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STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION FOR BEHAVIORAL HEALTH
BUREAU OF DRUG AND ALCOHOL SERVICES

Jeffrey A. Meyers
Commissioner

Katja S. Fox
Director

105 PLEASANT STREET, CONCORD, NH 03301
603-271-6110 1-800-852-3345 Ext. 6738
Fax: 603-271-6105 TDD Access: 1-800-735-2964
www.dhhs.nh.gov/dcbcs/bdas/

February 23, 2018

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division for Behavioral Health, Bureau of Drug and Alcohol Services, to amend an existing **sole source** contract with Harbor Homes, Inc. (Vendor #155358-B001), 45 High Street, Nashua, NH 03060, to further support the provision of substance use disorder (SUD) crisis respite shelter by increasing the price limitation by \$100,000 from \$200,000 to an amount not to exceed \$300,000 with no change to the completion date of June 30, 2018, effective upon Governor and Council approval. The original agreement was approved by the Governor and Executive Council on August 23, 2017, Item #22. 100% Other Funds.

Funds are available in the following account for State Fiscal Year 2018.

05-95-92-920510-33820000, HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SERVICES, HHS: DIVISION FOR BEHAVIORAL HEALTH, BUREAU OF DRUG AND ALCOHOL, GOVERNOR COMMISSION FUNDS (100% Other Funds)

State Fiscal Year	Class / Account	Class Title	Job Number	Current Budget Amount	Increase/ (Decrease) Budget	Modified Budget Amount
2018	102-500731	Contracts for Program Srvs	92058503	\$200,000	\$100,000	\$300,000
			Totals:	\$200,000	\$100,000	\$300,000

EXPLANATION

This amendment request is **sole source** because Harbor Homes, Inc., the current Contractor for this vital service, stepped forward last summer to provide substance use disorder respite shelter when other partners in the Safe Stations program were unable to secure funds for this purpose. Additional funding is needed to ensure the program can continue to provide this service to as many clients as possible through the remainder of this State Fiscal Year. Going out to bid at this time would result in a gap in critical services which would endanger the lives of unstable individuals with substance use disorders who are taking part in the Safe Stations program.

Funds in this amendment will allow the contractor to continue providing temporary crisis respite shelter care to individuals in crisis who are receiving services through the Nashua Safe Stations programs.

Substance use disorder crisis respite shelter provides clients with a temporary, safe, substance-free environment while they stabilize and receive treatment services. In addition, these services help clients to identify more permanent, safe housing options. Many of the clients entering the Safe Stations programs are either homeless or living in environments with active substance use.

Since its inception in November 2016, the Nashua Safe Stations program, Gateway to Recovery, has served 1,472 clients. Of these clients, 1,311 were taken to a substance misuse treatment facility, including the crisis respite shelter funded under this contract. The impact of Gateway to Recovery on overdoses in Nashua is substantial. Prior to entering the program, 297 clients had overdosed. After entry, this number dropped to 112 overdoses, only 3 of which were fatal.

The following performance measures/objectives are used to measure the effectiveness of the agreement:

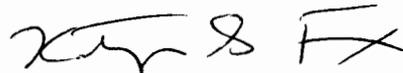
- Number of clients served;
- Number of average nights in substance use disorder respite shelter;
- The time between request for services and admission to shelter; and
- Number of clients placed in more permanent housing.

Should Governor and Council not authorize this request, individuals seeking substance use disorder treatment services through the Safe Stations programs may be forced to return to environments that are not conducive to substance use disorder treatment and recovery, lessening the likelihood of successfully completing treatment and increasing the likelihood of experiencing an overdose.

Source of Funds: 100% Other Funds from the Governor's Commission on Alcohol and Drug Abuse Prevention, Treatment and Recovery.

In the event that the Other Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



Katja S. Fox
Director

Approved by:



Jeffrey A. Meyers
Commissioner



**New Hampshire Department of Health and Human Services
Substance Use Disorder Crisis Respite Shelter**

**State of New Hampshire
Department of Health and Human Services
Amendment #1 to the
Substance Use Disorder Crisis Respite Shelter**

This 1st Amendment to the Substance Use Disorder Crisis Respite Shelter contract (hereinafter referred to as "Amendment #1") dated this 15th day of February, 2018, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Harbor Homes, Inc. (hereinafter referred to as "the Contractor"), a non-profit corporation with a place of business at 45 High Street, Nashua, NH 03060.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on August 23, 2017 ITEM #22, the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended and in consideration of certain sums specified; and

WHEREAS, the State and the Contractor have agreed to make changes to the scope of work, payment schedules and terms and conditions of the contract; and

WHEREAS, pursuant to the General Provisions, Paragraph 18, the State may modify the scope of work and the payment schedule of the contract by written agreement of the parties;

WHEREAS, the parties agree to increase the price limitation to support delivery of these services.

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and conditions contained in the Contract and set forth herein, the parties hereto agree as follows:

1. Amend Form P-37, Block 1.8, to increase Price Limitation by \$100,000 from \$200,000 to read:
\$300,000
2. Amend Form P-37, Block 1.9, to read: E. Maria Reinemann, Esq., Director of Contracts and Procurement
3. Amend Form P-37, Block 1.10 to read: 603-271-9330
4. Delete Exhibit B in its entirety and replace with Exhibit B - Amendment #1.
5. Delete Exhibit B-1 BUDGET in its entirety and replace with Exhibit B-1 BUDGET - Amendment #1.



**New Hampshire Department of Health and Human Services
Substance Use Disorder Crisis Respite Shelter**

This amendment shall be effective upon the date of Governor and Executive Council approval.
IN WITNESS WHEREOF, the parties have set their hands as of the date written below,

State of New Hampshire
Department of Health and Human Services

2/23/18
Date

[Signature]
Katja S. Fox
Director

Harbor Homes, Inc.

2/21/2018
Date

[Signature]
Name: Peter Kelleher
Title: President & CEO

Acknowledgement of Contractor's signature:

State of New Hampshire, County of Hillsborough on 2/21/2018, before the undersigned officer, personally appeared the person identified directly above, or satisfactorily proven to be the person whose name is signed above, and acknowledged that s/he executed this document in the capacity indicated above.

[Signature]
Signature of WILLIAM C. MARTIN Justice of the Peace
Justice of the Peace - New Hampshire
My Commission Expires November 4, 2020

William C. Martin
Name and Title of ~~Notary~~ Justice of the Peace

My Commission Expires: 11/4/2020



**New Hampshire Department of Health and Human Services
Substance Use Disorder Crisis Respite Shelter**

The preceding Amendment, having been reviewed by this office, is approved as to form, substance, and execution.

OFFICE OF THE ATTORNEY GENERAL

2/26/18
Date


Name: Megan Buckley
Title: Attorney

I hereby certify that the foregoing Amendment was approved by the Governor and Executive Council of the State of New Hampshire at the Meeting on: _____ (date of meeting)

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:



Exhibit B - Amendment #1

Method and Conditions Precedent to Payment

1. This agreement is being funded by the Governor's Commission on Alcohol and Drug Abuse Prevention, Treatment, and Recovery.
2. The State shall pay the Contractor an amount not to exceed the Price Limitation, Block 1.8 of the Form P-37 General Provisions, for the services provided by the Contractor pursuant to Exhibit A, Scope of Services in accordance with Exhibit B-1 Budget, Amendment #1.
3. Payment for services shall be on a cost reimbursement basis only for actual services provided, in accordance with Exhibit B-1 Budget, Amendment #1.
4. Payment for services shall be made as follows:
 - 4.1. The Contractor shall submit monthly invoices by the tenth (10th) day of each month for reimbursement of actual costs incurred for the previous month. The State shall make payment to the Contractor within thirty (30) days of receipt of each accurate and correct invoice for Contractor services provided pursuant to this Agreement.
 - 4.2. Invoices identified in Section 4.1 must be submitted to:

Clinical & Recovery Services Unit Administrator
NH Department of Health and Human Services
Bureau of Drug and Alcohol Services
129 Pleasant Street
Concord, NH 03301
5. Payments may be withheld pending receipt of required reports or documentation as identified in Exhibit A, Scope of Services.
6. A final payment request shall be submitted no later than forty (40) days after the Contract ends. Failure to submit the invoice, and accompanying documentation could result in nonpayment.
7. Notwithstanding anything to the contrary herein, the Contractor agrees that funding under this Contract may be withheld, in whole or in part, in the event of noncompliance with any State or Federal law, rule or regulation applicable to the services provided, or if the said services have not been completed in accordance with the terms and conditions of this Agreement.

JA
2/21/2018

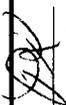
BUDGET NARRATIVE

Exhibit B-1 BUDGET - Amendment #1

Line Item	Total Program Cost			BUDGET NARRATIVE
	Direct Incremental	Indirect Fixed	Total	
1. Total Salary/Wages				
Program Manager	\$ 39,520.00			2080 hrs @ \$19/hr
Support Staff	\$ 37,440.00			2080 hrs @ \$18/hr
Support Staff	\$ 37,440.00			2080 hrs @ \$18/hr
Clinical Care	\$ 45,760.00			2080 hrs @ \$22/hr
Clinical Care	\$ 22,880.00			1040 hrs @ \$22/hr
1. Total Salary/Wages	\$ 183,040.00	\$ 48,487.30	\$ 231,527.30	
2. Employee Benefits	\$ 29,286.40	\$ 7,757.97	\$ 37,044.37	Benefits @ 16% of salaries & wages - Agency's running rate.
3. Consultants	\$ -	\$ -	\$ -	
4. Equipment:	\$ -	\$ -	\$ -	
Rental	\$ 1,200.00	\$ -	\$ 1,200.00	Copier/Scanner rental @ \$100/mth
Repair and Maintenance	\$ 1,800.00	\$ -	\$ 1,800.00	Budget based on prior year actuals @ \$150/mth
Purchase/Depreciation	\$ -	\$ -	\$ -	
5. Supplies:	\$ -	\$ -	\$ -	
Educational	\$ 250.00	\$ -	\$ 250.00	\$250 a year for client educational materials, brochures, flyers etc....
Lab	\$ -	\$ -	\$ -	
Pharmacy	\$ -	\$ -	\$ -	
Medical	\$ -	\$ -	\$ -	
Office	\$ 1,080.00	\$ -	\$ 1,080.00	Supplies/Toner @ \$90/mth
Travel	\$ 500.00	\$ -	\$ 500.00	Travel based on previous actuals - 1,020 miles X \$0.49
6. Travel	\$ 500.00	\$ -	\$ 500.00	Occupancy charges includes electric, water, sewer and heat @ \$1,063.71/mth
7. Occupancy	\$ 12,764.53	\$ -	\$ 12,764.53	
8. Current Expenses	\$ -	\$ -	\$ -	
Telephone	\$ 960.00	\$ -	\$ 960.00	\$80/mth for cell & office phones
Postage	\$ 240.00	\$ -	\$ 240.00	\$20/mth for operations purpose
Subscriptions	\$ -	\$ -	\$ -	
Audit and Legal	\$ -	\$ -	\$ -	
Insurance	\$ 3,840.00	\$ -	\$ 3,840.00	Property/WC insurance based on quote \$320/mth
Board Expenses	\$ -	\$ -	\$ -	
9. Software	\$ -	\$ -	\$ -	
10. Marketing/Communications	\$ -	\$ -	\$ -	
11. Staff Education and Training	\$ 1,000.00	\$ -	\$ 1,000.00	\$1,000 a year for available/required staff training during the year.
12. Subcontracts/Agreements	\$ -	\$ -	\$ -	
13. Other (specific details mandatory):	\$ -	\$ -	\$ -	
Food	\$ 7,793.81	\$ -	\$ 7,793.81	\$7,794 a year for client assistant with food.
TOTAL	\$ 243,754.74	\$ 56,245.26	\$ 300,000.00	Indirect rate calculated based federally approved indirect rate.

23.1%

Exhibit B-1 BUDGET - Amendment #1

Initials: 

Date: 2/21/2018

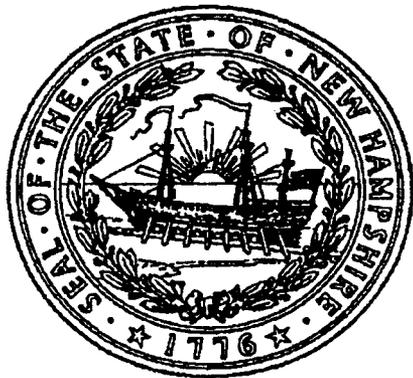
State of New Hampshire

Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that HARBOR HOMES, INC. is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on February 15, 1980. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 62778



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 3rd day of April A.D. 2017.

A handwritten signature in black ink, appearing to read "William M. Gardner".

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE

I, David Aponovich, do hereby certify that:
(Name of the elected Officer of the Agency; cannot be contract signatory)

1. I am a duly elected Officer of Harbor Homes, Inc.
(Agency Name)

2. The following is a true copy of the resolution duly adopted at a meeting of the Board of Directors of the Agency duly held on 2/21/18:
(Date)

RESOLVED: That the President & CEO
(Title of Contract Signatory)

is hereby authorized on behalf of this Agency to enter into the said contract with the State and to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, as he/she may deem necessary, desirable or appropriate.

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of the 21st day of February, 2018.
(Date Contract Signed)

4. Peter Kelleher is the duly elected President & CEO
(Name of Contract Signatory) (Title of Contract Signatory)

of the Agency.

David J. Aponovich
(Signature of the Elected Officer)

STATE OF NEW HAMPSHIRE

County of Hillsborough

The forgoing instrument was acknowledged before me this 21st day of Feb., 2018.

By David Aponovich, Asst. Treasurer
(Name of Elected Officer of the Agency)

William C. Martin
(Notary Public/Justice of the Peace)

(NOTARY SEAL)

WILLIAM C. MARTIN
Justice of the Peace - New Hampshire
My Commission Expires November 4, 2020

Commission Expires: _____



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
11/27/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must have **ADDITIONAL INSURED** provisions or be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Eaton & Berube Insurance Agency, Inc. 11 Concord Street Nashua NH 03064	CONTACT NAME: Kimberly Gutekunst PHONE (A/C, No, Ext): 603-882-2766 FAX (A/C, No): E-MAIL ADDRESS: kgutekunst@eatonberube.com
	INSURER(S) AFFORDING COVERAGE NAIC # INSURER A : Hanover Insurance INSURER B : Philadelphia Insurance Companies INSURER C : Great Falls Insurance Co INSURER D : Selective Insurance Group INSURER E : INSURER F :
INSURED HARHO Harbor Homes, Inc 45 High Street Nashua NH 03060	

COVERAGES **CERTIFICATE NUMBER:** 1808162943 **REVISION NUMBER:**

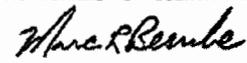
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
D X	COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Abuse GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	Y	S2288207	7/1/2017	7/1/2018	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$1,000,000 MED EXP (Any one person) \$10,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$3,000,000 PRODUCTS - COMP/OP AGG \$3,000,000 \$
D	AUTOMOBILE LIABILITY ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input checked="" type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY		306871	7/1/2017	7/1/2018	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
D X	UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$0		306873	7/1/2017	7/1/2018	EACH OCCURRENCE \$5,000,000 AGGREGATE \$5,000,000 \$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N N/A	WCD0936040016	11/26/2017	11/26/2018	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000
A B D	Professional Liability Management Liability Crime		L1VA966006 PHSD1258460 S2288207	7/1/2017 7/1/2017 7/1/2017	7/1/2018 7/1/2018 7/1/2018	\$1,000,000 \$1,000,000 \$510,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Additional Named Insureds:
Harbor Homes, Inc. - FID# 020351932
Harbor Homes II, Inc.
Harbor Homes III, Inc.
Healthy at Homes, Inc. -FID# 043364080
Milford Regional Counseling Service, Inc. -FID# 222512360
See Attached...

