

INTERGOVERNMENTAL AGREEMENT (IGA)

Contract between the Arizona Department of Economic Security ("ADES") and the Gila County Board of Supervisors, Office of the County Attorney ("Contractor").

WHEREAS the Department is duly authorized to execute and administer contracts under A.R.S §41-1954 and,

WHEREAS the County Attorney is duly authorized to execute and administer contracts under _____ and,

WHEREAS the Department and the County Attorney are authorized by A.R.S. §11-952 et seq. to enter into agreements for joint or cooperative action to contract for the services specified in this contract.

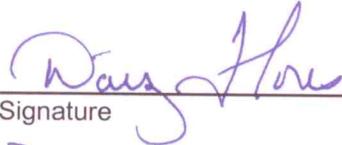
THEREFORE, the Department and County Attorney agree to abide by all the terms and conditions set forth in this Contract.

BY SIGNING THIS FORM ON BEHALF OF THE Gila County Board of Supervisors, THE SIGNATORY CERTIFIES HE/SHE HAS THE AUTHORITY TO BIND THE COUNTY ATTORNEY TO THIS CONTRACT.

FOR AND ON BEHALF OF THE ARIZONA DEPARTMENT OF ECONOMIC SECURITY

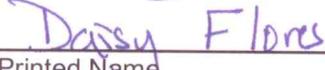
FOR AND ON BEHALF OF THE

Procurement Officer Signature



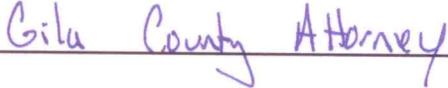
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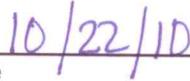
Printed Name

Title



Title

Date



Date

DE111165001

ADES Contract Number

IN ACCORDANCE WITH A.R.S. §11-952 THIS CONTRACT HAS BEEN REVIEWED BY THE UNDERSIGNED WHO HAVE DETERMINED THAT THIS CONTRACT IS IN APPROPRIATE FORM AND WITHIN THE POWERS AND AUTHORITY GRANTED TO EACH RESPECTIVE PUBLIC BODY.

ARIZONA ATTORNEY GENERAL'S OFFICE

By: _____
Assistant Attorney General

By: _____
Public Agency Legal Counsel

Date: _____

Date: _____

1.0 ADES VISION AND MISSION STATEMENTS

- 1.1 ADES Vision: Every child, adult, and family in the State of Arizona will be safe and economically secure.
- 1.2 ADES Mission: The Arizona Department of Economic Security (ADES) promotes the safety, well being, and self sufficiency of children, adults, and families.

2.0 PARTIES

- 2.1 This Intergovernmental Agreement (IGA) is between the Arizona Department of Economic Security (ADES), and the Gila County Board of Supervisors, Office of the County Attorney ("Contractor").

3.0 TERM OF AGREEMENT

- 3.1 The term of this Agreement shall have an effective date of October 1, 2010 and shall end on September 20, 2015, unless otherwise agreed upon by both parties in writing.

3.2 EXTENSION

This agreement may be extended through a written amendment by mutual agreement of the parties.

3.3 TERMINATION

- 3.3.1 This agreement may be terminated by mutual agreement of the parties at any time during the term of this agreement.
- 3.3.2 Each party shall have the right to terminate this agreement by hand-delivering to the other party written notice of termination at least thirty (30) days prior to the effective date of said termination.

4.0 AMENDMENTS OR MODIFICATIONS

- 4.1 This Agreement may be amended or modified at any time by mutual agreement. No agent, employee or other representative of either party is empowered to alter any of the terms of the agreement, unless done in writing and signed by the authorized representative of the respective parties.
- 4.2 Either party shall give written notice to the other party of any non-material alteration that affects the provisions of this Agreement. Non-material alterations that do not require a written amendment are as follows:
 - 4.2.1 Change of telephone number;
 - 4.2.2 Change in authorized signatory; and/or,
 - 4.2.3 Change in the name and/or address of the person to whom notices are to be sent.

5.0 PURPOSE OF AGREEMENT

- 5.1 The purpose of this agreement is to facilitate the use of the County Attorney to establish paternity, establish, modify, or enforce child support orders and medical insurance obligations.

6.0 MANNER OF FINANCING

- 6.1 These services are financed by an annual grant from the Department of Health and Human Services, Administration for Children and Families, Grant No. G1104AZ4004.

7.0 SERVICE DESCRIPTION

- 7.1 A service that uses administrative and judicial methods to locate absent parents, establish paternity, establish child support obligation and enforce child/spousal support and provision of medical insurance.

8.0 RESPONSIBILITIES

- 8.1 The County Attorney shall:
 - 8.1.1 Be responsible for and work all Title IV-D cases assigned to the County consistent with federal and state laws and applicable state and Department policies and procedures.

- 8.1.2 The provision of these services shall reflect equal treatment of locate, paternity, establishment and enforcement activities between Temporary Assistance for Needy Families (TANF) and non-TANF cases.
- 8.1.3 The County Attorney represents the State in Title IV-D matters. Therefore, there is no conflict of interest when the County Attorney provides services to a Title IV-D custodial person with multiple Non Custodial Parents (NCPs) or applicants from the same family unit.
- 8.1.4 Although attorneys from the County Attorney's office are providing legal services to establish paternity and establish, modify or enforce support, such attorneys do not represent the custodial person or the child or children named in the application, but represent the State of Arizona.
- 8.1.5 The County Attorney shall be responsible for all court appearances involving any case within their county's Title IV-D caseload and shall attempt to protect the interest of the State. When there is a conflict in court appearances, for which the County Attorney cannot obtain coverage, the County Attorney shall notify the Office of the Attorney General by telephone immediately in order to assist in arranging coverage for the conflicting court appearance.
- 8.1.6 The County Attorney shall appear in divorce, probate, bankruptcy and other proceedings where necessary to protect the State's interest in establishing and enforcing support orders, responding to orders, and/or subpoenas for State records. In bankruptcy cases, the County Attorney shall, at a minimum, file Proofs of Claim. The County Attorney shall file a Notice of Appearance in Arizona bankruptcy court when the County Attorney learns that an obligor within the County Attorneys' caseload has filed for bankruptcy and the bankruptcy matter is still open. Where appropriate, a Proof of Claim shall be filed in Arizona bankruptcy court. If the bankruptcy proceeding is outside Arizona, the County Attorney shall notify the other jurisdiction and take appropriate steps to ensure that a Proof of Claim is filed on behalf of the custodial parent in that other State. The County Attorney shall continue with Paternity, Establishment and Modification actions and ensure that current support is paid on cases within the County Attorney's caseload, even though the obligor has filed a bankruptcy petition.
- 8.1.7 Arizona Tracking Locate Automated System (ATLAS) Responsibilities: The County Attorney shall load, maintain, and use the ATLAS system consistent with the Department Policy and Procedures, which are on-line in ATLAS or otherwise provided by the Department. All case activity shall be documented on ATLAS. The County Attorney shall notify the ATLAS Help Desk of all system-related problems.
- 8.1.8 All new County Attorney staff assigned to Title IV-D Child Support shall complete ADES required forms and ATLAS security training before being assigned "log on" identifiers for ATLAS.
- 8.1.9 New ATLAS users are required to complete the following forms:
 - 8.1.9.1 J-125, Request for Terminal Access;
 - 8.1.9.2 J-129, Affirmation Statement;
 - 8.1.9.3 CS-169, Conflict of Interest/Confidentiality Statement.
 - 8.1.9.4 The above forms are available electronically upon request. Completed forms shall be sent electronically to ISAADMIN@AZDES.GOV.
- 8.1.10 All staff assigned to Title IV-D Child Support Enforcement shall complete Department required training. All staff shall complete Department ATLAS required training before being assigned logon identifiers for ATLAS. The County Attorney must submit for approval documentation regarding sessions attended, other than those supplied by the Department.
- 8.1.10.1 Written instructions to navigate the ATLAS system are available upon request by emailing DCSETRAININGREQUEST@AZDES.GOV.

