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STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF ECONOMIC & HOUSING STABILITY
BUREAU OF HOUSING SUPPORTS

Jeffrey A. Meyers
Commissioner

Melissa Hatfield
Director

129 PLEASANT STREET, CONCORD, NH 03301-3857
603-271-9196 1-800-852-3345 Ext. 9196
Fax: 603-271-5139 TDD Access: 1-800-735-2964 www.dhhs.nh.gov

August 29, 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 of Economic and Housing Stability, Bureau of Housing Supports to amend an existing **sole source** agreement with Harbor Homes, Inc., 77 Northeastern Boulevard, Nashua, NH 03062 (Vendor #155358-B001) for the operation and maintenance of the New Hampshire Statewide Homeless Management Information System by increasing the price limitation by \$128,768 from \$950,968 to \$1,079,736, with no change to the completion date of June 30, 2019, effective upon the date of Governor and Executive Council approval. 100% Federal Funds.

The original agreement was approved by the Governor and Executive Council on July 22, 2015 (Item #18) and was subsequently amended on June 15, 2016 (Item #7A) and May 17, 2017 (Item #13).

Funds to support this request are available in the following accounts for State Fiscal Year 2019, with the ability to adjust encumbrances between State Fiscal Years through the Budget Office, without further approval from the Governor and Executive Council, if needed and justified.

05-95-42-423010-7927 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: HUMAN SERVICES, HOMELESS & HOUSING, HOUSING- SHELTER PROGRAM

SFY	Class/Object	Class Title	Current Budget	Increase (Decrease) Amount	Revised Modified Budget
2016	102-500731	Contract for Program Services	\$109,802	\$0	\$109,802
2017	102-500731	Contract for Program Services	\$109,802	\$0	\$109,802
2018	102-500731	Contract for Program Services	\$109,802	\$0	\$109,802
2019	102-500731	Contract for Program Services	\$109,802	\$0	\$109,802
		Sub Total	\$439,208	\$0	\$439,208

05-95-092-920010-5945 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: BEHAVIORAL HEALTH DIV OF, DIV OF BEHAVIORAL HEALTH, CMH PROGRAM SUPPORT

SFY	Class/Object	Class Title	Current Budget	Increase (Decrease) Amount	Revised Modified Budget
2016	102-500731	Contract for Program Services	\$17,342	\$0	\$17,342
		Sub Total	\$17,342	\$0	\$17,342

05-95-42-423010-7927 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: HUMAN SERVICES, HOMELESS & HOUSING, HOUSING- SHELTER PROGRAM

SFY	Class/Object	Class Title	Current Budget	Increase (Decrease) Amount	Revised Modified Budget
2016	102-500731	Contract for Program Services	\$10,000	\$0	\$10,000
2017	102-500731	Contract for Program Services	\$21,000	\$0	\$21,000
2018	102-500731	Contract for Program Services	\$21,000	\$0	\$21,000
2019	102-500731	Contract for Program Services	\$21,000	\$0	\$21,000
		Sub Total	\$73,000	\$0	\$73,000

05-95-42-423010-7927 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: HUMAN SERVICES, HOMELESS & HOUSING, HOUSING- SHELTER PROGRAM

SFY	Class/Object	Class Title	Current Budget	Increase (Decrease) Amount	Revised Modified Budget
2016	102-500731	Contract for Program Services	\$128,766	\$0	\$128,766
2017	102-500731	Contract for Program Services	\$140,472	\$0	\$140,472
2018	102-500731	Contract for Program Services	\$140,474	\$0	\$140,474
2019	102-500731	Contract for Program Services	\$11,706	\$128,768	\$140,474
		Sub Total	\$421,418	\$128,768	\$550,186
		Grand Total	\$950,968	\$128,768	\$1,079,736

EXPLANATION

The original agreement was **sole source** because the U.S. Department of Housing and Urban Development (HUD) requires Homeless Management Information System (HMIS) grant funds to be utilized exclusively through a single, established, State Sponsor Agency capable of maintaining consistent statewide services. The knowledge, training, and licensing required to perform this role are specialized to the vendor such that this vendor is the only one currently capable of serving as the Sponsor Agency.

The purpose of this amendment is to add Continuum of Care (CoC) funding in order to support the operation of the New Hampshire HMIS through June 30, 2019. As the current contractor of the past eight years, Harbor Homes, Inc. has stated they will no longer provide HMIS services to the State beyond the end date of their current contract, June 30, 2019. Due to the overlapping grant start dates of the various funding sources for this contract, the 100% federal CoC funds, being added by this amendment, have been prorated to cover the eleven (11) months of the one (1) year grant term that align with the service provision time table provided by Harbor Homes, Inc. Working through the HUD-required application process, a new HMIS vendor has been identified to start on July 1, 2019.

The HMIS program has been successful in meeting the data entry and reporting needs of all New Hampshire programs engaged in the Homelessness Prevention and Rapid Re-Housing actions as defined in the U.S. Department of Housing and Urban Development Emergency Solutions Grants Program and Consolidated Plan Conforming Amendments issued December 5, 2011. Harbor Homes, Inc. will continue to strive to meet each of the required performance measures, identified in the scope of services, as has been the case during their management of this contract.

The New Hampshire Department of Information Technology (DoIT) has reviewed this proposed contract amendment, posted as DoIT #2019-001 completed June 5, 2018, and has issued a DoIT approval letter which is included with this agreement package.

The web-based HMIS is regulated through policies and procedures that all participating shelters and programs are required to follow. The policies and procedures define responsibilities by all system users in actions that include system security, local system administration, and client confidentiality. This is the only Homeless Management Information System project funded by the U.S. Department of Housing and Urban Development in New Hampshire and is consistent with the centralized, statewide, architecture developed and adopted by the New Hampshire Continuums in 2002 with the U.S. Department of Housing and Urban Development's technical assistance.

HMIS is a federal requirement for all HUD CoC grants. Per COC regulations, there are multiple reports, generated by HMIS, that must be submitted annually, including the Point-in-Time Count; Housing Inventory Count; Annual Homeless Assessment Report, and the System Performance Measures report. These reports provide concrete measures of the CoC's performance on multiple data elements. HUD sets performance expectations upon which the CoC projects are evaluated. During the annual CoC application process, overall System Performance Measures are reported and scored. Higher quality HMIS data and reporting helps increase the score, which ultimately could provide additional permanent supportive housing programs.

The web-based Homeless Management Information System provides value to the Department through improved capacity to measure the aspects of homelessness in New Hampshire, and improving the ability for local programs that assist people who are homeless to maintain eligibility for continued federal funding. Collateral project goals are to use Homeless Management Information System software to improve homeless shelter resource sharing, automated eligibility determinations, and linkages to mainstream assistance programs for New Hampshire homeless clients. An additional benefit is the improved coordination of essential services and supports that address and alleviate homelessness.

Should the Governor and Executive Council determine not to approve this request, New Hampshire homeless shelters, permanent/transitional supportive housing and outreach programs may not be able to utilize the federally mandated Homeless Management Information System and, therefore, may no longer be eligible to receive the federal funding for Permanent Supportive Housing services in New Hampshire. This situation could eliminate the operational capacity of many community programs that support homeless individuals and families and, additionally, could result in the elimination of many full-time jobs.

Source of new funds: 100% Federal from the U.S. Department of Housing and Urban Development, Continuum of Care Program, Office of Community Planning and Development, Catalog of Federal Domestic Assistance Number (CFDA) #14.267.

Area Served: Statewide.

In the event that federal funds become no longer available, general funds will not be requested to support this program.

Respectfully submitted,



Mark F. Jewell
Director, Division of Economic and Housing
Stability.



Approved by:
Jeffrey A. Meyers
Commissioner



STATE OF NEW HAMPSHIRE
DEPARTMENT OF INFORMATION TECHNOLOGY
27 Hazen Dr., Concord, NH 03301
Fax: 603-271-1516 TDD Access: 1-800-735-2964
www.nh.gov/doit

Denis Goulet
Commissioner

August 30, 2018

Jeffrey A. Meyers, Commissioner
Department of Health and Human Services
State of New Hampshire
129 Pleasant Street
Concord, NH 03301

Dear Commissioner Meyers:

This letter represents formal notification that the Department of Information Technology (DoIT) has approved your agency's request to enter into a **sole source** contract amendment with Harbor Homes, Inc., of 77 Northeaster Boulevard, Nashua, NH 03062 (Vendor #155358-B001) as described below and referenced as DoIT No. 2012-160-2C.

This is a request to enter into a sole source contract amendment to continue the operation and maintenance of the NH Statewide Homeless Management Information System serving NH homeless individuals and families. The Web based HMIS provides the ability to measure aspects of homelessness and improves the ability for local programs, assisting people who are homeless, to maintain eligibility for continued federal funding. This program has proven to successfully meet the data entry and reporting needs of all NH programs engaged in Homelessness Prevention and Rapid Re-Housing actions.

The funding amount for this amendment is \$128,768.00, increasing the current contract from \$950,968.00 to \$1,079,736.00. This amendment shall become effective upon Governor and Council approval through June 30, 2019.

A copy of this letter should accompany the Department of Health and Human Services' submission to the Governor and Executive Council for approval.

Sincerely,

Denis Goulet

DG/ik
DoIT #2012-160-2C

cc: Bruce Smith, IT Manager, DoIT



**State of New Hampshire
Department of Health and Human Services
Amendment #3 to the State Grant in Aid, Bureau of Behavioral Health - Projects for Assistance
in Transition from Homelessness, Emergency Solutions Grant, Continuum of Care Program,
Homeless Management Information System Contract**

This third Amendment to the State Grant in Aid, Bureau of Behavioral Health - Projects for Assistance in Transition from Homelessness, Emergency Solutions Grant, Continuum of Care Program, Homeless Management Information System Contract, (hereinafter referred to as "Amendment #3") dated this 21st day of August 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 nonprofit corporation with a place of business located at 77 Northeastern Boulevard, Nashua, NH 03062.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on July 22, 2015, Item #18, and subsequent amendments on June 15, 2016 (Item #7A) and May 17, 2017 (Item #13), 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 Form P-37, General Provisions, Paragraph 18, the State may modify the scope of work and the payment schedule of the contract upon written agreement of the parties and approval from the Governor and Executive Council; and

WHEREAS the parties agree to modify the scope of services and increase the contract price limitation to support continued delivery of these services; and

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 to amend as follows:

1. Form P-37, General Provisions, Block 1.4, Contractor Address, to read:
77 Northeastern Boulevard, Nashua, NH 03062.
2. Form P-37, General Provisions, Block 1.8, Price Limitation, to read:
\$1,079,736.
3. Form P-37, General Provisions, Block 1.9, Contracting Officer for State Agency, to read:
E. Maria Reinemann, Esq., Director, Bureau of Contracts and Procurement.
4. Form P-37, General Provisions, Block 1.10, State Agency Telephone Number, to read:
(603) 271-9330.
5. Delete Exhibit A, Scope of Services in its entirety and replace with Exhibit A- Amendment #3.
6. Delete Exhibit B – Amendment #1, Method and Conditions Precedent to Payment in its entirety.
7. Delete Exhibit B – Amendment #2, Method and Conditions Precedent to Payment in its entirety.