CERTIFICATE HOLDER **CANCELLATION**

State of New Hampshire Department of Health and Human Services 129 Pleasant St Concord NH 03301	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
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ADDITIONAL REMARKS SCHEDULE

AGENCY Eaton & Berube Insurance Agency, Inc.		NAMED INSURED Harbor Homes, Inc 45 High Street Nashua NH 03060
POLICY NUMBER		
CARRIER	NAIC CODE	EFFECTIVE DATE:

ADDITIONAL REMARKS

**THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
FORM NUMBER: 25 FORM TITLE: CERTIFICATE OF LIABILITY INSURANCE**

Southern New Hampshire HIV/AIDS Task Force -FID# 020447280
 Welcoming Light, Inc. -FID# 020481648
 HH Ownership, Inc.
 Greater Nashua Council on Alcoholism dba Keystone Hall -FID# 222558859

77 Northeastern Blvd
Nashua, NH 03062
www.harborhomes.org



Phone: 603-882-3616
603-881-8436
Fax: 603-595-7414

A Beacon for the Homeless for Over 30 Years



Mission Statement

To create and provide quality residential and supportive services for persons (and their families) challenged by mental illness and homelessness.

A member of the Partnership for Successful Living

A collaboration of six affiliated not-for-profit organizations providing southern New Hampshire's most vulnerable community members with access to housing, health care, education, employment and supportive services.
www.nhpartnership.org

Harbor Homes • Healthy at Home • Keystone Hall • Milford Regional Counseling Services
• Southern NH HIV/AIDS Task Force • Welcoming Light



HARBOR HOMES, INC.

Financial Statements

For the Year Ended June 30, 2017

(With Independent Auditors' Report Thereon)

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102 Perimeter Road
Nashua, NH 03063
(603)882-1111
melansonheath.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Harbor Homes, Inc.

Additional Offices:

Andover, MA
Greenfield, MA
Manchester, NH
Ellsworth, ME

Report on the Financial Statements

We have audited the accompanying financial statements of Harbor Homes, Inc. (a non-profit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no

such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Harbor Homes, Inc. as of June 30, 2017, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Harbor Homes, Inc.'s fiscal year 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 2, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2017 on our consideration of Harbor Homes, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Harbor Homes Inc.'s internal control over financial reporting and compliance.

Melanson Heath

November 6, 2017

HARBOR HOMES, INC.

Statement of Financial Position

June 30, 2017

(With Comparative Totals as of June 30, 2016)

<u>ASSETS</u>	<u>2017</u>	<u>2016</u>
Current Assets:		
Cash and cash equivalents	\$ 320,236	\$ 80,962
Accounts receivable, net	1,223,052	862,339
Patient services receivables, net	691,464	448,468
Due from related organizations	474,240	180,466
Inventory	67,277	-
Other assets	60,249	160,913
Total Current Assets	<u>2,836,518</u>	<u>1,733,148</u>
Noncurrent Assets:		
Property and equipment, net of accumulated depreciation	23,364,133	19,139,795
Restricted cash	428,025	382,783
Investments	331,597	8,890
Due from related organizations	345,355	318,617
Beneficial interest	161,946	143,756
Deferred compensation plan	-	100,591
Total Noncurrent Assets	<u>24,631,056</u>	<u>20,094,432</u>
Total Assets	<u>\$ 27,467,574</u>	<u>\$ 21,827,580</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts payable	\$ 956,353	\$ 233,806
Accrued expenses	1,111,291	789,127
Line of credit	966,156	100,100
Other liabilities	5,582	256,659
Current portion of capital leases payable	18,304	47,985
Current portion of mortgages payable	247,589	256,680
Total Current Liabilities	<u>3,305,275</u>	<u>1,684,357</u>
Long Term Liabilities:		
Security deposits	58,096	31,953
Deferred compensation plan	-	107,215
Capital leases payable, net of current portion	-	13,446
Mortgages payable, tax credits	79,280	100,323
Mortgages payable, net of current portion	11,666,646	6,932,311
Mortgages payable, deferred	5,217,096	5,217,096
Total Long Term Liabilities	<u>17,021,118</u>	<u>12,402,344</u>
Total Liabilities	20,326,393	14,086,701
Unrestricted Net Assets	6,812,003	7,593,742
Temporarily Restricted Net Assets	329,178	147,137
Total Net Assets	<u>7,141,181</u>	<u>7,740,879</u>
Total Liabilities and Net Assets	<u>\$ 27,467,574</u>	<u>\$ 21,827,580</u>

The accompanying notes are an integral part of these financial statements.

HARBOR HOMES, INC.

Statement of Activities

For the Year Ended June 30, 2017

(With Comparative Totals for the Year Ended June 30, 2016)

	Unrestricted <u>Net Assets</u>	Temporarily Restricted <u>Net Assets</u>	2017 <u>Total</u>	2016 <u>Total</u>
Public Support and Revenue:				
Public Support:				
Federal grants	\$ 3,520,498	\$ -	\$ 3,520,498	\$ 2,758,968
State and local grants	6,268,872	-	6,268,872	3,824,837
Other grants	217,600	-	217,600	-
Contributions	280,525	599,406	879,931	484,631
Fundraising events	26,620	-	26,620	20,885
Net assets released from restriction	<u>417,365</u>	<u>(417,365)</u>	<u>-</u>	<u>-</u>
Total Public Support	10,731,480	182,041	10,913,521	7,089,321
Revenue:				
Department of Housing and Urban Development	3,041,875	-	3,041,875	2,940,896
Veterans Administrative grants	2,160,799	-	2,160,799	2,303,049
Contracted services	642,870	-	642,870	328,802
Patient services revenues, net	2,430,161	-	2,430,161	1,736,275
Medicaid, net	1,499,295	-	1,499,295	1,292,782
Rent and service charges, net	692,803	-	692,803	381,691
Other fees and miscellaneous	180,355	-	180,355	292,972
Outside rent	423,430	-	423,430	122,508
Management fees	25,536	-	25,536	25,324
Investment income/(loss)	<u>25,508</u>	<u>-</u>	<u>25,508</u>	<u>(5,792)</u>
Total Revenue	<u>11,122,632</u>	<u>-</u>	<u>11,122,632</u>	<u>9,418,507</u>
Total Public Support and Revenue	21,854,112	182,041	22,036,153	16,507,828
Expenses:				
Program	20,070,879	-	20,070,879	15,156,854
Administration	2,032,507	-	2,032,507	2,107,947
Fundraising	<u>532,465</u>	<u>-</u>	<u>532,465</u>	<u>264,974</u>
Total Expenses	22,635,851	-	22,635,851	17,529,775
Legal settlement, net (see Note 22)	-	-	-	1,119,434
Debt forgiveness	<u>-</u>	<u>-</u>	<u>-</u>	<u>98,087</u>
Change in net assets	(781,739)	182,041	(599,698)	195,574
Net Assets, Beginning of Year	<u>7,593,742</u>	<u>147,137</u>	<u>7,740,879</u>	<u>7,545,305</u>
Net Assets, End of Year	<u>\$ 6,812,003</u>	<u>\$ 329,178</u>	<u>\$ 7,141,181</u>	<u>\$ 7,740,879</u>

The accompanying notes are an integral part of these financial statements.

HARBOR HOMES, INC.

Statement of Functional Expenses

For the Year Ended June 30, 2017

(With Comparative Totals for the Year Ended June 30, 2016)

	<u>Program</u>	<u>Administration</u>	<u>Fundraising</u>	<u>2017 Total</u>	<u>2016 Total</u>
Expenses:					
Accounting fees	\$ -	\$ 41,814	\$ 102	\$ 41,916	\$ 54,671
Advertising and promotion	1,300	5,315	10,581	17,196	10,453
Client counseling and support services	59,223	-	-	59,223	40,286
Client rental assistance	5,713,823	-	-	5,713,823	5,148,408
Conferences, conventions, and meetings	101,990	12,702	721	115,413	72,387
Contracted services	1,408,890	13,329	88	1,422,307	277,409
Employee benefits	900,118	148,436	41,017	1,089,571	865,527
Food and nutrition services	104,496	-	49	104,545	75,070
Grants and donations to other organizations	232,089	686	18,940	251,715	190,916
Information technology	253,700	182,108	1,990	437,798	190,941
Insurance	135,755	5,680	228	141,663	135,910
Interest expense	421,914	75,885	1,079	498,878	445,569
Legal fees	25,585	91,463	-	117,048	105,773
Membership dues	25,808	1,788	-	27,596	16,459
Miscellaneous	57,404	38,045	1,418	96,867	41,700
Occupancy	939,676	120,619	12,239	1,072,534	752,915
Office expenses	161,297	48,862	17,074	227,233	188,582
Operational supplies	300,203	9,131	527	309,861	191,021
Payroll taxes	574,927	76,390	28,109	679,426	520,202
Professional fees	50,627	57,660	25,164	133,451	159,402
Retirement contributions	190,318	20,727	13,134	224,179	235,265
Salaries and wages	7,364,440	992,755	352,427	8,709,622	6,734,326
Travel	<u>94,108</u>	<u>2,298</u>	<u>1,135</u>	<u>97,541</u>	<u>83,412</u>
Total Expenses	19,117,691	1,945,693	526,022	21,589,406	16,536,604
Depreciation and amortization	<u>953,188</u>	<u>86,814</u>	<u>6,443</u>	<u>1,046,445</u>	<u>993,171</u>
Total Functional Expenses	<u>\$ 20,070,879</u>	<u>\$ 2,032,507</u>	<u>\$ 532,465</u>	<u>\$ 22,635,851</u>	<u>\$ 17,529,775</u>

The accompanying notes are an integral part of these financial statements.

HARBOR HOMES, INC.

Statement of Cash Flows

For the Year Ended June 30, 2017

(With Comparative Totals for the Year Ended June 30, 2016)

	2017	2016
Cash Flows From Operating Activities:		
Change in net assets	\$ (599,698)	\$ 195,574
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization	1,046,445	993,171
(Gain)/loss on beneficial interest	(18,190)	5,747
Debt forgiveness	-	(98,087)
(Increase) Decrease In:		
Accounts receivable	(360,713)	158,095
Patient services receivable	(242,996)	(158,176)
Inventory	(67,277)	-
Other assets	100,664	(94,844)
Increase (Decrease) In:		
Accounts payable	722,547	(214,819)
Accrued expenses	322,164	69,111
Deferred compensation plan	(6,624)	254,400
Other liabilities	(251,077)	6,624
Net Cash Provided by Operating Activities	645,245	1,116,796
Cash Flows From Investing Activities:		
Security deposits	26,143	(10,541)
Purchase of fixed assets	(320,785)	(63,527)
Purchase of investments	(322,707)	-
Sale of investments	-	1,409
Net Cash Used by Investing Activities	(617,349)	(72,659)
Cash Flows From Financing Activities:		
Borrowings from lines of credit	1,500,686	110,100
Payments on lines of credit	(634,631)	(743,319)
Payments on capital leases	(43,127)	(43,127)
Payments on long term borrowings	(224,753)	(221,547)
Payments on tax credits	(21,043)	(21,043)
Advances to related organizations	(1,791,201)	(353,583)
Repayments from related organizations	1,470,689	154,774
Net Cash Provided by (Used for) Financing Activities	256,620	(1,117,745)
Net Increase (Decrease) in Cash and Cash Equivalents	284,516	(73,608)
Cash, Cash Equivalents, and Restricted Cash, Beginning of Year	463,745	537,353
Cash, Cash Equivalents, and Restricted Cash, End of Year	\$ 748,261	\$ 463,745
Supplemental disclosures of cash flow information:		
Interest paid	\$ 474,402	\$ 445,423
Non-cash financing activities	\$ 4,950,000	\$ -
Debt forgiveness	\$ -	\$ 98,087

The accompanying notes are an integral part of these financial statements.

HARBOR HOMES, INC.

Notes to the Financial Statements

1. **Organization:**

Harbor Homes, Inc. (the Organization) is a nonprofit organization that creates and provides quality residential and supportive services for persons (and their families) challenged by mental illness and/or homelessness in the State of New Hampshire. Programs include mainstream housing, permanent housing, transitional housing, and emergency shelter, as well as comprehensive support services that include peer support programs, job training, a paid employment program, and social and educational activities.

In addition to housing and supportive services, the Organization runs a health care clinic that is a Federally Qualified Health Center (FQHC) offering primary medical services to the homeless and/or low-income individuals.

2. **Summary of Significant Accounting Policies:**

Comparative Financial Information

The accompanying financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with Accounting Principles Generally Accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with the audited financial statements for the year ended June 30, 2016, from which the summarized information was derived.

Cash and Cash Equivalents

All cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, are considered to be cash and cash equivalents.

Accounts Receivable, Net

Accounts receivable consist primarily of noninterest-bearing amounts due for services and programs. The allowance for uncollectable accounts receivable is based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectable.

Patient Services Receivables, Net

Patient services receivables result from the health care services provided by the Organization's Federally Qualified Health Care Center. Additions to the allowance for doubtful accounts result from the provision for bad debts. Accounts written off as uncollectible are deducted from the allowance for doubtful accounts. The amount of the allowance for doubtful accounts is based upon management's assessment of historical and expected net collections, business and economic conditions, trends in Medicare and Medicaid health care coverage, and other indicators.

For receivables associated with services provided to patients who have third-party coverage, which includes patients with deductible and copayment balances due for which third-party coverage exists for part of the bill, the Organization analyzes contractually due amounts and provides an allowance for doubtful collections and a provision for doubtful collections, if necessary. For receivables associated with self-pay patients, the Organization records a significant provision for doubtful collections in the period of service on the basis of its past experience, which indicates that many patients are unable to pay the portion of their bill for which they are financially responsible. The difference between the billed rates and the amounts actually collected after all reasonable collections efforts have been exhausted is charged off against the allowance for doubtful collections. The Organization has not changed its financial assistance policy in fiscal year 2017. The Organization does not maintain a material allowance for doubtful collections from third-party payors, nor did it have significant write-offs from third-party payors.

Inventory

Inventory is comprised of program-related merchandise held for sale in the pharmacy, and is stated at the lower of cost or market determined by the first-in, first-out method.

Investments

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities.

Property and Equipment

Property and equipment is reported in the Statement of Financial Position at cost, if purchased, and at fair value at the date of donation, if donated. Property and equipment is capitalized if it has a cost of \$5,000 or more and a useful life when acquired of more than one year. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as

incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, as follows:

<u>Assets</u>	<u>Years</u>
Land improvements	15
Buildings and improvements	10 - 40
Software	3
Vehicles	3
Furniture and fixtures	5 - 7
Equipment	5 - 7

Property and equipment is reviewed for impairment when a significant change in the asset's use or another indicator of possible impairment is present. No impairment losses were recognized in the financial statements in the current period.

Beneficial Interests in Charitable Trusts Held by Others

The Organization has been named as an irrevocable beneficiary of several charitable trusts held and administered by independent trustees. These trusts were created independently by donors and are administered by outside agents designated by the donors. Therefore, the Organization has neither possession nor control over the assets of the trusts. At the date of notification of an interest in a beneficial trust, a temporarily or permanently restricted contribution is recorded in the Statement of Activities, and a beneficial interest in charitable trusts held by others is recorded in the Statement of Financial Position at fair value using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the expected distributions to be received under the agreement. Thereafter, beneficial interests in the trusts are reported at fair value in the Statement of Financial Position, with changes in fair value recognized in the Statement of Activities. Upon receipt of trust distributions and/or expenditures in satisfaction of the restricted purpose stipulated by the donor, if any, temporarily restricted net assets are released to unrestricted net assets; permanently restricted net assets are transferred to the endowment.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets available for use in general operations.

Temporarily Restricted Net Assets – Net assets subject to donor restrictions that may or will be met by expenditures or actions and/or the passage of

time. Contributions are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Permanently Restricted Net Assets – Net assets whose use is limited by donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed. The restrictions stipulate that resources be maintained permanently, but permit expending of the income generated in accordance with the provisions of the agreements.

Revenue and Revenue Recognition

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively.

Patient Service Revenues, Net

Patient service revenues, net is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered. Self-pay revenue is recorded at published charges with charitable allowances deducted to arrive at net self-pay revenue. All other patient services revenue is recorded at published charges with contractual allowances deducted to arrive at patient services, net. Reimbursement rates are subject to revisions under the provisions of reimbursement regulations. Adjustments for such revisions are recognized in the fiscal year incurred. Included in third-party receivables are the outstanding uncompensated care pool payments.

Charity Care

The Organization provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Since the Organization does not pursue collection of amounts determined to qualify as charity care, these amounts are reported as deductions from revenue (see Note 16).

Accounting for Contributions

Contributions are recognized when received. All contributions are reported as increases in unrestricted net assets unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in either temporarily restricted or permanently restricted net assets, consistent with the nature of the restriction. Unconditional promises with

payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as temporarily restricted until the payment is due unless the contribution is clearly intended to support activities of the current fiscal year or is received with permanent restrictions. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

Gifts-in-Kind Contributions

The Organization periodically receives contributions in a form other than cash or investments. Contributed property and equipment is recognized as an asset at its estimated fair value at the date of gift, provided that the value of the asset and its estimated useful life meets the Organization's capitalization policy. Donated use of facilities is reported as contributions and as expenses at the estimated fair value of similar space for rent under similar conditions. If the use of the space is promised unconditionally for a period greater than one year, the contribution is reported as a contribution and an unconditional promise to give at the date of gift, and the expense is reported over the term of use. Donated supplies are recorded as contributions at the date of gift and as expenses when the donated items are placed into service or distributed.

The Organization benefits from personal services provided by a substantial number of volunteers. Those volunteers have donated significant amounts of time and services in the Organization's program operations and in its fund-raising campaigns. However, the majority of the contributed services do not meet the criteria for recognition in financial statements. Generally Accepted Accounting Principles allow recognition of contributed services only if (a) the services create or enhance nonfinancial assets or (b) the services would have been purchased if not provided by contribution, require specialized skills, and are provided by individuals possessing those skills.

Grant Revenue

Grant revenue is recognized when the qualifying costs are incurred for cost-reimbursement grants or contracts or when a unit of service is provided for performance grants. Grant revenue from federal agencies is subject to independent audit under the Office of Management and Budget's, *Uniform Grant Guidance*, and review by grantor agencies. The review could result in the disallowance of expenditures under the terms of the grant or reductions of future grant funds. Based on prior experience, the Organization's management believes that costs ultimately disallowed, if any, would not materially affect the financial position of the Organization.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the Statement of Activities. The Statement of Functional Expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The costs of program and supporting services activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years.

Income Taxes

Harbor Homes, Inc. is exempt from federal income tax under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3). The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions.

The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. If the Organization has net income that is derived from business activities that are unrelated to its exempt purpose, it would need to file an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

Financial Instruments and Credit Risk

Deposit concentration risk is managed by placing cash with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed

insured limits. To date, no losses have been experienced in any of these accounts. Credit risk associated with accounts and contributions receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies and entities supportive of the Organization's mission. Investments are monitored regularly by the Organization. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Organization believes that its investment strategies are prudent for the long-term welfare of the Organization.

Fair Value Measurements and Disclosures

Certain assets and liabilities are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. However, Level 1 inputs are not available for many of the assets and liabilities that the Organization is required to measure at fair value (for example, unconditional contributions receivable and in-kind contributions).

The primary uses of fair value measures in the Organization's financial statements are:

- Initial measurement of noncash gifts, including gifts of investment assets and unconditional contributions receivable.
- Recurring measurement of due from related Organizations (note 4) – Level 3.
- Recurring measurement of investments (note 6) – Level 1.
- Recurring measurement of beneficial interests (note 8) – Level 3.
- Recurring measurement of lines of credit (note 10) – Level 2.
- Recurring measurement of capital leases payable (note 11) – Level 2.
- Recurring measurement of mortgages payable (notes 12 - 14) – Level 2.

The carrying amounts of cash, cash equivalents, restricted cash, receivables, other assets, accounts payable, accrued expenses, and other liabilities, approximate fair value due to the short-term nature of the items, and are considered to fall within Level 1 of the fair value hierarchy.

Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

3. Receivables, Net:

Accounts receivable at June 30, 2017 consists of the following:

	<u>Receivable</u>	<u>Allowance</u>	<u>Net</u>
Grants	\$ 1,045,069	\$ -	\$ 1,045,069
Pledges	95,500	-	95,500
Residents	96,844	(55,592)	41,252
Other	39,713	-	39,713
Security deposits	<u>1,518</u>	<u>-</u>	<u>1,518</u>
Total	<u>\$ 1,278,644</u>	<u>\$ (55,592)</u>	<u>\$ 1,223,052</u>

Patient accounts receivable, related to the Organization's federally qualified health care center, consisted of the following at June 30, 2017:

	<u>Receivable</u>	<u>Allowance</u>	<u>Net</u>
Medicaid	\$ 435,044	\$ (65,825)	\$ 369,219
Medicare	130,855	(12,319)	118,536
Other	<u>592,924</u>	<u>(389,215)</u>	<u>203,709</u>
Total	<u>\$ 1,158,823</u>	<u>\$ (467,359)</u>	<u>\$ 691,464</u>

4. **Due From Related Organizations:**

Due from related organizations represents amounts due to Harbor Homes, Inc. from related entities whereby common control is shared with the same Board of Directors (See Note 18). These balances exist because certain receipts and disbursements of the related organizations flow through the Harbor Homes, Inc. main operating cash account. The related organizations and their balances at June 30, 2017 are as follows:

Current:	
Greater Nashua Council on Alcoholism	\$ 380,115
Harbor Homes III, Inc.	5,748
Healthy at Home	77,309
HH Ownership, Inc.	2,016
Southern NH HIV/AIDS Task Force	<u>9,052</u>
Subtotal current	474,240
Noncurrent:	
Harbor Homes II, Inc.	134,371
Milford Regional Counseling Services, Inc.	48,494
Welcoming Light, Inc.	<u>162,490</u>
Subtotal noncurrent	<u>345,355</u>
Total	<u>\$ 819,595</u>

Although management believes the above receivables to be collectible, there is significant risk that the noncurrent portion may not be.

As discussed in note 2, the valuation technique used for due from related organizations is a Level 3 measure because there are no observable market transactions. Changes in the fair value of assets measured at fair value on a recurring basis using significant unobservable inputs are comprised of the following:

Beginning balance June 30, 2016	\$	499,083
Advances		1,791,201
Reductions		<u>(1,470,689)</u>
Ending balance June 30, 2017	\$	<u><u>819,595</u></u>

5. Property, Equipment and Depreciation:

A summary of the major components of property and equipment is presented below:

Land	\$	2,786,690
Land improvements		12,290
Buildings		19,715,780
Building improvements		6,244,321
Software		515,010
Vehicles		211,878
Furniture and fixtures		159,591
Equipment		400,464
Dental equipment		141,716
Medical equipment		58,022
Construction in progress		<u>304,669</u>
Subtotal		30,550,431
Less: accumulated depreciation		<u>(7,186,298)</u>
Total	\$	<u><u>23,364,133</u></u>

Depreciation expense for the year ended June 30, 2017 totaled \$1,046,445.

6. Investments:

The Organization's investments consist of the following at June 30, 2017:

	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Gain or (Loss) To Date</u>
Equities	\$ 236,270	\$ 240,758	\$ 4,488
Mutual Funds	<u>90,839</u>	<u>90,839</u>	<u>-</u>
Total	\$ <u><u>327,109</u></u>	\$ <u><u>331,597</u></u>	\$ <u><u>4,488</u></u>

7. Restricted Cash:

Restricted cash consists of escrow accounts and reserves which are held for various purposes. The following is a summary of the restricted accounts:

Security deposits	\$ 56,578
Reserve for replacements	367,077
Residual receipt deposits	<u>4,370</u>
Total	<u>\$ 428,025</u>

Security deposits held will be returned to tenants when they vacate. Reserve for replacement accounts are required by the Department of Housing and Urban Development (HUD) and the City of Nashua and are used for the replacement of property with prior approval. Residual receipt deposits are required by the Department of Housing and Urban Development and are to be used at the discretion of HUD.

8. Beneficial Interest:

The Organization has a beneficial interest in the Harbor Homes, Inc. Fund (the Fund), a component fund of the New Hampshire Charitable Foundation's (the Foundation) Nashua Region. The Organization will receive distributions from the Fund based on a spending allocation, which is a percentage of the assets set by the Foundation and reviewed annually. The current spending percentage is 4.5% of the market value (using a 20-quarter average) of the Fund. At June 30, 2017, the value of the fund was \$161,946.

As discussed in note 2, the valuation technique used for beneficial interest is a Level 3 measure because there are no observable market transactions. Changes in the fair value of assets measured at fair value on a recurring basis using significant unobservable inputs are comprised of the following:

Beginning balance June 30, 2016	\$ 143,756
Advances	18,190
Reductions	<u>-</u>
Ending balance June 30, 2017	<u>\$ 161,946</u>

9. Accrued Expenses:

Accrued expenses include the following:

Mortgage interest	\$ 26,804
Payroll and related taxes	491,506
Compensated absences	<u>592,981</u>
Total	<u>\$ 1,111,291</u>

10. Lines of Credit:

At June 30, 2017, the Organization had a \$1,000,000 of credit available from TD Bank, N. A. due October 31, 2017, secured by all assets. The Organization is required, at a minimum, to make monthly interest payments to TD Bank, N. A. at the bank's base rate plus 1% adjusted daily. As of June 30, 2017, the credit line had an outstanding balance of \$620,072 at an interest rate of 5.25%.

In addition, the Organization had a \$500,000 of credit available from TD Bank, N. A. due October 31, 2017, secured by all assets. The Organization is required, at a minimum, to make monthly interest payments to TD Bank, N. A. at the bank's base rate plus 1% adjusted daily. As of June 30, 2017, the credit line had an outstanding balance of \$346,084 at an interest rate of 5.25%

11. Capital Leases:

The Organization is the lessee of certain equipment under a capital lease expiring in November of 2017. Future minimum lease payments under this lease are as follows:

<u>Year</u>	<u>Amount</u>
2018	\$ <u>18,304</u>
Total	\$ <u>18,304</u>

At June 30, 2017, equipment of \$132,000, net of depreciation of \$24,200, related to this capital lease.

12. Mortgages Payable, Tax Credits:

Mortgages payable, tax credits consist of a mortgage payable to the Community Development Finance Authority through the Community Development Investment Program, payable through the sale of tax credits to donor organi-

zations, maturing in 2020, secured by real property located at 59 Factory Street in Nashua, NH. This amount is amortized over ten years at zero percent interest. The amount due at June 30, 2017 is \$79,280.

13. Mortgages Payable:

Mortgages payable as of June 30, 2017 consisted of the following:

A mortgage payable to Enterprise Bank and Trust Company, with monthly interest only payments required at a fixed rate of 4%, maturing on February 28, 2019, secured by real property located at 75-77 Northeastern Boulevard in Nashua, NH. \$ 3,375,000

A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$7,879, including principal and interest at an adjustable rate of for the initial ten years based on the then prevailing 10/30 Federal Home Loan Bank Amortizing Advance Rate plus 3.00% and resetting in year 11 based on the then prevailing 10/20 Federal Home Loan Bank Amortizing Advance Rate plus 3.00%, maturing in 2043, secured by real property located at 335 Somerville Street in Manchester, NH. 1,163,150

A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$6,193, including principal and interest at an adjustable rate of 4.57% for twenty years, maturing in 2043, secured by real property located at 335 Somerville Street in Manchester, NH. 1,141,480

A mortgage payable to New Hampshire Community Loan Fund, Inc., with interest only payments required at a fixed rate of 6%, maturing December of 2018, secured by real property located at 75-77 Northeastern Boulevard in Nashua, NH. 1,125,000

A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$7,768, including principal and interest at 7.05%, maturing in 2040, secured by real property located at 59 Factory Street in Nashua, NH. 1,060,851

A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$5,126, including principal and interest at 6.97%, maturing in 2036, secured by real property located at 46 Spring Street in Nashua, NH. 648,007

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A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$5,324, including principal and interest at 4.38%, maturing in 2031, secured by real property located at 45 High Street in Nashua, NH.	638,618
A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$3,996, including principal and interest at 4.75%, maturing in 2036, secured by real property located at 46 Spring Street in Nashua, NH.	604,365
A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$2,692, including principal and interest at 4.75%, maturing in 2040, secured by real property located at 59 Factory Street in Nashua, NH.	454,374
A mortgage payable to TD Bank, due in monthly installments of \$5,387, including principal and interest at 3.97%, maturing in 2025, secured by real property located on Maple Street in Nashua, NH.	383,467
A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$2,077, including principal and interest at 5.57% for the first five years, then adjusting in June 2015, 2020, 2025, and 2030 to the Federal Home Loan Bank Community Development Advance Rate in effect, plus 2.75%, maturing in 2035, secured by real property located at 189 Kinsley Street in Nashua, NH.	282,700
A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$1,425, including principal and interest at 4.75% for five years and adjusting to the then-current Federal Home Loan Bank 5/25 Amortizing CDA Rate plus two and three-quarters percent in year six and every five years thereafter, maturing in 2042, secured by real property located at 45 High Street in Nashua, NH.	249,127
A mortgage payable to Mascoma Savings Bank, fsb., due in monthly installments of \$1,731, including principal and interest at 7.00% maturing in 2036, secured by real property located at 7 Trinity Street in Claremont, NH.	220,206
A mortgage payable to New Hampshire Health and Education Facilities Authority, due in monthly installments of \$3,419, including principal and interest at 1.00% maturing in 2022, secured by a mobile van.	193,493

(continued)

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A mortgage payable to the Department of Housing and Urban Development, due in monthly installments of \$2,385, including principal and interest at 9.25%, maturing in 2022, secured by real property located at 3 Winter Street in Nashua, NH.	117,182
A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$1,144, including principal and interest at a variable rate (5.61% at June 30, 2012), maturing in 2029, secured by real property located at 24 Mulberry Street in Nashua, NH.	116,954
A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$779, including principal and interest at 7.20% for the first five years, then adjusting in April 2012, 2017, 2022, 2027, and 2032 to the Federal Home Loan Bank Community Development Advance Rate in effect, plus 225 basis points, maturing in 2037, secured by real property located at 4 New Haven Drive, Unit 202 in Nashua, NH.	93,243
A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$2,993, including principal and interest at 3.89%, maturing in 2035, secured by real property located at 59 Factory Street in Nashua, NH.	<u>47,018</u>
Total	11,914,235
Less amount due within one year	<u>(247,589)</u>
Mortgages payable, net of current portion	<u><u>\$ 11,666,646</u></u>

The following is a summary of future payments on the previously mentioned long-term debt.

<u>Year</u>	<u>Amount</u>
2018	\$ 247,589
2019	4,782,513
2020	297,052
2021	312,481
2022	322,022
Thereafter	<u>5,952,578</u>
Total	<u><u>\$ 11,914,235</u></u>

14. Mortgages Payable, Deferred:

The Organization has deferred mortgages outstanding at June 30, 2017 totaling \$5,217,096. These loans are not required to be repaid unless the Organization is in default with the terms of the loan agreements or if an operating surplus occurs within that program.

Several of these loans are special financing from the New Hampshire Housing Finance Authority (NHHFA) to fund specific projects. These notes are interest free for thirty years with principal payments calculated annually at the discretion of the lender.

The following is a list of deferred mortgages payable at June 30, 2017:

City of Manchester:	
Somerville Street property	\$ <u>300,000</u>
Total City of Manchester	300,000
City of Nashua:	
Factory Street property	580,000
Spring Street property	491,000
High Street fire system	<u>65,000</u>
Total City of Nashua	1,136,000
Federal Home Loan Bank (FHLB):	
Factory Street property	400,000
Somerville Street property	400,000
Spring Street property	<u>398,747</u>
Total FHLB	1,198,747
NHHFA:	
Factory Street property	1,000,000
Spring Street property*	550,000
Charles Street property	32,349
Somerville Street property	<u>1,000,000</u>
Total NHHFA	<u>2,582,349</u>
Total Mortgages Payable, Deferred	\$ <u><u>5,217,096</u></u>

* During fiscal year 2017, the Organization was out of compliance with the income eligibility terms of the loan agreement due to a tenant obtaining a higher income wage after entrance to the program. The lender is aware of the noncompliance and it is expected that this temporary noncompliance will be resolved when the specific tenant moves out.

15. Temporarily Restricted Net Assets:

Temporarily restricted net assets are available for the following purposes at June 30, 2017:

<u>Purpose</u>	<u>Amount</u>
Above and beyond	\$ 129
Art supplies	289
Claremont	15,000
Dalianis bricks	735
DAV	726
Dental equipment	10,000
Golf event	1,200
Mobile crisis	105,873
Northeastern Blvd.	107,000
Operation brightside	2,000
PEC	42
People's United grant	8,375
Plymouth capital project	25,000
SCOAP	1,292
Software	42,067
Standdown	2,764
Thanksgiving	356
Veterans Christmas fund	700
Veterans computers	<u>5,630</u>
Total	<u>\$ 329,178</u>

Net assets were released from restrictions by incurring expenses satisfying the restricted purpose or by the passage of time.

16. Patient Service Revenue, Net:

The Organization recognizes patient services revenue associated with services provided to patients who have Medicaid, Medicare, third-party payor, and managed care plans coverage on the basis of contractual rates for services rendered. For uninsured self-pay patients that do not qualify for charity care, the Organization recognizes revenue on the basis of its standard rates for services provided or on the basis of discounted rates if negotiated or provided by the Organization's policy. Charity care services are computed using a sliding fee scale based on patient income and family size. On the basis of historical experience, a significant portion of the Organization's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Organization records a provision for bad debts related to uninsured patients in the period the services are provided.

The Organization accepts patients regardless of their ability to pay. A patient is classified as a charity patient by reference to certain established policies, which define charity services as those costs for which no payment is anticipated. The Organization uses federally established poverty guidelines to assess the level of discount provided to the patient. The Organization is required to provide a full discount to patients with annual incomes at or below 100% of the poverty guidelines, but may charge a nominal copay. If the patient is unable to pay the copay, the amount is written off to charity care. All patients are charged in accordance with a sliding fee discount program based on household size and household income. No discounts may be provided to patients with incomes over 200% of federal poverty guidelines.

Patient services revenue, net of provision for bad debts and contractual allowances and discounts, consists of the following:

	2017			2016	
	Gross Charges	Contractual Allowances	Charitable Care Allowances	Net Patient Service Revenue	Net Patient Service Revenue
Medicaid	\$ 1,834,675	\$ (363,773)	\$ -	\$ 1,470,902	\$ 1,159,434
Medicare	528,336	(244,296)	-	284,040	246,337
Third-party	1,151,592	(591,136)	-	560,456	428,481
Sliding fee/free care	215,008	-	(196,108)	18,900	57,275
Self-pay	304,314	-	(2,669)	301,645	140,412
Subtotal	\$ 4,033,925	\$ (1,199,205)	\$ (198,777)	2,635,943	2,031,939
Provision for bad debts				(205,782)	(295,664)
Total				\$ 2,430,161	\$ 1,736,275

17. Client Rental Assistance:

The Organization has multiple grants requiring the payment of rents on behalf of the consumer. Rent expense totaling approximately \$5.7 million is comprised of leases held in the Organization's name and the responsibility of the Organization, leases in consumers' names, or rents paid as client assistance.

18. Transactions with Related Parties:

The Organization's clients perform janitorial services for Harbor Homes HUD I, II and III, Inc., Welcoming Light, Inc., Milford Regional Counseling Services, Inc., Healthy at Home, Inc., Greater Nashua Council on Alcoholism, and Southern NH HIV/AIDS Task Force, related organizations. These services are billed to the related organizations and reported as revenues in the accompanying financial statements based on actual cost.

The Organization currently has several contracts with Healthy at Home, Inc. to receive various skilled nursing services, CNA services and companion services for its clients. All of the contracts are based on per diem fees, ranging from \$16 per hour for companion services to \$100 per visit for skilled nursing services.

The Organization is a corporate guarantor for Greater Nashua Council on Alcoholism in relation to two mortgages on their Amherst Street property. The guaranties consist of one bond in the amount of \$3,963,900 and a mortgage in the amount of \$200,000.

During the year, the Organization rented office space, under tenant at will agreements, to Southern NH HIV/AIDS Task Force, Greater Nashua Council on Alcoholism, and Healthy at Home, Inc., related parties. The rental income under these agreements totaled \$52,305, \$41,250 and \$51,137, respectively, for fiscal year 2017.

Harbor Homes, Inc. received management fees totaling \$25,536 from its related organizations that have HUD projects.

The Organization is considered a commonly controlled organization with several related entities by way of its common board of directors. However, management believes that the principal prerequisites for preparing combined financial statements are not met, and therefore separate statements have been prepared.

The following are the commonly controlled organizations:

- Harbor Homes II, Inc.
- Harbor Homes III, Inc.
- HH Ownership, Inc.
- Welcoming Light, Inc.
- Milford Regional Counseling Services, Inc.
- Healthy at Home, Inc.
- Greater Nashua Council on Alcoholism
- Southern NH HIV/AIDS Task Force

19. Deferred Compensation Plan:

In fiscal year 2017, the Organization discontinued its 403(b) plan and deferred compensation plan for certain employees and directors. It also implemented a 401(k) retirement plan. Upon meeting the eligibility criteria, employees can contribute a portion of their wages to the 401(k) plan. The Organization matches a percentage of the employee contribution based on years of service. Total matching contributions paid by the Organization for the year ended June 30, 2017 were \$224,179.

20. Concentration of Risk:

The Organization received revenue as follows:

Federal grants	\$	16%
State, local, and other agencies		28%
Department of Housing and Urban Development		14%
Department of Veterans Affairs		10%
Medicaid		7%
All other support and revenue		<u>25%</u>
Total	\$	<u>100%</u>

21. Contingencies:

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations is subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time. Government activity continues to increase with respect to investigations and allegations concerning possible violations by healthcare providers of fraud and abuse statutes and regulations, which could result in the imposition of significant fines and penalties, as well as significant repayments for patient service previously billed. Management is not aware of any material incidents of noncompliance; however, the possible future financial effects of this matter on the Organization, if any, are not presently determinable.

22. Legal Settlement, Net:

In 2011, the State of New Hampshire removed the ability to bill for certain Medicaid services and the Organization filed suit. The Organization settled with the State in 2015 and was awarded \$1,350,000 in fiscal year 2016. The settlement was received net of legal fees.

23. Supplemental Disclosure of Cash Flow Information:

In fiscal year 2017, the Organization early adopted Accounting Standard Update (ASU) No. 2016-18, *State of Cash Flows (Topic 203): Restricted Cash*. The amendments in this update require that a Statement of Cash Flows explain the change during the fiscal year of restricted cash as part of the total of cash and cash equivalents.

The following table provides a reconciliation of cash and cash equivalents, and restricted cash reported in the Statement of Financial Position to the same such amounts reported in the Statement of Cash Flows.

Cash and Cash Equivalents	\$ 320,236
Restricted Cash	<u>428,025</u>
Total Cash, Cash Equivalents, and Restricted Cash shown in the Statement of Cash Flows	<u>\$ 748,261</u>

24. Subsequent Events:

In accordance with the provisions set forth by FASB ASC, *Subsequent Events*, events and transactions from July 1, 2017 through November 6, 2017, the date the financial statements were available to be issued, have been evaluated by management for disclosure.

At June 30, 2017, the financial statements reported current liabilities that exceeded current assets. This is attributable to several unusual factors. In June 2017, the Organization determined that a major funder had overpaid a grant in the amount of \$250,000. As a result, a liability was recorded and a repayment agreement over a six-month period was agreed-upon, with the funder reducing its subsequent monthly payments. In addition, the Organization is currently in the beginning stages of several construction projects that will be completed in fiscal years 2018 and 2019. Historically, the Organization has received project funding in advance to cover upfront costs such as architects, engineers, and consultants. Full funding for these projects is anticipated from grants and tax credits. The grants will not be available to the Organization until construction loans and tax credits have been executed.

CURRENT BOARD OF DIRECTORS LIST (12/18/17)

Officers

Dan Sallet, Chair
Trent Smith, Vice-Chair
Jared Freilich, Treasurer
David Aponovich, Asst. Treasurer
Joel Jaffe, Secretary
Laurie Goguen, Asst. Secretary

Directors

Thomas I. Arnold, III
Jack Balcom
Vijay Bhatt
Vince Chamberlain
Vijay Dav'e
Laurie DesRochers
Phil Duhaime
Lynn King
Ed McDonough
Rick Plante

PETER J. KELLEHER, CCSW, LICSW

45 High Street
Nashua, NH 03060
Telephone: (603) 882-3616
Fax: (603) 595-7414
E-mail: p.kelleher@harborhomes.org

PROFESSIONAL EXPERIENCE

- 2006-Present President & CEO, Southern NH HIV Task Force**
- 2002-Present President & CEO, GNCA, Inc. Nashua, NH**
- 1997-Present President & CEO, Healthy At Home, Inc., Nashua, NH**
- 1995-Present President & CEO, Milford Regional Counseling Services, Inc., Milford, NH**
- 1995-Present President & CEO, Welcoming Light, Inc., Nashua, NH**
- 1982-Present President & CEO, Harbor Homes, Inc., Nashua, NH**
Currently employed as chief executive officer for nonprofit corporation (and affiliates) providing residential, supported employment, and social club services for persons with long-term mental illness and/or homeless. Responsible for initiation, development, and oversight of 33 programs comprising a \$10,000,000 operating budget; proposal development resulting in more than \$3,000,000 in grants annually; oversight of 330 management and direct care professionals.
- 2003-2006 Consultant**
Providing consultation and technical assistance throughout the State to aid service and mental health organizations
- 1980 - 1982 Real Estate Broker, LeVaux Realty, Cambridge, MA**
Successful sales and property management specialist.
- 1979 - 1980 Clinical Coordinator, Task Oriented Communities, Waltham, MA**
Established and provided comprehensive rehabilitation services to approximately 70 mentally ill/ mentally retarded clients. Hired, directly supervised, and trained a full-time staff of 20 residential coordinators. Developed community residences for the above clients in three Boston suburbs. Provided emergency consultation on a 24-hour basis to staff dealing with crisis management in six group homes and one sheltered workshop. Administrative responsibilities included some financial management, quality assurance, and other accountability to state authorities.
- 1978 - 1979 Faculty, Middlesex Community College, Bedford, MA**
Instructor for an introductory group psychotherapy course offered through the Social Work Department.
- 1977 - 1979 Senior Social Worker/Assistant Director, Massachusetts Tuberculosis Treatment Center II, a unit of Middlesex County Hospital, Waltham, MA**
Functioned as second in command and chief clinical supervisor for eight interdisciplinary team members, and implemented a six-month residential program for individuals afflicted with recurring tuberculosis and alcoholism. Provided group and individual therapy, relaxation training.
- 1976 Social Worker, Massachusetts Institute of Technology, Out-Patient Psychiatry, Cambridge, MA**
Employed in full-time summer position providing out patient counseling to individuals and groups of the MIT community.
- 1971 - 1976 Program Counselor/Supervisor, Massachusetts Institute of Technology, MIT/Wellesley College Upward Bound Program, Cambridge and Wellesley, MA**
Major responsibilities consisted of psycho educational counseling of Upward Bound students, supervision of tutoring staff, teaching, conducting evaluative research for program policy development.

EDUCATION

1988-1991 Rivier College, Nashua, NH – Bachelor of Science, Accounting

OTHER ACHIEVEMENTS

Licensed Certified Public Accountant in the State of New Hampshire
Member of the New Hampshire Society of Certified Public Accountants
Member of the American Institute of Certified Public Accountants

SOFTWARE EXPERIENCE

Excel, Word, Powerpoint, Pro-Fx Tax software, Pro-Fx Trial balance software, Quickbooks, Peachtree, T-Value, various auditing software programs

Scott P. Slattery
~~XXXXXXXXXX~~
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Relevant Skills

Federal Grants Management
Economic Development
Program/Project Management
Program Budgeting
Community Relations

Risk Management
Federal Contracting
Planning
Non-Profit Administration
Staff Supervision

Grant Peer Reviewer
Federal Procurement
Development Direction
Microsoft Proficient
Housing Specialist

Experience

October 2010 – Present: Consultant/Peer Reviewer. Slattery Consultation Services. 27 [REDACTED]

~~New Hampshire 03061~~

- Consultation services for a variety of Federal agencies providing peer and grant reviews of applications responding to Notices of Funding Available (NOFA) including:
 1. US Department of Housing and Urban Development – Choice Neighborhoods Program.
 2. US Department of Education – Office of Innovation and Improvement.
 3. US Department of Health and Human Services – Administration of Children and Families/HRSA.
 4. US Department of Justice – Federal and State Programs.
 5. Corporation for National and Community Services – AmeriCorps State and Federal Programs.
 6. Substance Abuse and Mental Health Services Administration (SAMHSA) – CABHI Programs.

October 2009 – Present: Director, Residential Services Harbor Homes Inc. 45 High Street, Nashua, New Hampshire 03060

- Senior administrator providing management and monitoring services for all housing programs across numerous non-profit organizations through the Partnership for Successful Living in Nashua, NH. Duties include auditing for indicators of success, evidence of sustainability and outcome measures as well as compliance with all Federal requirements. Programs include; HUD 202 and HAP Projects, Mainstream Housing Vouchers, Veteran's Administration Supported Housing (VASH), Housing Investment Partnership (HOME), Tax Credits (Historical, EDI, LIHTC), Community Development Block Grants (CDBG) and other funding mechanisms.
- Project manager for multiple projects including new Federally Qualified Health Center (FQHC) and substance abuse facility in Nashua, NH as well as Veteran's housing projects in Nashua, Manchester, Dover, Antrim, Salem and Claremont New Hampshire. Current management of Federally Qualified Healthcare Facility expansion utilizing Health Resources Services Administration (HRSA) funding located in Nashua, NH.
- Recent successful implementation of a \$2.09 million dollar grant from the US Department of Housing and Urban Development (HUD) to purchase and rehabilitate foreclosed and abandoned properties in Nashua, New Hampshire for service enriched housing programs through the Neighborhood Stabilization Program. (NSP)
- Conduct due diligence for proposed property acquisition including cost estimation, bidding process and adherence to Federal regulations. Provide agency monitoring of projects for Federal regulatory requirements including environmental reviews, Davis Bacon wage determination, hazardous material mitigation including asbestos, lead paint and other potential hazards.

July 2007 – Present: Consultant/Trainer, NeighborWorks America, 1325 G Street NW, Suite 800, Washington D.C. 20005-3100

- Agency training consultant working with Participating Jurisdictions, (PJ's) other non-profit community development corporations and community based organizations on Community Development Block Grant, (CDBG) Housing Investment Partnership, (HOME) Economic Development Initiative (EDI) and Community Economic Development topics in an educational setting.
- Primary areas of consulting include non-profit management and operations, organizational development and oversight, community development programs and projects, community development lending and small business development.

May 2006 – October 2009: Manager, Urban Programs Department, Community Development Division, City of Nashua, New Hampshire, 229 Main Street, Nashua, NH 03061.

- Administrator of Federal grants programs for a participating jurisdiction (PJ) including Federal Transportation Administration (FTA), US Department of Housing and Urban Development (HUD) including Community Development Block Grants (CDBG), Housing Investment Partnership, (HOME) Economic Development Initiative (EDI) and Lead Hazard Control Grant funding totaling over \$10 million dollars.
- Supervised a staff fourteen (14) professionals competently administering Federal appropriations including Environmental Review Records (ERR), Federal Wage Rate requirements (Davis Bacon), grants administration, AmeriCorps VISTA, monitoring of subrecipients, annual Federal reporting and auditing requirements.

- Liaison to the City of Nashua Board of Alderman, Mayor and Division Directors, Federal Transportation Administration staff and HUD personnel. City representative on the Mayor's task force for affordable housing, liaison to the Latino community including facilitator for the Governor's Council on Latino affairs for Nashua. Member of the US Department of Justice SPIRIT Initiative for Community Dialogue addressing issues of diversity in Nashua. Member of the Ethnic Awareness Committee, Neighborhood Crime Watch, Hispanic Network, Nashua Livable Walkable Communities and Team Leader for NeighborWorks Community Leadership Initiative.

November 2002 – April 2006: Executive Director, Derry Housing and Redevelopment Authority, 12 Peabody Road, Derry, New Hampshire 03038.

- Executive Director of a US Department of Housing and Urban Development (HUD) Public Housing Authority directing a housing choice voucher (Section 8) program, elderly housing and assisted living programs assisting over 100 families with safe, decent and affordable housing in the Derry, New Hampshire community.
- Oversaw a consistently "high performing" public housing authority with 100% lease-up rates, fair housing, safe developments and fiscally sound organization.
- Perfect scoring on Section 8 Management Assessment profile (SEMAP) from the Federal Government.
- Liaison to the Board of Commissioners, Town Government, State Housing Finance Authority and US Department of Housing and Urban Development (HUD).

February 2000 – October 2002: Housing Program Director, Nashua Soup Kitchen and Shelter, 42 Chestnut Street, Nashua, New Hampshire.

- Director of agency individual and family homeless shelters and transitional housing programs that provided housing, shelter and case management services to over 50 individuals and families on a nightly basis.
- Oversaw a staff of twenty (20) full-time, part-time and Per Diem professionals operating five (5) facilities.
- Liaison to City of Nashua officials, State of New Hampshire Division of Housing and Homeless Services providing statistical reporting, support and information to state representatives.
- Agency representative on the City of Nashua Continuum of Care, GAPS Analysis and annual homeless count, volunteer at agency fund raising events, representative on the Governors Emergency Winter Task Force on homelessness and Executive Committee member on the State of New Hampshire Coalition to End Homelessness.

June 1990 – April 2006: Program Manager, Resident Coordinator and Consultant, Harbor Homes Inc. 45 High Street, Nashua, New Hampshire, 03060.

- Former Program Manager overseeing a Permanent Housing and Supportive Housing Programs that provided housing and support services to over sixty (60) individuals and families suffering from long-term severe and persistent mental illness and homelessness.
- Supervisor of a staff of ten (10) professionals providing one-on-one counseling and support services to the above described populations through focused interventions based on individual treatment plans.
- Agency representative on the City of Nashua's Continuum of Care. Agency Employment Assistance Program providing support for person in the work place through vocational rehabilitation models for behavior.
- Resident Coordinator on the overnight shift providing support and intervention services to mentally ill populations in their community-based living environments.
- Consultant on Housing Development programs for New Hampshire agencies providing housing and support services to persons suffering from HIV and Aids through the US Department of Housing and Urban Development (HUD) "Housing Opportunities for Persons With Aids" (HOPWA) and Emergency Support Grants (ESG)

Education

- Master of Science Degree with honors (MS) Community Economic Development, Southern New Hampshire University, Manchester, New Hampshire.
- Bachelor of Science Degree (BS), Social Sciences, Plymouth State College, Plymouth, New Hampshire.

Training/Certifications/Affiliations

- Certified HOME Program Specialist, Regulations/Administration – HUD
- Certified Assisted Housing Manager – Quadel Corporation/National Leased Housing Association
- Certified Public Housing Occupancy Specialist – Nan McKay and Associates Inc.
- Facilitator – United States Department of Justice Community Dialogues Initiative
- NeighborWorks Inc. Community Leadership Institute, Resident Team Coordinator
- 1998 "Case Manager of the Year", National Alliance for the Mentally Ill – New Hampshire (NAMI-NH)
- Member, Ethnic Awareness Committee- City of Nashua, New Hampshire

References

Available upon request

Ana Pancine

A2

Objective	To obtain a position within an organization that offers me the opportunity to apply my experiences and academic expertise in the Financial field, and that provides me a chance to enhance my career knowledge.	
Experience	<p>December 2006 – Present Hewlett-Packard Nashua, NH</p> <p>Service Resource Coordinator <i>December 2006 - Presently</i></p> <ul style="list-style-type: none"> • Accountable for all metric reports for the PER Event team in a monthly basis. • Responsible for revenue booking for two districts. • Accountable to update, present and distribute all reports related to the department. • Provide quality reports for upper management to review the progress of the team. • Responsible for all the billings for Latin America. 	
	<p>August 2001 – December 2006 Electronic Data Systems(EDS) Nashua, NH</p> <p>Americas Business Analyst <i>February 2004 – December 2006</i></p> <ul style="list-style-type: none"> • Manage ten cost centers with annual expenses of \$9m and revenue of \$18m, forecast on a quarterly basis, generate expense and revenue accruals, and establish budgetary guidelines for team members. • Variance reporting monthly for +/-1 % of forecasted to report to senior management. • Compile, reconcile, and obtain approval from customer for account metrics on a monthly basis. • Maintain global reporting of 200 employees with specific emphasis on geographic alignment, individual line counts, and organizational charts for account utilization and resource mapping • Approve time card for temporary employees, main contact for temporary agencies and responsible for hiring/releasing of temporary employees. • Main contact for all customers located in the Latin America territory. • Provided Financial Support for account closing. 	
	<p>Quality Controller/ System Support Administrator <i>June 2003 – February 2005</i></p> <ul style="list-style-type: none"> • Main contact between administrators and system support to prioritize technical errors. • Responsible for weekly, monthly and quarterly quality review reporting. • Responsible for weekly and monthly geography reports. • Maintain all employee related spreadsheets updated. • Manage quality review reports to ensure policies and procedures are being followed. • Mentoring new hires in their assigned positions. • Communicating with manager for tools necessary for team. • Categorize and notify managers of any performance issues. • Provide support for team members with problem solving. 	
	<p>Per Event Administrator <i>August 2001 – June 2003</i></p> <ul style="list-style-type: none"> • Responsible for billing revenue. • General office filing and organization. • Data Entry. • Assisting customer needs. • Solving any customer issues. • Revenue booking and customer assistance for Latin America/Caribbean territory. • Assistant and service provided for all customer located in the Latin America/Caribbean/Europe territory. 	
Skills	<ul style="list-style-type: none"> • Windows 98/2000/XP • SIFT – Financial Database • Microsoft Office 	<ul style="list-style-type: none"> • PEARS/CHAMP/WFM • NCAS/SAP • Fluent in Portuguese and Spanish.
Education	<p>Hesser College</p> <ul style="list-style-type: none"> • Bachelor of Science, Business Administration – Oct 2005 <p>Southern NH University</p> <ul style="list-style-type: none"> • Pursuing MBA and Financial/International Business Certification. 	

Melbourne R Moran Jr., MSW, LICSW

Objective:

Utilize my clinical experience as a social worker to provide mental health treatment to at risk children, adolescents and adults. Expand my knowledge of the mental health field while contributing the stabilization of at risk populations.

Education:

Boston University Boston, MA September 2012 - September 2014

Master of Social Work

- Clinical Trauma Focus

University of Massachusetts Lowell, MA September 2010 - May 2012

Bachelors of Arts in Psychology

- Developmental Disability Focus

Middlesex Community College Lowell, MA September 2008 - May 2010

Associates of Science in Liberal Arts

- Business Management Focus

Related Experience

Lahey Health System:

Lahey Hospital and Medical Center Burlington, MA May 2017 - Present

Emergency Room Medical and Psychiatric Social Worker

- Sudden death and trauma counseling
- Trauma response social worker
- End of life counseling
- Brief psychiatric assessments for acute inpatient psychiatric treatment
- Substance abuse counseling
- Obtaining prior insurance authorization for psychiatric treatment

Lahey Health Behavioral Services Lawrence, MA September 2014 - May 2017

Mobile Crisis Intervention Manager

- Overall responsibility for all aspects of Mobile Crisis Intervention

- Community outreach to develop strong relationships with community providers to ensure quality of care for Lahey Health clients
- Working with and leading colleagues when barriers to care are discovered. Using creative means and community contacts to overcome barriers to care.
- Supervise Emergency Service Program (ESP) in absence of Program Director
- In conjunction with Program Director develop a schedule that staffs our 24/7 program to meet the needs of our community.
- Meet or exceed statewide goals regarding response times, community evaluations, and diversionary care for clients referred.
- Collaborate with peers and supervisors within the ESP division to improve policies, processes, and procedures with intentions of improving client care.
- Provide on-going supervision to clinicians and family partners on changes to the ESP/MCI programs.
- Consult with clinicians on complex cases and provide further guidance on how best to provide treatment to the client.
- Obtaining prior insurance authorization for psychiatric treatment

Department of Children and Families Lawrence, MA February 2015 – February 2016

- Case management
- Individual and Family Assessments
- Treatment referrals
- Service Plan development
- Assist families towards stabilization and reunification goals
- Safety Planning

Family Services of the Merrimack Valley Lawrence, MA March 2013 – March 2015

Clinician/Therapeutic Mentoring Program Coordinator

- Individual therapist
- Creating individualized treatment plans
- Safety Planning
- Coordination of Care with other CBHI providers including DCF caseworkers
- Engaging with clients to meet goals and objectives of treatment plan
- Manage program Profit & Loss statement
- Train Mentors to Children's Behavioral Health Initiative program standards
- Manage all administrative aspects of the Therapeutic Mentoring program
- Complete Children's Assessments of Needs and Strengths
- Family Centered Planning

The Key Program Methuen, MA November 2012 – November 2014

Residential Case Worker / Arrest Unit Worker

- Modeling Appropriate Behavior
- Supporting clients as they reach their individual goals and objectives

- Assist in implementing individual treatment plans
- Monitor clients daily treatment interventions
- Coordinate care with providers and DCF caseworkers

Holy Family Hospital

Methuen, MA September 2013 – August 2014

Clinical Social Work Intern

- Mental Health Status Exams
- Biopsychosocials
- Discharge planning
- Brief Treatment and Care

The Key Program

Methuen, MA

September 2012 – May 2013

Clinical Social Work Intern

- Therapeutic Mentoring
- Children's Assessment of Needs and Strengths
- Treatment Plans
- Safety Planning

Certifications

- Licensed Independent Clinical Social Work (Massachusetts Licensure)
- Certified CANS Assessor
- Experienced Field Instructor for Salem State University
- LICSW eligible in New Hampshire

References: References available upon request

CONTRACTOR NAME

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Peter Kelleher	President and CEO	\$188,280	0%	\$0.00
Scott Slattery	Director of Housing	\$75,000	1%	\$750
Ana Pancine	Controller	\$90,000	0%	\$0.00
Melbourne Moran	Program Manager	\$85,000	1%	\$850



Jeffrey A. Meyers
Commissioner

Katja S. Fox
Director

22 mac

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION FOR BEHAVIORAL HEALTH
BUREAU OF DRUG AND ALCOHOL SERVICES

105 PLEASANT STREET, CONCORD, NH 03301
603-271-6110 1-800-852-3345 Ext. 6738
Fax: 603-271-6105 TDD Access: 1-800-735-2964
www.dhhs.nh.gov/dcbcs/bdas/

July 21, 2017

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division for Behavioral Health, Bureau of Drug and Alcohol Services, to enter into a **retroactive, sole source** Agreement with the organizations listed below for the provision of substance use disorder (SUD) crisis respite shelter in an amount not to exceed \$400,000, effective **retroactive** to July 1, 2017, upon Governor and Council approval, with a completion date of June 30, 2018. 100% Other Funds.

Vendor	City	Vendor Number	Amount
Harbor Homes, Inc.	Nashua, NH	155358-B001	\$200,000
National Council on Alcoholism and Drug Dependence/Greater Manchester - Serenity Place	Manchester, NH	177265-P001	\$200,000
		Total:	\$400,000

Funds are available in the following account for State Fiscal Year 2018 with authority to adjust amounts within the price limitation through the Budget Office if needed and justified, without approval from the Governor and Executive Council.

05-92-920510-33820000, HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SERVICES, HHS: DIVISION FOR BEHAVIORAL HEALTH, BUREAU OF DRUG AND ALCOHOL, GOVERNOR COMMISSION FUNDS (100% Other Funds)

State Fiscal Year	Class / Account	Class Title	Job Number	Budget Amount
2018	102-500731	Contracts for Program Services	92058503	\$400,000
			Total:	\$400,000

EXPLANATION

This request is **retroactive and sole source** because this service is a critical component of the Safe Stations programs in Manchester and Nashua. The previous vendor in Manchester unexpectedly notified the Department that they would no longer be providing this service after June 30, 2017. The National Council on Alcoholism and Drug Dependence/Greater Manchester-Serenity Place, another

partner in the Manchester Safe Stations program, expressed a willingness to assume substance use disorder crisis respite shelter services effective July 1, 2017. In Nashua, the partners in the Safe Stations program were unable to secure funding for substance use disorder crisis respite shelter services. Harbor Homes, Inc. has space available and is willing to provide respite shelter. Going out to bid at this time would result in a gap in critical services which would endanger the lives of housing unstable individuals with substance use disorders who are taking part in the Safe Stations programs.

Funds in this agreement will be used to provide temporary crisis respite shelter care to individuals in crisis who are receiving services through the Manchester and Nashua Safe Stations programs.

Many of the clients entering the Safe Stations programs are either homeless or living in environments with active substance use. Substance use disorder respite shelter services provide clients with a temporary, safe, substance-free environment while they stabilize and receive treatment services. In addition, these services help clients to identify more permanent, safe housing options.

Between May 2016 and April 2017, there were 1,529 requests for assistance from the Manchester Safe Stations program. Of these, 347 individuals were taken to a local recovery community organization, and 977 were enrolled in treatment services. Many of these individuals were also housed in substance use disorder respite shelter. Between its start in November 2016 and June 2017, there were 483 requests for assistance from the Nashua Safe Stations program. Of these, 406 were connected with treatment and recovery resources. Furthermore, since its inception, there have been no known overdose fatalities in clients who have entered into services through the Nashua Safe Stations program. There was also a thirteen percent (13%) reduction in primary overdose-related visits to the Southern New Hampshire Medical Systems Emergency Department during this period.

As referenced in Exhibit C-1 of this contract, the Department reserves the right to extend the Agreement for up to two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council.

The following performance measures/objectives will be used to measure the effectiveness of the agreement:

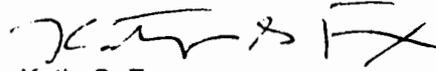
- Number of clients served;
- Number of average nights in substance use disorder respite shelter;
- The time between request for services and admission to shelter; and
- Number of clients placed in more permanent housing.

Should Governor and Council not authorize this request, individuals seeking substance use disorder treatment services through the Safe Stations programs may be forced to return to environments that are un conducive to substance use disorders treatment and recovery, lessening the likelihood that they will successfully complete treatment and increasing the likelihood that they will experience an overdose.

Source of Funds: 100% Other Funds from the Governor's Commission on Alcohol and Drug Abuse Prevention, Treatment and Recovery.

In the event that the Other Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



Katja S. Fox
Director

Approved by:



Jeffrey A. Meyers
Commissioner

Subject: Substance Use Disorder Crisis Respite Shelter (SS-2018-BDAS-05-RESPI)

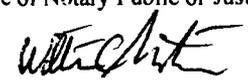
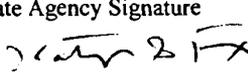
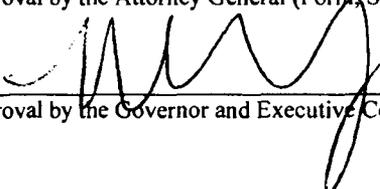
Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name NH Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name Harbor Homes, Inc.		1.4 Contractor Address 45 High Street Nashua, NH 03060	
1.5 Contractor Phone Number 603-882-3616 x1103	1.6 Account Number 05-95-92-920510-33820000-102-500734	1.7 Completion Date June 30, 2018	1.8 Price Limitation \$200,000
1.9 Contracting Officer for State Agency Jonathan V. Gallo, Esq., Interim Director		1.10 State Agency Telephone Number 603-271-9246	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Peter Kelleher President & CEO	
1.13 Acknowledgement: State of <u>New Hampshire</u> , County of <u>Hillsborough</u> On <u>7/10/2017</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace  [Seal]			
WILLIAM C. MARTIN Justice of the Peace - New Hampshire My Commission Expires November 4, 2020			
1.13.2 Name and Title of Notary or Justice of the Peace William C. Martin, Justice of the Peace			
1.14 State Agency Signature  Date: <u>7/2/17</u>		1.15 Name and Title of State Agency Signatory Katy S. Fox, Director	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By:  On: <u>Megan D. Folsom - Attorney 7/31/17</u>			
1.18 Approval by the Governor and Executive Council (if applicable) By: _____ On: _____			

2. EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT A which is incorporated herein by reference ("Services").

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.18, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.14 ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.

6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. This may include the requirement to utilize auxiliary aids and services to ensure that persons with communication disabilities, including vision, hearing and speech, can communicate with, receive information from, and convey information to the Contractor. In addition, the Contractor shall comply with all applicable copyright laws.

6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.

6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this

Contractor Initials 
Date 1/10/17

Agreement. This provision shall survive termination of this Agreement.

7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

8. EVENT OF DEFAULT/REMEDIES.

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or

8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

10. TERMINATION. In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

11. CONTRACTOR'S RELATION TO THE STATE. In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS. The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice and consent of the State. None of the Services shall be subcontracted by the Contractor without the prior written notice and consent of the State.

13. INDEMNIFICATION. The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate; and

14.1.2 special cause of loss coverage form covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than thirty (30) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than thirty (30) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("*Workers' Compensation*").

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. WAIVER OF BREACH. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

17. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no

such approval is required under the circumstances pursuant to State law, rule or policy.

19. CONSTRUCTION OF AGREEMENT AND TERMS.

This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

20. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. HEADINGS. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. SPECIAL PROVISIONS. Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

23. SEVERABILITY. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.

Contractor Initials lu
Date 1/10/17



Scope of Services

1. Provisions Applicable to All Services

- 1.1. The Contractor will submit a detailed description of the language assistance services they will provide to persons with limited English proficiency to ensure meaningful access to their programs and/or services within ten (10) days of the contract effective date.
- 1.2. The Contractor agrees that, to the extent future legislative action by the New Hampshire General Court or federal or state court orders may have an impact on the Services described herein, the State Agency has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.

2. Scope of Services

- 2.1. The Contractor shall provide crisis respite shelter, a critical component of the Nashua Safe Stations initiative; to individuals who do not have safe, stable housing. The Contractor shall:
 - 2.1.1. Ensure a minimum of fifteen (15) beds are reserved for Safe Stations' clients between the hours of 3:00 pm and 9:00 am;
 - 2.1.2. Support the goal of having clients moved into an appropriate level of care within seven (7) days of admission to the respite center;
 - 2.1.3. Provide dinner and breakfast meals to Safe stations' clients while in the Contractor's care;
 - 2.1.4. Provide qualified staff at the crisis respite center;
 - 2.1.5. Work with local shelters and overnight care facilities to find alternative overnight respite care for clients denied admission to the center on the basis of lack of capacity;
 - 2.1.6. Attempt to notify clients who were denied admission based on lack of capacity when a bed becomes available; and
 - 2.1.7. Work collaboratively with Safe Stations representatives and other community providers to ensure continuity of care for Safe Stations' clients.

3. Staffing

- 3.1. The Contractor shall ensure staff is on duty twenty four (24) hours per day, seven (7) days per week.

PH
7/10/17



- 3.2. Staff shall obtain certification as a Certified Recovery Support Worker (CRSW) no later than six (6) months after the date of hire or the effective date of this contract, whichever is later.

4. Reporting

- 4.1. The Contractor shall submit a web-based monthly report to the Department by the tenth (10th) day of each month that will include, but may not be limited to, the following aggregate data:
- 4.1.1. Number and demographics of clients served;
 - 4.1.2. Average time in shelter;
 - 4.1.3. Discharge reason and where the clients were discharged to;
 - 4.1.4. Staffing changes;
 - 4.1.5. Reason for admission denials; and
 - 4.1.6. Time between requests for shelter and admission.

5. Performance Measures

- 5.1. The Contractor shall ensure that following performance indicators are achieved annually and monitored monthly to measure the effectiveness of the agreement:
- 5.1.1. Provide a minimum of 4,500 bed nights annually;
 - 5.1.2. Transition clients to more permanent housing within an average of seven (7) days of admission; and
 - 5.1.3. Annually, the Contractor shall develop and submit a corrective action plan to the Department for any performance measure not achieved.



Method and Conditions Precedent to Payment

1. This agreement is being funded with Governor Commission Funds.
2. The State shall pay the Contractor an amount not to exceed the Price Limitation, Block 1.8 of the Form P-37 General Provisions, for the services provided by the Contractor pursuant to Exhibit A, Scope of Services in accordance with Exhibit B-1 Budget.
3. Payment for services shall be on a cost reimbursement basis only for actual services provided, in accordance with Exhibit B-1 Budget.
4. Payment for services shall be made as follows:
 - 4.1. The Contractor shall submit monthly invoices by the tenth (10th) day of each month for reimbursement of actual costs incurred for the previous month. The State shall make payment to the Contractor within thirty (30) days of receipt of each accurate and correct invoice for Contractor services provided pursuant to this Agreement.
 - 4.2. Invoices identified in Section 4.1 must be submitted to:

Clinical & Recovery Services Unit Administrator
NH Department of Health and Human Services
Bureau of Drug and Alcohol Services
129 Pleasant Street
Concord, NH 03301
5. Payments may be withheld pending receipt of required reports or documentation as identified in Exhibit A, Scope of Services.
6. A final payment request shall be submitted no later than forty (40) days after the Contract ends. Failure to submit the invoice, and accompanying documentation could result in nonpayment.
7. Notwithstanding anything to the contrary herein, the Contractor agrees that funding under this Contract may be withheld, in whole or in part, in the event of noncompliance with any State or Federal law, rule or regulation applicable to the services provided, or if the said services have not been completed in accordance with the terms and conditions of this Agreement.
8. Notwithstanding paragraph 18 of the Form P-37, General Provisions, an amendment limited to transferring amounts between budget line items in Exhibit B-1, Budget, within the price limitation, can be made by written agreement of both parties and may be made without obtaining approval of the Governor and Executive Council.

BUDGET NARRATIVE

Exhibit B-1 BUDGET

Harbor Homes, Inc. 0155 Respirator		BUDGET	
	2017	2018	Notes
1. Total Salary/Wages	\$ 39,520.00	\$ 37,440.00	2080 hrs @ \$19/hr
Program Manager	\$ 37,440.00	\$ 37,440.00	2081 hrs @ \$18/hr
Clinical Care/Support Staff	\$ 114,400.00	\$ 30,304.56	2083 hrs @ \$18/hr
Clinical Care/Support Staff	\$ 22,880.00	\$ 6,060.91	See program staff list details above
1. Total Salary/Wages	\$ -	\$ -	Benefits @ 20% of salaries & wages - Agency's running rate.
2. Employee Benefits	\$ -	\$ -	
3. Consultants	\$ -	\$ -	
4. Equipment:	\$ -	\$ -	
Rental	\$ 1,200.00	\$ -	Copier/Scanner rental @ \$100/mth
Repair and Maintenance	\$ 1,800.00	\$ -	Budget based on prior year actuals @ \$150/mth
Purchase/Depreciation	\$ -	\$ -	
5. Supplies:	\$ -	\$ -	
Educational	\$ 250.00	\$ -	\$250 a year for client educational materials, brochures, flyers etc...
Lab	\$ -	\$ -	
Pharmacy	\$ -	\$ -	
Medical	\$ -	\$ -	
Office	\$ 1,800.00	\$ -	Supplies/Toner @ \$150/mth
6. Travel	\$ 500.00	\$ -	Travel based on previous actuals - 1,020 miles X \$0.49
7. Occupancy	\$ 12,764.53	\$ -	Occupancy charges includes electric, water, sewer and heat @ \$1,063.71/mth
8. Current Expenses	\$ -	\$ -	
Telephone	\$ 960.00	\$ -	\$80/mth for cell & office phones
Postage	\$ 240.00	\$ -	\$20/mth for operations purpose
Subscriptions	\$ -	\$ -	
Audit and Legal	\$ -	\$ -	
Insurance	\$ 3,840.00	\$ -	Property/WC insurance based on quote \$320/mth
Board Expenses	\$ -	\$ -	
9. Software	\$ -	\$ -	
10. Marketing/Communications	\$ -	\$ -	
11. Staff Education and Training	\$ 1,000.00	\$ -	\$1,000 a year for available/required staff training during the year.
12. Subcontracts/Agreements	\$ -	\$ -	
13. Other (specific details mandatory):	\$ -	\$ -	
Food	\$ 2,000.00	\$ -	\$2,000 a year for client assistant with food.
TOTAL	\$ 163,634.53	\$ 36,365.47	Indirect rate calculated based federally approved indirect rate.
		22.2%	

Initials: *PK*
Date: 7/16/17

**NEGOTIATED INDIRECT COST RATE AGREEMENT (NICRA)
NONPROFIT ORGANIZATION**

ORGANIZATION:
Harbor Homes, Inc.
45 High Street
Nashua, NH 03060

EIN: 02-0351932

DATE: January 13, 2017
FILE REF: This replaces
the agreement dated
January 11, 2016

The rates approved in this Agreement are for use on grants, contracts, and other agreements with the Federal Government to which OMB Circular No. A-122 applies, subject to the conditions in Section II, A, below. The rates were negotiated between Harbor Homes, Inc. and the U.S. Department of Labor in accordance with the authority contained in Attachment A, Section E.2 (a), of the Circular. Indirect rates for fiscal years that begin on or after 12/26/2014 are subject to 2 CFR Part 200, Subpart E, in accordance with the authority contained in 2 CFR, Part 200, Appendix IV, C.2.

SECTION I: RATES

<u>TYPE</u>	<u>EFFECTIVE PERIOD</u>		<u>RATE*</u>	<u>LOCATION</u>	<u>APPLICABLE TO</u>
	<u>FROM</u>	<u>TO</u>			
INDIRECT COST:					
Final	7/1/12	6/30/13	36.35%	All	All Programs
Final	7/1/13	6/30/14	25.22%	All	All Programs
Final	7/1/14	6/30/15	25.79%	All	All Programs
Final	7/1/15	6/30/16	26.58%	All	All Programs
Provisional	7/1/16	6/30/17	25.14%	All	All Programs
Provisional	7/1/17	6/30/18	26.49%	All	All Programs

(See Special Remarks)

* **BASE:** Total direct salaries and wages and applicable fringe benefits.

TREATMENT OF FRINGE BENEFITS: Fringe benefits are charged in the same manner as salaries and wages are recorded.

TREATMENT OF PAID ABSENCES: Release time costs are considered part of salary costs. Harbor Homes, Inc. records release time costs in the same manner that salary costs are recorded.

SECTION II: GENERAL

- A. **LIMITATIONS:** Use of the rate(s) contained in the Agreement is subject to all statutory or administrative limitations and is applicable to a given Federal award or contract only to the extent that funds are available. Acceptance of the rate(s) agreed to herein is predicated upon the following conditions:
- (1) that no costs other than those incurred by the non-Federal entity or contractor were included in its indirect cost pool as finally accepted and that such incurred costs are legal obligations of the non-Federal entity and allowable under the governing cost principles,
 - (2) that the same costs that have been treated as indirect costs have not been claimed as direct costs,
 - (3) that similar types of costs have been accorded consistent treatment, and
 - (4) that the information provided by the non-Federal entity or contractor which was used as a basis for acceptance of the rate(s) agreed to herein is not subsequently found to be materially inaccurate by the Federal government. In such situations, the rate(s) may be subject to renegotiation at the discretion of the Federal government.
 - (5) The rates cited in this Agreement are subject to audit.
- B. **ACCOUNTING CHANGES:** This agreement is based on the accounting system purported by the non-Federal entity or contractor to be in effect during the Agreement period. Changes to the method of accounting for costs which affect the amount of reimbursement resulting from the use of this Agreement require prior approval from the Office of Cost Determination. Such changes include, but are not limited to changes in the charging of a particular type of cost from indirect to direct. Failure to obtain approval may result in cost disallowances.
- C. **NOTIFICATION TO FEDERAL AGENCIES:** A copy of this document is to be provided by the non-Federal entity or contractor to other Federal funding sources as a means of notifying them of the Agreement contained herein.
- D. **PROVISIONAL-FINAL RATES AND ADJUSTMENTS:** When seeking initial reimbursement of indirect costs using the provisional/final rate methodology, a provisional proposal must be submitted within 90 days of receiving a Federal award (financial assistance, grants, cooperative agreements, and cost reimbursable contracts) that requires accounting for actual costs incurred. The non-Federal entity or contractor must submit an indirect cost rate proposal within six (6) months after the end of their fiscal year to establish a final rate.

Once a final rate is negotiated, billings and charges to Federal awards must be adjusted if the final rate varies from the provisional rate. If the final rate is greater than the provisional rate

and there are no funds available to cover the additional indirect costs, the non-Federal entity or contractor may not recover all indirect costs. Conversely, if the final rate is less than the provisional rate, the non-Federal entity or contractor will be required to reimburse the funding agency for the excess billings.

Non-Federal entities or contractors receiving a Federal cost reimbursable contract(s) - Must adhere with FAR 52.216-7(d)(2)(v), to settle final indirect cost rates typically on an annual basis:

“The contractor shall update the billings on all contracts to reflect the final settled rates and update the schedule of cumulative direct and indirect costs claimed and billed, as required in paragraph (d)(2)(iii)(I) of this sections, within 60 days after settlement of final indirect cost rates.”

In addition, the contractor shall provide to the Contracting Officer the noted cumulative costs schedule within 60 days of the execution of this agreement.

If the non-Federal entity or contractor has completed performance under any of the contracts covered by this Agreement, a final invoice or voucher must be submitted no later than 120 days from the date on which this Agreement is executed, following guidance from FAR 52.216-7(d)(5) and FAR 52.216-7(h).

Non-Federal entities receiving Federal awards (financial assistance, grants, and cooperative agreements) – Note that even if Federal awards are administratively closed prior to the settlement of final indirect cost rates, non-Federal entities still must comply with the following 2 CFR Part 200 clauses stating, in part:

§200.344 Post-closeout adjustments and continuing responsibilities

(a) The closeout of a Federal award does not affect any of the following:

- (1) The right of the Federal awarding agency or pass-through entity to disallow costs and recover funds on the basis of a later audit or other review. The Federal awarding agency or pass-through entity must make any cost disallowance determination and notify the non-Federal entity within the record retention period.
- (2) The obligation of the non-Federal entity to return any funds due as a result of later refunds, corrections, or other transactions including final indirect cost rate adjustments.

§200.345 Collection of amounts due

(a) Any funds paid to the non-Federal entity in excess of the amount to which the non-Federal entity is finally determined to be entitled under the terms of the Federal award constitute a debt to the Federal Government.

(b) Except where otherwise provided by statutes or regulations, the Federal awarding agency will charge interest on an overdue debt in accordance with the Federal Claims Collection Standards (31 CFR parts 900 through 999). The date from which interest is computed is not extended by litigation or the filing of any form of appeal.

E. **SPECIAL REMARKS:**

1. Indirect costs charged to Federal contracts by means other than the rate(s) cited in this Agreement should be adjusted to the applicable rate cited herein and be applied to the appropriate base to identify the proper amount of indirect costs allocable to the program.
2. Contracts providing for ceilings as to the indirect cost rate(s) or amount(s) which are indicated in Section I above, will be subject to the ceilings stipulated in the contract. The ceiling rate or the rate(s) cited in this Agreement, whichever is lower, will be used to determine the maximum allowable indirect cost on the contract.
3. Administrative costs consist of all **Direct** and **Indirect** costs associated with the management of an organization's programs. Organizations should refer to their contracts/grants terms and specific program legislation for the applicable definition of Administrative Costs and any related limitations.

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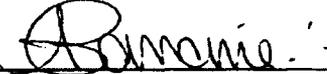
4. Harbor Homes, Inc.'s indirect pool is comprised of the following elements: salaries, fringe benefits, accounting, legal fees, other professional fees/consultants, journals and publications, conferences, contract labor, garbage and trash removal, information technology, staff expenses, utilities, operating and maintenance, office supplies, operational supplies, snow removal, food, depreciation, equipment rental, advertising, telephone/communication, postage/shipping, staff transportation, membership dues, and other expenditures.

ACCEPTANCE

BY THE ORGANIZATION:

Harbor Homes, Inc.
45 High Street
Nashua, NH 03060

(Grantee/Contractor)



(Signature)

Ana Pancine

(Name)

Controller

(Title)

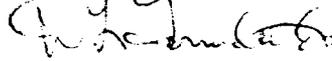
1/20/17

(Date)

BY THE COGNIZANT AGENCY
ON BEHALF OF THE
FEDERAL GOVERNMENT:

U.S. DEPARTMENT OF LABOR
Office of Cost Determination
224 Westbridge Place
Mount Airy, N.C. 27030

(Government Agency)



(Signature)

^{per}
Victor M. Lopez

(Name)

Director, Office of Cost Determination

(Title)

January 13, 2017

(Date)

Negotiated By: Damon Tomchick
Telephone No.: 240-475-2786



SPECIAL PROVISIONS

Contractors Obligations: The Contractor covenants and agrees that all funds received by the Contractor under the Contract shall be used only as payment to the Contractor for services provided to eligible individuals and, in the furtherance of the aforesaid covenants, the Contractor hereby covenants and agrees as follows:

1. **Compliance with Federal and State Laws:** If the Contractor is permitted to determine the eligibility of individuals such eligibility determination shall be made in accordance with applicable federal and state laws, regulations, orders, guidelines, policies and procedures.
2. **Time and Manner of Determination:** Eligibility determinations shall be made on forms provided by the Department for that purpose and shall be made and remade at such times as are prescribed by the Department.
3. **Documentation:** In addition to the determination forms required by the Department, the Contractor shall maintain a data file on each recipient of services hereunder, which file shall include all information necessary to support an eligibility determination and such other information as the Department requests. The Contractor shall furnish the Department with all forms and documentation regarding eligibility determinations that the Department may request or require.
4. **Fair Hearings:** The Contractor understands that all applicants for services hereunder, as well as individuals declared ineligible have a right to a fair hearing regarding that determination. The Contractor hereby covenants and agrees that all applicants for services shall be permitted to fill out an application form and that each applicant or re-applicant shall be informed of his/her right to a fair hearing in accordance with Department regulations.
5. **Gratuities or Kickbacks:** The Contractor agrees that it is a breach of this Contract to accept or make a payment, gratuity or offer of employment on behalf of the Contractor, any Sub-Contractor or the State in order to influence the performance of the Scope of Work detailed in Exhibit A of this Contract. The State may terminate this Contract and any sub-contract or sub-agreement if it is determined that payments, gratuities or offers of employment of any kind were offered or received by any officials, officers, employees or agents of the Contractor or Sub-Contractor.
6. **Retroactive Payments:** Notwithstanding anything to the contrary contained in the Contract or in any other document, contract or understanding, it is expressly understood and agreed by the parties hereto, that no payments will be made hereunder to reimburse the Contractor for costs incurred for any purpose or for any services provided to any individual prior to the Effective Date of the Contract and no payments shall be made for expenses incurred by the Contractor for any services provided prior to the date on which the individual applies for services or (except as otherwise provided by the federal regulations) prior to a determination that the individual is eligible for such services.
7. **Conditions of Purchase:** Notwithstanding anything to the contrary contained in the Contract, nothing herein contained shall be deemed to obligate or require the Department to purchase services hereunder at a rate which reimburses the Contractor in excess of the Contractors costs, at a rate which exceeds the amounts reasonable and necessary to assure the quality of such service, or at a rate which exceeds the rate charged by the Contractor to ineligible individuals or other third party funders for such service. If at any time during the term of this Contract or after receipt of the Final Expenditure Report hereunder, the Department shall determine that the Contractor has used payments hereunder to reimburse items of expense other than such costs, or has received payment in excess of such costs or in excess of such rates charged by the Contractor to ineligible individuals or other third party funders, the Department may elect to:
 - 7.1. Renegotiate the rates for payment hereunder, in which event new rates shall be established;
 - 7.2. Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of costs;



- 7.3. Demand repayment of the excess payment by the Contractor in which event failure to make such repayment shall constitute an Event of Default hereunder. When the Contractor is permitted to determine the eligibility of individuals for services, the Contractor agrees to reimburse the Department for all funds paid by the Department to the Contractor for services provided to any individual who is found by the Department to be ineligible for such services at any time during the period of retention of records established herein.

RECORDS: MAINTENANCE, RETENTION, AUDIT, DISCLOSURE AND CONFIDENTIALITY:

8. **Maintenance of Records:** In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:
- 8.1. **Fiscal Records:** books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
- 8.2. **Statistical Records:** Statistical, enrollment, attendance or visit records for each recipient of services during the Contract Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.
- 8.3. **Medical Records:** Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.
9. **Audit:** Contractor shall submit an annual audit to the Department within 60 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.
- 9.1. **Audit and Review:** During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
- 9.2. **Audit Liabilities:** In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such an exception.
10. **Confidentiality of Records:** All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.

New Hampshire Department of Health and Human Services
Exhibit C



Notwithstanding anything to the contrary contained herein the covenants and conditions contained in the Paragraph shall survive the termination of the Contract for any reason whatsoever.

11. **Reports: Fiscal and Statistical:** The Contractor agrees to submit the following reports at the following times if requested by the Department.
 - 11.1. **Interim Financial Reports:** Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
 - 11.2. **Final Report:** A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.

12. **Completion of Services: Disallowance of Costs:** Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.

13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
 - 13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.

14. **Prior Approval and Copyright Ownership:** All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.

15. **Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.

16. **Equal Employment Opportunity Plan (EEO):** The Contractor will provide an Equal Employment Opportunity Plan (EEO) to the Office for Civil Rights, Office of Justice Programs (OCR), if it has received a single award of \$500,000 or more. If the recipient receives \$25,000 or more and has 50 or



more employees, it will maintain a current EEOP on file and submit an EEOP Certification Form to the OCR, certifying that its EEOP is on file. For recipients receiving less than \$25,000, or public grantees with fewer than 50 employees, regardless of the amount of the award, the recipient will provide an EEOP Certification Form to the OCR certifying it is not required to submit or maintain an EEOP. Non-profit organizations, Indian Tribes, and medical and educational institutions are exempt from the EEOP requirement, but are required to submit a certification form to the OCR to claim the exemption. EEOP Certification Forms are available at: <http://www.ojp.usdoj/about/ocr/pdfs/cert.pdf>.

17. **Limited English Proficiency (LEP):** As clarified by Executive Order 13166, Improving Access to Services for persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination on the basis of limited English proficiency (LEP). To ensure compliance with the Omnibus Crime Control and Safe Streets Act of 1968 and Title VI of the Civil Rights Act of 1964, Contractors must take reasonable steps to ensure that LEP persons have meaningful access to its programs.
18. **Pilot Program for Enhancement of Contractor Employee Whistleblower Protections:** The following shall apply to all contracts that exceed the Simplified Acquisition Threshold as defined in 48 CFR 2.101 (currently, \$150,000)

CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS (SEP 2013)

(a) This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L. 112-239) and FAR 3.908.

(b) The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.

(c) The Contractor shall insert the substance of this clause, including this paragraph (c), in all subcontracts over the simplified acquisition threshold.

19. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.

When the Contractor delegates a function to a subcontractor, the Contractor shall do the following:

- 19.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
- 19.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
- 19.3. Monitor the subcontractor's performance on an ongoing basis



- 19.4. Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
- 19.5. DHHS shall, at its discretion, review and approve all subcontracts.

If the Contractor identifies deficiencies or areas for improvement are identified, the Contractor shall take corrective action.

DEFINITIONS

As used in the Contract, the following terms shall have the following meanings:

COSTS: Shall mean those direct and indirect items of expense determined by the Department to be allowable and reimbursable in accordance with cost and accounting principles established in accordance with state and federal laws, regulations, rules and orders.

DEPARTMENT: NH Department of Health and Human Services.

FINANCIAL MANAGEMENT GUIDELINES: Shall mean that section of the Contractor Manual which is entitled "Financial Management Guidelines" and which contains the regulations governing the financial activities of contractor agencies which have contracted with the State of NH to receive funds.

PROPOSAL: If applicable, shall mean the document submitted by the Contractor on a form or forms required by the Department and containing a description of the Services to be provided to eligible individuals by the Contractor in accordance with the terms and conditions of the Contract and setting forth the total cost and sources of revenue for each service to be provided under the Contract.

UNIT: For each service that the Contractor is to provide to eligible individuals hereunder, shall mean that period of time or that specified activity determined by the Department and specified in Exhibit B of the Contract.

FEDERAL/STATE LAW: Wherever federal or state laws, regulations, rules, orders, and policies, etc. are referred to in the Contract, the said reference shall be deemed to mean all such laws, regulations, etc. as they may be amended or revised from the time to time.

CONTRACTOR MANUAL: Shall mean that document prepared by the NH Department of Administrative Services containing a compilation of all regulations promulgated pursuant to the New Hampshire Administrative Procedures Act, NH RSA Ch 541-A, for the purpose of implementing State of NH and federal regulations promulgated thereunder.

SUPPLANTING OTHER FEDERAL FUNDS: The Contractor guarantees that funds provided under this Contract will not supplant any existing federal funds available for these services.



Exhibit C-1

REVISIONS TO GENERAL PROVISIONS

1. Subparagraph 4 of the General Provisions of this contract, Conditional Nature of Agreement, is replaced as follows:
 4. **CONDITIONAL NATURE OF AGREEMENT.**

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account, in the event funds are reduced or unavailable.

2. Subparagraph 10 of the General Provisions of this contract, Termination, is amended by adding the following language:
 - 10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.
 - 10.2 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.
 - 10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.
 - 10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.
 - 10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.

3. The Department reserves the right to renew the Contract for up to two (2) additional years, subject to the continued availability of funds, satisfactory performance of services and approval by the Governor and Executive Council.



CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

**US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS**

This certification is required by the regulations implementing Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.). The January 31, 1989 regulations were amended and published as Part II of the May 25, 1990 Federal Register (pages 21681-21691), and require certification by grantees (and by inference, sub-grantees and sub-contractors), prior to award, that they will maintain a drug-free workplace. Section 3017.630(c) of the regulation provides that a grantee (and by inference, sub-grantees and sub-contractors) that is a State may elect to make one certification to the Department in each federal fiscal year in lieu of certificates for each grant during the federal fiscal year covered by the certification. The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment. Contractors using this form should send it to:

Commissioner
NH Department of Health and Human Services
129 Pleasant Street,
Concord, NH 03301-6505

1. The grantee certifies that it will or will continue to provide a drug-free workplace by:
 - 1.1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
 - 1.2. Establishing an ongoing drug-free awareness program to inform employees about
 - 1.2.1. The dangers of drug abuse in the workplace;
 - 1.2.2. The grantee's policy of maintaining a drug-free workplace;
 - 1.2.3. Any available drug counseling, rehabilitation, and employee assistance programs; and
 - 1.2.4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
 - 1.3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
 - 1.4. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will
 - 1.4.1. Abide by the terms of the statement; and
 - 1.4.2. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
 - 1.5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 1.4.2 from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency

pk
7/10/17

New Hampshire Department of Health and Human Services
Exhibit D



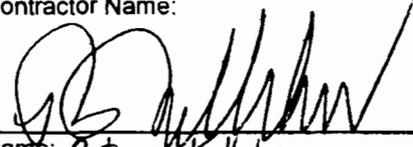
- has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- 1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted
 - 1.6.1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - 1.6.2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
 - 1.7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1.1, 1.2, 1.3, 1.4, 1.5, and 1.6.
2. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant.

Place of Performance (street address, city, county, state, zip code) (list each location)

Check if there are workplaces on file that are not identified here.

7/10/17
Date

Contractor Name:


Name: Peter W. Kelleher
Title: President & CEO



CERTIFICATION REGARDING LOBBYING

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Section 319 of Public Law 101-121, Government wide Guidance for New Restrictions on Lobbying, and 31 U.S.C. 1352, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

Programs (indicate applicable program covered):

- *Temporary Assistance to Needy Families under Title IV-A
- *Child Support Enforcement Program under Title IV-D
- *Social Services Block Grant Program under Title XX
- *Medicaid Program under Title XIX
- *Community Services Block Grant under Title VI
- *Child Care Development Block Grant under Title IV

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, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).
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 (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-I.)
3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients 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.

Contractor Name:

7/10/17
Date


Name: Peter Kellner
Title: President & CEO



**CERTIFICATION REGARDING DEBARMENT, SUSPENSION
AND OTHER RESPONSIBILITY MATTERS**

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Executive Office of the President, Executive Order 12549 and 45 CFR Part 76 regarding Debarment, Suspension, and Other Responsibility Matters, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.
6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.
7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and



information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, DHHS may terminate this transaction for cause or default.

PRIMARY COVERED TRANSACTIONS

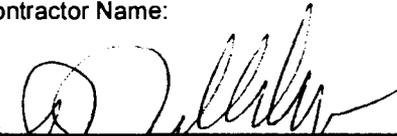
11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
 - 11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 - 11.2. have not within a three-year period preceding this proposal (contract) been convicted of or had a 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 a 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;
 - 11.3. are not presently indicted for otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (l)(b) of this certification; and
 - 11.4. have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.
12. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal (contract).

LOWER TIER COVERED TRANSACTIONS

13. By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:
 - 13.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
 - 13.2. where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).
14. The prospective lower tier participant further agrees by submitting this proposal (contract) that it will include this clause entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

Contractor Name:

7/10/17
Date


Name: Peter Kelleher
Title: President & CEO

Contractor Initials PK
Date 7/10/17



**CERTIFICATION OF COMPLIANCE WITH REQUIREMENTS PERTAINING TO
FEDERAL NONDISCRIMINATION, EQUAL TREATMENT OF FAITH-BASED ORGANIZATIONS AND
WHISTLEBLOWER PROTECTIONS**

The Contractor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

Contractor will comply, and will require any subgrantees or subcontractors to comply, with any applicable federal nondiscrimination requirements, which may include:

- the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. Section 3789d) which prohibits recipients of federal funding under this statute from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act requires certain recipients to produce an Equal Employment Opportunity Plan;
- the Juvenile Justice Delinquency Prevention Act of 2002 (42 U.S.C. Section 5672(b)) which adopts by reference, the civil rights obligations of the Safe Streets Act. Recipients of federal funding under this statute are prohibited from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act includes Equal Employment Opportunity Plan requirements;
- the Civil Rights Act of 1964 (42 U.S.C. Section 2000d, which prohibits recipients of federal financial assistance from discriminating on the basis of race, color, or national origin in any program or activity);
- the Rehabilitation Act of 1973 (29 U.S.C. Section 794), which prohibits recipients of Federal financial assistance from discriminating on the basis of disability, in regard to employment and the delivery of services or benefits, in any program or activity;
- the Americans with Disabilities Act of 1990 (42 U.S.C. Sections 12131-34), which prohibits discrimination and ensures equal opportunity for persons with disabilities in employment, State and local government services, public accommodations, commercial facilities, and transportation;
- the Education Amendments of 1972 (20 U.S.C. Sections 1681, 1683, 1685-86), which prohibits discrimination on the basis of sex in federally assisted education programs;
- the Age Discrimination Act of 1975 (42 U.S.C. Sections 6106-07), which prohibits discrimination on the basis of age in programs or activities receiving Federal financial assistance. It does not include employment discrimination;
- 28 C.F.R. pt. 31 (U.S. Department of Justice Regulations – OJJDP Grant Programs); 28 C.F.R. pt. 42 (U.S. Department of Justice Regulations – Nondiscrimination; Equal Employment Opportunity; Policies and Procedures); Executive Order No. 13279 (equal protection of the laws for faith-based and community organizations); Executive Order No. 13559, which provide fundamental principles and policy-making criteria for partnerships with faith-based and neighborhood organizations;
- 28 C.F.R. pt. 38 (U.S. Department of Justice Regulations – Equal Treatment for Faith-Based Organizations); and Whistleblower protections 41 U.S.C. §4712 and The National Defense Authorization Act (NDAA) for Fiscal Year 2013 (Pub. L. 112-239, enacted January 2, 2013) the Pilot Program for Enhancement of Contract Employee Whistleblower Protections, which protects employees against reprisal for certain whistle blowing activities in connection with federal grants and contracts.

The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment.

Exhibit G

Certification of Compliance with requirements pertaining to Federal Nondiscrimination, Equal Treatment of Faith-Based Organizations and Whistleblower protections

Contractor Initials

HW

Date

7/10/17

New Hampshire Department of Health and Human Services
Exhibit G



In the event a Federal or State court or Federal or State administrative agency makes a finding of discrimination after a due process hearing on the grounds of race, color, religion, national origin, or sex against a recipient of funds, the recipient will forward a copy of the finding to the Office for Civil Rights, to the applicable contracting agency or division within the Department of Health and Human Services, and to the Department of Health and Human Services Office of the Ombudsman.

The Contractor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this proposal (contract) the Contractor agrees to comply with the provisions indicated above.

Contractor Name:

7/10/17
Date

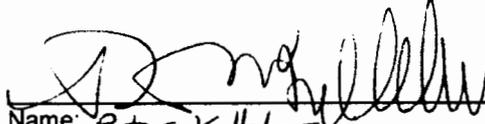

Name: Peter Kelleher
Title: President & CEO

Exhibit G

Certification of Compliance with requirements pertaining to Federal Nondiscrimination, Equal Treatment of Faith-Based Organizations and Whistleblower protections

Contractor Initials

PK

Date

7/10/17



CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

Public Law 103-227, Part C - Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1000 per day and/or the imposition of an administrative compliance order on the responsible entity.

The Contractor identified in Section 1.3 of the General Provisions agrees, by signature of the Contractor's representative as identified in Section 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this contract, the Contractor agrees to make reasonable efforts to comply with all applicable provisions of Public Law 103-227, Part C, known as the Pro-Children Act of 1994.

Contractor Name:

7/10/2017
Date

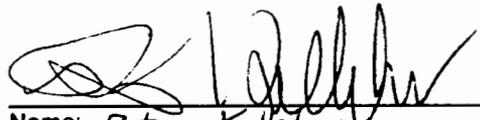

Name: Peter Kelleher
Title: President & CEO



Exhibit I

HEALTH INSURANCE PORTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

The Contractor identified in Section 1.3 of the General Provisions of the Agreement agrees to comply with the Health Insurance Portability and Accountability Act, Public Law 104-191 and with the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160 and 164 applicable to business associates. As defined herein, "Business Associate" shall mean the Contractor and subcontractors and agents of the Contractor that receive, use or have access to protected health information under this Agreement and "Covered Entity" shall mean the State of New Hampshire, Department of Health and Human Services.

(1) **Definitions.**

- a. "**Breach**" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.
- b. "**Business Associate**" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- c. "**Covered Entity**" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- d. "**Designated Record Set**" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.
- e. "**Data Aggregation**" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
- f. "**Health Care Operations**" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
- g. "**HITECH Act**" means the Health Information Technology for Economic and Clinical Health Act, Title XIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.
- h. "**HIPAA**" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164 and amendments thereto.
- i. "**Individual**" shall have the same meaning as the term "individual" in 45 CFR Section 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
- j. "**Privacy Rule**" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
- k. "**Protected Health Information**" shall have the same meaning as the term "protected health information" in 45 CFR Section 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

JK

7/10/17



Exhibit I

- i. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.103.
- m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

(2) **Business Associate Use and Disclosure of Protected Health Information.**

- a. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, Business Associate, including but not limited to all its directors, officers, employees and agents, shall not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
- b. Business Associate may use or disclose PHI:
 - I. For the proper management and administration of the Business Associate;
 - II. As required by law, pursuant to the terms set forth in paragraph d. below; or
 - III. For data aggregation purposes for the health care operations of Covered Entity.
- c. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to notify Business Associate, in accordance with the HIPAA Privacy, Security, and Breach Notification Rules of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.
- d. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business



Exhibit I

Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.

- e. If the Covered Entity notifies the Business Associate that Covered Entity has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Business Associate shall be bound by such additional restrictions and shall not disclose PHI in violation of such additional restrictions and shall abide by any additional security safeguards.

(3) Obligations and Activities of Business Associate.

- a. The Business Associate shall notify the Covered Entity's Privacy Officer immediately after the Business Associate becomes aware of any use or disclosure of protected health information not provided for by the Agreement including breaches of unsecured protected health information and/or any security incident that may have an impact on the protected health information of the Covered Entity.
- b. The Business Associate shall immediately perform a risk assessment when it becomes aware of any of the above situations. The risk assessment shall include, but not be limited to:
 - o The nature and extent of the protected health information involved, including the types of identifiers and the likelihood of re-identification;
 - o The unauthorized person used the protected health information or to whom the disclosure was made;
 - o Whether the protected health information was actually acquired or viewed
 - o The extent to which the risk to the protected health information has been mitigated.

The Business Associate shall complete the risk assessment within 48 hours of the breach and immediately report the findings of the risk assessment in writing to the Covered Entity.

- c. The Business Associate shall comply with all sections of the Privacy, Security, and Breach Notification Rule.
- d. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
- e. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section 3 (l). The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI



Exhibit I

pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard Paragraph #13 of the standard contract provisions (P-37) of this Agreement for the purpose of use and disclosure of protected health information.

- f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
- i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
- k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business



Exhibit I

Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) Obligations of Covered Entity

- a. Covered Entity shall notify Business Associate of any changes or limitation(s) in its Notice of Privacy Practices provided to individuals in accordance with 45 CFR Section 164.520, to the extent that such change or limitation may affect Business Associate's use or disclosure of PHI.
- b. Covered Entity shall promptly notify Business Associate of any changes in, or revocation of permission provided to Covered Entity by individuals whose PHI may be used or disclosed by Business Associate under this Agreement, pursuant to 45 CFR Section 164.506 or 45 CFR Section 164.508.
- c. Covered entity shall promptly notify Business Associate of any restrictions on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

(5) Termination for Cause

In addition to Paragraph 10 of the standard terms and conditions (P-37) of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit I. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(6) Miscellaneous

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.



Exhibit I

- e. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.
- f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section (3) I, the defense and indemnification provisions of section (3) e and Paragraph 13 of the standard terms and conditions (P-37), shall survive the termination of the Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Exhibit I.

Department of Health and Human Services
 The State

Katja S Fox
 Signature of Authorized Representative

Katja S Fox
 Name of Authorized Representative

Director
 Title of Authorized Representative

7/21/17
 Date

Harbor Homes, Inc.
 Name of the Contractor

[Signature]
 Signature of Authorized Representative

Peter Kelleher
 Name of Authorized Representative

President & CEO
 Title of Authorized Representative

7/10/2017
 Date



**CERTIFICATION REGARDING THE FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY
ACT (FFATA) COMPLIANCE**

The Federal Funding Accountability and Transparency Act (FFATA) requires prime awardees of individual Federal grants equal to or greater than \$25,000 and awarded on or after October 1, 2010, to report on data related to executive compensation and associated first-tier sub-grants of \$25,000 or more. If the initial award is below \$25,000 but subsequent grant modifications result in a total award equal to or over \$25,000, the award is subject to the FFATA reporting requirements, as of the date of the award.

In accordance with 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

1. Name of entity
2. Amount of award
3. Funding agency
4. NAICS code for contracts / CFDA program number for grants
5. Program source
6. Award title descriptive of the purpose of the funding action
7. Location of the entity
8. Principle place of performance
9. Unique identifier of the entity (DUNS #)
10. Total compensation and names of the top five executives if:
 - 10.1. More than 80% of annual gross revenues are from the Federal government, and those revenues are greater than \$25M annually and
 - 10.2. Compensation information is not already available through reporting to the SEC.

Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

The below named Contractor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.

Contractor Name:

7/10/2017
Date


Name: Peter Kelleher
Title: President & CEO



DHHS INFORMATION SECURITY REQUIREMENTS

1. Confidential Information: In addition to Paragraph #9 of the General Provisions (P-37) for the purpose of this RFP, the Department's Confidential information includes any and all information owned or managed by the State of NH - created, received from or on behalf of the Department of Health and Human Services (DHHS) or accessed in the course of performing contracted services - of which collection, disclosure, protection, and disposition is governed by state or federal law or regulation. This information includes, but is not limited to Personal Health Information (PHI), Personally Identifiable Information (PII), Federal Tax Information (FTI), Social Security Numbers (SSN), Payment Card Industry (PCI), and or other sensitive and confidential information.
2. The vendor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services. Minimum expectations include:
 - 2.1. Maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).
 - 2.2. Maintain appropriate authentication and access controls to contractor systems that collect, transmit, or store Department confidential information where applicable.
 - 2.3. Encrypt, at a minimum, any Department confidential data stored on portable media, e.g., laptops, USB drives, as well as when transmitted over public networks like the Internet using current industry standards and best practices for strong encryption.
 - 2.4. Ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
 - 2.5. Provide security awareness and education for its employees, contractors and sub-contractors in support of protecting Department confidential information
 - 2.6. Maintain a documented breach notification and incident response process. The vendor will contact the Department within twenty-four 24 hours to the Department's contract manager, and additional email addresses provided in this section, of a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.
 - 2.6.1. "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations. "Computer Security Incident" shall have the same meaning "Computer Security Incident" in section two (2) of NIST Publication 800-61, Computer Security Incident Handling Guide, National Institute of Standards and Technology, U.S. Department of Commerce.
Breach notifications will be sent to the following email addresses:
 - 2.6.1.1. DHHSChiefInformationOfficer@dhhs.nh.gov
 - 2.6.1.2. DHHSInformationSecurityOffice@dhhs.nh.gov
 - 2.7. If the vendor will maintain any Confidential Information on its systems (or its sub-contractor systems), the vendor will maintain a documented process for securely disposing of such data upon request or contract termination; and will obtain written certification for any State of New Hampshire data destroyed by the vendor or any subcontractors as a part of ongoing, emergency, and or disaster recovery operations. When no longer in use, electronic media containing State of New Hampshire data shall be rendered unrecoverable via a secure wipe program in accordance with industry-accepted standards for secure

**New Hampshire Department of Health and Human Services
Exhibit K**



deletion, or otherwise physically destroying the media (for example, degaussing). The vendor will document and certify in writing at time of the data destruction, and will provide written certification to the Department upon request. The written certification will include all details necessary to demonstrate data has been properly destroyed and validated. Where applicable, regulatory and professional standards for retention requirements will be jointly evaluated by the State and vendor prior to destruction.

- 2.8. If the vendor will be sub-contracting any core functions of the engagement supporting the services for State of New Hampshire, the vendor will maintain a program of an internal process or processes that defines specific security expectations, and monitoring compliance to security requirements that at a minimum match those for the vendor, including breach notification requirements.
3. The vendor will work with the Department to sign and comply with all applicable State of New Hampshire and Department system access and authorization policies and procedures, systems access forms, and computer use agreements as part of obtaining and maintaining access to any Department system(s). Agreements will be completed and signed by the vendor and any applicable sub-contractors prior to system access being authorized.
4. If the Department determines the vendor is a Business Associate pursuant to 45 CFR 160.103, the vendor will work with the Department to sign and execute a HIPAA Business Associate Agreement (BAA) with the Department and is responsible for maintaining compliance with the agreement.
5. The vendor will work with the Department at its request to complete a survey. The purpose of the survey is to enable the Department and vendor to monitor for any changes in risks, threats, and vulnerabilities that may occur over the life of the vendor engagement. The survey will be completed annually, or an alternate time frame at the Departments discretion with agreement by the vendor, or the Department may request the survey be completed when the scope of the engagement between the Department and the vendor changes. The vendor will not store, knowingly or unknowingly, any State of New Hampshire or Department data offshore or outside the boundaries of the United States unless prior express written consent is obtained from the appropriate authorized data owner or leadership member within the Department.