8.2 APPEALS/SPECIAL ACTIONS RESPONSIBILITIES

- 8.2.1 In order to further the State's goal in taking consistent positions before the appellate courts, if the County Attorney is of the opinion that a paternity, establishment, enforcement or any other order is erroneous and presents a question of law or fact warranting an appeal, the County Attorney shall promptly provide the Attorney General's Child Support Enforcement Section Chief Counsel with sufficient case information and documentation to enable the Office of the Attorney General to evaluate the case for appeal on behalf of the State. After consultation with the Assistant Director for Child Support Enforcement, the Attorney General's Office will advise the County Attorney of the approval or disapproval of the request to appeal. In the case of an

approval, the County Attorney and Attorney General shall agree as to whom will file the Notice of Appeal, necessary briefs and the timeframes for exchange of documents. If the request to pursue an appeal is denied, the Attorney General's Office will promptly advise the County Attorney of the reasons for the denial.

- 8.2.2 The County Attorney shall be primarily responsible for answering appellate matters in its caseload. If, for good cause, the County Attorney is unable to answer such a matter he/she shall give written notice at least twenty-five (25) calendar days for appeals and two (2) days for special actions to the Attorney General's Child Support Enforcement Chief Counsel that assistance is needed. Notice includes copies of the Notice of Appeal, Clerk of the Court Index, opening briefs and all relevant portions of the case record and lower court record necessary to answer the opening brief or take other appropriate action. The County Attorney shall respond to all Judicial Review Act matters filed as to cases in the County Attorney's caseload.

8.3 INDIAN RESERVATION CASES

- 8.3.1 The County Attorney shall file the matter in State court if State court jurisdiction may be asserted under applicable law. If there is an agreement with the tribe to permit an attorney for the Title IV-D program to appear in tribal court, cases shall be litigated in tribal court if that is where jurisdiction properly lies.

- 8.3.2 If the Department has an agreement with a tribal government which provides that a tribal government entity will perform some or all Title IV-D functions for cases involving its own members, the County Attorney will refer cases covered by such agreement to the appropriate tribal entity. The Department will notify the County Attorney in writing of any such agreement and will work to ensure compliance with its terms.

- 8.3.3 In the absence of any agreement, those cases referred to the County Attorney in which State court jurisdiction cannot be asserted over the non-custodial person because she/he lives and/or works on an Indian reservation, shall be prepared and filed in the appropriate reservation tribal court or tribunal, if that tribunal will allow the attorney for the State to appear in a representative capacity without charging fees for the case. Preparation of a case to be referred shall be in a form acceptable to the tribal court or tribunal.

8.4 SERVICE TASKS OF THE COUNTY ATTORNEY

8.4.1 Establishment of Cases, Maintenance of Case Records

- 8.4.1.1 Make applications for child support services readily accessible to the public;

- 8.4.1.2 Provide or send applications on the day requested, if requested in person, or within five (5) days if requested by telephone or mail. Along with the Department-approved Title IV-D application, the County Attorney shall furnish information describing available services, and the individual's rights and responsibilities;

- 8.4.1.3 Accept an application as filed on the day it is received;

- 8.4.1.4 Within twenty (20) days of receipt of a referral or filing of an application for services under 45 C.F.R. 302.33, open a case by establishing a case record. The case record shall include all information pertaining to the case, as set forth in 45 C.F.R. 303.2;

8.5 LOCATION AND USE OF LOCATION INFORMATION

8.5.1 LOCATION OF NON CUSTODIAL PARENTS

- 8.5.1.1 Within no more than 75 calendar days of determining that location is necessary, access all appropriate location sources including ATLAS, and ensure that location information is sufficient to take the next appropriate action in a case;

- 8.5.1.2 Shall repeat location attempts in cases in which previous attempts to locate noncustodial parents or sources of income and/or assets have failed.

8.5.1.3 Shall attempt to locate income and/or assets of the NCP's possession of professional/recreational licenses, as appropriate under law.

8.6 LOCATION OF CUSTODIAL PARENTS

8.6.1 Shall attempt to locate Custodial Persons when location is necessary to distribute support.

8.7 USE OF ATLAS AND FEDERAL PARENT LOCATOR SERVICE (FPLS) INFORMATION

8.7.1 SAFEGUARDING OF EXPANDED FPLS INFORMATION

8.7.2 Locate and other information received by a County Attorney is subject to the safeguarding provision of 42 U.S.C. § 654 (26), which states that the information received shall be solely used by authorized persons in proceedings or actions to establish paternity, or to establish, modify or enforce support, or to make or enforce a child custody determination including investigation/prosecution of child kidnapping laws.

8.7.3 **Requests for locate information.** Consistent with 42 U.S.C. § 663, only a judicial officer or criminal prosecutor may make a written request for locate information as to a parent or child for the purpose of enforcing custody or visitation orders/laws or prosecuting child kidnapping offenses. Such a request shall be made in writing on a Department approved form sent to the Department.

8.7.4 **Non-Disclosure Indicator:** If Expanded Federal Parent Locator information is sought from the Department under the terms of this contract and the Department has information that there is reasonable evidence of domestic violence or child abuse and the disclosure of information could be harmful to the parent or child, the locate information shall not be released. Consistent with 42 U.S.C. § 653 (b) (2) (B) and 663 (d) (2) (B), the FPLS locate information may only be disclosed to a court or its agent after a judicial officer determines that disclosure to the court/its agent would not be harmful to the parent or child. This written determination, when relayed to the Department is transmitted to the Secretary of Health and Human Services and the non-disclosure indicator is temporarily lifted to release the requested information for this request only.

8.7.5 If disclosure is made to a criminal prosecutor, the court should so state and specifically prohibit disclosure to any other person if the court determines that disclosure of such information to any other person would be harmful to the parent or child. The FPLS information shall only be released to any other authorized person under 42 U.S.C. § 653 and 663 after a court determines that release of the information to such an authorized person would not be harmful to the parent or child. Any determination to override a non-disclosure indicator at the Expanded Federal Parent Locator Service shall be in writing, contain findings of fact (including the authorized use to be made of the information), be signed by the judicial officer and request the Department and Secretary of Health and Human Services to provide the information.

8.8 ESTABLISHMENT OF PATERNITY

8.8.1 In each Title IV-D case the County Attorney shall, when necessary, attempt to establish paternity.

8.8.2 Check all appropriate databases and other sources to verify whether paternity has already been established.

8.8.3 Within ninety (90) calendar days of locating the alleged father, either obtain a stipulated agreement to paternity or file for paternity establishment and complete service of process to establish paternity. Unsuccessful attempts to serve process shall be documented consistent with 45 C.F.R. 303.3.

8.8.4 Within one (1) year of successful service of process or of the child reaching six months of age, whichever occurs later, establish paternity or exclude the alleged father as a result of genetic tests and/or legal process in 90% of paternity cases. Attempts shall also be made to obtain judgments to recover genetic testing costs whenever possible.

- 8.8.5 In any case in which an alleged father is excluded but more than one alleged father has been identified, attempt to establish paternity as set forth in 3.13.2. for each alleged father identified until paternity is established or all alleged fathers are excluded by court process or genetic tests.
- 8.8.6 Attempt voluntary paternity acknowledgment using the following methods, including but not limited to: in-office/court stipulations, hospital based programs or medical facilities' programs if available.
- 8.8.7 Not attempt to establish paternity in any case in which good cause not to proceed has been established.
- 8.8.8 Afford alleged fathers the opportunity to file an application to request Title IV-D services to initiate a paternity action, and provide them with paternity establishment services.
- 8.8.9 The County Attorney is required to purchase services under the Department's agreement for services for genetic testing for paternity.