New Hampshire Department of Health and Human Services
State Grant in Aid, Bureau of Behavioral Health - Projects for Assistance in Transition, Homelessness, Emergency Solutions Grant, Continuum of Care Program,
Homeless Management Information System Contract



- 8. Add Exhibit B Amendment #3
- 9. Delete Exhibit B-1 Amendment #1 Expense Budget Detail for State Fiscal Years 2016, 2017 & 2018 in its entirety.
- 10. Delete Exhibit B-1 – Amendment #2, Expense Budget Detail for State Fiscal Years 2018 & 2019 in its entirety.
- 11. Add Exhibit B-1 Amendment #3
- 12. Add Exhibit K, DHHS Information Security Requirements, V4, 04.04.2018.

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

8/29/18
Date

[Signature]
Name: MARK JEWELL
Title: DIRECTOR, DEHS

Harbor Homes, Inc.

8/27/18
Date

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

Acknowledgement of Contractor's signature:

State of New Hampshire, County of Hillsborough on 8/27/18, before the undersigned officer, personally appeared the person identified 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 Notary Public or Justice of the Peace

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

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

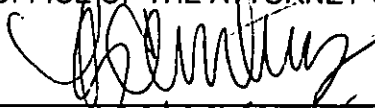
**New Hampshire Department of Health and Human Services
State Grant in Aid, Bureau of Behavioral Health - Projects for Assistance in Transition
Homelessness, Emergency Solutions Grant, Continuum of Care Program,
Homeless Management Information System Contract**



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

OFFICE OF THE ATTORNEY GENERAL

8/30/18
Date


Name: Lindsay Courtney
Title: Attorney

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

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:



Exhibit A- Amendment #3

SCOPE OF SERVICES

Homeless Management Information System (HMIS)

1. Provisions Applicable to All Services:

- 1.1. Except as otherwise modified in paragraphs of Exhibit A, the Contractor agrees to comply with the program narrative, budget detail and narrative, and amendments thereto, for the Homeless Management Information System (HMIS) as approved by the U.S. Department of Housing and Urban Development (HUD) and by the New Hampshire Bureau of Housing Supports (BHS), Office of Human Services, Department of Health and Human Services (DHHS), hereafter referred to as the State and any federal requirements applicable to HMIS under the Continuum of Care or Emergency Solutions Grant (ESG) programs, or other federal programs requiring HMIS participation.
- 1.2. Notwithstanding any provisions of this Agreement to the contrary, all obligations of the State relative to the Continuum of Care (CoC) Program are contingent upon receipt of federal funds under the CoC Grant. The State has applied for the CoC Grant and will continue to perform due diligence in the application process. However, the State makes no representation that it will receive the funds. In no event shall the State be liable for costs incurred or payment of any services performed by the Contractor prior to the State's receipt of federal funds applied for in the CoC Grant.
- 1.3. 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.
- 1.4. For the purposes of this agreement, the Department has identified Harbor Homes, Inc. as a "Contractor" in accordance with 2 CFR 200.0. *et seq.*

2. Scope of Services:

- 2.1. Based on the continued receipt/availability of federal and State funds, the Contractor shall utilize funds, as defined in Exhibit B, from the HUD CoC Program, and Emergency Solutions Grant and State Grant in Aid (SGIA) Programs to implement and maintain the HMIS final data and technical standards in a statewide HMIS system.
- 2.2. The Contractor shall maintain a single statewide HMIS, as designated by the State. The Contractor shall ensure that the HMIS is an accurate resource for information that includes, but is not limited to, fulfillment of federal and state reporting requirements on homelessness, including unduplicated counts of people served, use of services, Coordinated Entry, and the effectiveness of local homeless assistance systems.
- 2.3. The Contractor shall provide and coordinate adequate staffing levels, roles and responsibilities and financial resources needed to support the quality, technical capacity, accessibility and function of the HMIS system.
- 2.4. As the HMIS Lead Organization, the Contractor shall comply with the terms and conditions as established in the New Hampshire HMIS Governance Model, Revision E, dated June 2018. This includes, but is not limited to:

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Exhibit A- Amendment #3

- 2.4.1. The review and monitoring of the guidelines and procedures of HMIS security and confidentiality;
 - 2.4.2. Planning and Software Selection: HMIS Planning and Strategic Activities, HMIS Program Milestones Development, Universal Data Elements, Project-Specific Data Elements, Unduplicated Client Records, APR & CAPER Reporting, HMIS Reports;
 - 2.4.3. HMIS Management and Operations – Governance and Management: HMIS Governance Structure, HMIS Technical Support, HMIS Software Technical Support, HMIS IT Issue Tracking, HMIS IT Issue Monitoring (Community Level), HMIS Staff Organization Chart, HMIS Software Training, HMIS User Feedback, System Operation and Maintenance;
 - 2.4.4. HMIS Management and Operations – Compliance Monitoring: HMIS Management Issues, HMIS Program Milestone Monitoring, Agency and Program HMIS Participation, Participation in NOFA, LSA, and System Performance Measures, Client Acknowledgement, Data and System Security;
 - 2.4.5. HMIS Management and Operations – Data Quality: Data Quality Standards, Universal Data Elements, Project-Specific Data Elements, Data Quality Reports (regularly runs and provides to participating programs), Data Quality Reports to the Community Planning Entity, Data Quality Reports compared to data standards; and
 - 2.4.6. HMIS Policy Development and Oversight: Client Confidentiality and Privacy Training, COC System Performance Measurement Training, COC Community Planning Goals and Objectives Training, Business Practices Training, Program Funding Training and Orientation, Participating Agency Documentation, Participation Rates, Policies and Procedures, Agency Participation Agreements, Data Sharing Agreements, HMIS End-User Agreements, Client Acknowledgement, Data Release.
- 2.5. The Contractor shall maintain the HMIS problem tracking system through June 30, 2019 and collaborate with the HMIS software contractor to support installation, upgrades, and software problems.
 - 2.6. The Contractor shall ensure that accurate and timely data are entered into New Hampshire's HMIS by providing participating agencies of NH-HMIS with support that includes, but is not limited to:
 - 2.6.1. Software access;
 - 2.6.2. Technical and reporting assistance;
 - 2.6.3. Training;
 - 2.6.4. Policy guidance; and
 - 2.6.5. Security assessments.
 - 2.7. The Contractor shall provide a comprehensive monitoring and data validation process for all participating agencies, and will report results of those processes to the State as requested.

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8/27/18



Exhibit A- Amendment #3

- 2.8. The Contractor shall pursue any and all appropriate public sources of funds that are applicable to the funding of the services, operations, prevention, acquisition, or rehabilitation. Appropriate records shall be maintained by the Contractor and made available for review by the State to document actual funds received or denials of funding from such public sources of funds.
- 3. Program Reporting Requirements**
- 3.1. The Contractor shall provide report information data no less than seven (7) days prior to the required date of submission to HUD to allow time for review by the CoC or by BHS administrative staff, by service modality that includes, but is not limited to:
- 3.1.1. HMIS Annual Progress Reports for each NH Continuum of Care (CoC), as required by the U.S. Department of Housing and Urban Development (HUD);
 - 3.1.2. HMIS data necessary for the Annual Point-in-Time Count, as required by HUD;
 - 3.1.3. Annual Homeless Assessment Report for each CoC, as defined by HUD;
 - 3.1.4. HMIS data required for successful completion of funding applications by each CoC, as specified in the HUD Notice of Funding Availability; and
 - 3.1.5. Annual Reports for Projects for Assistance in Transition from Homelessness per SAMHSA/PATH requirements.
 - 3.1.6. Annual System Performance Measures as required by HUD.
- 3.2. Failure to submit above reports in agreed upon timelines will result in the delay or withholding of reimbursements until such reports are received in a manner that is consistent with the requirements of the State.
- 3.3. The Contractor shall cooperate fully with and answer all questions, pertaining to this contract, of representatives of the State or Federal agencies who may conduct a periodic review of performance or an inspection of records.
- 4. Data Security:**
- 4.1. The Contractor shall be strictly prohibited from releasing or using data or information obtained in its capacity as a collector and processor of the data for any purposes other than those specifically authorized by DHHS.
 - 4.2. The Contract must comply with all provisions in the NH-HMIS Policy and Procedures Manual.
 - 4.3. The Contractor shall provide confirmation of a biannual security assessment of HMIS software, performed by an independent third-party security Contractor, to verify that the environment containing the Contractor's project data is secure. Broader Contractor-wide assessments that include the project's systems are acceptable. The Contractor shall provide confirmation of this assessment to DHHS.
- 5. Contract Administration**
- 5.1. The Contractor shall have appropriate levels of staff to attend all meetings or trainings requested by BHS, including training in data security and confidentiality, according to state and federal laws. To the extent possible, BHS shall notify the

[Handwritten Signature]
[Handwritten Date: 8/27/18]



Exhibit A- Amendment #3

- Contractor of the need to attend such meetings five (5) working days in advance of each meeting.
- 5.2. The Bureau Administrator of BHS or designee may observe performance, activities and documents under this Agreement. The Contractor shall inform BHS of any staffing changes within thirty (30) days of the change.
 - 5.3. Contract records shall be retained for a period of five (5) years, or as required by applicable state and federal laws, following completion of the contract and receipt of final payment by the Contractor, or until an audit is completed and all questions arising there from are resolved, whichever is later.
 - 5.4. During the time period of sixty (60) days prior to the expiration of this Contract, the Contractor shall provide the State with all information necessary to transition the Housing Management Information System to a new Contractor, including but not limited to reports and data.

JA

5/27/18



Exhibit B – Amendment #3

Method and Conditions Precedent to Payment

1. Homeless Management Information System (HMIS):

1.1. Subject to the General Provisions of this Agreement and in consideration of the satisfactory completion of the services to be performed under this Agreement pursuant to Exhibit A, Scope of Services, the State agrees to pay the Contractor an amount not to exceed Form P-37, Block 1.8, Price Limitation and for the time period specified below.

1.2. This contract is funded by the New Hampshire General Fund and/or by federal funds made available under the Catalog of Federal Domestic Assistance (CFDA), as follows:

1.2.1. NH General Funds

Program Title: State Grant in Aid (SGIA), HMIS
Total Amount HMIS not to exceed **Sub Total:** **\$109,802;**
July 1, 2018 – June 30, 2019 not to exceed: \$109,802

1.2.2. Federal Funds

CFDA #: 14.231
Federal Agency: U.S. Department of Housing & Urban Development (HUD)
Program Title: Emergency Solutions Grant Program (ESG), HMIS
Total Amount HMIS not to exceed **Sub Total:** **\$21,000;**
July 1, 2018 – June 30, 2019 not to exceed: \$21,000

1.2.3. Federal Funds

CFDA #: 14.267
Federal Agency: HUD
Program Title: Continuum of Care Program (CoC), HMIS
Total Amount HMIS not to exceed **Sub Total:** **\$128,768;**
August 1, 2018 – June 30, 2019: not to exceed \$128,768
Funds allocation under this agreement for CoC, HMIS, Manchester:
HMIS: \$46,129
Administrative costs: \$1,495
Total program amount: \$47,624
Funds allocation under this agreement for CoC, HMIS, Nashua:
HMIS: \$11,156
Administrative costs: \$279
Total program amount: \$11,435
Funds allocation under this agreement for CoC, HMIS, Balance of State:
HMIS: \$67,922
Administrative costs: \$1,787
Total program amount: \$69,709

1.2.4. **Total amount HMIS not to exceed Grand Total:** **\$259,570**

PPH
8/27/18



Exhibit B – Amendment #3

- 1.3. The Contractor agrees to provide the services in Exhibit A, Scope of Service in compliance with funding requirements. Failure to meet the scope of services may jeopardize the funded Contractor's current and/or future funding.
- 2.1. **Reports:** As part of the performance of the Project Activities, the Contractor covenants and agrees to submit the following:
 - 2.1.1. **Audited Financial Report:** The Audited Financial Report shall be prepared in accordance with 2 CFR part 200 which can be accessed at:
https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl
Three (3) copies of the audited financial report shall be submitted within thirty (30) days of the completion of said report to the State at the following address:
NH DHHS
Bureau of Housing Supports
129 Pleasant Street
Concord, NH 03301
- 2.2. Where the Contractor is not subject to the requirements of 2 CFR part 200, within ninety (90) days after the Completion or Termination Date, one copy of an audited financial report shall be submitted to the State. Said audit shall be conducted utilizing the guidelines set forth in "Standards for Audit of Governmental Organizations, Program Activities, and Functions" by the Comptroller General of the United States.

2. Project Costs; Payment of Project Costs; Review by the State:

- 3.1. **Project Costs:** As used in this Agreement, the term "Project Costs" shall mean all expenses directly or indirectly incurred by the Contractor in the performance of the Project Activities, as determined by the State to be eligible and allowable for payment in accordance with Public Law 102-550 as well as allowable cost standards set forth in 2 CFR part 200 as revised from time to time and with the rules, regulations, and guidelines established by the State. Nonprofit subcontractors shall meet the requirements of 2 CFR part 200.
- 3.2. **Payment of Project Costs:** Subject to the General Provisions of this Agreement and in consideration of the satisfactory completion of the services to be performed under this Agreement in accordance with the Continuum of Care Program Regulations, published at 24 CFR Part 578, the State agrees to provide payment on a cost reimbursement basis for actual, eligible expenditures incurred in the fulfillment of this agreement. Eligible expenditures shall be in accordance with the approved line item not to exceed an amount as specified in this Exhibit, and defined by HUD under the provisions of P.L. 102-550 and other applicable regulations.
- 3.3. **Matching Requirements:** The Contractor must match all grant funds, except for leasing funds, with no less than twenty five (25) percent of funds or in-kind contributions from other sources for ESG & COC. For Continuum of Care geographic areas in which there is more than one grant agreement, the twenty five (25) percent match must be provided on a grant-by-grant basis. SGIA funds require a one-hundred (100) percent contractor match of funds or in-kind contributions from other sources. Contractors that are a Unified Funding Agency (UFA) or are the sole recipient for their Continuum may provide match on a Continuum-wide basis. Cash match must be used for the costs of activities that are eligible under subpart D of 24 CFR 578., except that High-Performing Communities (HPCs) may use such match for the costs of activities that are eligible under 24 CFR 578.71.

[Signature]
8/27/18



Exhibit B – Amendment #3

- 3.3.1. Cash sources. Notwithstanding 2 CFR 200.306(b)(5), the Contractor may use funds from any source, including any other federal sources (excluding Continuum of Care program funds), as well as State, local, and private sources, provided that funds from the source are not statutorily prohibited to be used as a match. The recipient must ensure that any funds used to satisfy the matching requirements of this section are eligible under the laws governing the funds in order to be used as matching funds for a grant awarded under this program.
- 3.3.2. In-kind Contributions:
- 3.3.2.1. The Contractor may use the value of any real property, equipment, goods, or services contributed to the project as match, provided that if the recipient or subrecipient had to pay for them with grant funds, the costs would have been eligible under Subpart D, or, in the case of HPCs, eligible under 24 CFR 578.71.
- 3.3.2.2. The requirements of 2 CFR 200.306, with the exception of 2 CFR 200.306(b)(5) apply.
- 3.4. Schedule of Payments: Reimbursement requests for all Project Costs shall be submitted by the 15th of each month for the previous month and accompanied by an invoice from the Contractor for the amount of each requested disbursement along with a payment request form as designated by the State, which shall be completed and signed by the Contractor. The Contractor agrees to keep records of their activities related to Department programs and services, and shall provide additional financial information if requested by the State to verify expenses. Invoices shall be submitted promptly to the address listed above in section 2.1.1. Exhibit B.
- 3.5. Review of the State Disallowance of Costs: At any time during the performance of the Services, and upon receipt of the Annual Performance Report, Termination Report or Audited Financial Report, the State may review all Project Costs incurred by the Contractor and all payments made to date. Upon such review, the State shall disallow any items of expenses that are not determined to be allowable or are determined to be in excess of actual expenditures, and shall, by written notice specifying the disallowed expenditures, informing the Contractor of any such disallowance. If the State disallows costs for which payment has not yet been made, it shall refuse to pay such costs. Any amounts awarded to the Contractor pursuant to this agreement are subject to recapture. The funds authorized to be expended under this Agreement shall be used only for services of the Homeless Management Information System Project and administration provided by the Contractor for the project period and operating years of the Continuum of Care Program as approved by HUD and in accordance with the Continuum of Care Program Regulations, published at 24 CFR Part 578.
- 3.6. Payments may be withheld pending receipt of required reports or documentation as identified in Exhibit A, Scope of Services and in this Exhibit B.

3. Use Of Grant Funds:

- 4.1 Notwithstanding paragraph 18 of the General Provisions P-37, changes limited to adjusting amounts between budget line items, related items, amendments of related budget exhibits within the price limitation, and to adjusting encumbrances between State Fiscal Years, may be made by written agreement of both parties and may be made without obtaining approval of the Governor and Executive Council if needed and justified.
- 4.2 Conformance to 2 CFR part 200: Grant funds are to be used only in accordance with procedures, requirements, and principles specified in 2 CFR part 200.

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4. Contractor Financial Management System:

- 5.1 Fiscal Control: The Contractor shall establish fiscal control and fund accounting procedures which assure proper disbursement of, and accounting for, grant funds and any required nonfederal expenditures. This responsibility applies to funds disbursed in direct operations of the Contractor.
- 5.2 The Contractor shall maintain a financial management system that complies with 2 CFR part 200 or such equivalent system as the State may require.

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Exhibit B-1 – Amendment #3

Expense Budget Detail For State Fiscal Year 2019

State Fiscal Year 2019					
Expense Item	Federal Funds	State Grant in Aid Funds	Bureau of Behavioral Health	Total State Fiscal Year Budget	Vendor Match
State Grant in Aid	\$0.00	109,802	\$0.00	\$109,802	\$109,802
Bureau of Behavioral Health (PATH)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Emergency Solutions Grant	\$21,000	\$0.00	\$0.00	\$21,000	\$5,250
Continuum of Care	\$128,768	\$0.00	\$0.00	\$128,768	\$32,192
Total	\$149,768	\$109,802	\$0.00	\$259,570	\$147,244

Harbor Homes, Inc

SS-2019-BHHS-02-HMIS

Exhibit B-1 Amendment #3

Contractor Initials: PA

Date: 5/27/18

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



A. Definitions

The following terms may be reflected and have the described meaning in this document:

1. "Breach" means the loss of control, compromise, unauthorized disclosure, unauthorized acquisition, unauthorized access, or any similar term referring to situations where persons other than authorized users and for an other than authorized purpose have access or potential access to personally identifiable information, whether physical or electronic. With regard to Protected Health Information, "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.
2. "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.
3. "Confidential Information" or "Confidential Data" means all confidential information disclosed by one party to the other such as all medical, health, financial, public assistance benefits and personal information including without limitation, Substance Abuse Treatment Records, Case Records, Protected Health Information and Personally Identifiable Information.

Confidential Information also 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 Protected Health Information (PHI), Personal Information (PI), Personal Financial Information (PFI), Federal Tax Information (FTI), Social Security Numbers (SSN), Payment Card Industry (PCI), and or other sensitive and confidential information.

4. "End User" means any person or entity (e.g., contractor, contractor's employee, business associate, subcontractor, other downstream user, etc.) that receives DHHS data or derivative data in accordance with the terms of this Contract.
5. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder.
6. "Incident" means an act that potentially violates an explicit or implied security policy, which includes attempts (either failed or successful) to gain unauthorized access to a system or its data, unwanted disruption or denial of service, the unauthorized use of a system for the processing or storage of data; and changes to system hardware, firmware, or software characteristics without the owner's knowledge, instruction, or consent. Incidents include the loss of data through theft or device misplacement, loss or misplacement of hardcopy documents, and misrouting of physical or electronic

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8/27/18

DHHS Information Security Requirements



mail, all of which may have the potential to put the data at risk of unauthorized access, use, disclosure, modification or destruction.

7. "Open Wireless Network" means any network or segment of a network that is not designated by the State of New Hampshire's Department of Information Technology or delegate as a protected network (designed, tested, and approved, by means of the State, to transmit) will be considered an open network and not adequately secure for the transmission of unencrypted PI, PFI, PHI or confidential DHHS data.
8. "Personal Information" (or "PI") means information which can be used to distinguish or trace an individual's identity, such as their name, social security number, personal information as defined in New Hampshire RSA 359-C:19, biometric records, etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden-name, etc.
9. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
10. "Protected Health Information" (or "PHI") has the same meaning as provided in the definition of "Protected Health Information" in the HIPAA Privacy Rule at 45 C.F.R. § 160.103.
11. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. Part 164, Subpart C, and amendments thereto.
12. "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.

I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR

A. Business Use and Disclosure of Confidential Information.

1. The Contractor must not use, disclose, maintain or transmit Confidential Information except as reasonably necessary as outlined under this Contract. Further, Contractor, including but not limited to all its directors, officers, employees and agents, must not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
2. The Contractor must not disclose any Confidential Information in response to a

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[Handwritten Date: 8/27/18]

DHHS Information Security Requirements



request for disclosure on the basis that it is required by law, in response to a subpoena, etc., without first notifying DHHS so that DHHS has an opportunity to consent or object to the disclosure.

3. If DHHS notifies the Contractor that DHHS 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 Contractor must be bound by such additional restrictions and must not disclose PHI in violation of such additional restrictions and must abide by any additional security safeguards.
4. The Contractor agrees that DHHS Data or derivative there from disclosed to an End User must only be used pursuant to the terms of this Contract.
5. The Contractor agrees DHHS Data obtained under this Contract may not be used for any other purposes that are not indicated in this Contract.
6. The Contractor agrees to grant access to the data to the authorized representatives of DHHS for the purpose of inspecting to confirm compliance with the terms of this Contract.

II. METHODS OF SECURE TRANSMISSION OF DATA

1. Application Encryption. If End User is transmitting DHHS data containing Confidential Data between applications, the Contractor attests the applications have been evaluated by an expert knowledgeable in cyber security and that said application's encryption capabilities ensure secure transmission via the internet.
2. Computer Disks and Portable Storage Devices. End User may not use computer disks or portable storage devices, such as a thumb drive, as a method of transmitting DHHS data.
3. Encrypted Email. End User may only employ email to transmit Confidential Data if email is encrypted and being sent to and being received by email addresses of persons authorized to receive such information.
4. Encrypted Web Site. If End User is employing the Web to transmit Confidential Data, the secure socket layers (SSL) must be used and the web site must be secure. SSL encrypts data transmitted via a Web site.
5. File Hosting Services, also known as File Sharing Sites. End User may not use file hosting services, such as Dropbox or Google Cloud Storage, to transmit Confidential Data.
6. Ground Mail Service. End User may only transmit Confidential Data via *certified* ground mail within the continental U.S. and when sent to a named individual.
7. Laptops and PDA. If End User is employing portable devices to transmit Confidential Data said devices must be encrypted and password-protected.
8. Open Wireless Networks. End User may not transmit Confidential Data via an open

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DHHS Information Security Requirements



wireless network. End User must employ a virtual private network (VPN) when remotely transmitting via an open wireless network.

9. Remote User Communication. If End User is employing remote communication to access or transmit Confidential Data, a virtual private network (VPN) must be installed on the End User's mobile device(s) or laptop from which information will be transmitted or accessed.
10. SSH File Transfer Protocol (SFTP), also known as Secure File Transfer Protocol. If End User is employing an SFTP to transmit Confidential Data, End User will structure the Folder and access privileges to prevent inappropriate disclosure of information. SFTP folders and sub-folders used for transmitting Confidential Data will be coded for 24-hour auto-deletion cycle (i.e. Confidential Data will be deleted every 24 hours).
11. Wireless Devices. If End User is transmitting Confidential Data via wireless devices, all data must be encrypted to prevent inappropriate disclosure of information.

III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

The Contractor will only retain the data and any derivative of the data for the duration of this Contract. After such time, the Contractor will have 30 days to destroy the data and any derivative in whatever form it may exist, unless, otherwise required by law or permitted under this Contract. To this end, the parties must:

A. Retention

1. The Contractor agrees it will not store, transfer or process data collected in connection with the services rendered under this Contract outside of the United States. This physical location requirement shall also apply in the implementation of cloud computing, cloud service or cloud storage capabilities, and includes backup data and Disaster Recovery locations.
2. The Contractor agrees to 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.
3. The Contractor agrees to provide security awareness and education for its End Users in support of protecting Department confidential information.
4. The Contractor agrees to retain all electronic and hard copies of Confidential Data in a secure location and identified in section IV. A.2
5. The Contractor agrees Confidential Data stored in a Cloud must be in a FedRAMP/HITECH compliant solution and comply with all applicable statutes and regulations regarding the privacy and security. All servers and devices must have currently-supported and hardened operating systems; the latest anti-viral, anti-hacker, anti-spam, anti-spyware, and anti-malware utilities. The environment, as a

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DHHS Information Security Requirements



whole, must have aggressive intrusion-detection and firewall protection.

6. The Contractor agrees to and ensures its complete cooperation with the State's Chief Information Officer in the detection of any security vulnerability of the hosting infrastructure.

B. Disposition

1. If the Contractor will maintain any Confidential Information on its systems (or its sub-contractor systems), the Contractor 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 Contractor 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 deletion and media sanitization, or otherwise physically destroying the media (for example, degaussing) as described in NIST Special Publication 800-88, Rev 1, Guidelines for Media Sanitization, National Institute of Standards and Technology, U. S. Department of Commerce. The Contractor 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 Contractor prior to destruction.
2. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to destroy all hard copies of Confidential Data using a secure method such as shredding.
3. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to completely destroy all electronic Confidential Data by means of data erasure, also known as secure data wiping.

IV. PROCEDURES FOR SECURITY

A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:

1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.
2. The Contractor will 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.).

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DHHS Information Security Requirements



3. The Contractor will maintain appropriate authentication and access controls to contractor systems that collect, transmit, or store Department confidential information where applicable.
4. The Contractor will 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.
5. The Contractor will provide regular security awareness and education for its End Users in support of protecting Department confidential information.
6. If the Contractor will be sub-contracting any core functions of the engagement supporting the services for State of New Hampshire, the Contractor 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 Contractor, including breach notification requirements.
7. The Contractor 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 Contractor and any applicable sub-contractors prior to system access being authorized.
8. If the Department determines the Contractor is a Business Associate pursuant to 45 CFR 160.103, the Contractor will execute a HIPAA Business Associate Agreement (BAA) with the Department and is responsible for maintaining compliance with the agreement.
9. The Contractor will work with the Department at its request to complete a System Management Survey. The purpose of the survey is to enable the Department and Contractor to monitor for any changes in risks, threats, and vulnerabilities that may occur over the life of the Contractor engagement. The survey will be completed annually, or an alternate time frame at the Departments discretion with agreement by the Contractor, or the Department may request the survey be completed when the scope of the engagement between the Department and the Contractor changes.
10. The Contractor 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 Information Security Office leadership member within the Department.
11. Data Security Breach Liability. In the event of any security breach Contractor shall make efforts to investigate the causes of the breach, promptly take measures to prevent future breach and minimize any damage or loss resulting from the breach. The State shall recover from the Contractor all costs of response and recovery from

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the breach, including but not limited to: credit monitoring services, mailing costs and costs associated with website and telephone call center services necessary due to the breach.

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.
13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at <https://www.nh.gov/doi/vendor/index.htm> for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.
14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer, and additional email addresses provided in this section, of any security breach within two (2) hours of the time that the Contractor learns of its occurrence. This includes 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.
15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.
16. The Contractor must ensure that all End Users:
 - a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.
 - b. safeguard this information at all times.
 - c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.
 - d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.

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DHHS Information Security Requirements



- e. limit disclosure of the Confidential Information to the extent permitted by law.
- f. Confidential Information received under this Contract and individually identifiable data derived from DHHS Data, must be stored in an area that is physically and technologically secure from access by unauthorized persons during duty hours as well as non-duty hours (e.g., door locks, card keys, biometric identifiers, etc.).
- g. only authorized End Users may transmit the Confidential Data, including any derivative files containing personally identifiable information, and in all cases, such data must be encrypted at all times when in transit; at rest, or when stored on portable media as required in section IV above.
- h. in all other instances Confidential Data must be maintained, used and disclosed using appropriate safeguards, as determined by a risk-based assessment of the circumstances involved.
- i. understand that their user credentials (user name and password) must not be shared with anyone. End Users will keep their credential information secure. This applies to credentials used to access the site directly or indirectly through a third party application.

Contractor is responsible for oversight and compliance of their End Users. DHHS reserves the right to conduct onsite inspections to monitor compliance with this Contract, including the privacy and security requirements provided in herein, HIPAA, and other applicable laws and Federal regulations until such time the Confidential Data is disposed of in accordance with this Contract.

V. LOSS REPORTING

The Contractor must notify the State's Privacy Officer, Information Security Office and Program Manager of any Security Incidents and Breaches within two (2) hours of the time that the Contractor learns of their occurrence.

The Contractor must further handle and report Incidents and Breaches involving PHI in accordance with the agency's documented Incident Handling and Breach Notification procedures and in accordance with 42 C.F.R. §§ 431.300 - 306. In addition to, and notwithstanding, Contractor's compliance with all applicable obligations and procedures, Contractor's procedures must also address how the Contractor will:

1. Identify Incidents;
2. Determine if personally identifiable information is involved in Incidents;
3. Report suspected or confirmed Incidents as required in this Exhibit or P-37;
4. Identify and convene a core response group to determine the risk level of Incidents and determine risk-based responses to Incidents; and

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8/27/18



5. Determine whether Breach notification is required, and, if so, identify appropriate Breach notification methods, timing, source, and contents from among different options, and bear costs associated with the Breach notice as well as any mitigation measures.

Incidents and/or Breaches that implicate PI must be addressed and reported, as applicable, in accordance with NH RSA 359-C:20.

VI. PERSONS TO CONTACT

- A. DHHS contact for Data Management or Data Exchange issues:

DHHSInformationSecurityOffice@dhhs.nh.gov

- B. DHHS contacts for Privacy issues:

DHHSPrivacyOfficer@dhhs.nh.gov

- C. DHHS contact for Information Security issues:

DHHSInformationSecurityOffice@dhhs.nh.gov

- D. DHHS contact for Breach notifications:

DHHSInformationSecurityOffice@dhhs.nh.gov

DHHSPrivacy.Officer@dhhs.nh.gov

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8/27/18

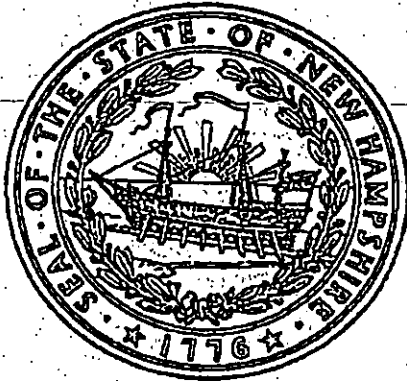
State of New Hampshire
Department of State

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

Certificate Number : 0004097603



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed

the Seal of the State of New Hampshire,

this 14th day of May A.D. 2018.

A handwritten signature in cursive script, appearing to read "Wm Gardner".

William M. Gardner

Secretary of State

CERTIFICATE OF VOTE

I, David Aponovich, Treasurer, 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 8/27/18:
(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 27th day of August, 2018.
(Date Contract Signed)

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

of the Agency.

[Signature]
(Signature of the Elected Officer)

STATE OF NEW HAMPSHIRE
County of Hillsborough

The forgoing instrument was acknowledged before me this 27th day of Aug, 2018

By David Aponovich
(Name of Elected Officer of the Agency)

[Signature]
(Notary Public/Justice of the Peace)

(NOTARY SEAL)

PAMELA M. CHERIES, Notary Public
My Commission Expires September 18, 2018

Commission Expires: _____



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

6/19/2018

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	
INSURED Harbor Homes, Inc 77 Northeastern Boulevard Nashua NH 03062		INSURER(S) AFFORDING COVERAGE INSURER A: Hanover Insurance INSURER B: Philadelphia Insurance Companies INSURER C: Great Falls Insurance Co INSURER D: Selective Insurance Group INSURER E: INSURER F:	

COVERAGES

CERTIFICATE NUMBER: 1778833457

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 ISUR	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
D	<input checked="" type="checkbox"/> 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 checked="" type="checkbox"/> LOC OTHER:	Y	52286207	7/1/2018	7/1/2019	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$1,000,000 MED EXP (Any one person) \$20,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$3,000,000 PRODUCTS - COMPROP AGG \$3,000,000 \$
D	AUTOMOBILE LIABILITY <input type="checkbox"/> 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	7/1/2018	7/1/2019	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
D	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$		306873	7/1/2018	7/1/2019	EACH OCCURRENCE \$10,000,000 AGGREGATE \$10,000,000 \$
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	WCD0836040018	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		LTYA966006 PHSD1258480 52286207	7/1/2018 7/1/2018 7/1/2018	7/1/2019 7/1/2019 7/1/2019	Professional "Gap" D&O Employee Dishonesty \$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
 Southern New Hampshire HIV/AIDS Task Force - FID# 020447280
 Welcoming Light, Inc. - FID# 020481648
 See Attached...

CERTIFICATE HOLDER**CANCELLATION**

Department of Health & 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

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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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	417,365	(417,365)	-	-
Total Public Support	<u>10,731,480</u>	<u>182,041</u>	<u>10,913,521</u>	<u>7,089,321</u>
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)	25,508	-	25,508	(5,792)
Total Revenue	<u>11,122,632</u>	<u>-</u>	<u>11,122,632</u>	<u>9,418,507</u>
Total Public Support and Revenue	<u>21,854,112</u>	<u>182,041</u>	<u>22,036,153</u>	<u>16,507,828</u>
Expenses:				
Program	20,070,879	-	20,070,879	15,156,854
Administration	2,032,507	-	2,032,507	2,107,947
Fundraising	532,465	-	532,465	264,974
Total Expenses	<u>22,635,851</u>	<u>-</u>	<u>22,635,851</u>	<u>17,529,775</u>
Legal settlement, net (see Note 22)	-	-	-	1,119,434
Debt forgiveness	-	-	-	98,087
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	94,108	2,298	1,135	97,541	83,412
Total Expenses	<u>19,117,691</u>	<u>1,945,693</u>	<u>526,022</u>	<u>21,589,406</u>	<u>16,536,604</u>
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)

	<u>2017</u>	<u>2016</u>
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	<u>645,245</u>	<u>1,116,796</u>
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	<u>(617,349)</u>	<u>(72,659)</u>
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	<u>256,620</u>	<u>(1,117,745)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	284,516	(73,608)
Cash, Cash Equivalents, and Restricted Cash, Beginning of Year	<u>463,745</u>	<u>537,353</u>
Cash, Cash Equivalents, and Restricted Cash, End of Year	<u>\$ 748,261</u>	<u>\$ 463,745</u>
Supplemental disclosures of cash flow information:		
Interest paid	<u>\$ 474,402</u>	<u>\$ 445,423</u>
Non-cash financing activities	<u>\$ 4,950,000</u>	<u>\$ -</u>
Debt forgiveness	<u>\$ -</u>	<u>\$ 98,087</u>

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	1,518	-	1,518
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>819,595</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>23,364,133</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>327,109</u>	\$ <u>331,597</u>	\$ <u>4,488</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><u>18,304</u></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

(continued)

(continued)

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)

(continued)

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>\$ 11,666,646</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>\$ 11,914,235</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	5,630
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		25%
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.

Harbor Homes

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

PROFESSIONAL EXPERIENCE

- 2006-Present **President & CEO, Southern NH HIV Task Force**
- 2002-Present **President & CEO, Greater Nashua Council on Alcoholism, Inc./ Keystone Hall, 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 of six nonprofit corporations (Partnership for Successful Living) creating and providing residential and supportive services, mental health care, primary/preventive health care, substance use disorder treatment and prevention services, supported employment and workforce development, professional training, and in-home health care to individuals and families who are homeless, living with disabilities, and/or are underserved/members of vulnerable populations. Responsible for initiation, development, and oversight of more than 80 programs comprising a \$22,000,000 operating budget; proposal development resulting in more than \$15,000,000 in grants annually; oversight of 350+ 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 individuals with mental and/or developmental disabilities. 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.

EDUCATIONAL EXPERIENCE

- 1975 - 1977 Simmons College School of Social Work, Boston, MA
Cambridge-Somerville Community Mental Health Program, MSW
- 1971 - 1975 Clark University, Worcester, MA. Received Bachelor of Arts Degree in Psychology

LICENSES AND CERTIFICATIONS

- 1979 Licensed Real Estate Broker – Massachusetts
- 1989 Academy of Certified Social Workers – NASW
- 1990 Licensed Independent Clinical Social Worker - Massachusetts
- 1994 State of New Hampshire Certified Clinical Social Worker, MA LICSW

PLACEMENTS

- 1976 - 1977 Cambridge Hospital, In-Patient Psychiatry, Cambridge, MA
Individual, group, and family counseling to hospitalized patients.
- 1975 - 1976 Massachusetts Institute of Technology, Social Service Department, Cambridge, MA
Similar to above.

FIELD SUPERVISION

- 1983 - 1984 Antioch/New England Graduate School, Department of Professional Psychology, Keene, NH
- 1983 - 1984 Rivier College, Department of Psychology, Nashua, NH
- 1990 - 1991 Rivier College, Department of Psychology, Nashua, NH
- 1978 - 1979 Middlesex Community College, Social Work Associates Program, Bedford, MA

AWARDS

- High School Valedictorian Award
- National Institute of Mental Health Traineeship in Social Work
- University of New Hampshire Community Development 2003 Community Leader of the Year
- NAMI NH 2007 Annual Award for Systems Change
- Peter Medoff AIDS Housing Award 2007
- The Walter J. Dunfey Corporate Fund Award for Excellence in Non Profit Management 2009
- NH Magazine Business Excellence Award 2010
- Nashua Telegraph Humanitarian of the Year Award 2015
- Lionel W. Johnson Housing Award, Champion of Human Rights 2015

MEMBERSHIPS

- Member of the Department of Veterans Affairs Advisory Committee on Homeless Veterans
- Board Member, Community Health Access Network (CHAN)
- National Association of Social Workers
- Former member of the National Healthcare for the Homeless Board of Directors
- Former Chair, Governor's State Interagency Council on Homelessness/New Hampshire Policy Academy
- Former Chair, Greater Nashua Continuum of Care
- Former Board Member, New Futures, Concord, NH

Patricia A. Robitaille, CPA

PROFILE

- 18 years experience in accounting/financial
- Management experience
- Diversified industry exposure
- Counselor and mentor
- Training experience
- Knowledge of multiple computer programs
- Excellent client rapport
- Tax preparation experience

PROFESSIONAL EXPERIENCE

June 2009 – Present *Vice President of Finance* Harbor Homes, Inc.

- Responsible for the finances of 9 related non-profit entities with revenues in excess \$22M
- Directly responsible for budgeting, planning, cash management, grants and contracts falling under the business/accounting office
- Reviews and analyzes the monthly, quarterly and annual financial reports
- Analyzes results of cash flows, budget expenditures and grant restrictions
- Assists the President/CEO with financial planning and capital projects
- Responsible for the annual financial and retirement audits of all related entities
- Reviews Federal 990 tax returns and state returns
- Set up web based electronic timesheets
- Implemented the conversion and installation of accounting and HR software
- Prepares and reviews 941 quarterly returns, state unemployment returns
- Oversees worker's compensation renewals, audit preparations, safety controls
- Responsible for coordinating, financing of two \$6M capital construction

Jan. 2007 – Oct. 2008 *Audit Manager* Ernst Young LLP, Manchester, NH

- Managed audits of private corporations with revenues up to \$200 million
- Assisted as manager of audits for public corporations with revenues up to \$400 million
- Reviewed and assisted preparation of financial statements, 10Q quarterly filings and 10K annual filings
- Analyzed and reviewed internal control under Section 404 of the Sarbanes Oxley Act
- Prepared management comments in conjunction with material weakness or significant deficiencies

Jun. 1997 – Jan. 2007 *Audit Supervisor* Melanson Heath & Company, P.C., Nashua, NH

- Supervise/train various teams for commercial, not-for-profit, and municipal audits and agreed upon procedures
- Audit services include balance sheet reconciliation including inventory control
- Preparation and presentation of financial statements
- Preparation of management comment letters for internal quality improvement
- Assist clients with all aspects of accounting

- Preparation of budgets and cash forecasting
- Consulting services to clients including maximization of profits
- Extensive corporate tax preparation experience

1993 – 1997 *Accounting/Office Manager* Hammar Hardware Company, Nashua, NH

- Management of a five-person staff
- Oversaw accounts receivable, accounts payable and general ledger reconciliation
- Responsible for inventory management, preparation for year-end audit and collaboration with external auditors
- Prepared monthly internal financial statements
- Responsible for payroll including quarterlies and year-end reporting

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, Sage Non-profit Accounting software, Sage MAS 90 accounting software.

Donna Curley

Professional Experience

Harbor Homes, Inc., Nashua, NH

July 2010 – Present

HMIS Project Manager & Database Administrator

- I manage day-to-day operational aspects of New Hampshire HMIS (Homeless Management Information System) project, which includes overall Database administration, delivering training, prepare and disseminate reports within the guideline of the grants requirements, Supported 43 agencies, 271 programs & 131 users across 3 Continua of Care (CoC), act as a liaison with software vendor.
- Overall project management and general support to ensure sixty individual agencies, three Continuum of Care, and the entire state of New Hampshire have the accurate reports necessary to ensure funding is maintained or increased
- Implement a variety of systems designed to improve the NH HMIS project as well as create and execute project work plans and revise as appropriate to meet changing needs and requirements.
- Acts as liaison with the software vendor to ensure ongoing account licensing and maintenance and support issues are addressed.

The New England Job Show, Chelmsford, MA

April 2009 – 2013

Sr. Producer/Director & Technology Director

I am currently participating in an initiative where I am the Senior Producer/Director and Technology Director for a local cable TV show that focuses on a job search in the current economy. The show is formatted and uploaded to the web.

Nortel Networks, Inc. (formerly Bay Networks, SynOptics, Coral), Billerica, MA Nov. 1997 – Jan. 2009

A Global Corporation that delivered both service provider and enterprise networks

Showcase Systems Engineer

Selected as an expert presentation and demonstration showcase engineer for the Global Marketing Events team. Supported mobile marketing tractor-trailer trucks in the field, as well as designed and implemented truck, tradeshow and event networks.

- Increased revenue by 150% by the re-design and implementation of a mobile marketing demonstration unit, an expandable tractor-trailer briefing center. Recognized with Silver Star Appreciation Award in 2008 for exceptional technical configuration, implementation, presentation and live demonstration support for mobile marketing project.
- Saved 9k by reducing telecom expenses at the Global Sales Conference. Received Global Marketing Board Recognition Award in 2007 for cost savings, technical design and support for the Nortel Global Sales Conference at the MGM Grand Convention Center in Las Vegas. Designed, configured and installed show network utilizing hotel infrastructure during that delivered all data, voice and video content.
- Increased market and mind share of the WiMAX product line. Received Global Marketing Board Recognition Award in 2007 for technical design and support for the WiMAX World tradeshow at the Boston Convention Center. Designed, configured and installed booth network for the show.

Bay Networks (purchased by Nortel in 1999), Billerica, MA
A Global corporation that delivered both service provider and enterprise networks
System Test Engineer IV

Oct. 1994 - Nov. 1997

- Delivered several many successful product releases on schedule. Developed and executed test plans to validate the system level of the multi-protocol router products in the release schedule.
- Lead SQA team and managed inter-organization communication for software release.
- Extensive experience with software development processes, SQA Test processes, methodologies and the on time delivery of software releases.

SynOptics (merged with Wellfleet to form Bay Networks, 1994) Westborough, MA Oct. 1993 – Oct. 1994
A Global Corporation that delivered enterprise networks
Software Quality Engineer

- **System Administrator:** Managed the LAN/WAN corporate network. Rebuilt and restored server farm after catastrophic system failure. Worked round the clock to restore system and maintain strict release schedule. Acquired a significant understanding of various aspects of network management techniques, network protocols and video conferencing.
- **Software Test Engineer:** Created and executed test plans for multi-protocol router. Achieved deliverables on schedule and within budget. Delivered tested software to system administrator for installation on Alpha network.
- **Software Release Engineer:** Performed software release process including software builds and work with the development team to debug compiler problems. Replicated software to be delivered to SQA while adhering to rigorous deadlines.

Coral Networks Corp, (purchased by SynOptics in 1993) Westborough, MA
A Startup Company
Software Quality Engineer

May 1993 – Oct. 1993

- Performed same responsibilities as listed in SynOptics.

Volunteer History

Next Gig Productions, Chelmsford, MA
Member of the Board, Treasurer

Dec. 2009 – April 2013

Education/Certifications

Bachelor of Science, Computer Science, Merrimack College, North Andover, MA
Certificate in Data Communications, Northeastern University, Boston, MA

Qualified Nortel Sales Professional (QSP) 2008 – Unified Communication, Converged Data Enterprise (Ethernet Switching, POE, and Secure Router), Small and Medium Businesses, Fundamental (Data, Voice, Mobility & Security).

KEY ADMINISTRATIVE PERSONNEL

NH Department of Health and Human Services

Vendor Name: Harbor Homes, Inc.

Name of Program/Service: HMIS

BUDGET PERIOD:			
Name & Title Key Administrative Personnel	Annual Salary of Key Administrative Personnel	Percentage of Salary Paid by Contract	Total Salary Amount Paid by Contract
Peter Kelleher, President and CEO	\$194,032	0.00%	\$0.00
Patricia Robitaille, VP of Finance	\$150,000	0.00%	\$0.00
Donna Curley, Program Manager	\$73,500	100.00%	\$73,500.00
	\$0	0.00%	\$0.00
	\$0	0.00%	\$0.00
	\$0	0.00%	\$0.00
	\$0	0.00%	\$0.00
	\$0	0.00%	\$0.00
	\$0	0.00%	\$0.00
	\$0	0.00%	\$0.00
	\$0	0.00%	\$0.00
	\$0	0.00%	\$0.00
	\$0	0.00%	\$0.00
TOTAL SALARIES (Not to exceed Total/Salary Wages, Line Item 1 of Budget request)			\$73,500.00

Key Administrative Personnel are top-level agency leadership (Executive Director, CEO, CFO, etc.). These personnel **MUST** be listed, even if no salary is paid from the contract. Provide their name, title, annual salary and percentage of annual salary paid from the agreement.



Jeffrey A. Meyers
Commissioner

Maureen U. Ryan
Director of Human Services

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STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF HUMAN SERVICES
BUREAU OF HOMELESS AND HOUSING SERVICES

129 PLEASANT STREET, CONCORD, NH 03301-3857
603-271-9196 1-800-852-3345 Ext. 9196
Fax: 603-271-5139 TDD Access: 1-800-735-2964 www.dhhs.nh.gov

April 24, 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, Office of Human Services, Bureau of Homeless and Housing Services to amend an existing **sole source** agreement with Harbor Homes, Inc., 45 High Street Nashua, NH 03060 (Vendor Code 155358-B001) for the operation and maintenance of the New Hampshire Statewide Homeless Management Information System by increasing the contract amount by \$402,078 from \$548,890 to \$950,968, and extending the completion date from July 31, 2017 to June 30, 2019, effective July 1, 2017 or the date of Governor and Executive Council approval, whichever is later. The Governor and Executive Council approved the original agreement (the "Contract") on July 22, 2015 (Item #18) and a subsequent amendment on June 15, 2016 (Item #7A). 54.6% General Funds, 45.4% Federal Funds.

Funds are available in the following accounts for State Fiscal Year 2017, and are anticipated to be available in State Fiscal Years 2018 and 2019, upon the availability and continued appropriation of funds in the future operating budgets, with authority to adjust amounts within the price limitation and adjust encumbrances between State Fiscal Years through the Budget Office, if needed and justified, without approval from Governor and Executive Council.

05-95-42-423010-7927 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: HUMAN SERVICES, HOMELESS & HOUSING, HOUSING- SHELTER PROGRAM

SFY	Class/Object	Class Title	Current Modified Budget	Increase (Decrease) Amount	Revised Modified Budget
2016	102-500731	Contract for Program Services	\$109,802	\$0	\$109,802
2017	102-500731	Contract for Program Services	\$109,802	\$0	\$109,802
2018	102-500731	Contract for Program Services	\$0	\$109,802	\$109,802
2019	102-500731	Contract for Program Services	\$0	\$109,802	\$109,802
		Sub Total	\$219,604	\$219,604	\$439,208

05-95-092-920010-5945 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: BEHAVIORAL HEALTH DIV OF, DIV OF BEHAVIORAL HEALTH, CMH PROGRAM SUPPORT

SFY	Class/Object	Class Title	Current Modified Budget	Increase (Decrease) Amount	Revised Modified Budget
2016	102-500731	Contract for Program Services	\$17,342	\$0	\$17,342
		Sub Total	\$17,342	\$0	\$17,342

05-95-42-423010-7927 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: HUMAN SERVICES, HOMELESS & HOUSING, HOUSING- SHELTER PROGRAM

SFY	Class/Object	Class Title	Current Modified Budget	Increase (Decrease) Amount	Revised Modified Budget
2016	102-500731	Contract for Program Services	\$10,000	\$0	\$10,000
2017	102-500731	Contract for Program Services	\$21,000	\$0	\$21,000
2018	102-500731	Contract for Program Services	0	\$21,000	\$21,000
2019	102-500731	Contract for Program Services	0	\$21,000	\$21,000
		Sub Total	\$31,000	\$42,000	\$73,000

05-95-42-423010-7927 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: HUMAN SERVICES, HOMELESS & HOUSING, HOUSING- SHELTER PROGRAM

SFY	Class/Object	Class Title	Current Modified Budget	Increase (Decrease) Amount	Revised Modified Budget
2016	102-500731	Contract for Program Services	\$128,766	\$0	\$128,766
2017	102-500731	Contract for Program Services	\$140,472	\$0	\$140,472
2018	102-500731	Contract for Program Services	\$11,706	\$128,768	\$140,474
2019	102-500731	Contract for Program Services	0	\$11,706	\$11,706
		Sub Total	\$280,944	\$140,474	\$421,418
		Grand Total	\$548,890	\$402,078	\$950,968

EXPLANATION

The original agreement was **sole source** because the U.S. Department of Housing and Urban Development requires Homeless Management Information System grant funds to be utilized exclusively through a single, established, State Sponsor Agency capable of maintaining consistent statewide services. The knowledge, training, and licensing required to perform this role are so specialized that only this vendor is capable of serving as the Sponsor Agency.

The purpose of this sole source request is to add funding to support the operation of the New Hampshire Homeless Information System through June 30, 2019. This program has proven to successfully meet the data entry and reporting needs of all New Hampshire programs engaged in Homelessness Prevention and Rapid Re-Housing actions as defined in the U.S. Department of Housing and Urban Development Emergency Solutions Grants Program and Consolidated Plan Conforming Amendments issued December 5, 2011.

The New Hampshire Department of Information Technology has reviewed the proposed contract extension, and has issued a new Department of Information Technology approval letter. The new letter is included with this agreement package though there are no changes to the underlying contract terms aside from increasing the contract price limitation and extending the contract expiration date. The contract expiration date is extended by one (1) year and eleven (11) months to ensure compatibility with multiple state and federal grant award schedules that fund this agreement.

The web-based Homeless Management Information System is regulated through policies and procedures that all participating shelters and programs are required to follow. The policies and procedures define responsibilities by all system users in actions that include system security, local system administration, and client confidentiality. This is the only Homeless Management Information System project funded by the U.S. Department of Housing and Urban Development in New Hampshire and is consistent with the centralized, statewide architecture developed and adopted by the New Hampshire Continuums in 2002 with the U.S. Department of Housing and Urban Development's technical assistance.

Alternatives to contracting these services could include utilizing funds from local community organizations such as emergency homeless shelters to support this system. The result of this kind of approach would be a decentralized data system that could only be supported in regions that can accrue the necessary local funds for software and services. Another option could be building a system such as this in-house using New Hampshire Department of Information Technology staff. When considered, it was determined that the New Hampshire Department of Information Technology lacked the resources to create such a system.

The web-based Homeless Management Information System provides value to the Department through improved capacity to measure the aspects of homelessness in New Hampshire, and improving the ability for local programs that assist people who are homeless to maintain eligibility for continued federal funding. Collateral project goals are to use Homeless Management Information System software to improve homeless shelter resource sharing, automated eligibility determinations, and linkages to mainstream assistance programs for New Hampshire homeless clients. An additional benefit is the improved coordination of essential services and supports that address and alleviate homelessness.

Notwithstanding any other provision of the Contract to the contrary, no services shall continue after June 30, 2017, and the Department shall not be liable for any payments for services provided after June 30, 2017, unless and until an appropriation for these services has been received from the state legislature and funds encumbered for the SFY 2018-2019 and SFY 2020-2021 biennia.

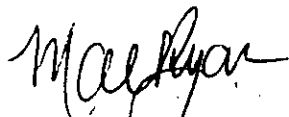
Should the Governor and Executive Council determine not to approve this request, New Hampshire homeless shelters and permanent and transitional supportive housing and outreach programs, which currently receive federal funding, may not be able to utilize the federally mandated Homeless Management Information System and, therefore, may no longer be eligible to receive that federal funding. This could eliminate the operational capacity of many community programs supporting homeless individuals and families. Using State Fiscal Year 2016 data on persons served, approximately 607 individuals may not receive transitional housing services; 893 individuals may not receive permanent housing services; 5,433 homeless individuals may not receive outreach services; 4,013 individuals, including 787 children, may have severely limited access to emergency shelter; and many full-time jobs may be eliminated.

Source of (new) Funds: 54.6% General from the State Grant in Aid Program and 45.4% Federal from the U.S. Department of Housing and Urban Development, Emergency Solutions Grant Program, Office of Community Planning and Development, Catalog of Federal Domestic Assistance Number (CFDA) #14.231 and Continuum of Care Program, Office of Community Planning and Development, Catalog of Federal Domestic Assistance Number (CFDA) #14.267.

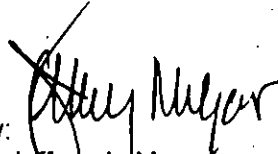
Area Served: Statewide.

In the event that federal funds become no longer available, general funds will not be requested to support this program.

Respectfully submitted,



Maureen U. Ryan
Director of Human Services



Approved by:
Jeffrey A. Meyers
Commissioner



STATE OF NEW HAMPSHIRE
DEPARTMENT OF INFORMATION TECHNOLOGY
27 Hazen Dr., Concord, NH 03301
Fax: 603-271-1516 TDD Access: 1-800-735-2964
www.nh.gov/doit

Denis Goulet
Commissioner

April 25, 2017

Jeffrey A. Meyers, Commissioner
Department of Health and Human Services
State of New Hampshire
129 Pleasant Street
Concord, NH 03301-3857

Dear Commissioner Meyers:

This letter represents formal notification that the Department of Information Technology (DoIT) has approved your agency's request to enter into a sole source contract amendment with Harbor Homes Inc., of Nashua, NH as described below and referenced as DoIT No. 2012-160-2B.

This is a request to enter into a sole source contract amendment to continue the operation and maintenance of the New Hampshire Statewide Homeless Management Information System serving New Hampshire homeless individuals and families. The system collects uniform information about clients and satisfies the federal requirement for nationwide unduplicated client-level homelessness data reporting. This program has proven to successfully meet the data entry and reporting needs of all New Hampshire programs engaged in Homelessness Prevention and Rapid Re-Housing actions as defined in the U.S. Department of Housing and Urban Development Emergency Solutions Grant Program and Consolidated Plan Conforming Amendments.

The amount of the contract amendment will increase by \$402,078 from \$548,890 to \$950,968 and extends the completion date from July 31, 2017 to June 30, 2019 effective July 1, 2017 or the date of Governor and Executive Council approval, whichever is later.

A copy of this letter should accompany the Department of Health and Human Services' submission to the Governor and Executive Council for approval.

Sincerely,

Denis Goulet
Commissioner

DG/ik
Contract #2012-160- 2B
cc: Bruce Smith, DoIT IT Lead



**State of New Hampshire
Department of Health and Human Services
Amendment #2 to the State Grant in Aid, Bureau of Behavioral Health - Projects for Assistance
in Transition from Homelessness, Emergency Solutions Grant, Continuum of Care Program,
Homeless Management Information System Contract**

This second Amendment to the State Grant in Aid, Bureau of Behavioral Health - Projects for Assistance in Transition from Homelessness, Emergency Solutions Grant, Continuum of Care Program, Homeless Management Information System Contract, (hereinafter referred to as "Amendment #2") dated this 11th day of April 2017, 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 nonprofit corporation with a place of business located at 45 High Street, Nashua, NH 03060.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on July 22, 2015, Item #18, and amended by an agreement (Amendment #1 to the Contract) approved on June 15, 2016, Item #7A, 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 form P-37 General Provisions, Paragraph 18, the State may at its sole discretion, amend the Contract by written agreement of the parties upon Governor and Executive Council Approval; and

WHEREAS the parties agree to increase the contract price limitation and extend the contract completion date to support continued delivery of these services; and

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:

To amend as follows:

1. Form P-37, General Provisions, Block 1.7, Completion Date, to read:
June 30, 2019
2. Form P-37, General Provisions, Block 1.8, Price Limitation, to read:
\$950,968
3. Add Exhibit B – Amendment #2, Method and Conditions Precedent to Payment.
4. Add Exhibit B-1 – Amendment #2, Expense Budget Detail for State Fiscal Years 2018 & 2019.

New Hampshire Department of Health and Human Services



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,

4/25/17
Date

State of New Hampshire
Department of Health and Human Services
[Signature]
Name: _____
Title: Director

4/14/17
Date

Harbor Homes, Inc.
[Signature]
Name: Peter Kelleher
Title: President & CEO

Acknowledgement:

State of New Hampshire County of Killsborough on 4/14/17, before the undersigned officer, personally appeared the person identified 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 of Notary Public or Justice of the Peace

[Signature]
Name and Title of Notary or Justice of the Peace



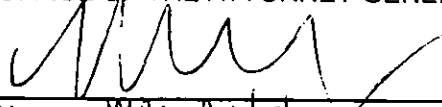
New Hampshire Department of Health and Human Services



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

OFFICE OF THE ATTORNEY GENERAL

5/3/17
Date


Name: William A. Topol
Title: Attorney

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

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:



Method and Conditions Precedent to Payment

1. Homeless Management Information System:

This contract is funded by the New Hampshire General Fund and/or by federal funds made available under the Catalog of Federal Domestic Assistance (CFDA), as follows:

NH General Funds

Program Title: State Grant in Aid, Homeless Management Information System

Total Amount Homeless Management Information System Operations costs not to exceed: \$219,604;

July 1, 2017 – June 30, 2019: not to exceed \$219,604

Federal Funds

CFDA #: 14.231

Federal Agency: U.S. Department of Housing & Urban Development

Program Title: Emergency Solutions Grant Program, Homeless Management Information System

Total Amount Homeless Management Information System not to exceed: \$42,000;

July 1, 2017 – June 30, 2018: not to exceed \$21,000

July 1, 2018 – June 30, 2019: not to exceed \$21,000

Federal Funds

CFDA #: 14.267

Federal Agency: U.S. Department of Housing & Urban Development

Program Title: Continuum of Care Program, Homeless Management Information System

Total Amount Homeless Management Information System not to exceed \$140,474;

August 1, 2017 – July 31, 2018: not to exceed \$140,474

Funds allocation under this agreement for Continuum of Care Program, HMIS, Balance of State:

HMIS: \$74,097

Administrative costs: \$1,950

Total program amount: \$76,047

Funds allocation under this agreement for Continuum of Care Program, HMIS, Manchester:

HMIS: \$50,322

Administrative costs: \$1,631

Total program amount: \$51,953

Funds allocation under this agreement for Continuum of Care Program, HMIS, Nashua:

HMIS: \$12,170

Administrative costs: \$304

Total program amount: \$12,474

PK

4/14/17



Exhibit B – Amendment #2

- 1.1 The State shall pay the Contractor an amount not to exceed the Form P-37, Block 1.8, Price Limitation for the satisfactory completion of the services provided by the Contractor pursuant to Exhibit A, Scope of Services.
- 1.2 Notwithstanding any other provision of the Contract to the contrary, no services shall continue after June 30, 2017, and the Department shall not be liable for any payments for services provided after June 30, 2017, unless and until an appropriation for these services has been received from the state legislature including funds encumbered for SFY 2018 – 2019 biennium.

2. Reports:

As part of the performance of the Project Activities, the Contractor covenants and agrees to submit the following: Audited Financial Report:

- 2.1 The Audited Financial Report shall be prepared in accordance with 2 CFR part 200. Three (3) copies of the audited financial report shall be submitted within thirty (30) days of the completion of said report to the State at the following address:

NH DHHS
Bureau of Homeless & Housing Services
129 Pleasant Street
Concord, NH 03301

- 2.2 Where the Contractor is not subject to the requirements of 2 CFR part 200, within ninety (90) days after the Completion or Termination Date, one copy of an audited financial report shall be submitted to the State. Said audit shall be conducted utilizing the guidelines set forth in "Standards for Audit of Governmental Organizations, Program Activities, and Functions" by the Comptroller General of the United States.

3. Project Costs; Payment of Project Costs; Review by the State:

- 3.1 Project Costs: As used in this Agreement, the term "Project Costs" shall mean all expenses directly or indirectly incurred by the Contractor in the performance of the Project Activities, as determined by the State to be eligible and allowable for payment in accordance with Public Law 102-550 as well as allowable cost standards set forth in 2 CFR part 200 as revised from time to time, and with the rules, regulations and guidelines established by the State. Nonprofit subcontractors shall meet the requirements of the Office of 2 CFR part 200.
- 3.2 Payment of Project Costs: Subject to the general provisions of this Agreement and in consideration of the satisfactory completion of the Services to be performed under this Agreement, the State agrees to fund the Contractor for eligible and allowable services, in an amount not to exceed the price limitation set forth in block 1.8 of the General Provisions P-37 of the Agreement. The State agrees to provide funds for services in payments in accordance with such other schedules as may be required by the U.S. Department of Housing and Urban Development. Reimbursement requests for all Project Costs shall be submitted on a monthly basis and accompanied by an invoice from the Contractor for the amount of each requested disbursement along with a payment request form as designated by the State, which shall be completed and signed by the Contractor. The Contractor shall provide additional financial information if requested by the State to verify expenses.

ba
4/14/17



Exhibit B – Amendment #2

- 3.3 Review by the State, Disallowance of Costs: Review of the State Disallowance of Costs: At any time during the performance of the Services, and upon receipt of the Annual Performance Report, Termination Report or Audited Financial Report, the State may review all Project Costs incurred by the Contractor and all payments made to date. Upon such review the State shall disallow any items or expenses that are not determined to be allowable or are determined to be in excess of actual expenditures, and shall, by written notice, specify the disallowed expenditures informing the Contractor of any such disallowance. If the State disallows costs for which payment has not yet been made, it shall refuse to pay such costs. Any amounts awarded to the Contractor pursuant to this agreement are subject to recapture. The funds authorized to be expended under this Agreement shall be used only for services of the Homeless Management Information System Project and administration provided by the Contractor for the project period and operating years of the Continuum of Care Program as approved by HUD and in accordance with the Continuum of Care Program Regulations, published at 24 CFR Part 578.
4. Use Of Grant Funds:
- 4.1 The State agrees to provide payment for actual costs, not to exceed an amount as specified in this Exhibit; and defined by HUD under the provisions of P.L. 102-550 and other applicable regulations.
- 4.2 Notwithstanding paragraph 18 of the General Provisions P-37, changes limited to adjusting amounts between budget line items, related items, amendments of related budget exhibits within the price limitation, and to adjusting encumbrances between State Fiscal Years, may be made by written agreement of both parties and may be made without obtaining approval of the Governor and Executive Council.
- 4.3 Conformance to 2 CFR part 200: Grant funds are to be used only in accordance with procedures, requirements, and principles specified in 2 CFR part 200.
5. Contractor Financial Management System:
- 5.1 Fiscal Control: The Contractor shall establish fiscal control and fund accounting procedures which assure proper disbursement of, and accounting for, grant funds and any required nonfederal expenditures. This responsibility applies to funds disbursed in direct operations of the Contractor.
- 5.2 The Contractor shall maintain a financial management system that complies with 2 CFR part 200 or such equivalent system as the State may require. Requests for payment shall be made according to Exhibit B – Amendment #2, Section 3.2, Payment of Project Costs, of this Agreement.

JK
4/14/17



Exhibit B-1 – Amendment #2

Expense Budget Detail For State Fiscal Years 2018 & 2019

New Funds per Amendment Only

State Fiscal Year 2018				
Expense Item	Federal Funds	State Grant in Aid Funds	Total State Fiscal Year Budget	Vendor Match
State Grant in Aid	\$0.00	\$109,802	\$109,802	\$109,802
Emergency Solutions Grant	\$21,000	\$0.00	\$21,000	\$5,250
Continuum of Care	\$128,768	\$0.00	\$128,768	\$32,192
Sub Total	\$149,768	\$109,802	\$259,570	\$147,244
State Fiscal Year 2019				
Expense Item	Federal Funds	State Grant in Aid Funds	Total State Fiscal Year Budget	Vendor Match
State Grant in Aid	\$0.00	109,802	\$109,802	\$109,802
Emergency Solutions Grant	\$21,000	\$0.00	\$21,000	\$5,250
Continuum of Care	\$11,706	\$0.00	\$11,706	\$2,927
Sub Total	\$32,706	\$109,802	\$142,508	\$117,979
Grand Total	\$182,474	\$219,604	\$402,078	\$265,223



Jeffrey A. Meyers
Commissioner

Marilee Nihan
Deputy Commissioner

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF HUMAN SERVICES
BUREAU OF HOMELESS AND HOUSING SERVICES

129 PLEASANT STREET, CONCORD, NH 03301-3857
603-271-9196 1-800-852-3345 Ext. 9196
Fax: 603-271-5139 TDD Access: 1-800-735-2964 www.dhhs.nh.gov

7A mac

May 24, 2016

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the Department of Health and Human Services, Office of Human Services, Bureau of Homeless and Housing Services to amend and extend an existing **sole source** agreement with Harbor Homes, Inc., 45 High Street Nashua, NH 03060 (Vendor Code 155358-B001) for the operation and maintenance of the New Hampshire Statewide Homeless Management Information System by increasing the contract amount by \$161,472 from \$387,418 to \$548,890, and extending the completion date from June 30, 2017 to July 31, 2017, effective July 1, 2016 or the date of Governor and Executive Council approval, whichever is later. The Governor and Executive Council approved the original agreement (the "Contract") on July 22, 2015 (Item #18). 100% Federal Funds.

Funds are available in the following accounts in State Fiscal Year 2016, and anticipated to be available in State Fiscal Years 2017 and 2018, with the ability to adjust encumbrances between State Fiscal Years through the Budget Office, without Governor and Executive Council approval, if needed and justified.

**05-95-42-423010-7928 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS,
HHS: HUMAN SERVICES, HOMELESS & HOUSING, HOUSING- SHELTER PROGRAM**

SFY	Class/Object	Class Title	Current Modified Budget	Increase (Decrease) Amount	Revised Modified Budget
2016	102-500731	Contract for Program Services	\$109,802	\$0	\$109,802
2017	102-500731	Contract for Program Services	\$109,802	\$0	\$109,802
		Sub Total	\$219,604	\$0	\$219,604

05-95-092-920010-5945 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: BEHAVIORAL HEALTH DIV OF, DIV OF BEHAVIORAL HEALTH, CMH PROGRAM SUPPORT

SFY	Class/Object	Class Title	Current Modified Budget	Increase (Decrease) Amount	Revised Modified Budget
2016	102-500731	Contract for Program Services	\$17,342	\$0	\$17,342
		Sub Total	\$17,342	\$0	\$17,342

05-95-42-423010-7927 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: HUMAN SERVICES, HOMELESS & HOUSING, HOUSING- SHELTER PROGRAM

SFY	Class/Object	Class Title	Current Modified Budget	Increase (Decrease) Amount	Revised Modified Budget
2016	102-500731	Contract for Program Services	\$10,000	\$0	\$10,000
2017	102-500731	Contract for Program Services	\$0	\$21,000	\$21,000
		Sub Total	\$10,000	\$21,000	\$31,000

05-95-42-423010-7927 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: HUMAN SERVICES, HOMELESS & HOUSING, HOUSING- SHELTER PROGRAM

SFY	Class/Object	Class Title	Current Modified Budget	Increase (Decrease) Amount	Revised Modified Budget
2016	102-500731	Contract for Program Services	\$128,766	\$0	\$128,766
2017	102-500731	Contract for Program Services	\$11,706	\$128,766	\$140,472
2018	102-500731	Contract for Program Services	\$0	\$11,706	\$11,706
		Sub Total	\$140,472	\$140,472	\$280,944
		Grand Total	\$387,418	\$161,472	\$548,890

EXPLANATION

The purpose of this sole source request is to add funding to support the operation of the New Hampshire Homeless Information System through July 31, 2017. This program has proven to successfully meet the data entry and reporting needs of all New Hampshire programs engaged in Homelessness Prevention and Rapid Re-Housing actions as defined in the U.S. Department of Housing and Urban Development Emergency Solutions Grants Program and Consolidated Plan Conforming Amendments issued December 5, 2011.

The original agreement was **sole source** because the U.S. Department of Housing and Urban Development requires Homeless Management Information System grant funds to be utilized exclusively through a single, established, State Sponsor Agency capable of maintaining consistent statewide services. The knowledge, training, and licensing required to perform this role are so specialized that only this vendor is capable of serving as the Sponsor Agency.

The New Hampshire Department of Information Technology was contacted about this contract extension. A new Department of Information Technology Approval letter is not needed because there are no changes to the underlying contract terms aside from increasing the contract price limitation and extending the contract expiration date. The contract expiration date is extended by one month to ensure compatibility with multiple federal grant award schedules that fund this agreement.

The web-based Homeless Management Information System is regulated through policies and procedures that all participating shelters and programs are required to follow. The policies and procedures define responsibilities by all system users in actions that include system security, local system administration, and client confidentiality. This is the only Homeless Management Information System project funded by the U.S. Department of Housing and Urban Development in New Hampshire and is consistent with the centralized, statewide architecture developed and adopted by the New Hampshire Continuums in 2002 with the U.S. Department of Housing and Urban Development's technical assistance.

Alternatives to contracting these services could include utilizing funds from local community organizations such as emergency homeless shelters to support this system. The result of this kind of approach would be a decentralized data system that could only be supported in regions that can accrue the necessary local funds for software and services. Another option could be building a system such as this in-house using New Hampshire Department of Information Technology staff. When considered, it was determined that the New Hampshire Department of Information Technology lacked the resources to create such a system.

The web-based Homeless Management Information System provides value to the Department through improved capacity to measure the aspects of homelessness in New Hampshire, and improving the ability for local programs that assist people who are homeless to maintain eligibility for continued federal funding. Collateral project goals are to use Homeless Management Information System software to improve homeless shelter resource sharing, automated eligibility determinations, and linkages to mainstream assistance programs for New Hampshire homeless clients. An additional benefit is the improved coordination of essential services and supports that address and alleviate homelessness.

Should the Governor and Executive Council determine not to approve this request, New Hampshire homeless shelters and permanent and transitional supportive housing and outreach programs, which currently receive federal funding, will not be able to utilize the federally mandated Homeless Management Information System and, therefore, will no longer be eligible to receive that federal funding. This would eliminate the operational capacity of many community programs supporting homeless individuals and families. Using State Fiscal Year 2015 data on persons served, approximately 335 individuals would not receive transitional housing services; 816 individuals would not receive permanent housing services; 4,288 homeless individuals would not receive outreach services; 4,301 individuals, including 767 children, would have severely limited access to emergency shelter; and countless full time jobs would be eliminated.

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
Page 4 of 4

Source of Funds: 100% