



Agreement No.: LIEAP-09-81029  
County Washtenaw  
Method of Payment Actual Cost

AGREEMENT  
Between

**MICHIGAN DEPARTMENT OF HUMAN SERVICES & Washtenaw County Employment, Training and Community Services (hereinafter referred to as DHS)**  
235 South Grand Avenue  
P. O. Box 30037  
Lansing, Michigan 48909

**301 West Michigan Avenue, Suite 400  
Ypsilanti, MI 48197-0915**

Introduction

This Agreement is effective from May 24, 2009 through March 31, 2012.

I. REGULATORY AND PROGRAMMATIC REQUIREMENTS

A. Low Income Home Energy Assistance Act of 1981, Public Law 97-35, as amended.

The Department of Energy, Weatherization Assistance Program for Low Income Persons (P.L. 94-385 of 1976 as amended); the State of Michigan Annual U. S. Department of Energy (DOE) State Weatherization Assistance Program (WAP) Plan (and any amendments); the State of Michigan Annual Low Income Home Energy Assistance Program (LIHEAP) State Plan; the Weatherization Field Manual; the Technical Weatherization Policy (TWP) Manual; the Community Services Policy Manual (CSPM); and all applicable state-enabling and appropriation legislation are hereby incorporated by reference and shall be the controlling authority for all matters not specifically covered in this agreement. The CSPM, as may be amended, will prevail when the manual has policy which contains additional requirements to the above cited regulations.

B. Programmatic Requirements

1. Weatherization

- a. Weatherization services can only be completed on dwellings which are owner or renter occupied, and its occupants must meet the eligibility requirements as identified in Section II.F. of this Agreement.
- b. The Grantee shall establish and maintain quality control procedures that require each weatherized dwelling be post-inspected and weatherization

approved. This post inspection and approval must be completed prior to reporting the weatherization project as completed to DHS.

- c. The average allowable LIHEAP expenditure for material and labor costs per unit is \$6,600.
- d. Roof and furnace repair/replacement can only be done on homeowner units.
- e. Funds may be used to replace a water heater which is inoperable or documented as faulty or inefficient by a utility or repair person. Water heaters may only be replaced when the home is being weatherized. A water heater may not be replaced in rental units.

An electric water heater meeting the criteria above can be replaced with another electric water heater or a water heater using another fuel source. Any reasonable charges associated with conversion from electricity to another fuel source can be included. Funds shall not be used to convert to an electric water heater from another fuel source, and shall not be used if the local utility will cover the replacement cost.

## 2. Administration

- a. The amount budgeted within the administration line item shall not exceed 5% of the Grantee's total award.
- b. The amount budgeted within the Support line item shall not exceed 20% of the Grantee's total award.
- c. The amount budgeted within the client education line item shall not exceed 20% of the Grantee's total award.
- d. Interest income must be treated consistent with 10 CFR 600.

## II. GRANTEE RESPONSIBILITIES

### A. Geographic Area

The grantee shall provide services described herein in the following geographic area(s): As noted in the LIHEAP Weatherization Assistance Program Plan.

### B. Location of Facilities

The Grantee shall provide services described herein at the following location(s): As noted in the LIHEAP Weatherization Assistance Program Plan.

### C. General Program Requirements

The Grantee shall weatherize eligible dwelling units in its service area as detailed in the Grantee's LIHEAP Weatherization Assistance Program Plan., as approved by DHS.

The Grantee shall maintain a basic service system which includes an outreach/intake system, a method of installing measures, pre/post inspection procedures, and qualified crews and/or subcontractors.

### D. Program Dwelling Requirements

The Grantee shall not report any dwelling unit as completed until all weatherization material is installed and a final post inspection is performed and approved.

### E. Plan Modifications

1. Any modifications to the Grantee's LIHEAP Weatherization Assistance Program Plan must be approved by DHS:
  - a. Prior to the Grantee changing the types of activities to be performed under this Agreement.
  - b. Prior to the Grantee's making expenditures in excess of limitations identified in the original Agreement.
  - c. As determined by DHS because of funding level changes.
  - d. At DHS request for a modification to ensure maximum production and expenditure of LIHEAP Program funds.
2. A plan modification request (DHS-1058) must be signed and submitted to DHS and must include documentation as required by DHS.
  - a. An NFA and cost documentation must be attached to the modification request for any total budget increase or decrease.
  - b. The plan modification and documents become a part of this Agreement when the plan has been approved and signed by DHS.

### F. Client Eligibility and Determination

#### 1. Eligibility

A dwelling unit shall be eligible for LIHEAP weatherization assistance if it is

occupied by a group:

- a. Whose income is at or below 200 percent of the poverty level established by the U.S. Department of Health and Human Services, or at or below 60% of state median income, whichever is higher, or
- b. Which contains a member who has received at any time during the preceding 12-month period including the date of application for weatherization assistance:
  - Cash assistance payments under Title IV (FIP) or, XVI of the Social Security Act, (SSI) or
  - State Disability Assistance, or
- c. It is a qualified rental dwelling unit in accordance with CSPM Item 608.

## 2. Determination

The Grantee shall determine client eligibility in accordance with the criteria detailed in this Agreement and CSPM item 701. The Grantee shall use a DHS approved client services application and client income documentation to determine household eligibility.

## 3. Client Records

For each eligible client served under this Agreement, the Grantee shall maintain client case records consisting of:

- a. A signed copy of the Grantee's DHS approved client services application by the client and intake worker. The application must identify each member of the household as well as income sources and amounts for each member of the household being served.
- b. A copy of all documents used to determine income eligibility; including self declarations with appropriate DHS staff approval, and documented phone conversations with public case workers.
- c. All calculations for each income source in the household for the prior 3 months as well as the total income for the client household. The type, and dollar value, of the benefits provided.
- d. Income documentation in accordance with CSPM item 701.

G. Services to be Delivered

The Grantee shall perform services as described in the attached Grantee LIHEAP Weatherization Assistance Program Plan.

H. Service Documentation

The Grantee agrees to maintain program records required by DHS, program statistical records required by DHS, and to produce program narrative and statistical data at times prescribed by and on forms furnished by DHS.

I. Fiscal Requirements

The Grantee shall install and maintain an accounting system to identify and support all expenditures billed to the DHS under this Agreement. The accounting system must record all income and expenses for the Grantee's total program of which services provided under this Agreement are a part. The accounting system, as a minimum, shall consist of a chart of accounts, cash receipts journal, cash disbursements journal, and general ledger. All expenditures and income must be supported by vouchers and receipts that detail the reason for the transaction.

The Grantee shall maintain, within the accounting system, salary and fringe benefits accounts that break out positions, hospitalization, retirement, workmen's compensation and other fringe benefits. The Grantee shall establish and maintain payroll records for all employees. The Grantee, in establishing and allocating salary and wages for employees, shall support these charges by establishing an adequate appointment and workload distribution system, accompanied by monthly reviews showing the actual changes in the workload distribution of each employee (i.e., an exception reporting system).

J. Audit Requirements

Sub recipient Relationship

This Agreement constitutes a sub recipient relationship with DHS. The Grantee is required to comply with all federal regulations that related to the accounting and auditing of the federal award used to fund this contract. This includes, but is not limited to, compliance with OMB Circular A-133.

Regulations applicable to funding sources are included in the Catalog of Federal Domestic Assistance (CFDA). The Federal Program Title, CFDA number and federal financial participation (FFP) rate DHS will to use for this Agreement are:

Federal Program Title	CFDA #	FFP%
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WAP	81.042	100%
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However, DHS may change the CFDA number and/or FFP rate during the course of this Agreement. CFDA numbers and FFP rates for this Agreement shall be posted quarterly on the DHS web site. The Contractor is required to check the web site to obtain up to date information regarding the CFDA numbers.

The Grantee shall consult the following website to obtain CFDA numbers, payments, program updates and other audit information:

<http://www.mdhs.state.mi.us/OIA/CFDA-FFP-New.asp>

DHS agrees to participate in audit cost related to the audit as described in other sections of this contract.

### Reporting Requirements

The Grantee must immediately report to the DHS Audit Liaison accounting irregularities including noncompliance with contract provisions.

If the Grantee required per OMB Circular A-133 to have a Single Audit performed, the Grantee must submit the Reporting Package and an Audit Transmittal Letter to the DHS Audit Liaison at the address that follows and in accordance with the time frame established in the Circular.

Reporting Package includes:

1. Financial statements and schedule of expenditures of Federal awards
2. Summary schedule of prior audit findings
3. Auditor's report(s)
4. Corrective action plan

### Audit Transmittal Letter

The Grantee is responsible to identify in the Audit Transmittal Letter all organizations it operates that administer DHS sub recipient programs and the different names the Grantee may use to contract with DHS. The Grantee is responsible for proper completion and submission of the Audit Transmittal Letter. This letter, to be accurately processed by DHS, must include the following information:

1. Grantee's name as reported in the DHS contract(s)
2. Grantee's Federal Identification number(s) as reported in the DHS contract(s)
3. Grantee's fiscal year end

4. Identify other name(s) and other Federal Identification number(s) used by the Grantee

If a Single Audit is not required per OMB Circular A-133, the Grantee must still submit an Audit Transmittal Letter stating why a Single Audit was not required and the Grantee's fiscal year the letter pertains to. The Audit Transmittal Letter should include items stated in the section, "Audit Transmittal Letter," described above. The letter may be mailed to the address below or FAX to (517) 373-8771.

Mailing address for all information:

Michigan Department of Human Services  
Audit Liaison  
235 S. Grand Ave. Suite 1112  
Lansing, MI 48909  
Attention: William Addison, CPA

If the Grantee is a sub recipient of DHS, but asserts it is not required to have a Single Audit performed, the Grantee shall submit an audit transmittal letter to the DHS Audit Liaison stating the reason the Single Audit is not required. Failure by the Grantee to submit the transmittal letter shall result in invoking the same sanctions on the Grantee as failure to submit the Single Audit report.

Audit Cost

Cost of the Single Audit can only be charged to this Agreement if there is a provision within this Agreement that allows payment for the Single Audit cost. No audit cost may be charged to this Agreement if the Grantee is not required by federal requirements to have a Single Audit.

No audit costs may be charged to DHS when audits required by this Agreement have not been performed or have not been performed in accordance with OMB Circular A-133 requirements. Late submission (as defined in OMB Circular A-133) of the Single Audit report and/or Audit Transmittal Letter is considered non-compliance with this section and may be grounds to impose sanctions.

Sanctions

DHS may impose sanctions if the Grantee fails to adhere to any of the audit requirements in this Agreement, including the audit transmittal letter. In cases of continued inability or unwillingness on the part of the Grantee to comply with audit requirements, DHS may impose sanctions such as:

1. Withholding a percentage of a Federal awards until the audit is completed satisfactorily
2. Withholding or disallowing overhead costs

3. Suspending Federal awards until the audit is conducted
4. Terminating the Federal award
5. Recouping the federal payments made to the Grantee under this or any other agreements between the DHS and the Grantee

K. Billing Method

As used in this Agreement, "Cost Documentation" refers to the DHS approved CM-468-DOE Contract Budget.

The Actual Cost Reimbursement Method shall be used in claiming reimbursement under this Agreement. The Cost Documentation is hereby made a part of this Agreement. The Grantee certifies that this budget has been prepared in accordance with the Budget Completion Instructions provided by DHS. This document details the amount and object of expenditures for which the Grantee shall use funds paid under this Agreement. The Grantee is authorized to expend funds only for those resources indicated in the budget that are allowable, properly allocated and reasonable as defined in the Budget Completion Instructions. Only cost actually incurred may be billed to DHS.

The Grantee shall follow and adhere to the budget. However, expenditures up to a 5% increase or \$3,000, whichever is greater, above the direct cost line item budget categories are permissible provided the sum of all expenditures does not exceed the total amount of the Agreement. The Grantee shall not be reimbursed for any expenditures incurred in budget category items that do not include dollar amounts. The Grantee must obtain prior written approval from DHS to increase any budget category by more than 5% or \$3,000, whichever is greater. The DHS representative authorized to approve budget revisions is the Director, Division of Contracts and Rate Setting. The Grantee's request for DHS approval must contain sufficient information to allow DHS to identify which budget categories are to be increased and which line items are to be decreased, staying within the originally approved budget total.

For travel costs including mileage, meals and lodging incurred related to services provided under this Agreement, the Grantee may bill DHS' established standard rate, or Grantee's usual reimbursement rate for employees, whichever is less. State of Michigan travel rates may be found at the following website:

[http://www.michigan.gov/dmb/0,1607,7-150-9141\\_13132---,00.html](http://www.michigan.gov/dmb/0,1607,7-150-9141_13132---,00.html)

The Grantee can not charge DHS more for a provision of service than is charged to other entities for whom the Grantee provides services.

L. Billing Procedure

The Grantee shall submit a monthly DHS Statement of Expenditures (DHS-4326) to DHS. The DHS-4326 shall accurately indicate the actual expenditures incurred broken out by category of expense in the performance of this Agreement for the period being billed. The Grantee shall adhere to the expenditure report procedures as outlined in CPSM items 401.3 and 402.3.

The DHS-4326 shall be submitted to DHS within 30 days from the end of the monthly billing period. **For the month of September, billings shall be submitted as reasonably directed by the contract administrator to meet fiscal year end closing deadlines.**

If the billing is not received as set forth above, no payment shall be made by DHS for that billing period unless an exception is specifically authorized by the DHS director or delegated representative. In no event shall DHS make a payment to the Grantee for billings submitted more than 90 days after the end of a billing period.

Obligations incurred prior to or after the period covered by this Agreement shall be excluded from the Grantee's monthly invoices.

The Grantee shall submit one DHS Statement of Expenditure per month billed with an original signature and two copies to:

Department of Human Services  
Grand Tower, Suite 1314  
P.O. Box 30037  
235 South Grand Avenue  
Lansing, Michigan 48909

M. Programmatic Reporting

The Grantee shall submit the LIHEAP Activity Report (DHS-1073) to DHS no later than 30 days following the completion of the contract period of each program year. The Grantee shall submit the DHS-1071 per CPSM instructions. Both reports shall be submitted electronically to the following email address:

[holleyd@michigan.gov](mailto:holleyd@michigan.gov)

The Grantee may consult the following website address to obtain CFDA numbers, payments and other audit information:

[http://www.michigan.gov/dhs/0,1607,7-124-5455\\_7199\\_8380\\_00.html](http://www.michigan.gov/dhs/0,1607,7-124-5455_7199_8380_00.html)

### III. DHS RESPONSIBILITIES

#### A. Payment

DHS shall make payment to the Grantee within forty-five (45) days after receipt by DHS of the monthly Statement of Expenditure Report (DHS-4326) detailing program related expenditures as set forth in the Cost Documentation attached to this Agreement and the Weatherization Assistance Program Monthly Programmatic Report (DHS-1071).

DHS reserves the right to withhold payment(s) until all required reports are received.

#### B. Maximum Amount of Agreement

DHS shall notify the Grantee of funding availability associated with this Agreement through a Notice of Funds Available (NFA), DHS-256. DHS has no commitment to reimburse the provider for any costs not included in the budget approved by DHS. No reimbursement shall be made by DHS for any costs incurred by the provider until and unless a budget is approved by DHS. The NFA shall be signed by DHS and incorporated by reference into this Agreement unless the Grantee sends written notice of disagreement with the terms specified in the NFA within 14 days of its receipt. DHS hereby agrees to pay the Grantee an amount not to exceed the amount identified in the NFA for activities performed under this Agreement exclusively during the period May 15, 2009 to March 31, 2012.

#### C. Initial Payment

DHS shall make an initial payment to the Grantee as specified in the Notice of Funds Available (NFA) within approximately thirty days after full execution of the NFA. Subsequent monthly payments shall be adjusted, in consideration of the initial payment, to prevent total payments from exceeding total expenditures and not to exceed the Agreement amount. Recovery of the initial payment shall be made through deductions from each monthly payment to the Grantee. The monthly deduction shall be the percentage of the initial payment that the current bill is of the total Agreement.

### IV. GENERAL PROVISIONS

#### A. Conclusion, Termination, and Cancellation Terms

##### 1. DHS' Source of Funds-Termination

DHS' payment of Federal or State funds for purposes of this Agreement is subject to and conditional upon the availability of those funds for such purposes. No commitment

is made by DHS to continue or expand activities covered by this Agreement. Funding for services to be provided beyond the end of the initial State fiscal year is dependent on legislative appropriation.

DHS may terminate this Agreement immediately upon written notice to the Grantee at any time prior to the completion of this Agreement if, in the sole discretion of DHS, funding becomes unavailable for this service or such funds are restricted.

## 2. Cancellation of Agreement

DHS may cancel this Agreement upon thirty days written notice if DHS determines that the Grantee, its agent, or its representative has offered or given a gratuity, kickback, money, gift, or anything of value to an officer, official, or employee of the State to obtain a contract or favorable treatment under a contract. By signing this Agreement, the Grantee hereby certifies that no funds have been given to any state officer, official, or state employee for influencing or attempting to influence such officer, official, or employee of the State.

Except as indicated below, DHS may cancel this Agreement without further liability to DHS or its employees by giving the Grantee written notice of such cancellation thirty days prior to the date of cancellation. The Grantee may terminate this Agreement upon thirty days written notice to DHS at any time prior to the completion of the Agreement period.

In case of default by the Grantee, DHS may immediately cancel this Agreement without further liability to DHS or its employees, and procure the services from other sources.

In addition, DHS may immediately cancel this Agreement without further liability to DHS or its employees if the Grantee, an officer of the Grantee, or an owner of a 25% or greater share of the Grantee is convicted of a criminal offense incident to the application for or performance of a State, public, or private contract or subcontract; or convicted of a criminal offense including but not limited to any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, attempting to influence a public employee to breach the ethical conduct standards for State of Michigan employees; convicted under State or Federal antitrust statutes; or convicted of any other criminal offense which, in the sole discretion of DHS, reflects on the Grantee's business integrity.

