion Grants

Award Number: 15HP301995/01
Recipient Organization: City of San Antonio

Head Start Grantees must comply with the terms and conditions for the project period award in the specified timeframes.

Health and Safety

- *Conduct a screening of the health and safety environment of each Early Head Start center and/or family child care home where services are provided within 45 days of the start of the project period and/or within 45 calendar days of services starting at each new location.*

- *Complete the initial certification of compliance with all Office of Head Start (OHS) health and safety requirements within 75 calendar days of the start of services and submit it to the OHS in the Head Start Enterprise System (HSES) immediately thereafter. Submit an updated certification of compliance with all OHS health and safety requirements 30 days after the first six months of operations.*

School Readiness

- *Participate in ongoing communications in support of school readiness with the OHS, including but not limited to the OHS site visits and monthly scheduled calls.*

Attachment 3

Award Number: 15HP301995/01
Recipient Organization: City of San Antonio

Designated Early Head Start service area: San Antonio ISD and Edgewood ISD boundaries, Bexar County, Texas

Early Head Start – Child Care Partnership Population: 216 infants and toddlers.

Approved program options: Center-based

Approved start-up costs: This grant action includes start-up funds of $552,000 under Common Accounting Number (CAN) G063128 for the following purposes: $510,000 for Contractual costs for five EHS/Child Care Partners for playground upgrades and center repairs and $42,000 for Supplies.

WITNESSETH:

HIPAA BUSINESS ASSOCIATE AGREEMENT

This HIPAA Business Associate Agreement is entered into by and between the City of San Antonio ("Covered Entity"), by and through its Director of the Department of Human Services, and the Young Women's Christian Association of San Antonio, Texas, a Business Associate ("BA").

WHEREAS, the City of San Antonio and BA have entered into an Early Head Start – Child Care Partnership Agreement to provide educational and child care services ("Service Contract"), effective February 1, 2015 whereby BA provides educational and child care services to the Covered Entity; and

WHEREAS, Covered Entity and BA may need to use, disclose and/or make available certain information pursuant to the terms of the Service Contract, some of which may constitute Protected Health Information ("PHI"); and

WHEREAS, Covered Entity and BA intend to protect the privacy and provide for the security of PHI disclosed to each other pursuant to the Service Contract in compliance with the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("HIPAA") and regulations promulgated thereunder by the U.S. Department of Health and Human Services (the "HIPAA Regulations") and other applicable laws; and

WHEREAS, the purpose of this Agreement is to satisfy certain standards and requirements of HIPAA and the HIPAA Regulations, including, but not limited to, Title 45, Section 164.504(e) of the Code of Federal Regulations ("C.F.R."), as the same may be amended from time to time;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

A. Definitions. For the purposes of this Agreement, the following terms have the meanings ascribed to them:

(1) "Disclosure" with respect to PHI, shall mean the release, transfer, provision of access to or divulging in any other manner of PHI outside the entity holding the PHI.

(2) "Individual" shall have the same meaning as the term "Individual" in 45 C.F.R. 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. 164.502(g).

(3) "Parties" shall mean Covered Entity and BA.

(4) "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. part 160 and Part 164, subparts A and E.

(5) "Protected Health Information" or "PHI" shall have the same meaning as the term "protected health information" in 45 C.F.R. 164.501, limited to the information created or received by BA from or on behalf of Covered Entity.

(6) "Required By Law" shall have the same meaning as the term "required by law" in 45 CFR § 164.501.

(7) "Secretary" shall mean the Secretary of the Department of Health and Human Services or his designee.

(8) "PHI Breach" shall mean an acquisition, access, use, or disclosure of PHI in a manner not permitted by the Privacy Rules and such action compromises the security or privacy of the PHI.

B. BA Obligations and Activities. BA agrees that it shall:

(1) Not use or disclose the PHI other than as permitted or required by this Agreement or as Required by Law;

(2) Establish and maintain appropriate administrative, physical, and technical safeguards that reasonably and appropriately protect, consistent with the services provided under this Agreement, the confidentiality, integrity, and availability of the electronic protected health information that it creates, receives, maintains, or transmits on behalf of covered entity;

(3) Mitigate, to the extent practicable, any harmful effect that is known to BA of a use or disclosure of PHI by BA in violation of the requirements of this Agreement;

(4) Report to Covered Entity any use or disclosure of PHI of which BA is aware or becomes aware that is not provided for or allowed by this Agreement as well as any security incident that BA becomes of aware of;

(5) Ensure that any of its agents or subcontractors with which BA does business and to whom it provides PHI received from, created or received by BA on behalf of Covered Entity are aware of and agree to the same restrictions and conditions that apply through this Agreement to BA with respect to such information, and further agree to implement reasonable and appropriate administrative, physical and technical safeguards to protect such information;

(6) Provide access, at the request of Covered Entity, and in a reasonable time and manner as agreed by the Parties, to PHI in a Designated Record Set to Covered Entity or, as directed by Covered Entity, to an Individual in order to meet the requirements 45 C.F.R. §164.524;

(7) Make any amendment(s) to PHI in a Designated Record Set that the Covered Entity directs or agrees to pursuant to 45 C.F.R. 164.526 at the request of the Covered Entity or an Individual, and in a reasonable time and manner agreed to by the Parties;

(8) Make available to the Covered Entity or to the Secretary of the U.S. Department of Health and Human Services all internal practices, books and records, including policies and procedures and PHI, relating to the use and disclosure of PHI received from, or

created or received by the BA on behalf of the Covered Entity, for purposes of the Secretary of the U.S. Department of Health and Human Services in determining Covered Entity's compliance with the Privacy Rule;

(9) Document such disclosures of PHI, and information related to such disclosures, as would be required for Covered Entity to respond to a request from an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. 164.528;

(10) Provide Covered Entity or an Individual, in a reasonable time and manner as agreed to by the Parties, information collected in accordance with Section B(9) of this Agreement, to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. 164.528.

(11) Will immediately, and in no event later than 14 days of discovery, notify Covered Entity of any breach of PHI and will coordinate with Covered Entity to identify, record, investigate, and report to an affected individual and US Department of Health and Human Services, as required, any covered PHI breach.

C. Permitted Uses and Disclosures by BA

(1) Except as otherwise limited in this Agreement, BA may use or disclose PHI to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in the Service Contract, provided that such use or disclosure would not violate the Privacy Rule if done by Covered Entity.

(2) Except as otherwise limited in this Agreement, BA may disclose PHI for the proper management and administration of the BA, provided that disclosures are Required By Law, or BA obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as Required By Law or for the purpose for which it was disclosed to the person, and the person notifies the BA of any instances of which it is aware in which the confidentiality of the information has been breached.

(3) Except as otherwise limited in this Agreement, BA may use PHI to provide Data Aggregation Services to Covered Entity as permitted by 45 C.F.R. 164.504(e)(2)(i)(B).

(4) BA may use PHI to report violations of law to appropriate Federal and State authorities, consistent with 45 C.F.R. 502(j)(1).

D. Obligations of Covered Entity. Covered Entity shall inform BA of its privacy practices and restrictions as follows. Covered Entity shall:

(1) notify BA of any limitations in its notice of privacy practices in accordance with 45 C.F.R. 164.520, to the extent that such limitation may affect BA's use or disclosure of PHI;

(2) notify BA of any changes in, or revocation of, permission by any Individual to use or disclose PHI, to the extent that such changes may affect BA's use or disclosure of PHI;

(3) notify BA of any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 C.F.R. 164.522 to the extent that such changes may affect BA's use or disclosure of PHI.

(4) coordinate with BA regarding any PHI breach and make timely notification to affected individuals within 60 days of discovery.

E. Permissible Requests by Covered Entity.

Covered Entity shall not request BA to use or disclose PHI in any manner that would not be permissible under the Privacy Rule if done by Covered Entity, except that the Business Associate may use or disclose PHI for data aggregation or management and administrative activities of the BA.

F. Term and Termination.

(1) The term of this Agreement shall commence on February 1, 2015. This Agreement shall terminate when all PHI encompassed by this Agreement is destroyed or returned to Covered Entity or, if it is infeasible to return or destroy the PHI, protections are extended to such information in accordance with the termination provisions in this Section.

(2) Termination for Cause. Upon Covered Entity's knowledge of a material breach by BA, Covered Entity shall either (a) provide an opportunity for BA to cure the breach in accordance with the terms of the Service Contract or, if the BA does not cure the breach or end the violation within the time for cure specified in the Service Contract, end the violation and terminate this Agreement and the Contract; or (b) immediately terminate this Agreement and the Service Contract if BA has breached a material term of this Agreement and cure is not possible. If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary of the U.S. Department of Health and Human Services.

(3) Effect of Termination.

(a) Except as provided below in paragraph (b) of this Section F(3), upon termination of this Agreement for any reason, BA shall return or destroy all PHI received from the Covered Entity, or created or received by BA on behalf of Covered Entity. This provision shall apply to PHI that is in the possession of BA or its subcontractors or agents. BA shall not retain any copies of PHI, except as required by law.

(b) In the event that BA determines that returning or destroying PHI is infeasible, BA shall provide to Covered Entity written notification of the condition that makes the return or destruction of PHI infeasible. Upon BA's conveyance of such written notification, BA shall extend the protections of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make its return or destruction infeasible, for so long as BA maintains such PHI.

(4) Notwithstanding any other provision under this Agreement, the Parties agree that the Service Contract may be terminated by either Party without penalty should the other Party violate a material obligation under this Agreement.

G. Amendment to Comply with Law. The Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy Rule and HIPAA.

H. Survival. The respective rights and obligations of the BA under Sections B, C(2) and (4), and F(3) shall survive the termination of this Agreement.

I. Interpretation. Any ambiguity in this Agreement shall be interpreted to permit Covered Entity to comply with the Privacy Rule.

J. Regulatory References. A reference in this Agreement to a section in the Privacy Rule means the section as in effect or amended.

K. No Third Party Beneficiaries. Nothing express or implied in this Agreement is intended to confer, nor shall anything herein confer upon any person other than Covered Entity, BA, and their respective successors or assigns, any rights, remedies, obligations, or liabilities whatsoever.

L. ***INDEMNIFICATION. BA WILL INDEMNIFY, DEFEND AND HOLD COVERED ENTITY AND ITS OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, SUCCESSORS AND ASSIGNS HARMLESS, FROM AND AGAINST ANY AND ALL LOSSES, LIABILITIES, DAMAGES, COSTS AND EXPENSES ARISING OUT OF OR RELATED TO ANY THIRD-PARTY CLAIM BASED UPON ANY BREACH OF THIS AGREEMENT BY BA IN ACCORDANCE WITH THE INDEMNITY PROVISIONS IN THE SERVICE AGREEMENTS, WHICH ARE HEREBY INCORPORATED BY REFERENCE FOR ALL PURPOSES.***

M. **Reimbursement.** BA will reimburse Covered Entity for reasonable costs incurred responding to a PHI breach by BA or any of BA's subcontractors.

N. **Waiver.** No provision of this Agreement or any breach thereof shall be deemed waived unless such waiver is in writing and signed by the party claimed to have waived such provision or breach. No waiver of a breach shall constitute a waiver of or excuse any different or subsequent breach.

O. **Assignment.** Neither party may assign (whether by operation or law or otherwise) any of its rights or delegate or subcontract any of its obligations under this Agreement without the prior written consent of the other party. Notwithstanding the foregoing, Covered Entity shall have the right to assign its rights and obligations hereunder to any entity that is an affiliate or successor of Covered Entity, without the prior approval of Business Associate.

P. **Entire Agreement.** This Agreement constitutes the complete agreement between Business Associate and Covered Entity relating to the matters specified in this Agreement, and supersedes all prior representations or agreements, whether oral or written, with respect to such matters. In the event of any conflict between the terms of this Agreement and the terms

of the Service Contracts or any such later agreement(s), the terms of this Agreement shall control unless the terms of such Service Contract comply with the Privacy Standards and the Security Standards. No oral modification or waiver of any of the provisions of this Agreement shall be binding on either party. This Agreement is for the benefit of, and shall be binding upon the parties, their affiliates and respective successors and assigns. No third party shall be considered a third-party beneficiary under this Agreement, nor shall any third party have any rights as a result of this Agreement.

Q. **Governing Law**. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Texas.

EXECUTED to be effective February 1, 2015.

COVERED ENTITY
By City of San Antonio

By: _____

Print Name: Melody Woosley

Print Title: Director of the Department of Human Services

BUSINESS ASSOCIATE:
By Young Women's Christian Association of San Antonio, Texas

By: _____

Print Name: Alma Smith

Print Title: Chief Executive Officer

APPROVED AS TO FORM:

_____
Kristine Duff
Assistant City Attorney

Attachment VII

INTERDEPARTMENTAL AGREEMENT
FOR
EARLY HEAD START – CHILD CARE PARTNERSHIP
DENTAL SERVICES

This Interdepartmental Agreement (hereinafter referred to as "AGREEMENT") is hereby made and entered into by and between the Department of Human Services (hereinafter referred to as "DHS") of the City of San Antonio (hereinafter referred to as "CITY") and the San Antonio Metropolitan Health District, also referred to as the CITY's Health Department (hereinafter referred to as "DEPARTMENT").

WHEREAS, CITY, through DHS, has received certain funds from the U.S. Department of Health and Human Services (HHS) as Grantee for the Early Head Start – Child Care Partnership ("EHS-CCP") Program serving the San Antonio and Edgewood Independent School District areas; and

WHEREAS, the City Council has adopted a budget for such funds and has included therein, pursuant to Ordinance No. _____ dated _____, the allocation of up to $12,000.00, for the provision of Dental Services (hereinafter referred to as "Program" or "Project") to City's EHS-CCP Program; and

WHEREAS, DHS wishes to engage DEPARTMENT to implement and manage said Project; and

WHEREAS, in consideration for the tasks to be performed by DEPARTMENT hereunder, such allocated funds shall be available for use by DEPARTMENT, as herein authorized; **NOW THEREFORE**:

The parties hereto severally and collectively agree, and by the execution hereof are bound, to the mutual obligations herein contained and to the performance and accomplishment of the tasks hereinafter described.

I. TERM

1.1 Except as otherwise provided for pursuant to the provisions hereof, this AGREEMENT shall commence on February 1, 2015 and shall terminate on July 31, 2016.

II. COMPLIANCE WITH FEDERAL, STATE, AND LOCAL LAWS

2.1 DEPARTMENT understands that funds provided to it pursuant to this AGREEMENT are funds which have been made available to CITY by the federal government under the Head Start Act and in accordance with CITY's HHS-approved

Funding Application and with other specific assurances made and executed by CITY. DEPARTMENT, therefore, assures and certifies that it will comply with the requirements of the EHS-CCP Program, with all regulations promulgated thereunder as codified at Title 45 of the Code of Federal Regulations, and with any and all applicable amendments or revisions to said Head Start Act or regulations, as well as with the Special Provisions, affixed hereto and incorporated herein for all purposes as **Attachment III**.

2.2 DEPARTMENT shall observe and comply with all city, state and federal laws, regulations, ordinances, and codes affecting DEPARTMENT's operations pursuant to this AGREEMENT.

III. MAINTENANCE OF EFFORT

3.1 DEPARTMENT agrees that the funds and resources provided to it under the terms of this AGREEMENT shall in no way be substituted for funds and resources provided from other sources, nor shall such funds and resources in any way serve to reduce the funds, resources, services, or other benefits which would have been available to, or provided through, DEPARTMENT had this AGREEMENT not been executed.

IV. PERFORMANCE

4.1 DEPARTMENT shall manage, implement, perform, provide, and carry out in a timely manner all of the tasks, activities, and services set forth in the Scope of Work (attached hereto and incorporated herein for all purposes as **Attachment I**), and utilizing funds only in the manner allocated in the Project Budget (attached hereto and incorporated herein for all purposes as **Attachment II**).

4.2 Modifications or alterations to the Scope of Work or the Project Budget may be made only pursuant to the prior written approval of DHS.

V. FISCAL

5.1 Inasmuch as the City Council has designated to DHS the responsibility for fiscal oversight, control and monitoring of the EHS-CCP Program, DEPARTMENT shall submit to DHS, for written approval prior to final processing, all Project matters fiscal in nature including, but not limited to, requests for payment, purchase orders, requisitions, budget adjustments and invoices, as required by Federal regulations and Head Start requirements. DEPARTMENT agrees and understands that funds are awarded only for the current grant period. DEPARTMENT is solely responsible for submitting any and all invoices incurred, through July 31, 2016 no later than 45 days from the expiration or early termination date of this AGREEMENT, unless the DEPARTMENT receives written authorization from the Director of DHS prior to such 45 day period allowing DEPARTMENT to submit a request for payment after the 45 day period.

5.2 The DEPARTMENT shall submit to DHS a full accounting of the Program Income and non-Federal Share funds received and total Program costs incurred.

DEPARTMENT shall be further responsible for submitting all requests for payment for the period February 1, 2015 through July 31, 2016 no later than September 16, 2016.

5.3 Prior to commencement of this AGREEMENT, DEPARTMENT shall submit to DHS for its approval a monthly budget by line item for the entire term of this AGREEMENT along with its Program Budget, including detail by category alone. Additionally, throughout the term of this AGREEMENT, DEPARTMENT shall submit on or before the last day of each month a forecast of the projected monthly expenses for each month remaining in the AGREEMENT so that DHS may review and compare actual expenses to projected expenditures and address issues associated with DEPARTMENT'S expenditure rate (e.g., on or before March 31, 2015, DEPARTMENT shall submit the projected expenses by month for April 2015 through July 2016). DEPARTMENT'S budgeted development and administrative costs (as defined by 45 C.F.R. §1301.32) shall not exceed twelve percent (12%) of the Program Budget, unless the total Program Budget is modified in accordance with this AGREEMENT in which case this amount shall be reduced proportionately unless the Parties otherwise agree.

5.4 Approval required. DEPARTMENT shall seek and obtain DHS's Head Start Program Administrator and the Fiscal Administrator's prior written approval 30 calendar days before making budget modifications/revisions; in no event shall the total budget AGREEMENT amount exceed the amount in section 6.1. DHS may make exceptions to the 30-day notice requirement on a case by case basis, but DEPARTMENT must make the request in writing or via e-mail to the DHS Head Start Program Administrator. DEPARTMENT'S written request must be accompanied by a justification for the change and indicate which lines items are affected by such change

VI. BILLING AND PAYMENT

6.1 DHS will pay the DEPARTMENT a total not to exceed twelve thousand dollars ($12,000.00) for completing objectives and activities listed in the attached Scope of Work, which shall also include reimbursement of outlined program costs. All obligations of DHS under this AGREEMENT shall be paid from EHS-CCP Grant funds.

6.2 The DEPARTMENT will bill DHS on a monthly basis for services provided, to include those services provided directly by DEPARTMENT, and any allowable costs or expenses from contractors or partners (including, but not limited to, the University of Texas Health Science Center San Antonio Dental School).

6.3 DHS shall remain liable for the payment of services rendered under this AGREEMENT until all such payments are made and received by DEPARTMENT.

6.4 DEPARTMENT'S Program Budget is comprised of the Federal and Non-Federal Share. Should DEPARTMENT fail to raise all of the Non-Federal Share funds (20% of the total Program Budget, or three thousand dollars ($3,000.00.00) it is required to raise for the operation of its Program, DHS reserves the right to limit its reimbursements to DEPARTMENT proportionately. To meet the requirements of this AGREEMENT, all

claimed non-Federal Share must meet the requirements of Head Start and federal regulations, as applicable.

VII. PROGRAM INCOME

7.1 For purposes of this AGREEMENT, "program income" shall mean earnings of DEPARTMENT realized from activities resulting from this AGREEMENT or from DEPARTMENT's management of funding provided or received hereunder. Such earnings shall include, but shall not be limited to, interest income, usage or rental/lease fees, income produced from contract-supported services of individuals or employees or from the use of equipment or facilities of DEPARTMENT provided as a result of this AGREEMENT, and payments from clients or third parties, if applicable, for services rendered by DEPARTMENT pursuant to this AGREEMENT. The parties agree that the DEPARTMENT will be required to return program income funds to CITY through DHS, as set out in Section VI above and in Attachment I.

7.2 On a monthly basis, DEPARTMENT shall report and return to DHS all program income received or accrued during the preceding month except for those proceeds set out above in section 6.1 and in Attachment I. Alternative arrangements to this requirement may be made only upon written request to and written approval by DHS.

7.3 Records of the receipt and disposition of program income shall be maintained by DEPARTMENT in the same manner as required from other AGREEMENT funds and shall be submitted to DHS in the format prescribed by DHS.

7.4 DEPARTMENT shall include this Article, in its entirety, in all of its subcontracts involving income-producing services or activities.

7.5 It shall be DEPARTMENT's responsibility to obtain from DHS a prior determination as to whether or not income arising directly or indirectly from this AGREEMENT, or from the performance thereof, constitutes program income, and unless otherwise approved in writing by DHS, DEPARTMENT shall be responsible to DHS for the repayment of any and all amounts determined by DHS to be program income.

VIII. MAINTENANCE AND ACCESSIBILITY OF RECORDS

8.1 DEPARTMENT agrees to maintain records that will provide accurate, current, separate, and complete disclosure of the status of any funds received pursuant to this AGREEMENT. DEPARTMENT further agrees:

(A) That maintenance of said records shall be in compliance with all terms, provisions and requirements of this AGREEMENT and with all applicable federal and state regulations establishing standards for financial management; and

(B) That DEPARTMENT's record system shall contain sufficient documentation to provide in detail full support and justification for each reimbursement.

8.2 As often, at such times, and in such form as DHS may require, DEPARTMENT shall, upon DHS' verbal or written request, make available and furnish to DHS any and all statements, reports, data, and information deemed by DHS to pertain to matters covered by this AGREEMENT.

IX. PERFORMANCE REPORTS

9.1 In addition to all those listed in this AGREEMENT, DEPARTMENT shall submit to DHS any and all reports as may be required by HHS or DHS. DEPARTMENT shall incorporate and use any CITY-approved tracking or information system (e.g., ChildPlus) for the delivery of comprehensive EHS-CCP services and collect, input and update all data in accordance with DHS' planned timeline to ensure the reporting of accurate and consistent information to HHS.

9.2 Additionally, DEPARTMENT shall maintain and furnish to DHS the following financial and programmatic information and reports, in such forms as DHS may prescribe, as required under the Head Start Act, as amended, EHS-CCP Program regulations and other federal requirements, as applicable:

(A) Service Provider report to Head Start Policy Council shall be submitted on a monthly basis;

(B) Financial reports showing all actual and/or projected costs of the Project, an explanation of budgetary expenditures, Program Income, non-Federal Share amounts;

(C) The results of the most recent financial audit;

(D) The number of enrolled children that received oral health services by the DEPARTMENT;

(E) Reports showing employee credentials and a list of personnel serving to satisfy the DEPARTMENT's in-kind non-Federal Share requirement;

(F) Reports showing the wages of each employee; and

(G) Any other information requested by DHS.

The DEPARTMENT shall maintain all applicable and appropriate supporting documentation of costs, including but not limited to, payroll records, invoices, contracts or vouchers, and make these available to DHS upon request.

X. CHANGES AND AMENDMENTS

10.1 Alterations, additions or deletions to the terms of this AGREEMENT shall be by written amendment executed by both DHS and DEPARTMENT, except those made by budget revisions as allowed in section 5.4 herein.

XI. SPECIAL CONDITIONS

11.1 DEPARTMENT agrees to comply with all laws, ordinances, codes, rules, regulations, policies, and procedures, including all licensing standards and all applicable accreditation standards, applicable to the funds received by DEPARTMENT hereunder as directed by DHS or as required in this AGREEMENT, including but not limited to:

(A) The Head Start Act (42 U.S.C. §9801 *et seq.*, as amended);

(B) 45 C.F.R. Part 1301 *et seq.*;

(C) The terms and conditions of HHS Grant Number 06HP0019/01 awarded to CITY, as well as relevant Head Start and Early Head Start information memorandum and publications issued by HHS;

(D) As applicable, Grants Administration regulations;

(E) The most recent Office of Management and Budget (OMB) Circular found at 2 C.F.R. Part 200, "Uniform Admistrative Requirmements, Cost Principles, and Audit Requirements for Federal Awards,", as applicable to the funds received by DEPARTMENT hereunder, which streamlines:

a. OMB Circular A-87, entitled, "Cost Principles for State, Local and Indian Tribal Governments";

b. OMB Circular A-102, entitled, "Grants and Cooperative Agreements with State and Local Governments";

c. OMB Circular A-110, entitled "Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations";

d. OMB Circular A-122, entitled, "Cost Principles for Non-Profit Organizations"; and

e. OMB Circular A-133, entitled, "Audits of States, Local Governments, and Not for Profit Organizations".

EXECUTED this _____ day of _____, 2015.

DEPARTMENT OF HUMAN SERVICES

BY: _____
Melody Woosley
Director

SAN ANTONIO METROPOLITAN HEALTH DISTRICT

BY: _____
Paul Fenstermacher, Director of Operations
For:
Thomas Schlenker, M.D., MPH
Director

APPROVED AS TO FORM:

_____
Assistant City Attorney

ATTACHMENTS

Attachment I – Scope of Work
Attachment II - Project Budget
Attachment III - Special Provisions

ATTACHMENT I

SCOPE OF WORK

1. Summary

The San Antonio Metropolitan Health District (hereinafter referred to as DEPARTMENT), will provide oral health examinations and preventive care; including fluoride varnish treatments for children enrolled in the Head Start program ("enrollee(s)"). These examinations required by federal guidelines for the Head Start program, will be provided on site in each Head Start Center by a Metro Health dentist. These assessments are necessary to ensure that all children enrolled in the program gain access to quality dental care, and that those identified with unmet dental needs are referred to an appropriate dental provider for treatment. The Department of Human Services (hereinafter referred to as DHS), as the City department responsible for overseeing the Head Start Program, will cooperate with the DEPARTMENT to coordinate with Head Start contractors to ensure that enrollees receive dental screenings, recommended preventive services and designated follow-up care.

2. Program Scope of Services

DEPARTMENT agrees:

2.1 No later than 90 calendar days of the child's entry into the Program, and as needed throughout the program, Metro Health will complete an initial oral health evaluation for each participating child. Dentists from Metro Health will travel to all Early Head Start centers to perform an oral health assessment for each child. As appropriate, Metro Health dentists will prescribe fluoride varnish for participants, which will be applied by Metro Health dental staff and/or dental students and dental hygiene students from the UT Health Science Center Dental School pursuant to section 2.15 of this Scope of Work under the supervision of Metro Health dental staff.

2.2 This Section intentionally left blank.

2.3 To input the individual assessment results and document all preventive services provided by Metro Health into the DHS's designated information system database within 3 days of an oral health exam, and to provide a monthly case management report of individual assessment follow up completed by the Family Support Worker(s).

2.4 To input into the DHS's designated information system database any pertinent documentation sent by local practitioners or Family Support Workers regarding participants' oral health status.

2.5 To determine a recommended plan of action for each child based on current oral health status, history of disease, input from parents and caregivers, and access to dental insurance.

2.6 To provide written referral and/or correspondence to the enrollee's parent explaining findings of the dental screenings. This document of the child's oral health status, along with contact information for the DEPARTMENT dental staff, will be given to

the appropriate Head Start service provider(s) staff to be forwarded to parents/care givers.

2.7 To provide individual case management services for children with urgent dental needs and children who are uninsured or underinsured for required dental services. Metro Health will serve as a resource for Family Support Workers to help families navigate the health care system.

2.8 To perform all intake and eligibility functions for Title V Maternal Child Health and Dental (MCHD) Grant funding for Head Start children who are not eligible for dental services through Medicaid or CHIP and to enroll families that qualify for services

2.9 To coordinate documentation and facilitate the referral and initial appointment with the University of Texas Health Science Center dental clinics and affiliated sites for comprehensive dental treatment.

2.10 To perform all billing and reporting functions for enrolled children and ensure that all copayments are waived for Title V eligible services.

2.11 To utilize available funding to support additional costs related to treatment including, but not limited to, facility fees and physician fees not covered by Title V Maternal Child Health Funding for dental services. In the event a Head Start child must be treated in a hospital setting, additional services will be coordinated through the University of Texas Health Science Center at San Antonio Dental School, Department of Pediatric Dentistry (UT Health Science Center Dental School) in designated University-approved sites. Additional costs incurred by the UT Health Science Center may be included in reimbursement for services.

2.12 To provide ongoing training and technical assistance for Early Head Start teachers, staff and other oral health stakeholders during the 2014-2015 and 2015-2016 academic school year including development and production of training manuals for Head Start staff and community partners for CavityFree Kids. DEPARTMENT will provide at least two trainings per school year and on an as needed basis thereafter.

2.13 To comply with any and all other conditions, covenants, provisions and/or requirements contained herein requiring performance by Department.

2.14 To collaborate with the UT Health Science Center Dental School and Head Start service providers for the purposes of providing service learning opportunities in Head Start including but not limited to dental students, dental hygiene students and dental public health residents.

2.15 The DEPARTMENT will make best efforts to provide each participating enrollee with a minimum of two (2) fluoride varnish applications during the Head Start 2015-2016 grant year and will reassess the oral health status of children identified with untreated decay documented during the initial evaluation.

2.16 The DEPARTMENT shall conduct an ongoing monitoring of operations throughout the program year notifying the DHS when the DEPARTMENT identifies possible or actual lack of compliance with the Head Start Performance Standards, Head Start

Act, DHS's program policies, or the terms of this AGREEMENT. DEPARTMENT will make copies of monitoring reports available to the DHS upon request.

2.17 The DEPARTMENT shall seek and obtain the DHS's written approval before making any material revisions in DEPARTMENT's Head Start services that conflicts or violates (i) the City's Funding Application, including amendments, to the U.S. Department of Health and Human Services (HHS), (ii) the Terms of the Grant, and (iii) the terms of this agreement.

2.18 The DEPARTMENT shall make time and resources available to support: (i) participation by DEPARTMENT staff in meetings with Head Start staff for community assessment, self-assessment, strategic planning, development of training and technical assistance plan, communication and program development activities, Directors Meetings, and Health Coordinator Meetings (ii) participation in technical assistance trainings and service enhancements developed by DHS and the Head Start training and technical assistance service provider, as well as other Head Start trainings that may be developed by relevant federal or state agencies; and (iii) an appropriate level of attendance of DEPARTMENT's program management team at national, regional and/or State Head Start conferences/trainings.

3.<u>DHS and Head Start service providers collaboration and obligations</u>

DHS agrees:

3.1 To inform Early Head Start service Partners of available services and to encourage participation in the Departments' Oral Health Program for Head Start Children.

3.2 To provide access to the DHS's designated information system database to DEPARTMENT and to ensure that Early Head Start service partners conduct basic administrative functions regarding enrollees including but not limited to providing monthly reports on follow-up of referrals and allowing regular audits of dental charts as determined to be necessary by the DEPARTMENT to verify that follow-ups were performed.

3.3 To instruct Early Head Start service partners that they must defer to the dentist for determination of the appropriate timeframe for follow-up as indicated in the referral information.

3.4 To inform Early Head Start service Partners that the child must have written documentation of parental consent to access program services including dental examinations and fluoride varnish applications. DHS agrees and understands that the DEPARTMENT shall have the right to refuse to provide services or treatment to any child that does not have acceptable written documentation of parental consent.

3.5 To instruct Early Head Start service Partners to obtain from each enrollee's parent or legal guardian pertinent medical history for the DEPARTMENT's use and reference at the time of exam or treatment, including record of any current medical conditions for which the child is being followed, and a record of any medications the child is currently taking prior to the time services are rendered by the DEPARTMENT.

3.6 To instruct Early Head Start service Partners that they must provide Medicaid, CHIP or other third-party insurance information on enrollees to the DEPARTMENT, and to make every effort to encourage enrollment of potentially eligible children to third-party funding programs. For children who are not enrolled in Medicaid, CHIP, or other third-party insurance, the DHS, or Head Start service providers, will provide social security numbers for identification purposes.

3.7 To assist uninsured or underinsured families in completing Title V MCHD Grant funding eligibility documentation required for coverage through the DEPARTMENT'S treatment program offered through the UT Health Science Center Dental School.

3.8 To certify that all costs herein provided for reimbursement to the DEPARTMENT are allowable costs under the grant guidelines.

3.9 To pay for services rendered by the DEPARTMENT, within 30 calendar days of receiving a valid and approved Request for Payment, in accordance with the provisions contained in Article VI of the Interdepartmental Agreement between the parties.

3.10 To instruct Early Head Start service Partners to designate a staff member of each organization to coordinate appointments with DEPARTMENT staff and to instruct Head Start service providers that they should notify DEPARTMENT staff at least 48 hours in advance of any cancellations or changes in scheduling.

3.11 To ensure Early Head Start service Partners staff provides the appropriate assistance to Department staff and prepares clinical area for services prior to the arrival of the dental team.

Attachment II

[INSERT BUDGET HERE]

ATTACHMENT III
SPECIAL PROVISIONS — Program Year 2015-2016

I. RESTRICTIONS ON USE OF FUNDS OR PROPERTY

In addition to the other applicable restrictions on the use of Head Start funds provided under this Contract, the Contractor is prohibited from:

1) using or transferring funds provided under this Contract for purposes other than authorized Head Start activities;

2) using, pledging, granting a security interest in, or otherwise encumbering any right under this Contract or any property acquired with funds provided under this Contract as collateral or security for any loan, note debenture, bond or any other debt instrument;

3) using any funds provided under this Contract for payment of principal or interest on any loan, note, debenture, bond or any other debt instrument, other than those approved in the 45 C.F.R. Part 74 and by the City

II. REQUIREMENTS FOR PARTICIPATION IN CITY DESIGNATED DATA SYSTEM

2.01 Contractor shall:

a) Utilize the City's designated data management system to input data that pertains to the on-going day-to-day work completed by Partner staff.
b) support all design, development, testing and implementation protocols as established by the City by carrying out and complying therewith;
c) participate in preliminary and final testing of the system using City protocols;
d) allow City and its vendor to install data encryption software on the Child Care System Database network; and
e) provide City and its vendor with access to Confidential Data with parental permission, as defined in Article 3.01 below, which data is critical for the Head Start project.

2.02 Both Parties agree to:

a) use best efforts to cooperate and exchange information regarding all aspects of the Head Start project and comply with all reasonable requests of the other Party with respect to information concerning the system.
b) Parties agree that nothing herein shall be construed as to control or in any way limit the right of parents to choose a Head Start provider.

III. CONFIDENTIAL DATA

3.01 The Parties to this Contract shall have access to the following data ("Confidential Data"), with parental permission in the case of the child:

Parent's Information:

Case Number
First Name
Middle Initial
Last Name
Street Address
City
Zip Code
Telephone
Social Security Number (Optional)
Birth Date

Gender
Race
Handicap (Optional)
Yearly Income
Number of members in the Family
County of Residence
Employment and training status

Each child's Information:

Client Number
First Name
Middle Initial
Last Name
Social Security Number (Optional)
Birth Date
Gender
Race
Handicap (Optional)

3.02 Contractor understands that City intends to enter into additional agreements with other providers of child care services ("Additional Collaborators") in order to promote the success of the Head Start project. Confidential Data may be shared by City, Contractor, and any Additional Collaborator, except that all parties shall share such information in compliance with state and federal laws relating to confidentiality. All Additional Collaborators shall be required to enter into a written agreement with City containing the confidentiality requirements set forth in this Section III.

3.03 Each Party shall establish a method to secure the Confidential Data in accordance with the applicable federal, state, and local laws and regulations. This provision shall not be construed as limiting a Party to this Contract or an Additional Collaborator, or such Party's authorized representative's right of access to that Party's Confidential Data.

3.04 Neither Party shall disclose or publish Confidential Data or public school education data to any individual or organization that is not a Party to this Contract or an Additional Collaborator, unless required by law or a lawful order of a court of competent jurisdiction. Each Party shall take measures within its organization to ensure that Confidential Data or public school education data is accessible only by those persons working on the Head Start project, or directly providing other public school education / child care services, and only for the purpose of performing or assisting with services required by the Head Start project or other specific public school education / child care services.

3.05 Either Party may disclose Confidential Data to a third party ("Third Party") under contract or affiliated with that Party for the sole purpose of performing or assisting with services required in relation to the Head Start project or other specific child care services, and in compliance with state and federal laws relating to confidentiality. Confidential Data provided to a Third Party shall remain confidential and written confirmation by such Third Party that the Third Party will conform to the requirements of this section shall be provided to the Party prior to delivery of any information to the Third Party.

Attachment VIII

Contract No. _____

EARLY HEAD START – CHILD CARE PARTNERSHIP AGREEMENT FOR HEALTH CARE SERVICES BETWEEN THE CITY OF SAN ANTONIO & UNIVERSITY HEALTH SYSTEM

This Contract is entered into by and between the City of San Antonio (hereinafter referred to as "City"), a Texas Municipal Corporation, acting by and through its Director of the Department of Human Services pursuant to Ordinance No. _____ dated _____, and the Bexar County Hospital District d/b/a University Health System, a hospital district created pursuant to Article IX Section 4 of the Texas Constitution and Chapter 281 of the Health and Safety Code, (hereinafter referred to as "Contractor") (individually "the Party" and collectively "the Parties") to set forth the objectives, understandings, and agreements between the Parties in connection with the use of Early Head Start – Child Care Partnership (hereinafter referred to as EHS–CCP") grant funds as described herein. This Agreement is made and entered into by the Parties pursuant to the authority granted under the Interlocal Cooperation Act, Texas Gov't Code 791 *et seq*.

WITNESSETH:

WHEREAS, the City has received a grant pursuant to the Head Start Act (42 U.S.C. §9801 *et seq*., as amended) (the "Grant") for the purpose of providing EHS-CCP services to children and families in the San Antonio and Edgewood Independent School District areas; and

WHEREAS, the City's Department of Human Services is designated as the managing City department (hereinafter referred to as "Managing City Department") for administration of EHS-CCP program services for the City, as grantee of the EHS-CCP Grant; and

WHEREAS, the City is authorized by the U.S. Department of Health and Human Services ("HHS"), Administration for Children and Families ("ACF"), and desires, to execute an agreement with Contractor to provide EHS-CCP services to children residing in the identified grant area (hereinafter referred to as the "Project" or "Program"); and

WHEREAS, the City has adopted a budget for the expenditure of EHS-CCP Grant Funds (hereinafter referred to as "Grant Fund"), and included therein is an allocation for Contractor to provide health care services; and

WHEREAS, Contractor desires, and is appropriately licensed and qualified, to enter into this Contract with City and agrees to deliver the services described herein in accordance with applicable Head Start Performance Standards and other requirements more fully set forth below;

WHEREAS, Contractor has agreed to provide health screenings and physical examinations of children enrolled in the EHS-CCP Program; and

WHEREAS, City agrees to compensate Contractor for health screenings and physical examinations provided to children enrolled in its Program; and

NOW THEREFORE, in consideration of the mutual promises and covenants herein contained and intending to be legally bound hereby, City and Contractor agree as follows:

The Parties hereto agree as follows:

I. SCOPE OF WORK

1.1 The Contractor will provide, oversee, administer, and carry out all activities and services in a manner satisfactory to the City and in compliance with the Contractor's Scope of Work, affixed hereto and

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incorporated herein for all purposes as **Attachment I**, this Contract, and the Terms of the Grant (hereinafter defined). If the terms of this Contract are inconsistent or in conflict with applicable Terms of the Grant, the applicable Terms of the Grant shall be controlling, unless the inconsistency or conflict results from more stringent requirements set forth in this Contract, in which case the terms imposing the most stringent requirements upon the Contractor shall control.

1.2 For purposes of this Contract, the terms listed below shall have the following meanings:

(A) "Terms of the Grant" shall mean all requirements of the Grant, whether contained in the Head Start Act, as amended by the Improving Head Start for School Readiness Act of 2007 (42 U.S.C. §9801, et seq.), or other applicable statutes, implementing regulations (e.g., 45 C.F.R. §1301 et seq. (the "Head Start Performance Standards" or "Performance Standards") and 45 C.F.R. Part 74 or 45 C.F.R. Part 92, as applicable), rules, Executive Orders, the award document from U.S. Department of Health and Human Services ("HHS") to the City, Relevant HHS Directives, or elsewhere, including, but not limited to circulars, Program Instructions, Information Memorandums and Policy Clarifications, the City's policies and procedures and the program design manual, or any other directives applicable to the Program, as such requirements exist as of the date of this Contract and as such requirements may be established or modified (by amendment, deletion, addition or otherwise) during the period of the Contract.

(B) "Relevant HHS directives" shall mean regulations, manuals, guidelines, or other oral or written directives of HHS or any subdivision thereof, including the Administration for Children and Families, Head Start Bureau, the Program Operations Division and ACF Region VI, as such regulations, manuals, guidelines, or other oral or written directives shall be made applicable to the Grant or Grantee.

1.3 Contractor shall establish and implement policies and procedures governing personnel, financial management, and programmatic management, as specified more fully in 2 C.F.R. 200 *et seq*., 45 C.F.R Parts 1301 *et. seq,* and/or 45 C.F.R. Part 74, 45 C.F.R. Part 75, 45 C.F.R. Part 87 or 45 C.F.R. Part 92, as applicable. Such policies and procedures shall be consistent with the Terms of the Grant, the policies and procedures approved by the Grantee's Policy Council and Governing Body, and content and service plans.

1.4 City retains the authority to contract with third-parties for the delivery of other EHS-CCP services in San Antonio and Bexar County area. Contractor agrees to allow the City's other contractors access to the facilities leased and/or owned by Contractor in order to provide said services. Contractor agrees to cooperate with City and third-party contractors to establish, modify and comply with a set of policies and procedures and/or a program design manual governing the City's EHS-CCP Program and the protocol for collaboration between service providers.

II. TERM

2.1 Except as otherwise provided for pursuant to the provisions hereof, this Contract shall begin on February 1, 2015 and shall terminate on July 31, 2016.

III. CONSIDERATION

3.1 In consideration of the services to be delivered by Contractor, the City will reimburse Contractor a total amount not to exceed twelve thousand dollars ($12,000.00, "the Federal Share") during the period in which this Contract is in effect for costs incurred in accordance with the Program Budget affixed hereto and incorporated herein for all purposes as **Attachment II**. Contractor's Program Budget is comprised of the Federal Share and the Non-Federal Share. The Federal Share shall be no more than 80% of the total Program Budget. Should Contractor fail to raise all of the non-Federal Share funds (20% of the total Program Budget, or three thousand dollars ($3,000.00)) it is required to raise for the operation of its Program, City reserves the right to limit its reimbursements to Contractor proportionately. For instance, if Contractor succeeds in raising only eighty percent (80%) of its required non-Federal Share funds,

City may limit its reimbursements to Contractor to eighty percent (80%) of City's total obligation to Contractor. To meet the requirements of this Contract, all claimed non-Federal Share must meet the requirements of 2 C.F.R. 200 *et seq.*, 45 C.F.R. § 74.23 or § 92.24, or other Head Start or federal regulations, as applicable.

3.2 Prior to commencement of the Contract, Contractor shall submit to City for its approval a monthly budget by line item for the entire term of the Contract along with its program Budget, including detail by category alone. Contractor understands the budget may not include indirect costs. If the Contractor's budget is not submitted to the City for approval before the beginning of the Contract period, the City reserves the right to redirect Contractor's funding as necessary. Additionally, throughout the term of the Contract, Contractor shall submit on or before the last day of each month a forecast of the projected monthly expenses for each month remaining in the Contract so that the City may review and compare actual expenses to projected expenditures and address issues associated with Contractor's expenditure rate (e.g., on or before March 31, 2015, Contractor shall submit the projected expenses by month for April, May, and so on until July 31, 2016). Contractor's budgeted development and administrative costs (as defined by 45 C.F.R. §1301.32) shall not exceed twelve percent (12%) of the Program Budget, unless the total Program Budget is modified in accordance with this Contract in which case this amount shall be reduced proportionately unless the Parties otherwise agree.

3.3 Approval required. Contractor shall seek and obtain City's (City's Head Start Program Administrator and the Managing City Department's Fiscal Administrator) prior written approval 30 calendar days before making budget modifications. City may make exceptions to the 30-day notice requirement on a case by case basis, but otherwise Contractor must make request in writing or via email to the City's Head Start Program Administrator. Contractor's written request must be accompanied by a justification for the change and indicate which lines items are affected by such change.

3.4. The funding level of this Contract is based on an allocation from the following funding sources:

U.S. Department of Health and Human Services (HHS) – Head Start Funds Catalog of Federal Domestic Assistance # 93.600

Consequently, Contractor agrees to comply with the Terms of the Grant and the Special Provisions, affixed hereto and incorporated herein for all purposes as **Attachment III**.

3.5 It is expressly understood and agreed by the City and Contractor that the City's obligations under this Contract are contingent upon the actual receipt of adequate grant funds from HHS to meet City's liabilities hereunder. This Contract may be terminated by the City if HHS terminates the City as a grantee or reduces the amount granted to City, for any reason; provided that, if the reduction of grant funds does not result in complete unavailability of such funds, the Parties will use best efforts to amend this Contract accordingly. City will promptly notify Contractor of any such HHS action.

IV. PAYMENT

4.1 Contractor agrees that this is a cost reimbursement contract and that the City's liability hereunder is limited to making reimbursements for allowable costs incurred as a direct result of services provided by the Contractor in accordance with the terms of this Contract. Allowable costs are defined as those costs, which are necessary, reasonable and allowable under applicable federal, state, and local law, including but not limited to those laws referenced in Article XII hereof, for the proper administration and performance of the services to be provided under an agreement. . All requested reimbursed costs must be consistent with the terms and provisions of the approved budgeted line items described in **Attachment II** of this Contract, unless (a) a subsequent budget revision has been approved in accordance with the procedure set forth in Section 3.3 and signed by the Director of the Managing City Department in cases where the total Contract Budget remains the same, or (b) a Contract amendment has been approved and signed by the Director of the Managing City Department pursuant to Section 24.1 of this Contract in cases where there is an increase or decrease to the total Contract Budget. Approved budget revisions and Contract amendments modify the

Budget attached hereto, and in such cases Contractor's requested reimbursed costs must be consistent with the last revised, approved budget. Approved budget revisions and Contract amendments supersede prior conflicting or inconsistent agreements with regard to the referenced Project Budget, and all references in the Contract to the budget shall mean the budget as revised through approved budget revisions or Contract amendments. In no event shall the City be liable for any cost of Contractor not eligible for reimbursement as defined within the Contract. Contractor shall remit to City within ten (10) business days after the City makes the request for remittance any funded amounts which were paid pursuant to this Article IV and used to cover disallowed costs. Any such amounts not remitted within ten (10) business days may, at City's option, be subject to offset against future funding obligations by City. For purposes of this Contract, the term, "business day" shall mean every day of the week except all Saturdays, Sundays and those scheduled holidays officially adopted and approved by the San Antonio City Council for City of San Antonio employees, except in those instances where this Contract expressly calls for "Contractor business days."

4.2 If specific circumstances require an advance payment on this Contract, Contractor must submit to the Director of the Managing City Department a written request for such advance payment, including the specific reason for such request in the form prescribed by City. Contractor agrees that the City shall not be obligated to pay for any advances requested. In those instances in which advance payments are authorized, the Director of the Managing City Department may, in the Director's sole discretion, approve an advance payment on this Contract. It is understood and agreed by the parties hereto that (a) each request requires submission to the Director of the Managing City Department no less than ten (10) business days prior to the actual ostensible cash need; (b) each request will be considered by the Director of the Managing City Department on a case-by-case basis, and (c) the decision by the Director of the Managing City Department whether or not to approve an advance payment is final. For purposes of this Contract, the term "business day" shall mean every day of the week except all Saturdays, Sundays and those scheduled holidays officially adopted and approved by the San Antonio City Council for City of San Antonio employees. In those instances in which advance payments are authorized:

(A) Contractor's payments to its vendors using funds advanced by the City shall be remitted to the vendors in a prompt and timely manner so long as services have been performed by the subject vendor, defined as not later than (10) business days after the Contractor is notified that an advance payment check is available from the City.

(B) The Contractor must deposit Contract funds in an account in a bank insured with the Federal Deposit Insurance Corporation (FDIC). In those situations where Contractor's total deposits in said bank, including all Contract funds deposited with said bank, exceed the FDIC insurance limit, the Contractor must arrange with said bank to automatically have the excess collaterally secured. A written copy of the collateral agreement must be obtained by Contractor from the Contractor's banking institution, maintained on file and be available for City monitoring reviews and audits. Advanced funds that cause the Contractor's account balance to exceed the FDIC limit shall be deposited in a manner consistent with the Public Funds Investment Act (Chapter 2256 of the Texas Government Code) as amended. Contractor shall maintain the FDIC insured bank account in which Contract funds are deposited and its recordkeeping in a manner that will allow City to track expenditures made with Contract funds.

(C) The City may deduct from monthly reimbursements amounts necessary to offset the amount advanced based upon the number of months remaining in the Contract term, or from a single subsequent monthly reimbursement the full amount previously advanced to Contractor. The City may consider factors such as projected allowable costs and other indicators such as Contractor's financial stability. Contractor shall maintain a financial management system to account for periodic, or a lump sum, deduction from reimbursements.

4.3 Contractor shall submit to City not later than the fifteenth (15th) of every month a monthly Request for Payment in the form prescribed by City, which details the specific costs (by category and by program account number) Contractor expensed in the previous month for the services delivered as described in Article I herein, including supporting documentation of such costs as may be required by the Director of the Managing City Department. The Request for Payment shall also specify the Program Income (as defined

herein) received or projected during the same time period. The Director of the Managing City Department may require the Contractor's submission of original or certified copies of invoices, cancelled checks, Contractor's general ledger and/or receipts to verify invoiced expenses.

4.4 City shall make reimbursement payments of eligible expenses to the Contractor of any undisputed amounts as determined by the Director of the Managing Department in accordance with established procedures, so long as City receives a properly completed and documented Request for Payment. City shall make payment to Contractor within 30 calendar days of receiving a valid and approved Request for Payment.

4.5 The Contractor shall submit to City a full accounting of the Program Income and non-Federal Share funds received and total Program costs incurred, along with all requests for payment for the period February 1, 2015 through July 31, 2016 no later than September 16, 2016. In the event of early termination of this Contract, Contractor shall submit the information 45 calendar days from the early termination date of the Contract. These deadlines may be adjusted only if Contractor receives written authorization from the Director of the Managing City Department allowing Contractor to submit a request for payment at a later specified date.

4.6 Contractor agrees that the City shall not be obligated to any subcontractors or third party beneficiaries of the Contractor.

4.7 Contractor shall maintain a financial management system, and acceptable accounting records in accordance with this Agreement and applicable HHS and Head Start regulations and directives, such as 2 CFR 200 *et seq.,* 45 C.F.R. § 74.20 *et seq*. or § 92.20 *et seq*, as applicable, and that provide for:

(A) accurate, current, and complete disclosure of financial support from each federal, state and locally sponsored project and program in accordance with the reporting requirements set forth in Article VIII of this Contract. If accrual basis reports are required, the Contractor shall develop accrual data for its reports based on an analysis of the documentation available;

(B) records that adequately identify the source and application of funds for City-sponsored activities. Such records shall contain information pertaining to City awards, authorizations, obligations, un-obligated balances, assets, equity, outlays, and income;

(C) effective control over and accountability for all funds, property, and other assets. The Contractor shall adequately safeguard all such assets and shall ensure that they are used solely for authorized purposes. Contractor shall maintain a separate numbered account for all funds received and disbursed through this Contract;

(D) comparison of actual outlays with budget amounts for each award. Whenever appropriate or required by the City, financial information should be related to performance and unit cost data;

(E) procedures to minimize the time elapsing between the transfer of funds from the City and the disbursement of said funds by the Contractor;

(F) procedures for determining reasonable, allowable, and allocable costs in accordance with the provisions of any and all applicable cost principles, including but not limited to the cost principles referenced in Article XII hereof, and the terms of the award, grant, or contract, with the City;

(G) accounting records that are supported by source documentation (i.e., timesheets, employee benefits, professional services agreements, purchases, and other documentation as required by City). Contractor shall maintain records and shall meet necessary requirements under Generally Accepted Accounting Principles [GAAP]; and

(H) an accounting system based on generally acceptable accounting principles which accurately reflects all costs chargeable (paid and unpaid) to the Project. A Receipts and Disbursements Ledger must be maintained. A general ledger with an Income and Expense Account for each

budgeted line item is necessary. Paid invoices revealing check number, date paid and evidence of goods or services received are to be filed according to the expense account to which they were charged.

4.8 Contractor agrees that Contractor costs or earnings claimed under this Contract may not be claimed under another contract or grant from another agency, organization, business entity or governmental entity.

4.9 Contractor shall establish, and abide by a cost allocation methodology and plan which ensures that the City is paying only its fair share of the costs for services, overhead, and staffing not solely devoted to the Project or funded by this Contract. The Cost Allocation Plan is a plan that identifies and distributes the cost of services provided by staff and/or departments or functions. It is the means to substantiate and support how the costs of a program are charged to a particular cost category or to the Program so as to assure Grant funds provided hereunder do not subsidize other program(s). Contractor must ensure that costs allocated and charged to the Grant are not charged to other Federal, State or Local awards to overcome fund deficiencies, to avoid restrictions imposed by law or terms of the Federal awards, or for other reasons. Contractor shall provide to City prior to the start of the Contract term (i) a matrix identifying the shared use of such facilities and/or program services; and (ii) the Cost Allocation Plan and supporting documentation, along with its Budget, financial statements and audit that are applicable to the Contractor's Project. City shall have the right to approve the Cost Allocation Plan.

4.10 Contractor agrees to reimburse the City for any Contractor overpayment based upon reconciled adjustments resulting from Contractor's balance and/or Statement of Revenue and Expenditure sheet as of July 31, 2016, which balance or Statement sheet shall be due to the City no later than August 15, 2016. Reimbursement shall be made within 20 calendar days of written notification to the Contractor of the need for reimbursement.

4.11 Upon expiration or early termination of this Contract, or at any time during the term of this Contract, all unused funds, rebates, advances exceeding allowable costs, or credits on-hand or collected thereafter relating to the Project, shall be immediately returned by Contractor to the City.

4.12 Upon execution of this Contract or at any time during the term of this Contract, the City's Director of Finance, the City Auditor, or a person designated by the Director of the Managing City Department may review and approve all Contractor's systems of internal accounting and administrative controls prior to the release of funds hereunder.

V. PROGRAM INCOME

5.1 For purposes of this Contract, "program income" shall mean earnings of Contractor realized from activities resulting from this Contract or from Contractor's management of funding provided or received hereunder. Such earnings shall include, but shall not be limited to, interest income; usage or rental/lease fees; income produced from Contract-supported services of individuals or employees or from the use of equipment or facilities of Contractor provided as a result of this Contract, and if applicable, payments from clients or third parties for services rendered by Contractor pursuant to this Contract. At the sole option of the Director of the Managing City Department, Contractor will either (a) be required to return program income funds to City through the Managing City Department, or (b) upon prior written approval by the Director of the Managing City Department, Contractor may be permitted to retain such funds to be:

(A) added to the Project and used to further eligible Project objectives, in which case proposed expenditures must first be approved by the City; or

(B) deducted from the total Project cost for the purpose of determining the net cost reimbursed by the City.

5.2 In any case where Contractor is required to return program income to the Managing City Department, Contractor must return such program income to City within the timeframe that may be specified by the

Director of the Managing City Department. If the Director of the Managing City Department does not specify a timeframe for Contractor to return program income to City, then Contractor must return such program income to City on the same date that Contractor submits its statement of expenditures and revenues to the Managing City Department set forth in Article V, Section 5.4 of this Contract. If the Director of the Managing City Department grants Contractor authority to retain program income, Contractor must submit all reports required by the Managing City Department within the timeframe specified in the Contract.

5.3 Contractor shall provide the Managing City Department with thirty (30) calendar days written notice prior to the activity that generates program income. Such notice shall detail the type of activity, time, and place of all activities that generate program income.

5.4 The Contractor shall fully disclose and be accountable to the City for all program income. Contractor must submit a statement of expenditures and revenues to the Managing City Department within thirty (30) calendar days of the activity that generates program income. The statement is subject to audit verification by the Managing City Department. Failure by Contractor to report program income as required is grounds for suspension, cancellation, or termination of this Contract.

5.5 Contractor is prohibited from charging fees or soliciting donations and is prohibited from inviting or contracting with vendors who shall charge fees or solicit donations from Program participants and their parents in any Contract-funded project without the prior written approval of the Director of the Managing City Department.

5.6 Contractor shall include this Article V, in its entirety, in all of its subcontracts involving income-producing services or activities.

VI. ADMINISTRATION OF CONTRACT

6.1 The Contractor agrees to comply with all the terms and conditions that the City must comply with in its award document from HHS. A copy of said award document is attached hereto and incorporated herein for all purposes as **Attachment IV**. From time to time, the award document may be amended or supplemented, and these shall be incorporated into the Contract collectively as **Attachment IV**.

6.2 In the event that any disagreement or dispute should arise between the Parties hereto pertaining to the interpretation or meaning of any part of this Contract or its governing rules, regulations, laws, codes or ordinances, the City Manager or the Director of the Managing City Department, as representatives of the City and the parties ultimately responsible for all matters of compliance with HHS and City rules and regulations, shall have the final authority to render or secure an interpretation.

6.3 Contractor shall not use funds awarded from this Contract as matching funds for any federal, state or local grant without the prior written approval of the Director of the Managing City Department.

6.4 The City shall have the authority during normal business hours to make physical inspections to all operating facilities occupied to administer this Contract and to require such physical safeguarding devices as locks, alarms, security / surveillance systems, safes, fire extinguishers, sprinkler systems, etc. to safeguard property and/or equipment authorized by this Contract.

6.5 The Contractor Board of Managers, as applicable, and Contractor's management staff shall adopt and approve an Employee Integrity Policy and internal program management procedures, and require all staff to abide by these and the Head Start standards as established in the HHS regulations, to preclude theft, embezzlement, improper inducement, obstruction of investigation or other criminal action, and to prevent fraud and program abuse. These policies and procedures shall require repayment of stolen or erroneously received grant funds or property to the Contractor, or to the applicable service provider from whom the grant funds or property was received or stolen, if other than the Contractor, and shall specify any other consequences to Contractor's employees and vendors involved in such illegal activities to include but not

be limited to termination and prosecution where necessary. Said policies and procedures shall be provided to the Managing City Department upon request by the Managing City Department. In the event that the Managing City Department finds the policies and procedures to be lacking, the Managing City Department may recommend revision.

6.6 Contractor agrees to comply with the following check writing and handling procedures:

(A) No blank checks are to be signed in advance;

(B) No checks are to be made payable to cash or bearer with the exception of those for petty cash reimbursement, not to exceed a $100.00 maximum per check. Contractor agrees that the aggregate amount of petty cash reimbursement shall not exceed $500.00 for any given calendar month during the term of this Contract unless Contractor receives prior written approval from the Managing City Department to exceed such limit. Such requests for petty cash must be supported by the submission to the Managing City Department of an original receipt.

(C) Checks issued by City to Contractor shall be deposited into the appropriate bank account no later than three (3) business days of Contractor's receipt of each such check, and shall never be cashed for purposes of receiving the face amount back. If such check(s) are not deposited within three (3) business days from the date of issue, such checks shall be investigated by City and stop-payment orders issued, as applicable. Upon cancellation of any outstanding check, if deemed appropriate by City, such check may be reissued to the Contractor or if deemed by City not to be a valid expense, such check shall be immediately returned to the City.

(D) For checks other than petty cash reimbursement, Contractor shall adopt and comply with a policy requiring no less than two (2) signatures of authorized representatives of Contractor on each check. Contractor understands and agrees that City's reimbursement is subject to compliance with this provision of the Contract.

6.7 Contractor agrees to provide City with a copy of all proposed communications to the public, EHS-CCP Program parents and employees as it may relate to the City's implementation of the City's Program model, the transition of Program contracts or transition of the Program, and to obtain the City's approval prior to dissemination.

VII. AUDIT

7.1 If Contractor expends $500,000.00 or more of funds provided under this Contract, or cumulative funds provided by or through City, then during the term of this Contract, the Contractor shall have completed an independent audit of its financial statements performed within a period not to exceed ninety (90) days immediately succeeding the end of Contractor's fiscal year, expiration or early termination of this Contract, whichever is earlier. Contractor understands and agrees to furnish the Managing City Department a copy of the audit report within a period not to exceed fifteen (15) days upon receipt of the report. In addition to the report, a copy of the corrective action plan, summary schedule of prior audit findings, management letter and/or conduct of audit letter are to be submitted to the Managing City Department by Contractor within fifteen (15) days upon receipt of said report or upon submission of said corrective action plan to the auditor.

Contractor agrees to reimburse the City or supplement any disallowed costs with eligible and allowable expenses based upon reconciled adjustments resulting from Contractor's Single Audit. Reimbursement shall be made within 20 calendar days of written notification regarding the need for reimbursement.

Contractor agrees and understands that upon notification from federal, state, or local entities that have conducted program reviews and/or audits of the Contractor or its programs of any findings about accounting deficiencies, or violations of Contractor's financial operations, a copy of the notification, review, investigation, and audit violations report must be forwarded to the Managing City Department within a period of ten (10) days upon the Contractor's receipt of the report.

7.2 Contractor agrees that if Contractor receives or expends more than $500,000.00 in federal funds from the City, the audit shall be made in accordance with the Single Audit Act Amendments of 1996, the State of Texas Single Audit Circular, and U.S. Office of Management and Budget Circular (OMB-133 revision) and Contractor shall also be required to submit copies of its annual independent audit report, and all related reports issued by the independent certified public accountant within a period not to exceed one hundred twenty (120) days after the end of Contractor's fiscal year to the Federal Audit Clearinghouse in Jeffersonville, Indiana. A copy of this report must also be provided to City within this same time period. Contractor may submit reports through the following website: https://harvester.census.gov/fac and may also contact the Clearinghouse by telephone at (301) 763-1551 (voice) or 1-888-222-9907 (toll free) or 1-800-253-0696.

Upon completion of Form SF-SAC, Contractor may submit the completed report by mail to:
Federal Audit Clearinghouse
1201 E. 10th Street
Jeffersonville, Indiana 47132

7.3 If Contractor expends less than $500,000.00 of funds provided by or through the City, then during the term of this Contract, the Contactor shall complete and submit an unaudited financial statement(s) within a period not to exceed ninety (90) days immediately succeeding the end of Contractor's fiscal year or termination of this Contract, whichever is earlier. Said financial statement shall include a balance sheet and income statement prepared by a bookkeeper and a cover letter signed by Contractor attesting to the correctness of said financial statement.

7.4 All financial statement(s) must include a schedule of receipts and disbursements by budgeted cost category for each program funded by or through the City.

7.5 The City reserves the right to conduct, or cause to be conducted an audit or review of all funds received under this Contract at any and all times deemed necessary by City. The City Internal Audit Staff, a Certified Public Accounting (CPA) firm, or other personnel as designated by the City, may perform such audit(s) or reviews. The City reserves the right to determine the scope of every audit. In accordance herewith, Contractor agrees to make available to City all accounting and Project records.

Contractor shall during normal business hours, and as often as deemed necessary by City and/or the applicable state or federal governing agency or any other auditing entity, make available the books, records, documents, reports, and evidence with respect to all matters covered by this Contract and shall continue to be so available for a minimum period of three (3) years or whatever period is determined necessary based on the Records Retention guidelines, established by applicable law for this Contract. Said records shall be maintained for the required period beginning immediately after Contract termination, save and except there is litigation or if the audit report covering such agreement has not been accepted, then the Contractor shall retain the records until the resolution of such issues has satisfactorily occurred. The auditing entity shall have the authority to audit, examine and make excerpts, transcripts, and copies from all such books, records, documents and evidence, including all books and records used by Contractor in accounting for expenses incurred under this Contract, all contracts, invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to matters covered by this Contract.

The City may, in its sole and absolute discretion, require the Contractor to use any and all of the City's accounting or administrative procedures used in the planning, controlling, monitoring and reporting of all fiscal matters relating to this Contract, and the Contractor shall abide by such requirements.

7.6 When an audit or examination determines that the Contractor has expended funds or incurred costs which are questioned by the City and/or the applicable state or federal governing agency, the Contractor shall be notified and provided an opportunity to address the questioned expenditure or costs.

Should any expense or charge that has been reimbursed be subsequently disapproved or disallowed as a result of any site review or audit, the Contractor will immediately refund such amount to the City no later

than ten (10) days from the date of notification of such disapproval or disallowance by the City. At its sole option, the Managing City Department may instead deduct such claims from subsequent reimbursements; however, in the absence of prior notice by City of the exercise of such option, Contractor shall provide to City a full refund of such amount no later than ten (10) days from the date of notification of such disapproval or disallowance by the City. If Contractor is obligated under the provision hereof to refund a disapproved or disallowed cost incurred, such refund shall be required and be made to City by check, cashiers check or money order. Should the City, at its sole discretion, deduct such claims from subsequent reimbursements, the Contractor is forbidden from reducing Project expenditures and Contractor must use its own funds to maintain the Project.

Contractor agrees and understands that all expenses, fees, fines and penalties associated with the collection of delinquent debts owed by Contractor shall be the sole responsibility of the Contractor and shall not be paid from any Project funds received by the Contractor under this Contract. Delinquent debts that would otherwise be identified as allowable costs may be paid with Project funds with approval of the Managing City Department.

7.7 If the City determines, in its sole discretion, that Contractor is in violation of the above requirements, the City shall have the right to dispatch auditors of its choosing to conduct the required audit and to have the Contractor pay for such audit from non-City resources.

VIII. RECORDS, REPORTING, MONITORING AND INTELLECTUAL PROPERTY

8.1 In addition to those listed in this Contract, the Contractor shall submit to the Managing City Department any and all reports as may be required by HHS or the City. Contractor shall incorporate and use any City approved tracking or information system (e.g., ChildPlus) for the delivery of comprehensive EHS-CCP Services and collect, input and update all data in accordance with the City's planned timeline to ensure the reporting of accurate and consistent information to HHS.

8.2 Additionally, Contractor shall maintain and furnish to City the following financial and programmatic information and reports, in such forms as the City may prescribe, as required under the Head Start Act, as amended, and 45 C.F.R. Part 74 or 45 C.F.R. Part 92, as applicable:

a) The total amount of public and private funds received by Contractor and the amount from each source;

b) Financial reports showing all actual and/or projected costs of the Program, an explanation of budgetary expenditures, Program Income, non-Federal Share amounts;

c) The results of the most recent financial audit;

d) The number and percentage of enrolled children that received medical exams;

e) Reports showing employee credentials and a list of personnel serving to satisfy Contractor's in-kind non-Federal Share requirement;

f) Reports showing the wages of each employee; and

g) Contractor report shall be submitted on a monthly basis

h) Any other information requested by City.

Contractor shall maintain all applicable and appropriate supporting documentation of costs, including but not limited to, payroll records, invoices, contracts or vouchers, and make these available to City upon request.

8.3 City reserves the right to request Contractor to provide additional records for travel expenses, long distance calls, faxes, internet service, cell phone calls, or other electronic communication devices charged to the budget associated with this Contract.

8.4 If applicable, Contractor shall report all notices served, violations found or complaints filed with regard to licensing, or lack thereof, of Contractor's centers within one (1) business day of receipt of the notice, violation or complaint.

8.5 Contractor shall comply with Head Start Performance Standards and regulations, and all applicable Federal, State and Local laws relating to child safety. Contractor must establish and implement policies and procedures to respond to medical, dental and other emergencies with which all staff should be familiar and trained. These policies and procedures must include, among other things, methods of notifying parents in the event of an emergency involving their child and established methods for handling cases of suspected or known child endangerment, abuse or neglect that are in compliance with applicable Federal, State, or Local laws. Contractor shall notify the City immediately, but no later than 24 hours, of any instances of actual or suspected cases of child endangerment, neglect or abuse, or in case of a program emergency or likely negative media coverage.

8.6 Within a period not to exceed forty-five (45) calendar days after the expiration or early termination date of the Contract, Contractor shall submit all final client reports and all required deliverables to City. Contractor understands and agrees that in conjunction with the submission of the final report, the Contractor shall execute and deliver to City a receipt for all sums received and a release of all claims against the Project.

8.7 Contractor shall maintain financial records, supporting documents, statistical records, and all other books, documents, papers or other records pertinent to this Contract or the Grant in accordance with the official records retention schedules established within the Local Government Records Act of 1989 and any amendments thereto, or for such period as may be specifically required by the Grant or Head Start regulations,, as applicable, whichever is longer. Notwithstanding the foregoing, Contractor shall maintain all Contract and Grant related documents for no less than four (4) years from the date of City's submission of the annual financial report covering the funds awarded hereunder. If an audit, litigation, or other action involving the records has been initiated before the end of the four (4) year period, Contractor agrees to maintain the records until the end of the retention period or until the audit, litigation, or other action is completed, whichever is later. Records for real property and equipment acquired with Grant funds shall be retained for four (4) years after final disposition.

8.8 Contractor shall make available to City, HHS, or any of their duly authorized representatives, upon appropriate notice, such books, records, reports, documents, papers, policies and procedures as may be necessary for audit, examination, excerpt, transcription, and copy purposes, for as long as such records, reports, books, documents, and papers are retained. This right also includes timely and reasonable access to Contractor's facility and to Contractor's personnel for the purpose of interview and discussion related to such documents. Contractor shall, upon request, transfer certain records to the custody of City or HHS when City or HHS determines that the records possess long-term retention value.

8.9 The Contractor agrees to incorporate and use any City approved tracking or information system for the delivery of comprehensive Program services. Contractor shall enter current, accurate and complete client data.

8.10 The Managing City Department is assigned monitoring, fiscal control, and evaluation of certain projects funded by the City with General or Grant Funds, including the Project covered by this Contract. Therefore, Contractor agrees to permit City and/or HHS to evaluate, through monitoring, reviews, inspection or other means, the quality, appropriateness, and timeliness of services delivered under this Contract and to assess Contractor's compliance with applicable legal and programmatic requirements. At such times and in such form as may be required by the Managing City Department, the Contractor shall make available to the Managing City Department and the Grantor of the Grant Funds, if applicable, such statements, reports,

records, personnel files (including evidence of criminal background check as required by Head Start regulations), client files, data, all policies and procedures and information as may be requested by the Managing City Department and shall permit the City and Grantor of the Grant Funds, if applicable, to have interviews with its personnel, board members and program participants pertaining to the matters covered by this Contract. Contractor agrees that the failure of the City to monitor, evaluate, or provide guidance and direction shall not relieve the Contactor of any liability to the City for failure to comply with the Terms of the Grant or the terms of this Contract.

8.11 City may, at its discretion, conduct periodic, announced monitoring visits to ensure program and administrative compliance with Head Start Performance Standards and with Program goals and objectives for the contract period. City reserves the right to make unannounced visits to Contractor Program sites when it is determined that such unannounced visits are in the interest of effective program management and service delivery.

8.12 Contractor understands that the City will inform Contractor in a timely manner of the findings of any such review or monitoring, specifically any default under the Contract or deficiencies in performance, and will also inform Contractor in writing of Program strengths and weaknesses and specify a deadline for corrective action when necessary. The City will assist Contractor in finding solutions for Program improvement if and as appropriate.

8.13 Unless otherwise provided herein, all reports, statements, records, data, policies and procedures or other information requested by the Managing City Department shall be submitted by Contractor to City within five (5) working days of the request. The parties agree that a shorter time frame may be necessary for response in the case of the single audit and shall cooperate to meet deadlines necessary to comply with the single audit requirements. In the event that Contractor fails to deliver the required reports or information or delivers incomplete information within the prescribed time period, the City may, upon reasonable notice, suspend reimbursements to Contractor until such reports are delivered to City. Furthermore, the Contractor ensures that all information contained in all required reports or information submitted to City is accurate.

8.14 (A) Unless disclosure is authorized by the City, Contractor agrees to maintain in confidence all information pertaining to the Project or other information and materials prepared for, provided by, or obtained from City including, without limitation, reports, information, project evaluation, project designs, data, other related information (collectively, the "Confidential Information") and to use the Confidential Information for the sole purpose of performing its obligations pursuant to this Contract. Contractor shall protect the Confidential Information and shall take all reasonable steps to prevent the unauthorized disclosure, dissemination, or publication of the Confidential Information.

(B) However, if disclosure is permitted by law or required by order of a governmental agency or court of competent jurisdiction, Contractor shall give the Director of the Managing City Department prior written notice that such disclosure is required with a full and complete description regarding such requirement.

(C) Contractor shall establish specific procedures designed to meet the obligations of this Article VIII, Section 8.14, including, but not limited to execution of confidential disclosure agreements, regarding the Confidential Information with Contractor's employees and subcontractors prior to any disclosure of the Confidential Information. This Article VIII, Section 8.14 shall not be construed to limit HHS's, the City's or its authorized representatives' right to obtain copies, review and audit records or other information, confidential or otherwise, under this Contract. Upon termination or expiration of this Contract, Contractor shall return to City all copies of materials related to the Project, including the Confidential Information. All confidential obligations contained herein (including those pertaining to information transmitted orally) shall survive the termination of this Contract. The Parties shall ensure that their respective employees, agents, and contractors are aware of and shall comply with the aforementioned obligations.

8.15 The Public Information Act, Government Code Section 552.021, requires the City and Contractor to make public information available to the public. Under Government Code Section 552.002(a), public information means information that is collected, assembled or maintained under a law or ordinance or in connection with the transaction of official business: 1) by a governmental body; or 2) for a governmental body and the

governmental body owns the information or has a right of access to it. Therefore, if Contractor or City receives inquiries regarding documents within its possession pursuant to this Contract, the Party receiving such request shall (a) within twenty-four (24) hours of receiving the requests forward such requests to the other Party for notification purposes and to afford the other Party the opportunity to assert any applicable arguments or protections necessary to protect its information, and (b) take action as authorized under the Public Information Act to protect information that may be confidential pursuant to State or Federal law. If the requested information is confidential pursuant to State or federal law, the Party receiving such request shall submit to the other Party the list of specific statutory authority mandating confidentiality no later than three (3) business days of Contractor's receipt of such request.

For the purposes of communicating and coordinating with regard to public information requests, all communications shall be made to the designated public information liaison for each Party. Each Party shall designate in writing to the other Party the public information liaison for its organization and notice of a change in the designated liaison shall be made promptly to the other Party.

8.16 In accordance with Texas law, Contractor acknowledges and agrees that all local government records as defined in Chapter 201, Section 201.003 (8) of the Texas Local Government Code created or received in the transaction of official business or the creation or maintenance of which were paid for with public funds are declared to be public property and subject to the provisions of Chapter 201 of the Texas Local Government Code and Subchapter J, Chapter 441 of the Texas Government Code. Thus, Contractor agrees that no such local government records produced by or on the behalf of Contractor pursuant to this Contract shall be the subject of any copyright or proprietary claim by Contractor.

Contractor acknowledges and agrees that all local government records, as described herein, produced in the course of the work required by this Contract, shall belong to and be the property of City and shall be made available to the City at any time. Contractor further agrees to turn over to City all such records upon termination of this Contract. Contractor agrees that it shall not, under any circumstances, release any records created during the course of performance of the Contract to any entity without the written permission of the Director of the Managing City Department, unless required to do so by a court of competent jurisdiction. The Managing City Department shall be notified of such request as set forth in Article VIII, Section 8.15 of this Contract.

8.17 Ownership of Intellectual Property. Contractor and City agree that the Project shall be and remain the sole and exclusive proprietary property of City. The Project shall be deemed a "work for hire" within the meaning of the copyright laws of the United States, and ownership of the Project and all rights therein shall be solely vested in City. Contractor hereby grants, sells, assigns, and conveys to City all rights in and to the Project and the tangible and intangible property rights relating to or arising out of the Project, including, without limitation, any and all copyright, patent and trade secret rights. All intellectual property rights including, without limitation, patent, copyright, trade secret, trademark, brand names, color schemes, designs, screens, displays, user interfaces, data structures, organization, sequences of operation, trade dress, and other proprietary rights (the "Intellectual Property Rights") in the Project shall be solely vested in City. As owner of the tangible and intangible intellectual property, City shall have the right to reproduce, publish, authorize others to reproduce or publish, or otherwise use such material. Contractor agrees to execute all documents reasonably requested by City to perfect and establish City's right to the Intellectual Property Rights. In the event City shall be unable, after reasonable effort, to secure Contractor's signature on any documents relating to Intellectual Property Rights in the Project, including without limitation, any letters patent, copyright, or other protection relating to the Project, for any reason whatsoever, Contractor hereby irrevocably designates and appoints City and its duly authorized officers and agents as Contractor's agent and attorney-in-fact, to act for and in Contractor's behalf and stead to execute and file any such application or applications and to do all other lawfully permitted acts to further the prosecution and issuance of letters patent, copyright or other analogous protection thereon with the same legal force and effect as if executed by Contractor. Provided, however, nothing herein contained is intended nor shall it be construed to require Contractor to transfer any ownership interest in Contractor's best practice and benchmarking information to the City.

8.18 In the event that Contractor desires to copyright material or to permit any third-party to do so, Contractor must obtain City's prior written approval to do so and must appropriately acknowledge City's support in any such materials.

8.19 Subject to obligations to maintain confidentiality under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), the HIPAA Business Associate Agreement (attached hereto and incorporated herein as **Attachment V),** and the limitations imposed by each regarding transfer of information, any and all writings, documents or information in whatsoever form and character produced by Contractor pursuant to the provisions of this Contract is the exclusive property of City; and no such writing, document or information shall be the subject of any copyright or proprietary claim by Contractor. Contractor understands and acknowledges that as the exclusive owner of any and all such writings, documents and information, City has the right to use all such writings, documents and information as City desires, without restriction.

IX. INSURANCE AND INDEMNIFICATION

9.1 Insurance

Contractor is a political subdivision of the State of Texas immune from tort action except as provided under the Texas Tort Claims Act, TEX. CIV. PRAC. & REM. CODE §§ 101.001 et. seq. (Vernon 1986), as amended. Liability of Contractor is limited to money damages in a maximum amount of $100,000 for each person and $300,000 for each single occurrence for bodily injury or death and $100,000 for injury to or destruction of property. Contractor maintains a self-insurance fund sufficient to meet its possible exposure under the TEXAS TORT CLAIMS ACT. Contractor shall provide City with at least fifteen (15) days advance notice of cancellation or non-renewal of such insurance. Contractor shall issue to City upon its request, copies of any applicable certificates of insurance, renewal, surcharge, cancellation notice, and/or verification of coverage. Contractor shall be required to comply with any such requests and shall submit a copy of the replacement certificate of insurance to City at the address provided below within 10 days of the requested change. Contractor shall pay any costs incurred resulting from said changes.

City of San Antonio
Attn: Department of Human Services
P.O. Box 839966
San Antonio, Texas 78283-3966

(A) Within five (5) calendar days of a suspension, cancellation or non-renewal of coverage, Contractor shall provide a replacement Certificate of Insurance and applicable endorsements to City. City shall have the option to suspend Contractor's performance should there be a lapse in coverage at any time during this Contract. Failure to provide and to maintain the required insurance shall constitute a material breach of this Contract.

(B) In addition to any other remedies the City may have upon Contractor's failure to provide and maintain any insurance or policy endorsements to the extent and within the time herein required, the City shall have the right to order Contractor to stop work hereunder, and/or withhold any payment(s) which become due to Contractor hereunder until Contractor demonstrates compliance with the requirements hereof.

(C) Nothing herein contained shall be construed as limiting in any way the extent to which Contractor may be held responsible for payments of damages to persons or property resulting from Contractor's or its subcontractors' performance of the work covered under this Contract.

(D) It is agreed that Contractor's insurance shall be deemed primary and non-contributory with respect to any insurance or self insurance carried by the City of San Antonio for liability arising out of operations under this Contract.

(E) It is understood and agreed that the insurance required is in addition to and separate from any other obligation contained in this Contract.

(F) Contractor and any Subcontractors are responsible for all damage to their own equipment and/or property.

9.2 Indemnification.

Contractor acknowledges that is a political subdivisions of the State of Texas and is subject to, and complies with the applicable provisions of the Texas Tort Claims Act, as set out in the Civil Practices and Remedies Code, Section 101.001 et seq. and the remedies authorized therein regarding claims or causes of action that may be asserted by third parties, including but not limited to those resulting or arising from any and all injuries or death of any person or damage to any property arising from or related to this Contract.

9.3 Acts and Omissions.

City and Contractor both agree to accept and each entity is responsible for its own acts and omissions in providing services pursuant to this Contract as well as those acts or omissions of its employees and nothing in this Contract shall be construed to place any responsibility for such acts or omissions onto the other party.

X. THIS ARTICLE INTENTIONALLY LEFT BLANK

XI. APPLICABLE LAWS

11.1 Contractor, and all of the work performed under this Contract, shall comply with all applicable laws, rules, regulations and codes of the United States and the State of Texas and with the charter, ordinances, bond ordinances, and rules and regulations of the City of San Antonio and Bexar County. Contractor agrees to abide by any and all future amendments or additions to such laws, rules, regulations, policies and procedures as they may be promulgated.

11.2 The Contractor understands that certain funds provided it pursuant to this Contract are funds which have been made available by the City's General Operating Budget and/or by Federal, State, or other granting entities. Consequently, Contractor agrees to comply with all laws, ordinances, codes, rules, regulations, policies, and procedures, including all licensing standards and all applicable accreditation standards, applicable to the funds received by Contractor hereunder as directed by the City or as required in this Contract, including but not limited to:

(A) The Head Start Act (42 U.S.C. §9801 *et seq.*, as amended);

(B) 45 C.F.R. Part 1301 *et seq.*;

(C) The Terms of the HHS Grant;

(D) As applicable, 45 C.F.R. Part 74 or 45 C.F.R. Part 92 (Grants Administration regulations);

(E) Texas Child Care Licensing laws; and

(F) The most recent Office of Management and Budget (OMB) Circular found at 2 C.F.R. Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards," as applicable to the funds received by Contractor hereunder, which streamlines:

a. OMB Circular A-21, entitled, "Cost Principles for Educational Institutions";

b. OMB Circular A-87, entitled, "Cost Principles for State, Local and Indian Tribal Governments";

c. OMB Circular A-102, entitled, "Grants and Cooperative Agreements with State and Local Governments";

d. OMB Circular A-110, entitled "Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations"

e. OMB Circular A-122, entitled, "Cost Principles for Non-Profit Organizations"; and

f. OMB Circular A-133, entitled, "Audits of States, Local Governments, and Not for Profit Organizations".

(G) Official record retention schedules as established by the Local Government Records Act of 1989

(H) The Texas Public Information Act, at Chapter 552, The Texas Government Code

11.3 Contractor agrees to:

(A) to comply with applicable standards, orders, or regulations issued pursuant to the Clean Air Act of 1970 (42 U.S.C. §7401 *et. seq.)* and the Federal Water Pollution Control Act (33 U.S.C. §1251 *et seq.)*, as amended.

(B) to make positive efforts to utilize small businesses, minority-owned firms and women's business enterprises in connection with the work performed hereunder, whenever possible.

(C) to provide for the rights of the Federal Government in any invention resulting from the work performed hereunder, in accordance with 37 C.F.R. Part 401 and any applicable implementing regulations.

(D) to include a provision requiring compliance with the Copeland "Anti-Kickback" Act (18 U.S.C. §874 and 40 U.S.C. §276c) and as supplemented by Department of Labor regulations at 29 C.F.R. Part 3, and implementing regulations in any contracts for construction or repair of more than $2,000.00.

(E) to include a provision requiring compliance with the Davis-Bacon Act (40 U.S.C. §276a to a-7) and as supplemented by Department of Labor regulations at 29 C.F.R. Part 5, and implementing regulations in any construction contracts of more than $2,000.00.

(F) to comply with the certification and disclosure requirements of the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352), and any applicable implementing regulations.

(G) to comply with the applicable standards under the McKinney-Vento Homeless Assistance Act (42 U.S.C. §11434a (2)), and any applicable implementing regulations, as may be applicable.

(H) to comply with the Contract Work Hours and Safety Standards Act, (40 USC 327-333, Sections 102 and 107), relating to all construction contracts in excess of $2,000.00 that involve the employment of laborers, as it relates to computing wages on the basis of a standard 40 hour work week.

(I) to comply with the prohibitions contained in the Pro-Children Act of 1994, relating to not permitting smoking within any indoor facility (or portion thereof) owned or leased or contracted for by Contractor for the provision of regular or routine health care or day care or early childhood development (Head Start) services to children or for the use of the employees of the City or Contractor who provide such services.

11.4 The Contractor certifies that it will provide a drug-free workplace in compliance with the Drug-Free Workplace Act of 1988 and the Drug-Free Workplace Rules established by the Texas Worker's Compensation Commission effective April 17, 1991. Failure to comply with the above-referenced law and regulations could subject the Contractor to suspension of payments, termination of Contract, and debarment and suspension actions.

11.5 Contractor shall comply with all federal, State, or local laws, rules, and orders prohibiting discrimination, and shall not engage in employment practices which have the effect of discriminating against any employee or applicant for employment. As a party to this Contract, Contractor understands and agrees to comply with the *Non-Discrimination Policy* of the City of San Antonio contained in Chapter 2, Article X of the City Code and further, shall not discriminate on the basis of race, color, religion, national origin, sex, sexual orientation, gender identity, veteran status, age or disability, unless exempted by state or federal law, or as otherwise established herein. Consistent with the foregoing, Contractor agrees to comply with Executive Order 11246, entitled "Equal Employment Opportunity", as amended by Executive Order 11375, and as supplemented by regulations at 41 C.F.R. Part 60. Additionally, Contractor certifies that it will comply fully with the following nondiscrimination, minimum wage and equal opportunity provisions, including but not limited to:

(A) Title VII of the Civil Rights Act of 1964, as amended;
(B) Section 504 of the Rehabilitation Act of 1973, as amended;
(C) The Age Discrimination Act of 1975, as amended;
(D) Title IX of the Education Amendments of 1972, as amended; (Title 20 USC sections 1681-1688);
(E) Fair Labor Standards Act of 1938, as amended;
(F) Equal Pay Act of 1963, P.L. 88-38; and
(G) All applicable regulations implementing the above laws.

11.6 The Contractor warrants that any and all taxes that the Contractor may be obligated for, including but not limited to, Federal, State, and local taxes, fees, special assessments, Federal and State payroll and income taxes, personal property, real estate, sales and franchise taxes, are current, and paid to the fullest extent liable as of the execution date of the Contract. The Contractor shall comply with all applicable local, State, and Federal laws including, but not limited to, related to:

(A) worker's compensation;
(B) unemployment insurance;
(C) timely deposits of payroll deductions;
(D) filing of Information on Tax Return form 990 or 990T, Quarterly Tax Return Form 941, W-2's Form 1099 on individuals who received compensation other than wages, such as car allowance, Forms 1099 and 1096 for contract or consultant work, non-employee compensation, etc;
(E) Occupational Safety and Health Act regulations; and
(F) Employee Retirement Income Security Act of 1974, P.L. 93-406.

11.7 Contractor agrees to comply with the Americans with Disabilities Act P.L. 101-336, enacted July 26, 1990, and all regulations thereunder.

11.8 All expenditures by the Contractor or any of its subcontractors must be made in accordance with all applicable federal, state and local laws, rules and regulations.

11.9 If applicable, Contractor shall submit to the Managing City Department its most recent form 990 or 990T and also submit any that are filed with the Internal Revenue Service subsequent to its last submission to the City if filed during the term of the Contract.

XII. NO SOLICITATION/CONFLICT OF INTEREST

12.1 The Contractor warrants that no person or selling agency or other organization has been employed or retained to solicit or secure this Contract upon a contract or understanding for a commission, percentage,

brokerage, or contingent fee and further that no such understanding or agreement exists or has existed with any employee of the Contractor or the City. For breach or violation of this warrant, the City shall have the right to terminate this Contract without liability or, at its discretion, to deduct from the Contract or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee, or to seek such other remedies as legally may be available.

12.2 Contractor covenants that neither it nor any member of its governing body or of its staff presently has any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Contract. Contractor further covenants that in the performance of this Contract, no persons having such interest shall be employed or appointed as a member of its governing body or of its staff.

12.3 Contractor further covenants that no member of its governing body or of its staff shall possess any interest in, or use their position for, a purpose that is or gives the appearance of being motivated by desire for private gain for themselves or others, particularly those with which they have family, business, or other ties.

12.4 No member of City's governing body or of its staff who exercises any function or responsibility in the review or approval of the undertaking or carrying out of this Contract shall:

(A) Participate in any decision relating to this Contract which may affect his or her personal interest or the interest of any corporation, partnership, or association in which he or she has a direct or indirect interest; or
(B) Have any direct or indirect interest in this Contract or the proceeds thereof.

12.5 Contractor acknowledges that it is informed that Charter of the City of San Antonio and its Ethics Code prohibit a City officer or employee, as those terms are defined in Section 2-52 of the Ethics Code, from having a financial interest in any contract with the City or any City agency such as City owned utilities. An officer or employee has "prohibited financial interest" in a contract with the City or in the sale to the City of land, materials, supplies or service, if any of the following individual(s) or entities is a party to the contract or sale: A City officer or employee; his parent, child or spouse; a business entity in which the officer or employee, or his parent, child or spouse owns ten (10) percent or more of the voting stock or shares of the business entity, or ten (10) percent or more of the fair market value of the business entity; a business entity in which any individual or entity above listed is subcontractor on a City contract, a partner or a parent or subsidiary business entity.

12.6 Contractor warrants and certifies, and this Contract is made in reliance thereon, that Contractor is a public entity and Contractor's representative further warrants and certifies that no City officer or employee nor any spouse, parent, child, sibling of first-degree relative of a City officer or employee owns ten (10) percent or more of the voting stock or shares of Contractor, or ten (10) percent or more of the fair market value of the Contractor. Contractor further warrants and certifies that is has tendered to the City a Discretionary Contracts Disclosure Statement in compliance with the City's Ethics Code.

XIII. TERMINATION

13.1 Should the Contractor fail to fulfill, in a timely and proper manner, obligations under this Contract to include performance standards established by the City, or if the Contractor should violate any of the covenants, conditions, or stipulations of the Contract, the City shall have the right to terminate this Contract by sending written notice to the Contractor of such termination, and specifying the effective date of termination.

13.2 The Contractor shall be entitled to receive just and equitable compensation for any work satisfactorily completed prior to such termination date. The question of satisfactory completion of such work shall be determined by the City alone, and its decision shall be final. It is further expressly understood and agreed by the Parties that Contractor's performance upon which final payment is conditioned shall include, but not

be limited to, the Contractor's complete and satisfactory performance, of its obligations for which final payment is sought.

13.3 Notwithstanding any other remedy contained herein or provided by law, the City may delay, suspend, limit, or cancel funds, rights or privileges herein given the Contractor for failure to comply with the terms and provisions of this Contract. Specifically, at the sole option of the City, the Contractor may be placed on probation during which time the City may withhold reimbursements in cases where it determines that the Contractor is not in compliance with this Contract. The Contractor shall not be relieved of liability to the City for damages sustained by the City by virtue of any breach of this Contract, and the City may withhold funds otherwise due as damages, in addition to retaining and utilizing any other remedies available to the City.

13.4 If an employee of Contractor is discharged or otherwise leaves employment with Contractor, then the Contractor shall pay in full to such employee all of such employee's earned salaries and wages, within the timeframe specified by law.

13.5 Should the Contractor be debarred by federal government or the City pursuant to a debarment policy currently existing or hereafter adopted, said debarment may be grounds for termination.

13.6 This Contract is subject to the availability of federal grant funds to City and may be terminated by the City if HHS terminates the City as a grantee or reduces the amount granted to City, for any reason; provided that, if the reduction of grant funds does not result in complete unavailability of such funds, the Parties will use best efforts to amend this Contract accordingly. City will promptly notify Contractor of any such HHS action.

13.7 In all instances of termination, Contractor shall not incur new obligations after the effective date of termination, and shall cancel as many outstanding obligations as possible. Contractor shall submit to City all required reports including a final financial statement which shall be a statement of all expenditures incurred by Contractor under this Contract. City shall pay Contractor the full cost of obligations that City determines were not subject to cancellation if such costs are properly documented, allowable, within the approved budget, and unavoidably incurred by Contractor prior to termination or expiration. The foregoing shall constitute full and complete reimbursement for all of Contractor's performance under this Contract.

XIV. PROHIBITION OF POLITICAL ACTIVITIES

14.1 Contractor agrees that no funds provided from or through the City shall be contributed or used to conduct political activities for the benefit of any candidate for elective public office, political party, organization or cause, whether partisan or non-partisan, nor shall the personnel involved in the administration of the Project provided for in this Contract be assigned to work for or on behalf of any partisan or non-partisan political activity.

14.2 Contractor agrees that no funds provided under this Contract may be used in any way to attempt to influence, in any manner, a member of Congress or any other State or local elected or appointed official.

14.3 The prohibitions set forth in Article XIV, Sections 14.1 and 14.2 of this Contract include, but are not limited to, the following:

(A) an activity to further the election or defeat of any candidate for public office or for any activity undertaken to influence the passage, defeat or final content of local, state or federal legislation;
(B) working or directing other personnel to work on any political activity during time paid for with City funds, including, but not limited to activities such as taking part in voter registration drives, voter transportation activities, lobbying, collecting contributions, making speeches, organizing or assisting at meetings or rallies, or distributing political literature;
(C) coercing personnel, whether directly or indirectly, to work on political activities on their personal time, including activities such as taking part in voter registration drives, voter transportation activities, lobbying, collecting contributions, making speeches, organizing or assisting at meetings or rallies, or distributing political literature; and

(D) using facilities or equipment paid for, in whole or in part with City funds for political purposes including physical facilities such as office space, office equipment or supplies, such as telephones, computers, fax machines, during and after regular business hours.

14.4 To ensure that the above policies are complied with, Contractor shall provide every member of its personnel paid out of Contract funds with a statement provided by Contractor of the above prohibitions and have each said individual sign a statement acknowledging receipt of the policy. Such statement shall include a paragraph that directs any staff person who has knowledge of violations or feels that he or she has been pressured to violate the above policies to call and report the same to the Managing City Department. Contractor shall list the name and number of a contact person from the Managing City Department on the statement that Contractor's personnel can call to report said violations.

14.5 Contractor agrees that in any instance where an investigation of the above is ongoing or has been confirmed, salaries paid to the Contractor under this Contract may, at the City's discretion, be withheld until the situation is resolved, or the appropriate member of the Contractor's personnel is terminated.

14.6 This Article shall not be construed to prohibit any person from exercising his or her right to express his or her opinion or to limit any individual's right to vote. Further, Contractor and staff members are not prohibited from participating in political activities on their own volition, if done during time not paid for with Contract funds.

XV. PERSONNEL

15.1 Contractor shall establish and maintain an organizational structure that supports the accomplishment of Program objectives, addresses the major functions and responsibilities assigned to each staff position and provides evidence of adequate mechanisms for staff supervision and support to ensure the effective oversight of the Program operations. Contractor shall ensure that, at a minimum, the program management functions listed in the Scope of Work are assigned to and adopted by staff within the Program.

15.2 Contractor understands that the City shall periodically perform its own wage and salary comparison and shall issue such results to Contractor. Contractor understands and agrees that City shall have no obligation to reimburse Contractor in excess of wages to an employee that exceed the average rate of compensation paid to persons providing substantially comparable services in the area. For purposes of this Contract, the City shall accept the wage information set forth in the most recent study commissioned by, or issued by, the Texas Association of School Boards, in determining the rate of reimbursement. Although the City may consider factors such as training and experience as affecting compensation levels, the City shall have the sole and absolute authority to determine the rate of City's reimbursement under the Contract and its decision shall be final due to the City's obligation of ensuring that wage comparability studies meet the requirements of the Head Start Act and implementing regulations. Subject to the restriction set forth in 15.3, Contractor may compensate its employees above the rate the City will reimburse, so long as the additional compensation is not charged to the Contract budget.

15. 3 Contractor expressly understands and agrees that in accordance with 42 U.S.C. §9848, no portion of the Contract funds provided hereunder may be used to pay its employee if compensation (including non-federal funds) to that employee exceeds $179,700.00, or the maximum authorized compensation as may be adjusted from time to time. Furthermore, Contractor agrees that all employees must devote to Contractor's Program the time proportionate to the percentage of their compensation funded through the EHS-CCP grant (e.g., employees who are one hundred percent (100%) funded through the Grant must devote one hundred percent (100%) of their time and effort to support Contractor's Program). Contractor agrees to submit employee certifications if requested by the City or HHS.

15.4 The Contractor agrees to establish internal procedures that assure employees of an established complaint and grievance process. The grievance process will include procedures to receive, investigate, and resolve complaints and grievances in an expeditious manner.

15.5 Contractor agrees to comply with all applicable federal regulations regarding the setting of, and maximum amount allowable for, salaries of Contractor's employees.

15.6 Contractor agrees that all copies of written job descriptions will be filed in all individual personnel folders for each position in the organization.

15.7 The Contractor agrees to provide the City with the names and license registration of any employees of Contractor regulated by State law whose activities contribute towards, facilitate, or coordinate the performance of this Contract.

15.8 At the sole discretion of the Director of the Managing City Department, Contractor may be reimbursed by City for the cost of pay granted to full time, permanent employees that is not chargeable to annual or personal leave only for the reasons listed below:

(A) To attend annual training in a branch of the Armed Services, not to exceed fifteen (15) business days during the term of this Contract;
(B) To serve as a juror;
(C) To attend the funeral of someone in the immediate family. Immediate family shall include father, step-father, father-in-law, mother, step-mother, mother-in-law, sister, step-sister brother, step-brother, spouse, child, and other relative who was the legal guardian of the employee or for whom the employee had legal guardianship. In such event, the Contractor may grant up to three (3) work days of leave with pay that is not chargeable to annual or personal leave.
(D) To attend seminars or workshops.

15.9 Chief Executive Officers (CEOs), directors and other supervisory personnel of Contractor may not supervise a spouse, parents, children, brothers, sisters, and in-laws standing in the same relationship, (hereinafter referred to as "Relatives") who are involved in any capacity with program delivery supported through Contract funds. Relatives, however, may be co-workers in the same Project in a non-supervisory position.

XVI. ADVERSARIAL PROCEEDINGS

16.1 Except in circumstances where the following is in conflict with federal law or regulations pertaining to the Program, Contractor agrees to comply with the following special provisions:

(A) Under no circumstances will the funds received under this Contract be used, either directly or indirectly, to pay costs or attorney fees incurred in any adversarial proceeding against the City or any other public entity; and

(B) Contractor, at the City's option, could be ineligible for consideration to receive any future funding while any adversarial proceeding against the City remains unresolved.

XVII. FEDERAL AND CITY-SUPPORTED PROJECT

17.1 This Section is applicable to all EHS-CCP publicity, presentations, signs, press releases, public notices, flyers, brochures, marketing materials, and other informational material prepared, created, posted and/or disseminated during the term of the Agreement by Contractor. Contractor shall obtain City's prior approval of the language and logo, as applicable, to be used, and the Parties agree that all publicity regarding the establishment or operation of the Program affiliation between City and Contractor described herein shall be planned and implemented as mutually agreed to in advance by the Parties. Contractor agrees that all public notices and any publicity, signs and/or marketing materials regarding any program which is funded by this Contract shall provide a written statement in a form approved or provided by City acknowledging the role of the Federal funds provided by HHS through City hereunder. These public notices

or signs include, but are not limited to, signs identifying the facilities from which these programs are provided, and electronic media. In addition, all publicity related to Contractor's Program services shall note that the Program is operated on a non-discriminatory basis.

XVIII. PROPERTY, EQUIPMENT AND SUPPLIES

18.1 The City retains ownership of all equipment/property purchased with funds received through the City and such equipment/property shall, at the City's sole option, revert to the City at Contract's termination, for whatever reason. The Contractor agrees to relinquish and transfer possession of and, if applicable, title to said property without the requirement of a court order upon termination of this Contract. Equipment that has reverted to the Contractor through a City-paid lease agreement with option to buy will be considered the same as though the equipment was purchased outright with Contract funds. It is understood that the terms, "equipment" and "property", as used herein, means tangible, non-expendable, personal property having a useful life of more than one year and an acquisition cost of $5,000.00 or more per unit and shall include not only furniture and other durable property, but also vehicles, but shall not include supplies and consumables.

18.2 Contractor agrees that no equipment purchased with Contract funds may be disposed of without receiving prior written approval from the Managing City Department. In cases of theft and/or loss of equipment, it is the responsibility of the Contractor to replace it with like equipment. Contract funds cannot be used to replace equipment in those instances. All replacement equipment will be treated in the same manner as equipment purchased with Contract funds.

18.3 Contractor shall maintain accurate and complete records on all equipment and property obtained with Contract funds to include:

(A) A description of the equipment, including the model and serial number or other identification number, if applicable;
(B) The date of acquisition, cost and procurement source, purchase order number, and vendor number;
(C) An indication of whether the equipment is new or used;
(D) The vendor's name (or transferred from);
(E) The location of the property;
(F) The property number shown on the property tag; and,
(G) A list of disposed items and disposition

18.4 The Contractor is fully and solely responsible for the insuring, safeguarding, maintaining, and reporting of lost, stolen, missing, damaged, or destroyed equipment/property purchased or leased with Contract funds. All lost, stolen, missing, damaged and/or destroyed equipment/property shall be reported to the local Police Department and, if applicable, the Federal Bureau of Investigation (FBI) immediately. The Contractor shall make such reports immediately and shall notify and deliver a copy of the official report to the Managing City Department within seventy-two (72) hours from the date that Contractor discovers the lost, stolen, missing, damaged and/or destroyed equipment/property. The report submitted by the Contractor to the Managing City Department shall minimally include:

(A) A reasonably complete description of the missing, damaged or destroyed articles of property, including the cost and serial number and other pertinent information;
(B) A reasonably complete description of the circumstances surrounding the loss, theft, damage or destruction; and,
(C) A copy of the official written police report or, should the Police not make such copy available within 72 hours of the discovery and reporting of the loss, a summary of the report made to the Police, including the date the report was made and the name and badge number of the Police Officer who took the report. Contractor shall provide a copy of the official written report to the City within 72 hours of receiving the official written report from law enforcement.

18.5 All equipment (as defined in 18.1 above) purchased under this Contract shall be fully insured against fire, loss and theft. Contractor shall, at a minimum, provide the equivalent insurance for real property and equipment acquired with Contract funds as provided to other property acquired or owned by the Contractor.

18.6 Upon request, the Contractor shall provide an annual inventory of assets purchased with funds received through the City to the Managing City Department.

18.7 Contractor shall fully comply with the property and equipment requirements of 45 C.F.R Part 74, including but not limited to Sections 74.30 through 74.37, and 45 C.F.R. Part 92, as applicable, related to the following:

(A) Insurance Coverage
(B) Real Property
(C) Federally-owned and exempt property
(D) Equipment
(E) Supplies
(F) Intangible property
(G) Property trust relationship

18.8 Relative to property, equipment and supplies purchased with Head Start grant funds, Contractor shall route all written correspondence to HHS through the Managing City Department for review, endorsement and processing. For cumulative purchases in the amount of $25,000.00 or greater, Contractor shall obtain approval from the Managing City Department prior to issuance of the bid or other procurement notice and prior to selection of the winning bid or proposal. Contractor shall not split the purchase of a line item with a unit value of $25,000.00 or greater in order to avoid obtaining approval from the Managing City Department.

18.9 Contractor will maintain a system for tracking, on an ongoing basis, inventory of equipment and supplies purchased with Grant funds that either (i) has a purchase price of $5,000.00 or greater; or (ii) meets such other criteria as City may prescribe (and which City shall notify Contractor as appropriate). Upon request, Contractor will provide City a status report of the current inventory of equipment and supplies meeting these requirements. City shall have the right to review and approve Contractor's inventory tracking system.

18.10 City reserves the right to require transfer of property acquired with funds awarded under this Contract as provided in the Head Start regulations, as applicable.

XIX. TRAVEL

19.1 The costs associated with budgeted travel for business, either in-town or out-of -town, are allowable costs provided documentation of expenses is present.

(A) Contractor agrees that mileage reimbursement paid to Contractor's employees shall be reimbursed at a rate no more liberal than the City's policy for mileage reimbursement, which is consistent with Internal Revenue Service (IRS) rules. Contractor further agrees that in order for its employees to be eligible for mileage reimbursement, the employees 1) shall be required to possess a valid Texas Driver's License and liability insurance as required by law, and 2) must record, on a daily basis, odometer readings before and after business use, showing total business miles driven each day and must keep such record in the vehicle. Mileage records are subject to spot-checks by City auditors and monitors. Contractor shall strongly encourage the participation by its employees in an approved defensive driving course. Evidence of the required driver's license and liability insurance must be kept on file with the Contractor.

(B) Contractor agrees that in order to obtain reimbursement of the costs associated with budgeted out of town travel for business in connection with this Contract, Contractor shall:

1) obtain City's prior approval and provide City with detailed documentation of such business travel expense(s),
2) ensure that any and all costs associated with out-of-town travel (including per diem rates) shall not be more liberal than the City's travel policies which conform with the reimbursement rates established by the United States General Services Administration,
3) purchase all business travel at economy class rates and shall document such, and
4) maintain supporting documentation for conferences to include itineraries and documentation certifying conference attendance and provide such documentation to City upon request.

XX. NO USE OF FUNDS FOR RELIGIOUS ACTIVITIES

20.1 Contractor agrees that none of the performance rendered hereunder shall involve, and no portion of the funds received hereunder shall be used, directly or indirectly, for the construction, operations, maintenance or administration of any sectarian or religious facility or activity, nor shall said performance rendered or funds received be utilized so as to benefit, directly or indirectly, any such sectarian or religious facility or activity.

XXI. DEBARMENT

21.1 Contractor certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in any state or federal program.

21.2 Contractor shall provide immediate written notice to City, in accordance with the notice requirements of Article XXVI herein, if, at any time during the term of the contract, including any renewals hereof, Contractor learns that its certification was erroneous when made or have become erroneous by reason of changed circumstances.

XXII. ASSIGNMENT

22.1 Contractor shall not assign or transfer Contractor's interest in this Contract or any portion thereof without the written consent of the City, and if applicable, the Grantor of the Grant Funds. Any attempt to transfer, pledge or otherwise assign shall be void ab initio and shall confer no rights upon any third person or party.

XXIII. AMENDMENT

23.1 Any alterations, additions or deletions to the terms hereof shall be by amendment in writing executed by both City and Contractor and evidenced by passage of a subsequent City ordinance, as to City's approval; provided, however, the Director of the Managing City Department shall have the authority to execute an amendment of this Contract without the necessity of seeking any further approval by the City Council of the City of San Antonio if permitted by all applicable local, state and federal laws, and in the following circumstances:

A. An increase in funding (the cause of which is unrelated to the reason set forth in Section 23.1(E) below) of this Contract in an amount not exceeding (a) twenty-five percent (25%) of the total amount of this Contract or (b) $25,000.00, whichever is the lesser amount; provided, however, that the cumulative total of all amendments executed without City Council approval pursuant to this subsection and increasing Contract funding during the term of this Contract shall not exceed the foregoing amount;

B. Modifications to the Scope of Work set forth in **Attachment I** hereto, so long as the terms of the amendment stay within the substantive parameters set forth in the original Scope of Work, also set forth in **Attachment I** hereto;

C. Budget line item shifts of funds, so long as the total dollar amount of the budget set forth in Section 3.1 of this Contract remains unchanged; (these modifications may be accomplished through Budget Revisions);

D. Modifications to the insurance provisions described in Article IX of this Contract that receive the prior written approval of the City of San Antonio's Risk Manager and the Director of the Managing City Department.

E. decreases (and increases if the City agrees to allocate additional enrollment slots to Contractor) in Contract funding based upon Program enrollment levels, and modifications to Contract terms related to enrollment; provided, however, that the cumulative total of all EHS-CCP Program contracts, as amended, shall not exceed the City's total budget for the EHS-CCP Program budget for the applicable grant year. Contractor shall execute any and all amendments to this Contract that are required as a result of a modification made pursuant to this Section 23.1(E).

23.2 Contractor further agrees that except when the terms of this Contract expressly provide otherwise, any alterations, additions or deletions to the terms hereof shall be by amendment in writing and approved by HHS.

XXIV. SUBCONTRACTING

24.1 None of the work or services covered by this Contract shall be sub-contracted without the prior written consent of the City and the Grantor of the Grant Funds, if so required by said Grantor.

24.2 Contractor must comply with all applicable local, State and Federal procurement standards, rules, regulations and laws in all its sub-contracts related to the work or funds herein. It is further agreed by the Parties hereto that the City has the authority to monitor, audit, examine, and make copies and transcripts of all sub-contracts, as often as deemed appropriate by the City. If, in the sole determination of the City, it is found that all applicable local, State and Federal procurement standards, rules, regulations and laws have not been met by Contractor with respect to any of its sub-contracts, then the Contractor will be deemed to be in default of this Contract, and as such, this Contract will be subject to termination in accordance with the provisions hereof.

24.3 Any work or services for sub-contracting hereunder, shall be sub-contracted only by written Contract, and unless specific waiver is granted in writing by City, shall be subject by its terms to each and every provision of this Contract. Compliance by sub-contractors with this Contract shall be the responsibility of Contractor. Contractor agrees that payment for services of any sub-contractor shall be submitted through Contractor, and Contractor shall be responsible for all payments to sub-contractors.

24.4 Contractor certifies that its subcontractors are not presently debarred, suspended or proposed for debarment, declared ineligible or voluntarily excluded from participation in any state or federal program.

XXV OFFICIAL COMMUNICATIONS

25.1 Except where the terms of this Contract expressly provide otherwise, any election, notice or communication required or permitted to be given under this Contract shall be in writing and deemed to have been duly given if and when delivered personally (with receipt acknowledged), or three (3) days after depositing same in the U.S. mail, first class, with proper postage prepaid, or upon receipt if sending the same by certified mail, return receipt requested, or upon receipt when sent by a commercial courier service (such as Federal Express or DHL Worldwide Express) for expedited delivery to be confirmed in writing by such courier, at the addresses set forth below or to such other address as either Party may from time to time designate in writing.

City:
Director
Department of Human Services
106 S. St. Mary's Street, Suite 700
San Antonio, Texas 78205

Contractor:
Theresa de la Haya, Senior Vice President
Community Health & Clinical Preventive Programs
University Health System
701 So. Zarzamora
San Antonio, Texas 78207

Notices of changes of address by either Party must be made in writing delivered to the other Party's last known address within five (5) business days of the change.

XXVI. VENUE

26.1 Contractor and City agree that this Contract shall be governed by and construed in accordance with the laws of the State of Texas. Any action or proceeding brought to enforce the terms of this Contract or adjudicate any dispute arising out of this Contract shall be bought in a court of competent jurisdiction in San Antonio, Bexar County, Texas.

XXVII. GENDER

27.1 Words of any gender used in this Contract shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires.

XXIII. REPRESENTATIONS AND OTHER OBLIGATIONS

28.1 The signer of this Contract for Contractor represents, warrants, assures and guarantees that (s)he has full legal authority to execute this Contract on behalf of Contractor and to bind Contractor to all of the terms, conditions, provisions and obligations herein contained. Whether a non-profit or public entity, Contractor must be authorized to do business in the State of Texas and be formed under and operating in accordance with all applicable laws of the State of Texas. Contractor shall provide Managing City Department verification of the foregoing requirements upon request by City.

28.2 This Contract is based on the representation of Contractor that it is financially viable, solvent, and accountable for its expenditures; that it has the continuing capability to furnish the non-Federal Share of the cost of operating its approved Contractor Program; and that Program funds disbursed to Contractor will be expended only for allowable costs in the implementation of the Contractor Program which is the subject of this Contract. Contractor represents that there are no financial limitations or impediments that would make it not viable, solvent and accountable such that the flow of Program funds might be diverted away from the operation and maintenance of the Program which is the subject of this Contract.

28.3 In the event that circumstances arise which might result in interference with Contractor's ability to provide the services which are the subject of this Contract, Contractor agrees to inform City of those circumstances immediately upon their discovery. Contractor agrees that reimbursement to Contractor, upon reasonable notice, may be suspended by City until such financial circumstances giving rise to the possible interference with the operation of the Program have been eliminated, provided, however, that authorized expenditures made prior to the suspension, and approved by City shall be disbursed pursuant to the terms of this Contract.

XXIX. LICENSES AND TRAINING

29.1 Contractor warrants and certifies that Contractor's employees and its subcontractors have the requisite training, license or certification to provide said services, and meet all competence standards promulgated by all other authoritative bodies, as applicable to the services provided herein.

XXX. INDEPENDENT CONTRACTOR

30.1 It is expressly understood and agreed that the Contractor is and shall be deemed to be an independent contractor, responsible for its respective acts or omissions and that the City shall in no way be responsible therefor, and that neither Party hereto has authority to bind the other nor to hold out to third parties that it has the authority to bind the other.

30.2 Nothing contained herein shall be deemed or construed by the parties hereto or by any third party as creating the relationship of employer-employee, principal-agent, partners, joint venture, or any other similar such relationship, between the Parties hereto.

30.3 Any and all of the employees of the Contractor, wherever located, while engaged in the performance of any work required by the City under this Contract shall be considered employees of the Contractor only, and not of the City, and any and all claims that may arise from the Workers' Compensation Act on behalf of said employees while so engaged shall be the sole obligation and responsibility of the Contractor.

XXXI. SEVERABILITY

31.1 If any clause or provision of this Contract is held invalid, illegal or unenforceable under present or future federal, state or local laws, including but not limited to the City Charter, City Code, or ordinances of City, then and in that event it is the intention of the Parties hereto that such invalidity, illegality or unenforceability shall not affect any other clause or provision hereof and that the remainder of this Contract shall be construed as if such invalid, illegal or unenforceable clause or provision was never contained herein; it is also the intention of the Parties hereto that in lieu of each clause or provision of this Contract that is invalid, illegal or unenforceable, there be added as a part of this Contract a clause or provision as similar in terms to such invalid, illegal or unenforceable clause or provision as may be possible, legal, valid and enforceable.

XXXII. NON-WAIVER OF PERFORMANCE

32.1 No waiver by City of a breach of any of the terms, conditions, covenants or guarantees of this Contract shall be construed or held to be a waiver of any succeeding or preceding breach of the same or any other term, condition, covenant or guarantee herein contained. Further, any failure of City to insist in any one or more cases upon the strict performance of any of the covenants of this Contract, or to exercise any option herein contained, shall in no event be construed as a waiver or relinquishment for the future of such covenant or option.

XXXIII. RESERVED

[The remainder of this page intentionally left blank]

XXXIV. ENTIRE CONTRACT

34.1 This Contract and its attachments, if any, constitute the entire and integrated Contract between the Parties hereto and contain all of the terms and conditions agreed upon, and supersede all prior negotiations, representations, or contracts, either oral or written. No such other negotiations or representations may be enforced by either Party nor may they be employed for interpretation purposes in any dispute involving this Contract.

In witness of which this Contract has been executed effective the _____ day of _____, _____.

CITY OF SAN ANTONIO:

_____
Melody Woosley, Director
Department of Human Services

APPROVED AS TO FORM:

_____
Assistant City Attorney

CONTRACTOR:
Bexar County Hospital District d/b/a University Health System

_____
George B. Hernandez, Jr.
President/Chief Executive Officer

APPROVED AS TO FORM:

_____
Staff Attorney, UHS

ATTACHMENTS
Attachment I – Scope of Work
Attachment II – Program Budget
Attachment III – Special Provisions
Attachment IV – HHS Award Document
Attachment V – HIPAA Business Associate Agreement

[This Scope of work may be revised depending on program need].

ATTACHMENT I

SCOPE OF WORK

1. Summary

To promote healthy development and ensure optimal learning, Contractor will provide Head Start health services to children enrolled in the Head Start Program, as needed, in accordance with the Head Start Performance Standards and the terms of this Contract. Contractor will conduct Lead and Hemoglobin Screenings for all children who need it. Contractor will also perform complete physical exams for all uninsured children in the Head Start Program. Additionally, Contractor agrees to serve as a medical provider and perform complete physical exams for children referred from Head Start service providers. Contractor will provide guidance and advice in the area of health to Head Start service providers when requested.

2. Program Services

A. Contractor shall provide Head Start program services to eligible children without regard to age, race, creed, color, sex, or national origin.

B. Contractor shall use Head Start funds for professional medical services when no other funding source is available, in accordance with Head Start Performance Standards. If funds are used for medical services, Contractor must have and provide to the City upon request written documentation of their efforts to access other available sources of funding.

C. Contractor shall establish an ongoing monitoring system and conduct internal monitoring of operations throughout the program year, notifying the City when the Contractor identifies possible or actual lack of compliance with the Head Start Performance Standards, Head Start Act, City's program policies or terms of this contract. Contractor will make copies of monitoring reports available to the City upon request.

D. Contractor shall establish and maintain an organizational structure that supports the accomplishment of Program/Scope of Work objectives and supports the City (Grantee) to ensure all the required Head Start health services are provided. At a minimum, The Contractor must have immediate access to as needed services by an individual that meets the qualifications of a Registered Nurse (RN). This individual or consultants must be licensed or certified health professionals with experience and expertise in serving young children and their families and will support Grantee health staff as requested. Contractor shall ensure that employees who are one hundred percent (100%) funded through the Head Start grant devote one hundred percent (100%) of their time and effort to support the Head Start Program. Contractor will provide administrative support to ensure that all Head Start activities are coordinated and billed accordingly.

E. Contractor shall ensure that its Head Start Program shall be, and remain, in full compliance with the Head Start Performance Standards as provided in Head Start regulations, 45 CFR Part 1301 *et seq.* and with the Head Start Act, as amended, 42 U.S.C. 9801 *et. seq.*

F. Contractor must strive to perform the following no later than 90 calendar days of the child's entry into the Program, and as needed throughout the program school year as new children enter the Program:

1. Contractor shall perform a complete unclothed physical examination for all children who are referred from Head Start service providers. This complete physical exam must be conducted in accordance with the Texas Health and Human Services Health Steps (THSteps) requirements. Contractor must provide copies of the physical exam documentation to Head Start Grantee. Contractor must also verify or make a determination as to whether or not the child is eligible for health insurance, including Medicaid, Children's Health Insurance Program (CHIP), UHS CareLink or other insurances. Contractor shall ensure no other funding sources are available before using Head Start funds.

2. If Grantee determines that an uninsured child has not received the required physical examination or that the physical examination is incomplete, Contractor will coordinate with Grantee, the uninsured child's medical home or health service provider to have the physical examination completed or, if needed, Contractor must complete the physical examination. Before conducting said physical examination, Contractor shall ensure that the uninsured child has the appropriate consent forms and required documentation. Contractor must refer the uninsured child to the appropriate health care service provider if further medical attention is needed. Contractor shall also ensure no other funding sources are available before using Head Start funds.

G. Contractor, in coordination with the Grantee, must strive to complete the following no later than 90 calendar days of the child's entry into the Program, and as needed throughout the program school year as new children enter the Program:

1. Contractor must conduct Lead and Hemoglobin Screenings for all children in the Head Start Program who need it at the appropriate Early Head Start Center. Contractor will provide the appropriate Consent and Release of Information form. Contractor will initiate the work as soon as the Grantee completes the initial assessment and the Contractor receives a list of the children that require these screenings. The contractor will give results of testing to the Grantee staff and input results of all screenings into the Grantee's designated data management system within 3 business days.

2. If screenings indicate a lead level above normal, Contractor shall refer the child to a health professional for further evaluation and treatment and inform the Grantee Health Coordinator within 7 days. Contractor will provide a referral letter to parents and Grantee stating lead level within 7 days. Contractor Medical Assistant/PCA will be responsible for explaining/counseling elevated lead levels to parents, when needed and as appropriate and will document their work into the Grantee's designated data management system within 7 days.

3. If the screenings indicate an abnormal Hemoglobin level, Contractor shall refer the child to a health professional for further evaluation and treatment and inform Grantee Health Coordinator within 7 days. Contractor will provide a referral letter to parents and Grantee stating lead level within 7 days. Contractor Medical Assistant/PCA will be responsible for explaining/counseling elevated lead levels to parents, when needed and as appropriate and will document their work into the Grantee's designated data management system within 7 days.

H. Contractor must coordinate directly with the Grantee Health Coordinator(s) to ensure that there is a system of appointments, document collection, follow-up and information sharing for the provision of

Lead and Hemoglobin Screenings and Physical Exams for uninsured children in the Head Start Program to include the following:

1. Contractor'sMA/PCA will carry out the following:
   a) Conduct the case management follow up for all abnormal Lead and Hemoglobin levels and document their work into the Grantee's designated data management system within 7 days.
   b) Contractor RN/LVN must be available on an as needed basis to assess Physical Exams for health concern follow up and answer medical concerns related to the THSteps EPSDT. Findings will be reported to the City on a timely basis

2. Contractor will carry out the following:
   a) Provide City Data Management status reports on Lead and Hemoglobin of Early Head Start children on a monthly basis and as requested by the City. Reports must include number of campus visits, number of children screened for lead and hemoglobin, and number of children indentified with abnormal lead and/or hemoglobin (referrals).
   b) Be responsible for the City Designated Data Management System data entry on health events of Lead Test and Hemoglobin Tests. Contractor must create the Lead Test and the Hemoglobin health events in the City Designated Data Management System, and input event date, status and results with the health services module for every Head Start child served. The information must be entered into ChildPlus no later than three (3) business days from the date of service. If appropriate, Contractor must check appropriate referral section on the health events.
   c) Conduct a THSteps Medical Checkup, e.g. blood pressure, height and weight, etc., on Head Start children identified by the City and/or Education Service Provider on an as needed basis

Reporting on testing updates during monthly Health Coordinators Monthly meetings and bi-monthly Head Start Directors meetings.

I. Contractor must provide written referral or written correspondence to parent(s) of uninsured Head Start enrollees, who received a physical examination, explaining abnormal findings in accordance with the Health Insurance Portability and Accountability Act (HIPPA) and all appropriate state and federal statutes and regulations.

J. Physical examinations will be performed at the Contractor's ambulatory care facility or at the Early Head Start Centers after hours or during the weekend. The child's parent or legal guardian must be present during the physical examination. Contractor will provide the City, upon request, with a list of Contractor's ambulatory facility hours and locations indicating the availability of child examinations and immunizations. Contractor will work with City to adjust the Contractor's hours of operation in order to meet the needs of parents.

K. Contractor must establish, implement and maintain communication systems to ensure that timely, accurate and appropriate information is provided to parents, Health Coordinator(s) and Centers.

L. Contractor will coordinate with the City to make available University Health System's Pediatric Mobile Unit (PMU) to Head Start program sites on as needed basis to perform professional medical services in accordance with the Head Start Performance Standards. The City will facilitate the provision of Contractor's services by assisting with the following:

1. City will obtain needed paperwork from Parent and/or legal guardian prior to appointment.
2. City will ensure Parent and/or legal guardian or other consented adult is present with the child during the duration of the THSteps EPSDT and/or immunizations
3. If the parent and/or legal guardian cannot be present during the time of the scheduled THSteps EPSDT and/or immunizations, the city will obtain special consent form.
4. City will ensure City Health Coordinator and support staff is available to assist when needed during the time the PMU is present at the designated Early Head Start site
5. Both City and Contractor will collaborate to ensure a maximum of children are seen during the time the PMU is at the designated Early Head Start site. The maximum number of children seen will be determined by the staffing availability of UHS.
6. Both City and Contractor will also collaborate to ensure all available PMU slots are scheduled in advance.
    a. City and Contractor will collaborate to determine in advance the number of slots available for that PMU.
    b. In the case that City cannot fill the PMU slots in advance, City may cancel scheduled PMU visit with one week's prior written notice to Contractor. Such cancellation will be at no additional cost to the City.

M. Contractor will provide the following professional medical services: THSteps EPSDT and immunizations. Contractor will provide parent and/or legal guardian with a copy of the THSteps EPSDT and/or proof of the immunization administered. Contractor will make every effort to provide services funded through Medicaid, CHIP, or private/3rd party health insurance. Contractor may invoice the City $82.00 per unfunded exam for uninsured children. Contractor may also invoice the City $22.00 for each immunization administered to uninsured children. If the child does not have insurance, Contractor will provide City with the child's name and contact information.

3. <u>Program Governance</u>

A. Contractor's Governing Board shall be in full compliance with Head Start requirements regarding governance, management and programmatic operations applicable to recipients of Head Start grant funds, including those set forth at 45 CFR §1301 *et. seq.* Contractor's Governing Board members or representatives of the Board shall be offered the opportunity to participate in Board education activities arranged by City. Contractor shall also offer the Governing Board members and representatives of the Board the opportunity to engage in a cooperative strategic planning process with respect to the City's Head Start Program and shall submit any final strategic plans developed through such process to City for approval.

B. Contractor shall assure that City is kept fully apprised of the composition and actions of Contractor's Governing Board to the extent such actions affect Contractor's provision of Head Start services.

C. Contractor shall seek and obtain the City's written approval before making any material revisions in Contractor's Head Start services that conflicts or violates (i) the City's refunding application, as amended, to the U.S. Department of Health and Human Services (HHS), (ii) the Terms of the Grant, and (iii) the terms of this Contract.

4. Licensure/Staffing

Contractor shall obtain and maintain all necessary and appropriate State licenses, permits, certifications, and approvals required for the operation of Contractor's programs including those supported by this Contract. Upon commencement of the Contract, Contractor shall notify the City that it is in compliance with this provision. If at any time Contractor is out of compliance with this provision, Contractor shall notify the City within one (1) Contractor business day of receipt of written notice of violation or complaint from the state licensing, certifying or permit-issuing authority indicating lack of licensure, permitting or certification, as the case may be, and shall take all necessary steps to cure such violation. Contractor further agrees that all personnel, either employed or contracted, assigned by Contractor to provide the Head Start Program health services set forth above shall, as appropriate or required by law, be fully qualified and authorized under applicable law, to perform such Head Start Program Services.

5. Participation

Contractor shall make time and resources available to support: (i) participation by Contractor in meetings with City staff for community assessment, self-assessment, strategic planning, development of training and technical assistance plan, communication and program development activities; (ii) participation in technical assistance trainings and service enhancements developed by City and the Head Start training and technical assistance service provider, as well as other Head Start trainings that may be developed by relevant federal or state agencies; and (iii) an appropriate level of attendance of Contractor's Governing Board Members or the Board's representatives at national, regional and/or State Head Start conferences/trainings.

Attachment II

[INSERT BUDGET HERE]

ATTACHMENT III
SPECIAL PROVISIONS — Program Year 2015-2016

I. RESTRICTIONS ON USE OF FUNDS OR PROPERTY

In addition to the other applicable restrictions on the use of Head Start funds provided under this Contract, the Contractor is prohibited from:

1) using or transferring funds provided under this Contract for purposes other than authorized Head Start activities;

2) using, pledging, granting a security interest in, or otherwise encumbering any right under this Contract or any property acquired with funds provided under this Contract as collateral or security for any loan, note debenture, bond or any other debt instrument;

3) using any funds provided under this Contract for payment of principal or interest on any loan, note, debenture, bond or any other debt instrument, other than those approved in the 45 C.F.R. Part 74 and by the City

II. REQUIREMENTS FOR PARTICIPATION IN CITY DESIGNATED DATA SYSTEM

2.01 Contractor shall:

a) Utilize the City's designated data management system to input data that pertains to the on-going day-to-day work completed by Partner staff.
b) support all design, development, testing and implementation protocols as established by the City by carrying out and complying therewith;
c) participate in preliminary and final testing of the system using City protocols;
d) allow City and its vendor to install data encryption software on the Child Care System Database network; and
e) provide City and its vendor with access to Confidential Data with parental permission, as defined in Article 3.01 below, which data is critical for the Head Start project.

2.02 Both Parties agree to:

a) use best efforts to cooperate and exchange information regarding all aspects of the Head Start project and comply with all reasonable requests of the other Party with respect to information concerning the system.
b) Parties agree that nothing herein shall be construed as to control or in any way limit the right of parents to choose a Head Start provider.

III. CONFIDENTIAL DATA

3.01 The Parties to this Contract shall have access to the following data ("Confidential Data"), with parental permission in the case of the child:

Parent's Information:

Case Number
First Name
Middle Initial
Last Name
Street Address
City
Zip Code
Telephone
Social Security Number (Optional)
Birth Date

Gender
Race
Handicap (Optional)
Yearly Income
Number of members in the Family
County of Residence
Employment and training status

Each child's Information:

Client Number
First Name
Middle Initial
Last Name
Social Security Number (Optional)
Birth Date
Gender
Race
Handicap (Optional)

3.02 Contractor understands that City intends to enter into additional agreements with other providers of child care services ("Additional Collaborators") in order to promote the success of the Head Start project. Confidential Data may be shared by City, Contractor, and any Additional Collaborator, except that all parties shall share such information in compliance with state and federal laws relating to confidentiality. All Additional Collaborators shall be required to enter into a written agreement with City containing the confidentiality requirements set forth in this Section III.

3.03 Each Party shall establish a method to secure the Confidential Data in accordance with the applicable federal, state, and local laws and regulations. This provision shall not be construed as limiting a Party to this Contract or an Additional Collaborator, or such Party's authorized representative's right of access to that Party's Confidential Data.

3.04 Neither Party shall disclose or publish Confidential Data or public school education data to any individual or organization that is not a Party to this Contract or an Additional Collaborator, unless required by law or a lawful order of a court of competent jurisdiction. Each Party shall take measures within its organization to ensure that Confidential Data or public school education data is accessible only by those persons working on the Head Start project, or directly providing other public school education / child care services, and only for the purpose of performing or assisting with services required by the Head Start project or other specific public school education / child care services.

3.05 Either Party may disclose Confidential Data to a third party ("Third Party") under contract or affiliated with that Party for the sole purpose of performing or assisting with services required in relation to the Head Start project or other specific child care services, and in compliance with state and federal laws relating to confidentiality. Confidential Data provided to a Third Party shall remain confidential and written confirmation by such Third Party that the Third Party will conform to the requirements of this section shall be provided to the Party prior to delivery of any information to the Third Party.

1.RECIPIENT

Department of Health and Human Services
Administration for Children and Families
Notice of Award (NOA)

SAI NUMBER:

Attachment IV

PMS DOCUMENT NUMBER: 06HP001901

1. AWARDING OFFICE:	2. ASSISTANCE TYPE:	3. AWARD NO.:	4. AMEND. NO.:
OA/OGM/Region VI	Discretionary Grant	06HP0019/01	

5. TYPE OF AWARD:	6. TYPE OF ACTION:	7. AWARD AUTHORITY:
OTHER	New	42 USC 9801 ET SEQ.

8. BUDGET PERIOD:	9. PROJECT PERIOD:	10. CAT NO./CFDA:
02/01/2015 THRU 07/31/2016	02/01/2015 THRU 07/31/2019	93.600

11. RECIPIENT ORGANIZATION:
City of San Antonio
DEPARTMENT OF HUMAN SERVICES
106 S ST MARY'S ST, SUITE 700
SAN ANTONIO TX 78205 3603
Melody Woosley, Department Director (Exec. Dir.)

12. PROJECT / PROGRAM TITLE:
City of San Antonio, Texas EHS-CC Partnership

13. COUNTY:	14. CONGR. DIST:	15. PRINCIPAL INVESTIGATOR OR PROGRAM DIRECTOR:
BEXAR	35	Mikel Brightman , Head Start Administrator

16. APPROVED BUDGET:

Personnel	$	589,562
Fringe Benefits	$	226,019
Travel	$	1,200
Equipment	$	0
Supplies	$	60,675
Contractual	$	2,262,979
Facilities/Construction	$	0
Other	$	68,365
Direct Costs	$	3,208,800
Indirect Costs At % of $	$	0
In Kind Contributions	$	0
Total Approved Budget(**)	$	**3,208,800**

17. AWARD COMPUTATION:

A. NON-FEDERAL SHARE	$	802,200	20.00 %
B. FEDERAL SHARE	$	3,208,800	80.00 %

18. FEDERAL SHARE COMPUTATION:

A. TOTAL FEDERAL SHARE	$	3,208,800
B. UNOBLIGATED BALANCE FEDERAL SHARE	$	
C. FED. SHARE AWARDED THIS BUDGET PERIOD	$	3,208,800

19. AMOUNT AWARDED THIS ACTION:	$	3,208,800
20. FEDERAL $ AWARDED THIS PROJECT PERIOD:	$	3,208,800

21. AUTHORIZED TREATMENT OF PROGRAM INCOME:
DEDUCTIVE

22. APPLICANT EIN:	23. PAYEE EIN:	24. OBJECT CLASS:
1-746002070-A1	1-746002070-A1	41.51

25. FINANCIAL INFORMATION: **DUNS:** 066428400 0000

ORGN	DOCUMENT NO.	APPROPRIATION	CAN NO.	NEW AMT.	UNOBLIG.	NONFED %
OGM	06HP001901	75-4/5-1536	2015 G063120	$64,800		
OGM	06HP001901	75-4/5-1536	2015 G063125	$2,592,000		
OGM	06HP001901	75-5/6-1536	2015 G063128	$552,000		

26. REMARKS: (Continued on separate sheets)

Client Population: 216.
Number of Delegates: 0.
Paid by DHHS Payment Management System (PMS), see attached for payment information.
This award is subject to the requirements of the HHS Grants Policy Statement (HHS GPS) that are applicable to you based on your recipient type and the purpose of this award.
This includes requirements in Parts I and II (available at http://www.hhs.gov/grants/grants/policies-regulations/index.html) of the HHS GPS.
Although consistent with the HHS GPS, any applicable statutory or regulatory requirements, including 45 CFR Part 75,

27. SIGNATURE - ACF GRANTS OFFICER **DATE:** 1/29/2015
For Ray M. Bishop

28. SIGNATURE(S) CERTIFYING FUND AVAILABILITY
Sonja R. Osborn Sonja Osborn

29. SIGNATURE AND TITLE - PROGRAM OFFICIAL(S) **DATE:** 1/29/2015
Kimberly K. Chalk, Regional Program Manager

DGSM-3-785 (Rev. 86) (HP)

1.RECIPIENT

Department of Health and Human Services
Administration for Children and Families
Notice of Award (NOA)

SAI NUMBER: **Attachment IV**

PMS DOCUMENT NUMBER: 06HP001901

1. AWARDING OFFICE:	2. ASSISTANCE TYPE:	3. AWARD NO.:	4. AMEND. NO.
OA/OGM/Region VI	Discretionary Grant	06HP0019/01	

5. TYPE OF AWARD:	6. TYPE OF ACTION:	7. AWARD AUTHORITY:
OTHER	New	42 USC 9801 ET SEQ.

8. BUDGET PERIOD:	9. PROJECT PERIOD:	10. CAT NO./CFDA:
02/01/2015 THRU 07/31/2016	02/01/2015 THRU 07/31/2019	93.600

11. RECIPIENT ORGANIZATION:
City of San Antonio, DEPARTMENT OF HUMAN SERVICES

26. REMARKS: (Continued from previous page)

directly apply to this award apart from any coverage in the HHS GPS.
This award is subject to requirements or limitations in any applicable Appropriations Act.
This award is subject to the requirements of Section 106 (g) of the Trafficking Victims Protection Act of 2000, as amended (22 U.S.C. 7104).
For the full text of the award term, go to http://www.acf.hhs.gov/grants/discretionary-competitive-grants.
This award is subject to the Federal Financial Accountability and Transparency Act (FFATA or Transparency) of 2006 subaward and executive compensation reporting requirements.
For the full text of the award term, go to: http://www.acf.hhs.gov/grants/discretionary-competitive-grants.
This award is subject to requirements as set forth in 2 CFR 25.110 Central Contractor Registration (CCR) and Data Universal Number System (DUNS).
For full text go to http://www.acf.hhs.gov/grants/discretionary-competitive-grants.
This award is subject to the requirements set forth in 45 CFR Part 87.
This award is subject to the requirements set forth in 45 CFR Part 75.
Initial expenditure of funds by the grantee constitutes acceptance of this award.
Future support is anticipated.
This award is subject to HHS regulations codified at 45 CFR 1301, 1302, 1303, 1304, 1305, 1306, 1307, 1308, 1309 and 1310.(**) Reflects only federal share of approved budget.

Under the Consolidated Appropriations Act, 2014 (Public Law 113-76), Division H, Title II and the Consolidated and Further Continuing Appropriations Act, 2015 (Public Law 113-235), this grant action awards City of San Antonio funds for the 02/01/2015-07/31/2019 project period for the operation of the Early Head Start program in the designated service area. This grant action awards partial funds under Common Accounting Numbers (CAN) G063125 and G063120 to provide Early Head Start services to 216 children for the initial 02/01/2015-07/31/2016 budget period of the 54 month project period. The 54 month project period consists of one 18 month budget period followed by three 12 month budget periods.

This initial grant action for the first 18 month budget period includes $2,592,000 in CAN G063125 for 12 months of funding for Early Head Start operations and $64,800 in CAN G063120 for training and technical assistance. This grant action includes $552,000 in CAN G063128 for start-up funds. The projected total funding levels for the initial 18 month budget period are $3,888,000 for Early Head Start operations and $388,800 for training and technical assistance.

The balance of six months of operational funds and additional training and technical assistance funds will be awarded at a later date. The additional training and technical assistance funds will support quality improvements such as attainment of credentials, professional development and training.

The projected annual funding level for each of the three remaining 12 month budget periods for Early Head Start operations is $2,592,000, and the training and technical assistance allocation is $64,800.

This grant is subject to the requirements and conditions specified in Attachments 1, 2 and 3.

Attachment 1

Award Number: 15HP301995/01
Recipient Organization: City of San Antonio

This grant is subject to Section 640(b) of the Head Start Act and 45 C.F.R. § 1301.20 requiring a non-federal match of 20 percent of the total cost of the program. This grant is also subject to the requirements in Section 644(b) of the Head Start Act and 45 C.F.R. § 1301.32 limiting development and administrative costs to a maximum of 15 percent of the total costs of the program, including the non-federal share contribution of such costs. The requirements for a non-federal match of 20 percent and the limitation of 15 percent for development and administrative costs apply to the 02/01/2015-07/31/2016 budget period unless a waiver is approved. Any request for a waiver of the non-federal share match, or a portion thereof, that meets the conditions under Section 640(b)(1)-(5) of the Head Start Act or 45 C.F.R. § 1301.21 or a waiver of the limitation on development and administrative costs that meets the conditions under 45 C.F.R. § 1301.32(g) must be submitted in advance of the end of the budget period. Any waiver request submitted after the expiration of the project period will not be considered.

The HHS GPS (II-56) (see above and 45 C.F.R. § 74.25(c)(2) and 45 C.F.R. § 92.30(d)(3) (as applicable) provide the authority to ACF to approve key staff of Head Start grantees. For the purposes of this grant, key staff is defined as the Head Start Director or person carrying out the duties of the Head Start Director if not under that title and the Chief Executive Officer, Executive Director and/or Chief Fiscal Officer if any of those positions is funded, either directly or through indirect cost recovery, more than 50 percent with Head Start funds.

Section 653 of the Head Start Act prohibits the use of any federal funds, including Head Start grant funds, to pay any portion of the compensation of an individual employed by a Head Start agency if that individual's compensation exceeds the rate payable for Level II of the Executive Schedule.

Prior approval must be obtained under 45 C.F.R. Part 1309 to use Head Start grant funds for the initial or ongoing purchase, construction and major renovation of facilities. No Head Start grant funds may be used toward the payment of one-time expenses, principal and interest for the acquisition, construction or major renovation of a facility without the express written approval of the Administration for Children and Families.

Attachment 2

Budget Period 1
Early Head Start – Child Care Partnership and/or Expansion Grants

Award Number: 15HP301995/01
Recipient Organization: City of San Antonio

Head Start Grantees must comply with the terms and conditions for the project period award in the specified timeframes.

Health and Safety

- *Conduct a screening of the health and safety environment of each Early Head Start center and/or family child care home where services are provided within 45 days of the start of the project period and/or within 45 calendar days of services starting at each new location.*

- *Complete the initial certification of compliance with all Office of Head Start (OHS) health and safety requirements within 75 calendar days of the start of services and submit it to the OHS in the Head Start Enterprise System (HSES) immediately thereafter. Submit an updated certification of compliance with all OHS health and safety requirements 30 days after the first six months of operations.*

School Readiness

- *Participate in ongoing communications in support of school readiness with the OHS, including but not limited to the OHS site visits and monthly scheduled calls.*

Attachment 3

Award Number: 15HP301995/01
Recipient Organization: City of San Antonio

Designated Early Head Start service area: San Antonio ISD and Edgewood ISD boundaries, Bexar County, Texas

Early Head Start – Child Care Partnership Population: 216 infants and toddlers.

Approved program options: Center-based

Approved start-up costs: This grant action includes start-up funds of $552,000 under Common Accounting Number (CAN) G063128 for the following purposes: $510,000 for Contractual costs for five EHS/Child Care Partners for playground upgrades and center repairs and $42,000 for Supplies.

WITNESSETH:

HIPAA BUSINESS ASSOCIATE AGREEMENT

This HIPAA Business Associate Agreement is entered into by and between the City of San Antonio ("Covered Entity"), by and through its Director of the Department of Human Services, and the Bexar County Hospital District d/b/a University Health System, a Business Associate ("BA").

WHEREAS, the City of San Antonio and BA have entered into an Early Head Start – Child Care Partnership Agreement to provide health services ("Service Contract"), effective February 1, 2015, whereby BA provides health services to the Covered Entity; and

WHEREAS, Covered Entity and BA may need to use, disclose and/or make available certain information pursuant to the terms of the Service Contract, some of which may constitute Protected Health Information ("PHI"); and

WHEREAS, Covered Entity and BA intend to protect the privacy and provide for the security of PHI disclosed to each other pursuant to the Service Contract in compliance with the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("HIPAA") and regulations promulgated thereunder by the U.S. Department of Health and Human Services (the "HIPAA Regulations") and other applicable laws; and

WHEREAS, the purpose of this Agreement is to satisfy certain standards and requirements of HIPAA and the HIPAA Regulations, including, but not limited to, Title 45, Section 164.504(e) of the Code of Federal Regulations ("C.F.R."), as the same may be amended from time to time;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

A. Definitions. For the purposes of this Agreement, the following terms have the meanings ascribed to them:

(1) "Disclosure" with respect to PHI, shall mean the release, transfer, provision of access to or divulging in any other manner of PHI outside the entity holding the PHI.

(2) "Individual" shall have the same meaning as the term "Individual" in 45 C.F.R. 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. 164.502(g).

(3) "Parties" shall mean Covered Entity and BA.

(4) "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. part 160 and Part 164, subparts A and E.

(5) "Protected Health Information" or "PHI" shall have the same meaning as the term "protected health information" in 45 C.F.R. 164.501, limited to the information created or received by BA from or on behalf of Covered Entity.

(6) "Required By Law" shall have the same meaning as the term "required by law" in 45 CFR § 164.501.

(7) "Secretary" shall mean the Secretary of the Department of Health and Human Services or his designee.

(8) "PHI Breach" shall mean an acquisition, access, use, or disclosure of PHI in a manner not permitted by the Privacy Rules and such action compromises the security or privacy of the PHI.

B. BA Obligations and Activities. BA agrees that it shall:

(1) Not use or disclose the PHI other than as permitted or required by this Agreement or as Required by Law;

(2) Establish and maintain appropriate administrative, physical, and technical safeguards that reasonably and appropriately protect, consistent with the services provided under this Agreement, the confidentiality, integrity, and availability of the electronic protected health information that it creates, receives, maintains, or transmits on behalf of covered entity;

(3) Mitigate, to the extent practicable, any harmful effect that is known to BA of a use or disclosure of PHI by BA in violation of the requirements of this Agreement;

(4) Report to Covered Entity any use or disclosure of PHI of which BA is aware or becomes aware that is not provided for or allowed by this Agreement as well as any security incident that BA becomes of aware of;

(5) Ensure that any of its agents or subcontractors with which BA does business and to whom it provides PHI received from, created or received by BA on behalf of Covered Entity are aware of and agree to the same restrictions and conditions that apply through this Agreement to BA with respect to such information, and further agree to implement reasonable and appropriate administrative, physical and technical safeguards to protect such information;

(6) Provide access, at the request of Covered Entity, and in a reasonable time and manner as agreed by the Parties, to PHI in a Designated Record Set to Covered Entity or, as directed by Covered Entity, to an Individual in order to meet the requirements 45 C.F.R. §164.524;

(7) Make any amendment(s) to PHI in a Designated Record Set that the Covered Entity directs or agrees to pursuant to 45 C.F.R. 164.526 at the request of the Covered Entity or an Individual, and in a reasonable time and manner agreed to by the Parties;

(8) Make available to the Covered Entity or to the Secretary of the U.S. Department of Health and Human Services all internal practices, books and records, including policies and procedures and PHI, relating to the use and disclosure of PHI received from, or created or received by the BA on behalf of the Covered Entity, for purposes of the Secretary of the U.S. Department of Health and Human Services in determining Covered Entity's compliance with the Privacy Rule;

(9) Document such disclosures of PHI, and information related to such disclosures, as would be required for Covered Entity to respond to a request from an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. 164.528;

(10) Provide Covered Entity or an Individual, in a reasonable time and manner as agreed to by the Parties, information collected in accordance with Section B(9) of this Agreement, to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. 164.528.

(11) Will immediately, and in no event later than 14 days of discovery, notify Covered Entity of any breach of PHI and will coordinate with Covered Entity to identify, record, investigate, and report to an affected individual and US Department of Health and Human Services, as required, any covered PHI breach.

C. Permitted Uses and Disclosures by BA

(1) Except as otherwise limited in this Agreement, BA may use or disclose PHI to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in the Service Contract, provided that such use or disclosure would not violate the Privacy Rule if done by Covered Entity.

(2) Except as otherwise limited in this Agreement, BA may disclose PHI for the proper management and administration of the BA, provided that disclosures are Required By Law, or BA obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as Required By Law or for the purpose for which it was disclosed to the person, and the person notifies the BA of any instances of which it is aware in which the confidentiality of the information has been breached.

(3) Except as otherwise limited in this Agreement, BA may use PHI to provide Data Aggregation Services to Covered Entity as permitted by 45 C.F.R. 164.504(e)(2)(i)(B).

(4) BA may use PHI to report violations of law to appropriate Federal and State authorities, consistent with 45 C.F.R. 502(j)(1).

D. Obligations of Covered Entity. Covered Entity shall inform BA of its privacy practices and restrictions as follows. Covered Entity shall:

(1) notify BA of any limitations in its notice of privacy practices in accordance with 45 C.F.R. 164.520, to the extent that such limitation may affect BA's use or disclosure of PHI;

(2) notify BA of any changes in, or revocation of, permission by any Individual to use or disclose PHI, to the extent that such changes may affect BA's use or disclosure of PHI;

(3) notify BA of any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 C.F.R. 164.522 to the extent that such changes may affect BA's use or disclosure of PHI.

(4) coordinate with BA regarding any PHI breach and make timely notification to affected individuals within 60 days of discovery.

E. Permissible Requests by Covered Entity.

Covered Entity shall not request BA to use or disclose PHI in any manner that would not be permissible under the Privacy Rule if done by Covered Entity, except that the Business Associate may use or disclose PHI for data aggregation or management and administrative activities of the BA.

F. Term and Termination.

(1) The term of this Agreement shall commence on February 1, 2015. This Agreement shall terminate when all PHI encompassed by this Agreement is destroyed or returned to Covered Entity or, if it is infeasible to return or destroy the PHI, protections are extended to such information in accordance with the termination provisions in this Section.

(2) Termination for Cause. Upon Covered Entity's knowledge of a material breach by BA, Covered Entity shall either (a) provide an opportunity for BA to cure the breach in accordance with the terms of the Service Contract or, if the BA does not cure the breach or end the violation within the time for cure specified in the Service Contract, end the violation and terminate this Agreement and the Contract; or (b) immediately terminate this Agreement and the Service Contract if BA has breached a material term of this Agreement and cure is not possible. If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary of the U.S. Department of Health and Human Services.

(3) Effect of Termination.

(a) Except as provided below in paragraph (b) of this Section F(3), upon termination of this Agreement for any reason, BA shall return or destroy all PHI received from the Covered Entity, or created or received by BA on behalf of Covered Entity. This provision shall apply to PHI that is in the possession of BA or its subcontractors or agents. BA shall not retain any copies of PHI.

(b) In the event that BA determines that returning or destroying PHI is infeasible, BA shall provide to Covered Entity written notification of the condition that makes the return or destruction of PHI infeasible. Upon BA's conveyance of such written notification, BA shall extend the protections of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make its return or destruction infeasible, for so long as BA maintains such PHI.

(4) Notwithstanding any other provision under this Agreement, the Parties agree that the Service Contract may be terminated by either Party without penalty should the other Party violate a material obligation under this Agreement.

G. Amendment to Comply with Law. The Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy Rule and HIPAA.

H. Survival. The respective rights and obligations of the BA under Sections B, C(2) and (4), and F(3) shall survive the termination of this Agreement.

I. Interpretation. Any ambiguity in this Agreement shall be interpreted to permit Covered Entity to comply with the Privacy Rule.

J. Regulatory References. A reference in this Agreement to a section in the Privacy Rule means the section as in effect or amended.

K. No Third Party Beneficiaries. Nothing express or implied in this Agreement is intended to confer, nor shall anything herein confer upon any person other than Covered Entity, BA, and their respective successors or assigns, any rights, remedies, obligations, or liabilities whatsoever.

L. **INDEMNIFICATION.** ***Contractor acknowledges that is a political subdivision of the State of Texas and is subject to, and complies with the applicable provisions of the Texas Tort Claims Act, as set out in the Civil Practices and Remedies Code, Section 101.001 et seq. and the remedies authorized therein regarding claims or causes of action that may be asserted by third parties, including but not limited to those resulting or arising from any and all injuries or death of any person or damage to any property arising from or related to this Contract.***

M. **Reimbursement.** BA will reimburse Covered Entity for reasonable costs incurred responding to a PHI breach by BA or any of BA's subcontractors.

N. **Waiver.** No provision of this Agreement or any breach thereof shall be deemed waived unless such waiver is in writing and signed by the party claimed to have waived such provision or breach. No waiver of a breach shall constitute a waiver of or excuse any different or subsequent breach.

O. **Assignment.** Neither party may assign (whether by operation or law or otherwise) any of its rights or delegate or subcontract any of its obligations under this Agreement without the prior written consent of the other party. Notwithstanding the foregoing, Covered Entity shall have the right to assign its rights and obligations hereunder to any entity that is an affiliate or successor of Covered Entity, without the prior approval of Business Associate.

P. **Entire Agreement.** This Agreement constitutes the complete agreement between Business Associate and Covered Entity relating to the matters specified in this Agreement, and supersedes all prior representations or agreements, whether oral or written, with respect to such matters. In the event of any conflict between the terms of this Agreement and the terms of the Service Contracts or any such later agreement(s), the terms of this Agreement shall control unless the terms of such Service Contract comply with the Privacy Standards and the Security Standards. No oral modification or waiver of any of the provisions of this

Agreement shall be binding on either party. This Agreement is for the benefit of, and shall be binding upon the parties, their affiliates and respective successors and assigns. No third party shall be considered a third-party beneficiary under this Agreement, nor shall any third party have any rights as a result of this Agreement.

Q. **Governing Law.** This Agreement shall be governed by and interpreted in accordance with the laws of the State of Texas.

EXECUTED to be effective February 1, 2015.

COVERED ENTITY
By City of San Antonio

By: _____

Print Name: Melody Woosley

Print Title: Director of the Department of Human Services

BUSINESS ASSOCIATE:
By Bexar County Hospital District d/b/a University Health System

By: _____

Print Name: George B. Hernandez, Jr.

Print Title: President/Chief Executive Officer

APPROVED AS TO FORM:

_____
Kristine Duff
Assistant City Attorney

Attachment IX

2015-2016 Early Head Start Program
February 1, 2015 - July 31, 2016

			BUDGET
REVENUES:			
4501100	Grants Federal - Operating	$	3,208,800
	Subtotal Grant	**$**	**3,208,800**
6500000	In Kind Revenue	$	802,200
	Subtotal (In Kind)	**$**	**802,200**
	TOTAL REVENUES		**$4,011,000**
APPROPRIATIONS:			
138000000xxx 2015-2016 Head Start COSA			
5101010	Regular Salaries	$	575,243
5101050	Language Skills Pay		4,200
5103005	FICA & Medicare Expense		44,006
5103010	Life Insurance		575
5170040	Civln Actv Healthcr		105,802
5105010	Retirement Exp		62,011
5201040	Fees to Prof. Contractors		11,000
5202020	Contractual Services		412,243
5207010	Official Travel		1,200
5302010	Office Supplies		4,200
5304075	Computer Software		10,000
5501055	Cap <5000 - Mach & Equip Other		4,475
5201025	Education - Classes		32,250
5203040	Adv and Publications		1,000
5203090	Transportation Fees		1,600
5204050	Maintenance -Buildings		2,256
5205020	Rental of Office Equipment		3,360
5208530	Alarm and Security Services		9,550
5304010	Food		1,000
5403040	Cellular Phone Service		2,940
5403060	Domain Names		300
5404520	Software Licenses		1,200
5404530	Gas and Electricity		2,831
5404540	Water and Sewer		1,058
5407032	DW Other		500
	Total 138000000xx	**$**	**1,294,800**

138000000xxx 2015-2016 Early Head Start COSA T&TA

5101010	Regular Salaries		41,020
5103005	FICA & Medicare Expense		3,138
5103010	Life Insurance		41
5170040	Civln Actv Healthcr		7,658
5105010	Retirement Exp		4,422
5201025	Education - Classes		8520
	Total 138000000xxx	**$**	**64,800**

13800000xxxx 2015-2016 Early Head Start Centers

5202040	Subrecipient- Ella Austin		357,200
5202040	Subrecipient- Healy Murphy		320,800
5202040	Subrecipient- Inman Christian Center		162,000
5202040	Subrecipient- Miller		271,200
5202040	Subrecipient- YWCA		162,000
	Total 138000000xxx	**$**	**1,273,200**

13800000xxxx 2015-2016 Early Head Start Support Services

5202040	Subrecipient- University Health System		12,000
5202020	Contractual Services- SA Metro Health	$	12,000
	Total 138000000xxx	**$**	**24,000**

13800000xxxx 2015-2016 Early Head Start - Startup

5202020	Contractual Services		510,000
5501000	Cap <5000 - Computer Equipment		30,000
5501065	Cap <5000 - Furniture & Fix	$	12,000
		$	**552,000**

13800000xxxx 2015-2016 Head Start - In Kind

6602025	In Kind Other Contra	$	802,200
	Total 13800000xxxx	**$**	**802,200**

TOTAL APPROPRIATIONS	**$**	**4,011,000**

Attachment X

HEAD START/EARLY HEAD START PROGRAM
FEBRUARY 1, 2015 to JULY 31, 2016
PERSONNEL COMPLEMENT

Positions 13800000XXXX 2015-2016 HEAD START COSA	Job Class	Current Number of Positions	Add/Delete	Budget FY 2015-2016 Positions
ADMINISTRATIVE ASSISTANT I	0040	2		2
MANAGEMENT ANALYST	0046	11	5	16
SPECIAL PROJECTS MANAGER	0866	3	1	4
SENIOR MANAGEMENT ANALYST	0999	6	1	7
HEAD START PROGRAM ADMINISTRATOR	2187	1		1
FISCAL MANAGER	2216	1		1
FISCAL ANALYST	2218	1	1	2
ACCOUNTANT	2220	1		1
FAMILY SUPPORT COORDINATOR	2290	2		2
FAMILY SUPPORT SUPERVISOR	2289	4	1	5
FAMILY SUPPORT WORKER	2283	57	7	64
CASE AIDE	0985	2		2
DESIGN COMMUNICATIONS COORDINATOR	2142	0	1	1
13800000XXXX 2015-2016 HEAD START COSA		**91**	**17**	**108**
TOTAL POSITIONS FOR HEAD START PROGRAM		**91**	**17**	**108**