8.9 ESTABLISHMENT OF SUPPORT

- 8.9.1 In each Title IV-D case, the County Attorney shall:
 - 8.9.2 When necessary, attempt to establish an order or complete service of process of a petition for establishment of a support order within ninety (90) calendar days of locating a non-custodial person;
 - 8.9.3 If the court dismisses a petition for establishment of a support order without prejudice, examine the reasons for dismissal, determine when it would be appropriate to seek an order in the future, and seek a support order at that time;
 - 8.9.4 Establish child support orders from the date of service of process or other successful notification within the following timeframes:
 - 8.9.4.1 seventy-five percent (75%) in six (6) months; and,
 - 8.9.4.2 ninety percent (90%) in twelve (12) months;
 - 8.9.5 Ensure that the parties receive a copy of the order; and/or,
 - 8.9.6 Attempt to obtain default orders and judgments if the non-custodial person does not respond to process.

8.10 ESTABLISHMENT OF MEDICAL SUPPORT

- 8.10.1 In each Title IV-D case, the County Attorney shall:
 - 8.10.2 Attempt to include medical support in each new or modified support order;
 - 8.10.3 Ensure that the responsible parent or employer provides the health insurance coverage required by the support order;
 - 8.10.4 Within three (3) days of receipt of health insurance information, input the policy number, insurance provider and the effective dates of insurance coverage on appropriate ATLAS screen(s).
 - 8.10.5 After receipt of a Department list of cases, when appropriate, petition the Court or administrative authority to modify existing support orders to include medical support, in the form of health insurance coverage, and allocation of uncovered medical expenses for the cases identified by the Department, even if no adjustment in the child support amount is necessary; and,

8.10.6 Enforce/collect on medical support orders which have been reduced to judgment. Verify and document in ATLAS all lapses/terminations in medical insurance ordered by the Court.

8.11 SUPPORT ORDER/JUDGMENT RECORD

8.11.1 A record of all support orders/judgments in Title IV-D cases must be maintained on ATLAS. Within five (5) days after entry of any local order/judgment or receipt of a responding court's order/judgment in an initiating UIFSA case, the following information, at a minimum, shall be entered into ATLAS:

8.11.1.1 Court docket number;

8.11.1.2 Amount of support ordered, frequency of payment, due date of first and subsequent payments;

8.11.1.3 FIPS code, where appropriate;

8.11.1.4 Judgment type, amount and period; and,

8.11.1.5 Name of judicial or administrative officer entering the order.

8.12 ENFORCEMENT OF SUPPORT OBLIGATIONS

8.12.1 In each Title IV-D case in which the obligation to support and the amount of the obligation has been established, the County Attorney shall:

8.12.1.1 Monitor compliance with the support obligation; and

8.12.1.2 Enforce the obligation in each case in which the non-custodial person has failed to make payments in an amount equal to the support payable for at least one month.

8.12.1.3 Within thirty (30) calendar days of identification of a delinquency or other support-related noncompliance with the order, initiate any appropriate enforcement actions such as income withholding, unemployment intercept, driver or professional license suspension (A.R.S. § 25-517 and A.R.S. § 25-518) asset seizure or contempt proceedings;

8.12.1.4 Issue administrative income withholding orders, as appropriate, within two days of receipt of an income withholding order work list item;

8.12.1.5 Impose appropriate liens against real and personal property, attempt to require the posting of security bonds or guarantees to secure payment of overdue support;

8.12.1.6 Participate in the financial institution data match process offered through ATLAS automation.

8.12.2 If enforcement attempts are unsuccessful, examine the reasons the attempts have been unsuccessful, determine when it would be appropriate to take enforcement action, and initiate appropriate enforcement actions; and

8.12.3 Investigate and respond to all timely and proper requests for administrative review consistent with State law and Department policy and procedure.

8.12.4 When administrative reviews for tax offsets or other challenges to administrative enforcement actions or case related issues, including automated actions, are requested, the County Attorney shall conduct administrative review pursuant to A.R.S § 25-522, state and federal law, and Department policy and procedures and perform appropriate case record maintenance.

8.13 INTERSTATE RESPONSIBILITIES

8.13.1 **Initiating Interstate Responsibilities:** In all Title IV-D interstate cases and in compliance with Uniform Interstate Family Support Act (UIFSA), the County Attorney shall:

8.13.2 Assert long-arm and/or continuing exclusive jurisdiction whenever possible to establish paternity, establish support, modify support and/or enforce support;

- 8.13.3 Use administrative processes and direct income withholding whenever appropriate to enforce support;
- 8.13.4 Initiate a two-state interstate action when Arizona does not have jurisdiction over a Non-Custodial Parent (NCP) within twenty (20) days of determining that the NCP is in another state. In an initiating two-state action, provide the responding state with sufficient information to act on the case and use the federally approved interstate forms;
- 8.13.5 Within thirty (30) days of a receipt of a request for additional information from a responding state, either provide the requested information or acknowledge receipt of request, indicating when the information will be provided;
- 8.13.6 Notify the responding State within ten (10) business days of receipt of new information on a case.
- 8.13.7 Send a request for review and adjustment of a child support order to another state within twenty (20) days of determining that this is the appropriate action;
- 8.13.8 Send requests for administrative enforcement where that is appropriate; and
- 8.13.9 Request assistance of other states in facilitating telephonic appearances, service of process, and discovery and provide such assistance to other states;

8.14 RESPONDING INTERSTATE RESPONSIBILITIES

- 8.14.1 Within seventy-five (75) days of receipt of an interstate Title IV-D case by Arizona's Central Registry:
 - 8.14.1.1 If the request is for location services or if the form or documentation does not include adequate location information on the non-custodial person, the County Attorney shall provide location services.
 - 8.14.1.2 If unable to proceed with the case because of inadequate documentation, notify the initiating Title IV-D agency of the necessary additions or corrections to the form or documentation; and
 - 8.14.1.3 If the documentation received with a case is inadequate and cannot be remedied without the assistance of the initiating agency, process the interstate Title IV-D case to the extent possible pending necessary action by the initiating agency;
- 8.14.2 Within ten (10) days of locating the non-custodial person in a different county within Arizona, enter the new information in ATLAS, forward the interstate transmittal form and documentation to the appropriate county entity and notify the initiating agency and Arizona's Central Registry of the action;
- 8.14.3 Within ten (10) days of locating the non-custodial person in another state:
 - 8.14.3.1 Enter the new information in ATLAS, return the interstate transmittal form and documentation, including information as to the non-custodial person's location, to the initiating state or, if directed by the initiating state, forward the form and documentation to the Central Registry in the state where the non-custodial person has been located; and
 - 8.14.3.2 Notify the Arizona Central Registry where the case has been sent;
 - 8.14.3.3 Provide all necessary services in responding interstate cases by;
 - 8.14.3.4 Establishing paternity and attempting to obtain a judgment for past support and genetic testing costs should paternity be established in accordance with this section;
 - 8.14.3.5 Establishing a child support obligation, and an order of assignment;
 - 8.14.3.6 Enforcing interstate cases using appropriate remedies;
 - 8.14.3.7 Reviewing and adjusting child support orders according to State and federal law and Department policy;

- 8.14.3.8 Attempting to obtain default orders when process has been served on the defendant in accordance with state law and the defendant has failed to respond to service; and
- 8.14.3.9 Taking all other appropriate actions;
- 8.14.4 Notify the initiating state in advance of any formal hearings which may result in a determination of paternity or order establishment, modification or enforcement. Provide the initiating State with a copy of any order establishing or modifying child support; and
- 8.14.5 Notify the initiating Title IV-D agency within ten (10) days of receipt of new information on a case.
- 8.14.6 Respond within ten (10) business days to routine requests for case status information from the initiating state;
- 8.14.7 Notify the interstate central registry in the responding State when a case is closed.

8.15 REVIEW AND ADJUSTMENT

- 8.15.1 At the request of a party subject to the order, the County Attorney shall:
 - 8.15.2 Review any Title IV-D case. The review and adjustment of existing orders shall be in accordance with current Department policy and procedures. Reviews are to be completed in the following manner:
 - 8.15.2.1 Gather or request the necessary income information to support any allegation that there has been a substantial and continuing change in income;
 - 8.15.2.2 Gather or request the guideline expense verification and health insurance coverage information from both parties; and
 - 8.15.2.3 Stipulate to modify existing support orders in accordance with the current child support guidelines and state law, or complete the service of process necessary to commence proceedings to modify the order within ninety (90) days of locating the non-custodial person;
 - 8.15.3 Notify each parent subject to a child support order, in writing at least thirty (30) calendar days prior to the review, of the following:
 - 8.15.3.1 The right of either parent to initiate proceedings to challenge the proposed adjustment or non-adjustment of the support order within thirty (30) calendar days of the date of notice; and,
 - 8.15.3.2 That, when a challenge to the adjustment or non-adjustment is received, the information in the case record shall be reviewed by the County Attorney to determine the validity of the request;
 - 8.15.4 Except as to orders needing health insurance provisions, attempt to adjust the order where the application of the guidelines against the current child support order results in an amount that varies at least fifteen percent (15%) or more from the existing child support order;
 - 8.15.5 Upon request for review and adjustment by a party subject to another state's order, conduct a review taking the following actions:
 - 8.15.5.1 Contact the issuing state with the order;
 - 8.15.5.2 Provide pertinent information; and,
 - 8.15.5.3 Request that the state with the order conduct the review unless neither party nor the child now resides in that state. In that case, Arizona should obtain the necessary information and conduct the review.
 - 8.15.6 Circumstances that would warrant a review sooner than thirty-six (36) months after an order is established, or the most recent review, are:
 - 8.15.6.1 When the support order does not include medical support or when both parties have been ordered to provide medical support; or

- 8.15.6.2 When minimum support was ordered because either parent was unemployed, employed part-time or was under-employed at the time the order was entered; or
- 8.15.6.3 When the County Attorney learns that either parent has secured a substantial and continuing change in income that varies by at least fifteen percent (15%); or
- 8.15.6.4 When either parent becomes permanently disabled.

8.16 CASE CLOSURE

8.16.1 The County Attorney shall perform a timely review of all cases eligible for closure and close appropriate cases pursuant to the federal requirements (45 C.F.R. 303.11) and the Department's case closure policy and procedures.

8.16.2 The County Attorney shall close ninety percent (90%) of cases meeting the closure requirements and policy within 12 months of eligibility.

8.17 SERVICES TO INDIVIDUALS NOT RECEIVING TANF OR TITLE IV-E FOSTER CARE ASSISTANCE:

8.17.1 The County Attorney shall provide all appropriate IV-D services to all individuals who are eligible to receive child support services. The County Attorney shall provide child support services to any individual who:

8.17.1.1 Files an application for services (including alleged fathers and Non-Custodial Persons, as required by law). In an interstate case, only the initiating state may require an application under this section; or

8.17.1.2 Is referred as an MAO recipient; or

8.17.1.3 Has been receiving Title IV-D services and is no longer eligible for assistance under the TANF, IV-E foster care or AHCCCS program, has not requested case closure and whose case does not qualify for closure under Department policy. This includes cases where the individual is not an Arizona resident.

8.18 TANF RESPONSIBILITIES

8.18.1 **TANF Pre-Eligibility Cooperation:** Cash Assistance Applicants are provided with the Verification of Cooperation (FAA-1221A form) with Title IV-D/DCSE and requested to appear at the appropriate Title IV-D/DCSE field office to provide the required information. When all the required information and documentation is obtained, the County Attorney will complete the Title IV-D portion of the FAA-1221A. If the Cash Assistance Applicant (CA) appears in an Title IV-D office that is outside the zip code assignment of that office, the Cash Assistance Applicant must still be assisted with the completion of the FAA-1221A. If the Cash Assistance Applicant is unable to physically appear at the Title IV-D office to complete or provide the necessary information for cooperation with the Title IV-D requirement, the IV-A Eligibility Worker will provide the Cash Assistance Applicant with a pre-made packet of the required Title IV-D documents and will contact the Title IV-D office for assistance in completing the required documents.

8.18.2 **Failure of TANF Recipient to Cooperate and Good Cause Exceptions:** The County Attorney shall follow all state policies and procedures governing cooperation by a TANF or Title XIX recipient with the Title IV-D program including determination of good cause as defined by A.R.S. Section 46-292. The County Attorney will ensure the non-cooperative custodial person has received due process and is afforded an opportunity to cooperate prior to imposing a sanction. Once the custodial person receives due process and remains uncooperative the County Attorney shall appropriately document ATLAS and generate a sanction notice through the IV-A computer system AZTECS. When the custodial person begins cooperating with the Title IV-D Program, the County Attorney shall document the ATLAS system appropriately. If the custodial person claims good cause for not cooperating the County Attorney shall refer the claim and supporting documentation to the Department's Office of Special Investigations (OSI). Once the OSI investigation is received, the County Attorney shall make the final determination of good cause.

8.18.3 **Communication Regarding Potential Settlement.** Where an offer to settle support arrearages on a case is received, the County Attorney shall notify the DCSE Settlement Team

at dcse-settlement@azdes.gov, which has been designated by the Department to approve such settlements.

8.19 PERFORMANCE STANDARDS/MEASURES

- 8.19.1 Performance standards required by federal statute and regulations set forth in 42 U.S.C. § 652, 45 C.F.R. 302.70, 303.101 and 305.2 are incorporated and made part of this agreement.
- 8.19.2 The County Attorney shall achieve a compliance rate of at least seventy-five percent (75%) for each of the performance standards, unless otherwise stated in this agreement. The Department shall monitor and advise the County Attorney of its progress in complying with the standards and timeframes.
- 8.19.3 These standards are listed below:
- 8.19.3.1 Case Set-up and Maintenance of Case Records;
 - 8.19.3.2 Establishment of Support;
 - 8.19.3.3 Enforcement of Support Obligations;
 - 8.19.3.4 Services to Individuals not Receiving TANF or Title IV-E Foster Care Assistance;
 - 8.19.3.5 Case Closure: (90% Substantial Compliance Requirement);
 - 8.19.3.6 Medical Support;
 - 8.19.3.7 Review and Adjustment;
 - 8.19.3.8 Reporting Requirements;
 - 8.19.3.9 Appeals/Special Actions.

8.20 PROGRAM PERFORMANCE AUDITS AND REVIEWS

- 8.20.1 The Department may conduct an audit of the Contractor's performance by reviewing a statistically valid sample of the Contractor's caseload. The Department will determine whether appropriate actions have been taken in the cases in the sample. Performance measures to be used include but are not limited to, each of the federally prescribed performance categories as well as paternity and child support order establishment, enforcement, expedited processes, interstate, medical support, and case closure.
- 8.20.2 If the Contractor fails to achieve a seventy-five percent (75%) performance level in any of the performance categories, or 90% performance level for case closure, the Department will issue a letter delineating deficiencies found during the audit. The Contractor shall submit a corrective action plan within 30 days. The corrective action plan shall describe how the Contractor shall achieve the 75% performance standard in each performance category or 90% performance level for case closure. If the Contractor fails to submit a corrective action plan, the Department shall withhold payment in an amount equal to ten percent (10%) of the monthly payment until the plan is submitted. Upon approval of the plan, the monthly payment(s) withheld will be returned to the Contractor.
- 8.20.3 The Department shall, within (30) days of receipt of the corrective action plan, approve or disapprove the plan. During the corrective action period the Department may conduct audits of a statistically valid sample of the Contractor's caseload and will notify the Contractor of the results. If the Contractor fails to achieve a 75% performance level in any of the performance categories, or 90% performance level for case closure within the corrective action period the Department shall seek recovery for costs incurred and a proportionate share of any federal penalty imposed. The Department shall withhold this amount from incentive payments due the Contractor and from Federal Financial Participation (FFP) payments if the incentive payments are inadequate.
- 8.20.4 An annual Data Reliability Audit (DRA) may be conducted by the Office of Child Support Enforcement (OCSE), using a statistically valid sample of the statewide caseload to determine if ATLAS was properly updated and appropriate credit was or was not given on the annual OCSE-157 Child Support Enforcement Annual Data Report. If the Contractor fails to achieve a ninety five percent (95%) performance level on the cases reviewed in the DRA, the Department shall issue a letter delineating deficiencies found during the data reliability audit. The Contractor shall submit a corrective action plan. The corrective action plan shall describe how the Contractor shall achieve the 95% performance standard in each performance category

before the next DRA. If the Contractor fails to submit a corrective action plan, the Department shall withhold payment in an amount equal to ten percent (10%) of the monthly payment until the plan is submitted. Upon approval of the plan, the monthly payment(s) withheld will be returned to the Contractor.

- 8.20.5 The Department shall, within 30 days of receipt of the corrective action plan, approve or disapprove the plan. If the Contractor fails to achieve a 95% performance level in any of the categories during the next DRA, the Department shall seek recovery for costs incurred and a proportionate share of any federal penalty imposed. The Department shall withhold the penalty from incentive payments due the Contractor and from FFP payments if the incentive payments are inadequate.
- 8.20.6 An annual review of the Federal Performance Measures for the cases in the Contractor's jurisdiction that contribute to the data reported on the Arizona OCSE-157 Child Support Enforcement Annual Data Report will be conducted. There are three performance measures for which the Contractor shall achieve certain levels of performance to avoid being penalized for poor performance. The penalty performance measures and levels are set forth in 45 C.F.R. 305.40 for paternity establishment, support order establishment and current collections. The proportionate share shall be based on caseload. The Department shall issue a letter delineating deficiencies found during the annual review. The Contractor shall submit a corrective action plan within 30 days. The corrective action plan shall describe how the Contractor shall achieve the required increase over the previous year's measure(s). The Department shall withhold payment in an amount equal to ten percent (10%) of the monthly payment until the plan is submitted. Upon approval of the plan, the monthly payment(s) withheld will be returned to the Contractor.
- 8.20.7 The Department shall, within 30 days of receipt of the corrective action plan, approve or disapprove the plan. If the Contractor fails to achieve the required performance level increase in any of the categories during the next review, the Department shall seek recovery for costs incurred and a proportionate share of any federal penalty imposed. The Department shall withhold the penalty from payments due the Contractor and from FFP payments if the incentive payments are inadequate.
- 8.20.8 The Arizona Director of the Title IV-D program may waive recovery of costs incurred or any proportionate share penalty.

8.21 CUSTOMER SERVICE

- 8.21.1 The County Attorney commits to delivering quality, efficient child support enforcement services to the public. The County Attorney and its representatives shall be respectful, courteous, professional and knowledgeable as to services provided. The County Attorney shall maintain a quality work environment for all employees.
- 8.21.2 The County Attorney commits to providing customer service and access during normal business hours, which includes answering telephone calls, serving walk-in customers and returning telephone messages within 8 business hours. The County Attorneys commit to answering any and all customer service inquiries directed to their office on their county caseload. These inquiries include, but are not limited to, questions regarding payments and distribution, debt balances and or adjustments, the accuracy of debts, tax intercept, administrative review and other issues, including automated actions, on the cases.
- 8.21.3 **Debt Management.** For cases with existing court orders, the County Attorney shall establish an accurate, certifiable arrearage amount, including interest, pursuant to Department policy and procedures based on those court orders, any affidavits of direct pay and payment histories, unless there has been a judicial determination of arrearages for the relevant period of time. The County Attorney shall be responsible for correcting incorrect debts on ATLAS as mistakes are discovered. The physical case file shall contain an arrears calculation to support each debt loaded onto ATLAS, except for those determined by a court. The Department shall provide the County Attorney with the Department's Supervisory Debt Review Checklist. The County

Attorney shall review five (5) cases per debt worker per month using the Supervisory Debt Review Checklist.

- 8.21.4 **Debt Audits.** The County Attorney shall respond timely to annual debt audit requests for case files, debt review feedback and corrective action plans. The County Attorney shall be responsible for correcting identified deficiencies and implementing any required corrective action plans within a reasonable agreed-upon period of time.
- 8.21.5 **Payor Receipts.** When a payor pays in cash at the County Attorney office, County Attorney staff shall issue the payor a receipt, including the payor's name, ATLAS number, amount of the payment and the signature of the staff member who accepted the payment. County Attorney staff shall then ask the payor not to make cash payments in the future, but rather to mail a check to the Clearinghouse. When a payor pays at the County Attorney's office with a check, County Attorney staff shall provide him/her with an envelope and address of the Clearinghouse and ask him/her to mail it to the Clearinghouse.
- 8.21.6 **Administrative Review Requests by Obligees Contesting Distribution of Support.** The County Attorney shall notify the Department within twenty-four (24) hours of receiving a written request for administrative review by an obligee contesting distribution pursuant to A.R.S. §46-408 and 25-522. A copy of the written request for administrative review shall be forwarded to the Department within two (2) business days. The Department shall handle all such requests statewide. The County Attorney shall cooperate with the Department and with the Attorney General's Child Support Section by promptly providing necessary information and/or forwarding the case file by express mail to the appropriate person upon request. Should the County Attorney fail to cooperate and such non-cooperation results in a monetary loss to the Department, the Department shall reduce the incentives due the County Attorney in an amount equal to the loss suffered by the Department.
- 8.21.7 When a County Attorney is contacted by the Department, the County Attorney commits to contacting the Department within 24 hours and to research the issue(s) pursuant to mutually agreed upon timeframes.

8.22 REIMBURSEMENT REQUIREMENTS:

- 8.22.1 The County Attorney shall submit an annual summary operating budget based on federal fiscal year to ADES prior to September 30th of any year this agreement is in effect which reflects the projected County Attorney expenditures for child support enforcement activities.
- 8.22.2 If the County Attorney intends to claim reimbursement for indirect costs as part of its annual summary operating budget, it shall provide ADES with a copy of its cost allocation plan annually. The plan shall comply with the standards contained in OMB Circular A-87 and subject to written approval from the ADES. The approval shall be provided prior to the date of any period for which reimbursement is requested.
- 8.22.3 Actual, allowable expenditures shall be determined in accordance with provisions of this agreement, 45 C.F.R. 74.1, et seq. and 45 C.F.R. 304.
- 8.22.4 When the Federal Office of Child Support Enforcement conducts a financial audit and disallows County Attorney expenses already reimbursed by ADES, the County Attorney shall be liable for an amount equal to any disallowance as to its expenses.

8.23 THE ADES WILL:

- 8.23.1 Reimburse the County Attorney for costs incurred in the delivery of Contract Services during the term of this Agreement.
- 8.23.2 Under this agreement the reimbursement rate shall be at the applicable amount established by the federal government in accordance with 42 U.S. Code, Section 655 (a)(2).

8.23.3 INCENTIVE PAYMENTS:

- 8.23.3.1 The Department will pay to the County Attorney, as required by law; a proportionate share of incentives based on collections and cost effectiveness.
- 8.23.3.2 The ADES will pay the County Attorney an amount equal to the proportionate share of incentives earned based on performance in the five federally established incentive measures for the quarter in which the incentives are earned. The County Attorney's proportionate share shall be based upon the methodology set forth in the ADES current incentive policy, which is incorporated by reference into this agreement. These payments will be made 45 days after the end of the quarter for which they are earned.
- 8.23.3.3 The ADES will determine incentive payments for each County Attorney based on performance in the five federally established incentive measures.
- 8.23.3.4 The County Attorney agrees to isolate incentive payments received from other funding and dedicate the use of such payments solely for the enhancement of the County Attorneys' Title IV-D program. Expenditure of incentive payments must follow the requirements of Section 7309 of the Deficit Reduction Act of 2005.

8.24.4 STATE SHARE OF RETAINED EARNINGS:

- 8.24.4.1 ADES will pay the County Attorney its share of Retained Earnings based upon the methodology set forth in the ADES current State Share of Retained Earnings (SSRE) policy.
- 8.24.4.2 The County Attorney must have budgeted expenditures in **Contractor** appropriated funds for the Title IV-D Program at least equal to the **Contractor** Title IV-D contribution for the latest fiscal year the County Attorney participated in the sharing of SSRE.
- 8.24.4.3 ADES shall pay the County Attorney within 45 days after the end of the quarter for which it was earned.

8.25 REPORTING REQUIREMENTS

- 8.25.1 The County Attorney shall provide to ADES the following reports:
- 8.25.2 County Attorney shall submit to the Department programmatic and financial reports as required by the Department. These will include reports other than those required by federal regulations such as management reports as may be needed for the proper and efficient operation of the Title IV-D program.
- 8.25.3 County Attorney shall submit a monthly statistics report which contains the number of children for whom paternity has been established and the number of new support orders established no later than the 15th day following each month during the contract term.
- 8.25.4 County Attorney shall provide no later than the 28th day following each month during the contract term all other programmatic and financial reports to the Department in the form set forth in this Agreement. All reports shall reference the contract number and be submitted to the person designated by the Department in a manner agreed upon by the Department.
- 8.25.5 No later than the 45th day following the termination of this contract, the County Attorney shall submit to the Department a final program and fiscal report.
- 8.25.6 Reports shall be sent to:
 - Arizona Department of Economic Security
 - Division of Child Support Enforcement
 - Contracts Unit, Site Code 019A
 - PO Box 40458
 - Phoenix, AZ 85067-0458

- 8.25.7 The County Attorney shall submit the Certificate of Insurance as specified in Paragraph 21.2 of this Agreement to:
Arizona Department of Economic Security
Division of Child Support Enforcement
Contracts Unit, Site Code 019A
PO Box 40458
Phoenix, AZ 85067

8.26 PAYMENT REQUIREMENTS

- 8.26.1 Upon receipt of CS-016-FF, Certified Public Expenditure Statement (CPES) ADES will reimburse the County Attorney for costs incurred in the delivery of Contract Services during the term of this Agreement.
- 8.26.2 County Attorney shall retain supporting expense documents and make them available for periodic review during the term of this agreement,
- 8.26.3 CPES and supporting expense documents shall be submitted by the 28th day after the month services were provided.
- 8.26.4 CPES shall be submitted to:
Arizona Department of Economic Security
Division of Child Support Enforcement
Contracts Unit, Site Code 019A
PO Box 40458
Phoenix, AZ 85067-0458
- 8.26.5 Services provided to ADES will be paid via Automated Clearing House (ACH) by using the ACH process. Instructions and downloadable forms are found at <http://www.gao.az.gov/onlineforms/default.asp#Vendor>

8.27 NOTICES

- 8.27.1 All notices to the County Attorney regarding this agreement shall be sent to the following address:
Gila County Attorney, Child Support Division
157 South Broad Street
Globe, AZ 85501
- 8.27.2 All notices to the ADES regarding this agreement shall be sent to the following address:
Arizona Department of Economic Security
Division of Child Support Enforcement
Contracts Unit, Site Code 019A
PO Box 40458
Phoenix, AZ 85067-0458

9.0 APPLICABLE LAW

- 9.1 This Contract shall be governed and interpreted by the laws of the State of Arizona. The materials and services supplied under this Contract shall comply with all applicable Federal, State and local laws, and the Contractor shall maintain all applicable licenses and permit requirements.
- 9.2 In accordance with ARS § 41-2501, et.seq, and AAC R2-7-101 et seq, this Agreement shall be governed and interpreted by the laws of the State of Arizona.

10.0 ARBITRATION

10.1 The parties to this Contract agree to resolve all disputes arising out of or relating to this Contract through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. §12-1518 except as may be required by other applicable statutes.

11.0 AUDIT

11.1 In accordance with A.R.S. §35-214, the County Attorney shall retain and shall contractually require each subcontractor to retain all data, books and other records ("records") relating to this Agreement for a period of five (5) years after the completion of the Agreement. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the County Attorney shall produce the original of any or all such records.

12.0 AVAILABILITY OF FUNDS FOR THE CURRENT STATE FISCAL YEAR

12.1 Should the State Legislature enter back into session and reduce the appropriations or for any reason and these goods or services are not funded, the ADES may take any of the following actions:

- 12.1.1 Reduce payments or units authorized;
- 12.1.2 Accept a decrease in price offered by the contractor;
- 12.1.3 Cancel the Agreement;
- 12.1.4 Cancel the Agreement and re-write the requirements.
- 12.1.5 The Director of ADES shall have the sole and unfettered discretion in determining the availability of funds. The ADES and the County Attorney may mutually agree to reduce reimbursement to the County Attorney when the payment type is Fixed Price with Price Adjustment by executing an amendment to this Agreement.

13.0 AVAILABILITY OF FUNDS FOR THE NEXT STATE FISCAL YEAR

13.1 Funds may not presently be available for performance under this Agreement beyond the current state fiscal year. If funds are not allocated and available for the continuance of this Agreement, this Agreement may be terminated by the ADES at the end of the period for which funds are available

13.2 No liability shall accrue to the ADES in the event this provision is exercised, and the ADES shall not be obligated or liable for any future payments of for any damages as a result of termination under this paragraph.

14.0 CANCELLATION FOR CONFLICT OF INTEREST

14.1 All staff and management associated with the Contract shall be required to identify whether they are party to a current child support case in Arizona. This includes phlebotomists who subcontract. If it is determined that the Contractor, an employee of the Contractor, or a subcontractor to the Contractor is a party to a child support case or has a family member who is a party to a case, a conflict of interest shall be deemed to exist if that staff member or subcontractor is actively involved in the case. The Contractor shall immediately notify the Department of the conflict of interest, and ensure that the staff member or subcontractor will have no involvement in the case.

15.0 CONFIDENTIALITY

15.1 County Attorney shall adhere to standards of confidentiality of record maintenance in accordance with the law and DCSE policy. The Contractor agrees that any information provided by the Department or the State relative to the applicants or recipients of public assistance shall be used only for the administration of this contract, or in any investigation or civil proceeding conducted pursuant to this contract. The Contractor shall provide safeguards to restrict the use or disclosure of any information concerning any individual who is party to a case. The Contractor understands that revealing any information concerning the NCP or CP, one to the other, is in violation of the law and grounds for immediate termination of this contract. This includes, but is not limited to, revealing the date, location and time that a party to a case is scheduled for paternity testing.

- 15.2 The safeguards provided shall also prohibit disclosure of any information which identifies by name, address, or social security number the Custodial Person to any committee or legislative body. The Contractor agrees that any federal or state tax-related information shall be treated as confidential and shall not be disclosed.
- 15.3 The Contractor shall establish and maintain procedures and controls that are acceptable to the Department for the purpose of assuring that no information contained in its records or obtained from the Department, or from others carrying out its functions under the contract, shall be used or disclosed by the Contractor or by the Contractor's agents, officers or employees except as required to perform duties under the contract. Persons requesting such information shall be referred to the Department. The Contractor also agrees that any information pertaining to an individual shall not be disclosed other than to employees or officers of the Contractor for the performance of duties under the contract, unless otherwise agreed to in writing by the Department.
- 15.4 The Contractor agrees not to use or permit the use of the names and/or addresses of individuals referred from the Department for any commercial purpose.
- 16.0 CONFLICT OF INTEREST**
- 16.1 In accordance with A.R.S. §38-511, the State may within three years after execution cancel the Agreement, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the Agreement on behalf of the State, at any time while the Agreement is in effect, becomes an employee or agent of any other party to the Agreement in any capacity or a consultant to any other party to the Agreement with respect to the matter of the Agreement.
- 17.0 DATA SHARING AGREEMENT**
- 17.1 When determined by the Department that sharing of confidential data will occur with the County Attorney, the County Attorney shall complete the ADES Data Sharing Request Agreement and submit the completed Agreement to the ADES Program Designated Staff prior to any work commencing or data shared. A separate Data Sharing Request Agreement shall be required between the County Attorney and each ADES Program sharing confidential data.
- 18.0 E-VERIFY**
- 18.1 In accordance with A.R.S. §41-4401, County Attorney warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with AAC Section A.R.S. §23-214, Subsection A.
- 19.0 FEDERAL IMMIGRATION AND NATIONALITY ACT**
- 19.1 By entering into the Agreement, the County Attorney warrants compliance with the Federal Immigration and Nationality Act. (FINA) and all other Federal immigration laws and regulations related to the immigration status of its employees. The County Attorney shall obtain statements from its subcontractors certifying compliance and shall furnish the statements to the Procurement Officer upon request. These warranties shall remain in effect through the term of the Agreement. The County Attorney and its subcontractors shall also maintain Employment Eligibility Verification forms (I-9) as required by the U.S. Department of Labor's Immigration and Control Act, for all employees performing work under the Agreement. I-9 forms are available for download at USCIS.GOV.
- 19.2 The State may request verification of compliance for any County Attorney or subcontractor performing work under the Agreement. Should the State suspect or find that the County Attorney or any of its subcontractors are not in compliance, the State may pursue any and all remedies allowed by law, including, but not limited to suspension of work, termination of the Agreement for default, and suspension and/or debarment of the County Attorney. All costs necessary to verify compliance are the responsibility of the Contractor.
- 20.0 INDEMNIFICATION**
- 20.1 Indemnification for Contractor:
- 20.1.1 Each Party is responsible for its own negligence.

20.2 Indemnification for Subcontractor

20.2.1 In addition, County Attorney shall cause its contractor(s) and subcontractors, if any, to indemnify, defend, save and hold harmless the State of Arizona, any jurisdiction or agency issuing any permits for any work arising out of this Agreement, and their respective directors, officers, officials, agents, and employees (hereinafter referred to as "Indemnatee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of County Attorney's contractor or any of the directors, officers, agents, or employees or subcontractors of such contractor. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnatee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by such contractor from and against any and all claims. It is agreed that such contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable.

21.0 INSURANCE REQUIREMENTS

21.1 INSURANCE REQUIREMENTS FOR GOVERNMENTAL PARTIES TO AN IGA

21.1.1 None.

21.2 INSURANCE REQUIREMENTS FOR ANY CONTRACTORS USED BY A PARTY TO THE INTERGOVERNMENTAL AGREEMENT

(Note: this applies only to Contractors used by a governmental entity, not to the governmental entity itself.) The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the governmental entity or Contractor from liabilities that might arise out of the performance of the work under this Agreement by the County Attorney, his agents, representatives, employees or subcontractors, and Contractor and the governmental entity are free to purchase additional insurance.

1. **Minimum Scope and Limits of Insurance:** Contractor shall provide coverage with limits of liability not less than those stated below.

1. **Commercial General Liability – Occurrence Form**

Policy shall include bodily injury, property damage, personal injury and broad form contractual liability.

- General Aggregate \$2,000,000
- Products – Completed Operations Aggregate \$1,000,000
- Personal and Advertising Injury \$1,000,000
- Blanket Contractual Liability – Written and Oral \$1,000,000
- Fire Legal Liability \$ 50,000
- Each Occurrence \$1,000,000

- a. The policy shall be endorsed to **include coverage for sexual abuse and molestation.**
- b. The policy shall be endorsed to include the following additional insured language: **"The State of Arizona and the Department of Economic Security shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the County Attorney".**
(Note that the other governmental entity(ies) is/are also required to be additional insured(s) and they should supply the Contractor with their own list of persons to be insured.)
- c. Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

2. **Automobile Liability**

Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this Agreement.

Combined Single Limit (CSL) \$1,000,000

a. The policy shall be endorsed to include the following additional insured language: **“The State of Arizona and the Department of Economic Security shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the County Attorney, involving automobiles owned, leased, hired or borrowed by the County Attorney”.**

b. Policy shall contain a waiver of subrogation against the State of Arizona, it’s departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the County Attorney

(Note that the other governmental entity(ies) is/are also required to be additional insured(s) and they should supply the County Attorney with their own list of persons to be insured.)

3. **Worker's Compensation and Employers' Liability**

- Workers' Compensation Statutory
- Employers' Liability
 - Each Accident \$ 500,000
 - Disease – Each Employee \$ 500,000
 - Disease – Policy Limit \$1,000,000

a. Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the County Attorney.

b. This requirement shall not apply to: Separately, EACH contractor or subcontractor exempt under A.R.S. 23-901, AND when such contractor or subcontractor executes the appropriate waiver (Sole Proprietor/Independent Contractor) form.

2. **Additional Insurance Requirements:** The policies shall contain, or be endorsed to contain, the following provisions:

1. The State of Arizona and the Department of Economic Security, wherever additional insured status is required such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Agreement.
2. The County Attorney's insurance coverage shall be primary insurance with respect to all other available sources.
3. Coverage provided by the County Attorney shall not be limited to the liability assumed under the indemnification provisions of this Agreement.

3. **Notice of Cancellation:** Each insurance policy required by the insurance provisions of this Agreement shall provide the required coverage and shall not be suspended, voided, canceled, or reduced in coverage or in limits except after thirty (30) days prior written notice has been given to the State of Arizona. Such notice shall be sent directly to the **Department of Economic Security, Office of Procurement, 1789 W. Jefferson St. Site Code 805Z, Phoenix, AZ 85007** and shall be sent by certified mail, return receipt requested.

4. **Acceptability of Insurers:** Insurance is to be placed with duly licensed or approved non-admitted insurers in the state of Arizona with an “A.M. Best” rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the County Attorney from potential insurer insolvency.

5. **Verification of Coverage:** County Attorney shall furnish the State of Arizona with certificates of insurance (ACORD form or equivalent approved by the State of Arizona) as required by this Agreement. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and endorsements are to be received and approved by the State of Arizona before work commences. Each insurance policy required by this Agreement must be in effect at or prior to commencement of work under this Agreement and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Agreement, or to provide evidence of renewal, is a material breach of Agreement.

All certificates required by this Agreement shall be sent directly to Department of Economic Security, Office of Procurement, 1789 W. Jefferson St. Site Code 805Z, Phoenix, AZ 85007 **unless the Reporting Requirements specifies otherwise**. The State of Arizona **contract number and contract description shall be noted or referenced on the certificate of insurance**. The State of Arizona reserves the right to require complete, certified copies of all insurance policies required by this Agreement at any time. **DO NOT SEND CERTIFICATES OF INSURANCE TO THE STATE OF ARIZONA'S RISK MANAGEMENT SECTION.**

6. **Subcontractors:** Contractors' certificate(s) shall include all subcontractors as insureds under its policies **or** Contractor shall furnish to the State of Arizona separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.
7. **Approval:** Any modification or variation from the insurance requirements in this Agreement shall be made by the Department of Administration, Risk Management Section, whose decision shall be final. Such action will not require a formal amendment to the Agreement, but may be made by administrative action.
8. **Exceptions:** In the event the County Attorney or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self-Insurance. If the contractor or sub-contractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.

22.0 IT 508 COMPLIANCE

- 22.1 Unless specifically authorized in the Agreement, any electronic or information technology offered to the State of Arizona under this agreement shall comply with A.R.S. §41-2531 and §2532 and Section 508 of the Rehabilitation Act of 1973, which requires that employees and members of the public shall have access to and use of information technology that is comparable to the access and use by employees and members of the public who are not individuals with disabilities.

23.0 NON-AVAILABILITY OF FUNDS

- 23.1 In accordance with A.R.S. §35-154, every payment obligation of the State under the Agreement is conditioned upon the availability of funds appropriated or allocated for payment of such obligation. If funds are not allocated and available for the continuance of this Agreement, this Agreement may be terminated by the State at the end of the period for which funds are available. No liability shall accrue to the State in the event his provision is exercised, and the State shall not be obligated or liable for any future payments or for any damages as a result of termination under this paragraph.

24.0 NON-DISCRIMINATION

- 24.1 In accordance with A.R.S. §41-1461 and Executive Order 2009-09, the County Attorney shall provide equal employment opportunities for all persons, regardless of race, color, religion, creed, sex, age, national origin, disability or political affiliation. The County Attorney shall comply with the Americans with Disabilities Act.

25.0 OFFSHORE PERFORMANCE OF WORK PROHIBITED

- 25.1 Due to security and identity protection concerns, direct services under this contract shall be performed within the borders of the United States. Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and may involve access to secure or sensitive data or personal client data or development or modification of software for the State shall be performed within the borders of the United States. Unless specifically stated otherwise in the specifications, this definition does not apply

to indirect or 'overhead' services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers

26.0 RIGHT OF OFFSET

26.1 The Department shall be entitled to offset against any sums due the County Attorney, any expenses or costs incurred by the Department, or damages assessed by the Department concerning the County Attorney's non-conforming performance or failure to perform the Agreement, including expenses, costs and damages.

27.0 SAFEGUARDING OF TAX INFORMATION PER IRS PUBLICATION 1075

27.1 The Contractor agrees to comply with all federal statutory and regulatory provisions requiring that information be safeguarded and kept confidential. These statutes and regulations include, but are not limited to, 45 CFR § 309.80; 45 CFR §303.21 (Safeguarding Information); 45 CFR § 303.30 (Securing Medical Support Information); and the United States Internal Revenue Code (IRC) 6103.

27.2 PERFORMANCE

In performance of this contract, the contractor agrees to comply with and assume responsibility for compliance by his or her employees with the following requirements:

All work will be done under the supervision of the contractor or the contractor's employees.

Any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material will be treated as confidential and will not be divulged or made known in any manner to any person except as may be necessary in the performance of this contract. Disclosure to anyone other than an officer or employee of the contractor will be prohibited.

All returns and return information will be accounted for upon receipt and properly stored before, during, and after processing. In addition, all related output will be given the same level of protection as required for the source material.

The contractor certifies that the data processed during the performance of this contract will be completely purged from all data storage components of his or her computer facility, and no output will be retained by the contractor at the time the work is completed. If immediate purging of all data storage components is not possible, the contractor certifies that any IRS data remaining in any storage component will be safeguarded to prevent unauthorized disclosures.

Any spoilage or any intermediate hard copy printout that may result during the processing of IRS data will be given to the agency or his or her designee. When this is not possible, the contractor will be responsible for the destruction of the spoilage or any intermediate hard copy printouts, and will provide the agency or his or her designee with a statement containing the date of destruction, description of material destroyed, and the method used.

All computer systems processing, storing, or transmitting Federal tax information must meet the requirements defined in IRS Publication 1075. To meet functional and assurance requirements, the security features of the environment must provide for the managerial, operational, and technical controls. All security features must be available and activated to protect against unauthorized use of and access to Federal tax information.

No work involving Federal tax information furnished under this contract will be subcontracted without prior written approval of the IRS.

The contractor will maintain a list of employees authorized access. Such list will be provided to the agency and, upon request, to the IRS reviewing office.

27.3 CRIMINAL/CIVIL SANCTIONS:

Each officer or employee of any person to whom returns or return information is or may be disclosed will be notified in writing by such person that returns or return information disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any such returns or return information for a purpose or to an extent unauthorized herein constitutes a felony punishable upon conviction by a fine of as much as \$5,000 or imprisonment for as long as 5 years, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized further disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount not less than \$1,000 with respect to each instance of unauthorized disclosure. These penalties are prescribed by IRC sections 7213 and 7431 and set forth at 26 CFR 301.6103(n)-1.

Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of the contract. Inspection by or disclosure to anyone without an official need to know constitutes a criminal misdemeanor punishable upon conviction by a fine of as much as \$1,000 or imprisonment for as long as 1 year, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized inspection or disclosure of returns or return information may also result in an award of civil damages against the officer or employee [United States for Federal employees] in an amount equal to the sum of the greater of \$1,000 for each act of unauthorized inspection or disclosure with respect to which such defendant is found liable or the sum of the actual damages sustained by the plaintiff as a result of such unauthorized inspection or disclosure plus in the case of a willful inspection or disclosure which is the result of gross negligence, punitive damages, plus the costs of the action. These penalties are prescribed by IRC section 7213A and 7431.

Additionally, it is incumbent upon the contractor to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a(i)(1), which is made applicable to contractors by 5 U.S.C. 552a(m)(1), provides that any officer or employee of a contractor, who by virtue of his/her employment or official position, has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000. The agency will have the right to void the contract if the contractor fails to provide the safeguards described above.

27.4 INSPECTION

The IRS and the Agency shall have the right to send its officers and employees into the offices and plants of the contractor for inspection of the facilities and operations provided for the performance of any work under this contract. On the basis of such inspection, specific measures may be required in cases where the contractor is found to be noncompliant with contract safeguards.

28.0 SCRUTINIZED BUSINESS

28.1 In accordance with A.R.S. §35-391.06 and A.R.S. §35-393.06, the County Attorney certifies that the County Attorney does not have scrutinized business operations in Sudan or Iran.

29.0 THIRD- PARTY ANTITRUST VIOLATIONS

29.1 The County Attorney assigns to the Department any claim for overcharges resulting from antitrust violations concerning materials or services supplied by third parties to the County Attorney, toward fulfillment of this Agreement.

30.0 ATTACHMENTS

- 30.1 ATTACHMENT A- Certification Regarding Lobbying
- 30.2 ATTACHMENT B- Certification Regarding Maintenance of Effort
- 30.3 ATTACHMENT C- Sub-recipient Fact Sheet

Attachment A
CERTIFICATION REGARDING LOBBYING

CERTIFICATION FOR CONTRACTS, GRANTS, LOANS,
AND COOPERATIVE AGREEMENTS

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

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

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

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

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL

TITLE

APPLICANT ORGANIZATION

DATE SUBMITTED

CERTIFICATION REGARDING MAINTENANCE OF EFFORT

In accordance with the applicable program statute(s) and regulation(s), the undersigned certifies that financial assistance provided by the Administration for Children and Families, for the specified activities to be performed under the Grants for Judicial Services by

_____, will be in addition to, and not in
(Applicant Organization)
substitution for, comparable activities previously carried on without Federal assistance.

Signature of Authorized Certifying Official

Title

Date

SUBRECIPIENT FACT SHEET

In accordance with OMB Circular A-133, Subpart D, §400(d), the following information is being provided to all sub recipients that receive federal awards passed through from the Department of Economic Security (Department).

Official/Legal Name of Sub recipient

Gila County Board of Supervisors, Office of the County Attorney ("Contractor").
(From the Contract)

Contract # DE111165001

Federal Employer Taxpayer ID # 866000444

- Federal Grantor's Name Department of Health and Human Services
- CFDA Title and Number 93.563
- Award Name and Number Arizona Department of Economic Security
- Award Period October 1, 2010 through September 30, 2015
- Pass-through Number Assigned by the Department G1104AZ4004

(For example: **DES93.48599**, where DES identifies that these monies were passed through from the Department, 93.485 is the CFDA number, and 99 is the award year. OMB Circular A-133 requires that federal awards received by a subrecipient be identified on its Schedule of Expenditures of Federal Awards with the name of the pass-through entity and identifying number assigned by the pass-through entity.)

A copy of this Fact Sheet should be retained by the program and the subrecipient for audit purposes.