## 3. Stop Work Orders

The DHS Director or Director's designee may, at any time, by written stop work order to the Grantee, require that the Grantee stop all, or any part, of the work called for by the Agreement for a period of up to ninety (90) calendar days after the stop work order is delivered to the Grantee, and for any further period to which the parties may agree. The stop work order shall be specifically identified as such and shall indicate that it is

issued under this section of the Agreement. Upon receipt of the stop work order, the Grantee shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the stop work order during the period of work stoppage.

If a stop work order issued under this section of the Agreement is canceled or the period of the stop work order or any extension thereof expires, the Grantee shall resume work. The parties shall agree upon an equitable adjustment in the services to be delivered, the Agreement price, or both, and the Agreement shall be modified, in writing, accordingly, if: (a) the stop work order results in an increase in the time required for, or in the Grantee's cost properly allocable to the performance of any part of this Agreement; and (b) the Grantee asserts its right to an equitable adjustment within thirty (30) calendar days after the end of the period of work stoppage, provided that, if DHS decides the facts justify the action, DHS may receive and act upon a Grantee billing submitted at any time before final payment under the Agreement.

## B. Closeout Responsibilities

### 1. Closeout

When this Agreement is concluded or terminated, for any reason, the Grantee shall provide DHS, within thirty (30) days of conclusion or termination, with all financial, performance and other reports required as a condition of this Agreement. DHS shall within the limit of this Agreement reimburse the Grantee for allowable costs not previously reimbursed. The Grantee shall immediately refund to DHS any payments or funds advanced to the Grantee in excess of allowable reimbursable expenditures.

### 2. Fixed Assets

The Grantee shall comply with Federal Office of Management and Budget Circular A-110, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations, regarding the disposal of assets acquired with funds from this Agreement.

### 3. Continuing Responsibilities

Termination, conclusion, or cancellation of this Agreement shall not be construed as terminating the ongoing responsibilities of the Grantee or rights of DHS contained in Section IV-F, "Examination and Maintenance of Records" and Section IV-B, "Closeout" of this Agreement.

## C. Compliance with Rules and Regulations

### 1. Criminal Background Check

As a condition of this Agreement, the Grantee certifies that the Grantee shall conduct or cause to be conducted prior to any individuals performing work under this Agreement:

- a. For each new employee, employee, subcontractor, subcontractor employee or volunteer who:
  - has unsupervised direct contact with children and/or vulnerable adult populations or access to confidential information, or
  - is directly supervising volunteers that have direct contact with children and/or vulnerable adult populations or confidential information, or
  - has, regardless of supervision status, access to client confidential information,

An Internet Criminal History Access Tool (ICHAT) check and a National and State Sex Offender Registry (SOR) check.

Information about ICHAT can be found at <http://apps.michigan.gov/ichat>.

Information about National SOR can be found at <http://www.nsopr.gov/>

Information about State SOR can be found at <http://www.mipsor.state.mi.us/>

- b. For each new employee, employee, subcontractor, subcontractor employee or volunteer who works directly with children under this Agreement, a Central Registry (CR) check.

Information about CR can be found at

[http://www.mi.gov/dhs/0,1607,7-124-5452\\_7119\\_48330-180331--.00.html](http://www.mi.gov/dhs/0,1607,7-124-5452_7119_48330-180331--.00.html)

- c. If a new employee, current employee, subcontractor, subcontractor employee or volunteer has direct contact with children and/or vulnerable adult populations and is directly supervised by an employee or volunteer that has a complete criminal background check (ICHAT, National SOR and State SOR) completed: A background check is recommended but not required.
- d. If a new employee, employee, subcontractor, subcontractor employee or volunteer has no contact with children and/or vulnerable adult populations or confidential information: A background check is not required.
- e. The Grantee shall require each new employee, employee, subcontractor, subcontractor employee or volunteer who has unsupervised direct contact with children and/or vulnerable adult populations or access to confidential information or is directly supervising volunteers that have direct contact with children and/or vulnerable adult populations or confidential information or has access to confidential information regardless of supervision status under this Agreement

shall be required to timely notify the Grantee in writing of criminal convictions (felony or misdemeanor) and/or pending felony charges or placement on the Central Registry as a perpetrator.

Additionally, for each new employee, employee, subcontractor, subcontractor employee or volunteer who has unsupervised direct contact with children and/or vulnerable adult populations or access to confidential information or is directly supervising volunteers that have direct contact with children and/or vulnerable adult populations or confidential information or has access to confidential information regardless of supervision status under this Agreement and who has not resided or lived in Michigan for each of the previous ten (10) years, the Grantee shall require the new employee, employee, subcontractor, subcontractor employee or volunteer to sign a waiver attesting to the fact that they have never been convicted of a felony or identified as a perpetrator, if they have, the nature and recency of the felony.

The Grantee further certifies that the Grantee shall not submit claims for or assign to duties under this Agreement, any new employee, employee, subcontractor, subcontractor employee, or volunteer based on a determination by the Grantee that the results of a positive ICHAT and/or a CR response or reported criminal felony conviction or perpetrator identification make the individual ineligible to provide the services.

The Grantee must have a written policy describing the criteria on which its determinations shall be made. In its policy the Grantee may consider the recency and type of crime when making its determination. The Grantee shall document the basis for each determination. Further the Grantee shall have written policy which describes and defines its vulnerable adult population. Failure of the Grantee to comply with provisions of this Agreement related to the criminal background checks may be cause for immediate cancellation of this Agreement by DHS. In addition, the Grantee must further have a written, clearly defined policy regarding acceptable screening practices of new staff members and volunteers who have direct access to clients and/or client's personal information. The policy must protect clients served under this Agreement.

## 2. Compliance with Federal and State Requirements

The Grantee shall comply with all Federal, State and local statutes, regulations and administrative rules, and any amendments thereto, as they may apply to the performance of this Agreement. This shall include, but shall not be limited to, those laws and regulations that could have a material effect on the Federal program.

In addition, the Grantee shall comply with all federal grant agreements, provisions stated within the Catalog of Federal Financial Assistance, and state and federal laws and other rules and regulations related to this funding source.

The Grantee shall comply with all Federal Office of Management and Budget circulars, which apply to the federal funding provided under this Agreement and the grantee's organizational status. These circulars include but are not limited to:

- A-122 – Cost Principles (Private, Non-Profit agencies)
- A-110 – Administrative Requirements (Private, Non-Profit agencies)
- A-87 – Cost Principles (Public agencies)
- Common Rule – Administrative Requirements (Public agencies)
- A-133 – Audit Requirements (Private, Non-Profit and Public agencies)
- Special Federal Grant Provisions (Private, Non-Profit and Public agencies)

The Grantee shall keep informed of federal, state, and local laws, ordinances, rules, regulations, orders, and decrees of bodies or tribunals having any jurisdiction/authority that in any manner affects those engaged in or employed on the work done under this Agreement or that in any manner affects the conduct of the work done under this Agreement.

### 3. Civil Service Rules and Regulations

The State of Michigan is obligated to comply with Article XI, Section 5, of the Michigan Constitution and applicable civil service rules and regulations. Other provisions of this Agreement notwithstanding, the State personnel director is authorized to disapprove contractual disbursements for personal services if the State personnel director determines that the contract violates Article XI, Section 5 of the Michigan Constitution or applicable civil service rules and regulations.

### 4. Compliance with Civil Rights, Other Laws

The Grantee shall not discriminate against any employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight or marital status pursuant to 1976 Public Act 453, Section 209. The Grantee shall also comply with the provisions of the Michigan Persons with Disabilities Civil Rights Act, 1976 Public Act 220, as amended (M.C.L. 37.1101 et. seq.) and Section 504 of the Federal Rehabilitation Act of 1973, P.L. 93-112, 87 Stat. 355, which states that no employee or client or otherwise qualified handicapped individual shall, solely by reason of this handicap, be excluded from participation, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. Further, the Grantee shall comply with the Americans with Disabilities Act of 1990 (ADA), P.L. 101-336, 104 Stat. 327, which prohibits discrimination against individuals with disabilities and provides enforcement standards. The Grantee shall comply with all other Federal, State or local laws, regulations and standards, and any amendments thereto, as they may apply to the performance of this Agreement.

5. Freedom of Information Act

All information in this Agreement is subject to the provisions of the Freedom of Information Act. 1976 Public Act 442, as amended, MCL 15.231, et seq.

6. Prohibition Against Using Funds to Support Religious Activities

The Grantee shall not use financial funds administered by the State or Federal government to support inherently religious activities, such as worship, religious instruction, or proselytization. If the Grantee engages in such activities, it must offer them separately, in time or location, from the programs or services funded with State or Federal assistance, and participation must be voluntary for the beneficiaries of the State or Federally funded programs or services.

The Grantee shall follow guidelines in 42 USC 604a.

D. Fees and Other Sources of Funding

The Grantee guarantees that any claims made to DHS under this Agreement shall not be financed by any source other than DHS under the terms of this Agreement. If funding is received through any other source, the Grantee agrees to deduct from the amount billed to DHS the greater of either the fee amounts, or the actual costs of the services provided.

The Grantee may not accept reimbursement from a client unless the Agreement specifically authorizes such reimbursement in the "Grantee Responsibility" section. In such case, a detailed fee scale and criteria for charging the fee must be included. If the Grantee accepts reimbursement from a client in accordance with the terms of the Agreement, the Grantee shall deduct these fees from billings to DHS.

Other third party funding sources, e.g., insurance companies, may be billed for contracted client services. Third party reimbursement shall be considered payment in full unless the third party fund source requires a co-pay, in which case DHS may be billed for the amount of the co-pay. No supplemental billing is allowed.

E. Confidentiality

The use or disclosure of information concerning services, applicants or recipients obtained in connection with the performance of this Agreement shall be restricted to purposes directly connected with the administration of the programs implemented by this Agreement and when not prohibited by law. In all cases, use or disclosure of confidential information shall only be allowed when that use or disclosure is in compliance with federal and state laws, court orders and subpoenas, or subpoenas by a grand jury. Confidentiality provisions related to casework activities, family situations and issues, family demographics

and any other information that shares case specific details must be strictly observed and may not be disseminated in any way except as specified above.

Such confidential information may be shared when specifically authorized in writing by an applicant, recipient or the guardian of either. The Grantee shall not make authorization to share confidential information a condition or requirement of receiving service.

Unauthorized use or disclosure of confidential information is a violation of this Agreement and may also be subject to criminal penalty pursuant to federal and state statutes and regulations as they may apply.

F. Examination and Maintenance of Records

The Grantee shall permit DHS or any of its authorized agents access to the facilities being utilized at any reasonable time during regular agency business hours and/or regular hours of service delivery to observe the operation of the program. Further, the Grantee shall retain all books, records or other documents relevant to this Agreement for six years after final payment, at the Grantee's cost. Federal auditors and any persons duly authorized by DHS shall have full access to and the right to examine and audit any of said material during said period. If an audit is initiated prior to the expiration of the six-year period and extends past that period, all documents shall be maintained until the audit is completed. DHS shall provide findings and recommendations of audits to the Grantee. DHS shall adjust future payments or final payment if the findings of an audit indicate over payment to the Grantee in any period prior to the audit. If no payments are due and owing the Grantee, the Grantee shall refund all amounts which may be due DHS within sixty (60) days notice by DHS.

The Grantee shall assure, as a condition of any sale or transfer of ownership of the Grantee agency, that the new purchasers or owner maintains the above-described books, records or other documents for any unexpired portion of the six-year period after final payment under this Agreement or the Grantee shall otherwise maintain said records as DHS may direct. If business operations cease, the Grantee shall maintain records as DHS may direct. The Grantee shall notify DHS when and if the Grantee operations cease during the six-year period after final payments and provide for appropriate storage of records at the Grantee's expense.

The Grantee shall, as a provision of the Agreement between the Grantee and the auditor, assure that DHS may make reasonable inquiries of the auditor relating to audit workpapers and, furthermore, that DHS may review the auditor's workpapers in support of the audit.

G. Reporting and Monitoring

1. Reporting

The Grantee shall comply with all program and fiscal reporting procedures as are or may hereinafter be established by DHS. The Grantee shall also comply with all reporting procedures established by DHS in completion of progress reports at time intervals, on forms, in formats, and by means specified by DHS. In particular, reports or billing documents denoting event dates shall record month, day and year as specified by DHS. In all electronic filings, four digits shall be used to designate century. Any additional reports as deemed necessary by DHS shall be made and submitted by the Grantee upon request.

## 2. Monitoring Requirements

DHS reserves the right to perform scheduled and unscheduled on-site visits during normal business hours, to monitor the Grantee's activities under this Agreement at any time, either during the term, or within three (3) years after termination of the Agreement. The Grantee shall cooperate with DHS during the monitoring process by making available all records, facilities, and other resources necessary to perform the review.

If DHS detects noncompliance with this Agreement, and/or questioned costs during the course of its review, these items shall be identified and conveyed to the Grantee in an exit conference. DHS shall provide the Grantee with a detailed written report of these findings within sixty (60) days of the exit conference. The Grantee is required to address each item in DHS' report by providing a Corrective Action Plan (CAP) to eliminate or correct each issue of noncompliance. The Grantee shall submit the Corrective action plan to DHS within sixty (60) days from issuance of DHS' report.

If DHS identifies questioned costs that cannot be substantiated, DHS may, at its discretion, and after consultation with the Grantee, require the Grantee to submit a revised DHS-4326, "Statement of Expenditures" to reflect adjustment for disallowed costs. Submission of revised billings to DHS shall be made within a time schedule established by DHS and the Grantee. If the Grantee fails to comply with monitoring requirements as set forth in this Agreement, and within allotted time frames mutually established, DHS may, at its discretion, invoke sanctions on the Grantee, which may include, but are not limited to, actions to collect disallowed costs and/or cancellation of the Agreements.

## 3. Audit Reports that Contain a Going Concern Statement

If an audit firm conducts an audit of the Grantee and issues an audit report with a finding of a Going Concern, the Grantee must submit this audit report to the DHS Audit Liaison within 10 days from the date of the audit report. The submission of this audit report to DHS is required regardless of whether an audit is required under this Agreement.

A Grantee receiving a Going Concern must submit a financial plan to the DHS Audit Liaison no later than 25 days from the date of the audit report issued by the audit firm. The financial plan must be approved by DHS. Failure of the Grantee to either timely submit the audit report with the Going Concern, or timely submit a financial plan, or DHS' rejection of the Grantee's financial plan, are grounds for immediately terminating the contract.

Mailing address for all audit information:

Michigan Department of Human Services  
Audit Liaison  
235 S. Grand Ave., Suite 1112  
Lansing, MI 48909

H. Recoupment of Funding and Repayment of Debts.

1. Recoupment of Funding

If the Grantee fails to comply with monitoring requirements as set forth in this Agreement, or fails to submit a revised "Statement of Expenditures" within allotted time frames established by DHS in consultation with the Grantee, DHS may, at its discretion, recoup or require the Grantee to reimburse payments made under this Agreement which DHS has determined that the Grantee has been overpaid. The Grantee is liable for any cost incurred by DHS in the recoupment of any funding.

Upon notification by DHS that repayment is required, the Grantee shall make payment directly to DHS within 30 days or DHS may withhold current or future payments made under this or any other agreements, current or future, between DHS and the Grantee.

If the Grantee fails to: (1) correct noncompliance activities identified by DHS, (2) submit revised billings as requested as part of a Corrective Action Plan when required; or (3) remit overpayments or make arrangements to have the overpayments deducted from future payments within 30 days, such failure shall constitute grounds to terminate immediately any or all of DHS' agreements with the Grantee. DHS shall also report noncompliance of the Grantee to Michigan's Department of Management and Budget. Such report may result in the Grantee's debarment from further contracts with the State of Michigan.

2. Repayment of Debts and Other Amounts due DHS

By entering into this Agreement, the Grantee agrees to honor all prior repayment agreements established by DHS with the Grantee or Grantee's predecessors. If the Grantee has an outstanding debt due to DHS but does not have a repay agreement, the Grantee agrees to make monthly payments to DHS at an amount not less than 5% of any outstanding balance and to begin on the date this Agreement is executed.

If the Grantee fails to honor prior repayment agreements, or the Grantee fails to begin repayment on an obligation due DHS that is not subject to a repayment agreement, DHS will initiate the administrative process to reduce payments to the Grantee under this Agreement to recoup the debt. The payment reduction will be made at the amount originally established in the repayment agreement or at an amount not less than 5% of any outstanding balance effective on the date this Agreement is executed.

If disallowed costs are identified as result of DHS monitoring, or are identified in the Grantee's audit, the Grantee shall be required to repay any disallowed cost within 90 days, or to establish a DHS approved repayment agreement of any disallowed cost within 90 days, of the finding. Any disallowed grant or contract fund expenditures cannot be repaid from DHS contracted funds. If the Grantee fails to repay the disallowed costs, DHS will initiate the administrative process to recoup such costs.

I. Publication - Approval and Copyright

The State of Michigan shall have copyright, property and publication rights in all written or visual material or other work products developed in connection with this Agreement. The Grantee shall not publish or distribute any printed or visual material relating to the services provided under this Agreement without prior written permission of the State of Michigan.

If the Grantee or an agent of the Grantee creates and/or reproduces under this Agreement materials which are developed for consumption by the general public or as a general information tool and which are funded in whole or in part with State of Michigan funds, the Grantee or its agent must include one of the statements referenced below, as they apply:

- This program is funded by the State of Michigan or
- This program is funded in part by the State of Michigan

J. Subcontracts

The Grantee shall not assign this Agreement or subcontract this Agreement to other parties without obtaining prior written approval of the DHS Office of Contracts and Rate Setting. DHS, as a condition of granting such approval, shall require that such assignees or subcontractors shall be subject to all conditions and provisions of this Agreement including Criminal Record and Central Registry background checks when applicable. The Grantee shall be responsible for the performance of all assignees or subcontractors.

If subcontracting, the Grantee must obligate the subcontractors to maintain the confidentiality of DHS' client information in conformance with State and Federal requirements. At DHS' request, any employee of the Grantee and of any subcontractor having access or continued access to DHS' confidential information may be required to execute an acknowledgment that the employee has been advised of the Grantee's and the subcontractor's obligations under this section and of the employee's obligation to DHS, the Grantee or subcontractor, as the case may be, to protect such confidential information from unauthorized use or disclosure.

K. Disputes

The Grantee shall notify DHS in writing of intent to pursue a claim against DHS for breach of any terms of this Agreement. No suit may be commenced by the Grantee for breach of this Agreement prior to the expiration of ninety (90) days from the date of such notification. Within this ninety (90) day period, the Grantee, at the request of DHS, must meet with the Director of DHS or designee for the purpose of attempting resolution of the dispute.

L. Agreement Inclusiveness/Amendment

This Agreement contains all the terms and conditions agreed upon by the parties. No other understanding, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind any of the parties hereto. The Grantee shall, upon request of DHS and receipt of a proposed amendment, amend this Agreement, if and when required in the opinion of DHS, due to the revision of Federal or State laws or regulations. If the Grantee refuses to sign such amendment within fifteen (15) days after receipt, this Agreement shall terminate upon such refusal. This Agreement may otherwise be amended only by the written consent of all the parties hereto.

M. Reporting of Retiree Employment

All other contract provisions notwithstanding, no reimbursement may be claimed under this agreement for salary or subcontracting expense for any employee who retired from the State of Michigan using the early retirement program authorized by 2002 Public Act 93.

The Grantee shall provide written notification within fifteen (15) days of hiring to DHS Office of Contracts and Rate Setting (OCRS) the name, social security number, and work site of any employee who retired from the State of Michigan using the early retirement program authorized by 2002 Public Act 93. Failure to notify the OCRS within the allotted time period may result in the disallowance of all costs related to this Agreement up to the time the proper notification is received by OCRS.

N. Certifications Regarding Lobbying

As required by section 1352, Title 31 of the U.S. Code, and implemented at 28 CFR Part 69, for persons entering into a grant or cooperative agreement over \$100,000, as defined at 28 CFR Part 69, the Grantee certifies that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any persons influencing or attempting to influence an officer or employee of an department, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the making of any Federal grant, the entering into of any cooperative agreement, and the extension,

continuation, renewal, amendment, or modification of any Federal grant or cooperative agreement.

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any department, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this Federal grant or cooperative agreement, the undersigned shall complete and submit Standard form – LLL, “Disclosure of Lobbying Activities,” in accordance with its instructions.
3. The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including sub-grants, contracts under grants and cooperative agreements, and subcontracts) and that all sub-recipients shall certify and disclose accordingly.

O. Certification Regarding Debarment, Suspension, and Other Responsibility Matters

The Grantee certifies that they and their principals:

1. Are not presently debarred, suspended, proposed for debarment, declared ineligible, sentenced to a denial of Federal benefits by a State or Federal court, or voluntarily excluded from covered transactions by any Federal or State department or agency.
2. Have not within a three-year period preceding this Agreement been convicted of or had civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.
3. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in 28 CFR 67, et sec.
4. Have not within a three-year period preceding this Agreement had one or more public transactions (Federal, State or local) terminated for cause and default.

Where the parties are unable to certify to any of the statements in this certification, the Grantee shall attach an explanation to this Agreement.

The Grantee shall promptly notify DHS of any criminal litigation, investigations or proceeding which may have arisen or may arise involving the Grantee or any of the Grantee’s subcontractors, or any of the foregoing entities’ then current officers or directors during the term of this Agreement and three years thereafter.

All notices shall be provided in writing to DHS within fifteen business days after the Grantee learns about any such criminal or civil investigations and within fifteen days after the commencement of any proceeding, litigation, or arbitration, as otherwise applicable. Details of settlements, which are prevented from disclosure by the terms of the settlement, shall be annotated as such. However, the Grantee shall disclose if any terms of such settlement would impede the Grantee's performance of this Agreement. The Grantee may rely on similar good faith certifications of its subcontractors, which certification shall be available for inspection at the option of DHS.

The Grantee certifies to the best of its knowledge that within the past three (3) years, the Grantee has not;

- a. Failed to substantially perform a state contract or subcontract according to its terms, conditions, and specifications within specified time limits.
- b. Refused to provide information or documents required by a contract including, but not limited to information or documents necessary for monitoring contract performance.
- c. Failed to respond to requests for information regarding contract compliance, or accumulated repeated substantiated complaints regarding performance of a contract.
- d. Failed to perform a state contract or subcontract in a manner consistent with any applicable state or federal law, rule, regulation, order, or decree.

The Grantee shall include Section O. (Certification Regarding Debarment, Suspension, and Other Responsibility Matters) language as written above in all subcontracts with other parties.

The Grantee shall require each primary subcontractor, whose subcontract will exceed \$25,000, to disclose to the Grantee, in writing, whether at the time of the award of the subcontract, the subcontractor, or its principals, is or is not debarred, suspended, or proposed for debarment by the State of Michigan. The Grantee shall then inform DHS of the subcontractor's status and reasons for the Grantee's decision to use such subcontractor, if the Grantee so decides.

If it is determined that the Grantee knowingly rendered an erroneous certification under this provision, in addition to the other remedies available to the state, DHS may immediately terminate this Agreement.

If the state finds that grounds to debar exist, it shall send notice to the Grantee of proposed debarment indicating the grounds for proposed debarment and the procedures for requesting a hearing. If the Grantee does not respond with a written request for a hearing within twenty (20) calendar days, the state shall issue the decision to debar without a hearing. The debarment period may be of any length up to

eight (8) years. After the debarment period expires, the Grantee may reapply for inclusion on bidder lists through the regular application process by authority of Executive Order 2003-1.

The following web sites are available for a debarment search:

“Michigan Debarment Policy” and link to “Michigan Debarred Vendor List:”  
[www.michigan.gov/printerFriendly/0,1687,7-225-48677-20042--,00.html](http://www.michigan.gov/printerFriendly/0,1687,7-225-48677-20042--,00.html)

General Services Administration (GSA) “Excluded Parties List System (EPLS),” including Public User’s Manual and Search Help: [www.epls.gov](http://www.epls.gov)

P. Insurance Coverage (This provision is not applicable to “Public” agencies.)

The Grantee shall provide and maintain public liability insurance in such amounts as necessary to cover all claims which may arise out of the Grantee's operations under the terms of this Agreement and provide proof of such insurance coverage to DHS prior to the effective date of this Agreement. Unemployment compensation coverage and workers compensation insurance shall be maintained in accordance with applicable Federal and State laws and regulations.

The Grantee shall provide and maintain general, professional, medical and/or automobile liability including non-owned auto insurance in such amounts as necessary to cover all claims which may arise out of the Grantee's operations under the terms of this Agreement. The Grantee shall provide proof to DHS of such insurance coverage (on the standard Acord form) to DHS prior to the effective date of this Agreement. For private non-profit and proprietary agencies, the minimum amount is \$1,000,000.00 (one million dollars). The Grantee agrees to provide evidence that all required insurance policies related to the Grantee's negligence arising out of the requirements of this contractual agreement will not cause policy to be cancelled, materially changed, or not renewed without thirty (30) days prior written notice to DHS. The Contract must list the State of Michigan as an additional insured on the general liability insurance and, if a motor vehicle is used to provide services under this Agreement, on the vehicular liability insurance.

Except where DHS' Division of Contracts and Rate Setting has approved an exception in writing, the Grantee shall require all of its subcontractors under the Agreement to purchase and maintain the insurance coverage as described above for the Grantee in connection with the performance of work by those subcontractors. As used in this paragraph, subcontractor means a company the Grantee delegates performance of a portion of the services to, but does not include independent contracts engaged by the Grantee solely in a staff augmentation role.

The Grantee shall maintain all required insurance coverage throughout the term of the Agreement and any extensions thereto.

Q. Liability (This provision is not applicable to “Public” agencies.)

The Grantee shall indemnify, save and hold harmless DHS against any and all expense and liability of any kind which DHS may sustain, incur or be required to pay arising out of this Agreement; provided, however, that the provisions of this paragraph shall not apply to liabilities or expenses caused by or resulting from the commission or omission of willful or negligent acts or omissions of DHS or any of its officers or employees. Further, in the event the Grantee becomes involved in or is threatened with litigation, the Grantee shall immediately notify DHS and DHS may enter into such litigation to protect the interest of DHS.

## V. OTHER GRANTEE PROVISIONS

### A. Open Meetings Act (Applicable to CAAs only)

Grantees funded under this Agreement will abide by the Open Meetings Act; Act No. 267 of the Public Acts of 1976, as amended, being Sections 15.261 to 15.275 of the Michigan Compiled Laws. Public notice of the time, date and place of the meeting shall be given in the manner required by Act. No. 267 of the Public Act of 1976, as amended.

### B. Vacancies of Key Personnel

The Grantee shall inform DHS of changes in key personnel, such as the executive director, financial director and weatherization program director. The Grantee shall provide an estimated date for filling such vacancies and shall notify DHS in writing when the vacancies have been filled.

### C. Board Member Changes (Applicable to CAAs only.)

The Grantee shall inform DHS of changes in its Board, by submitting a revised Board Roster (DHS-1057), in the following instances:

- As part of the Grantee's annual CSBG community action plan,
- Within 30 days following a change in the Chairperson/President, and
- Within 30 days following the Grantee's annual elections.

### D. Submission of Board Minutes (Applicable to CAAs only)

The Grantee shall forward a copy of all board meeting minutes within 30 days following board approval to:

Michigan Department of Human Services  
Bureau of Community Action and Economic Opportunity  
Grand Tower, Suite 1314  
P.O. Box 30037, 235 South Grand Avenue  
Lansing, Michigan 48909

E. Community Services Policy Manual

The Grantee must maintain an up-to-date master copy of the DHS Community Services Policy Manual (CSPM) or have the on-line version accessible to staff on a regular basis and as updates are published. Updates are distributed to Grantees electronically and the on-line version of the CSPM can be accessed at the DHS public website at :

[http://www.michigan.gov/dhs/0,1607,7-124-5452\\_45583---,00.html](http://www.michigan.gov/dhs/0,1607,7-124-5452_45583---,00.html)

F. Weatherization Program Policy Manuals (As Applicable)

The Grantee must maintain an up-to-date master copy of the following DHS weatherization program manuals or have the on-line version (when available) accessible to staff on a regular basis and as updates are published. All updates are distributed to Grantees electronically.

- Technical Weatherization Policy Manual (TWP)
- Weatherization Program Procedures Manual (WPPM)

As updates are available on line, they can be accessed at the DHS public website at:

[http://www.michigan.gov/dhs/0,1607,7-124-5452\\_45583--,00.html](http://www.michigan.gov/dhs/0,1607,7-124-5452_45583--,00.html)

G. Financial Procedures Manual

The Grantee shall follow a written financial procedure manual, which has been approved by its governing board. The manual must be reviewed by the grantee no less than annually. Such review shall be documented in the minutes of the governing board.

H. Pending Issues

The Grantee shall inform DHS of any and all pending or ongoing legal, administrative and investigative proceedings that have the possibilities of legal action on DHS administered funds. These proceedings include, but are not restricted to, actions by the Internal Revenue Service and the Michigan Employment Security Commission to secure delinquent taxes and local, state or federal investigations. The Grantee shall provide copies and enclosures of such legal documents at the time of submittal of service plan applications to DHS.

IN WITNESS WHEREOF, DHS and the Grantee shall cause this Agreement to be executed by their respective officers duly authorized to do so upon receipt and DHS approval of the Grantee's Notice of Funds Available, LIHEAP Weatherization Assistance Program Plan and Budget.

The Undersigned has the lawful authority to bind the Grantee to the terms set forth in this Agreement.

Dated at \_\_\_\_\_, Michigan

Washtenaw County Employment, Training and Community Services

This day of \_\_\_\_\_, 2009

By: \_\_\_\_\_

Witness \_\_\_\_\_

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

Dated at \_\_\_\_\_, Michigan

DEPARTMENT OF HUMAN SERVICES

This day of \_\_\_\_\_, 2009

By: \_\_\_\_\_

Witness \_\_\_\_\_

Director or Designee

Agreement Number: LIEAP-09-81029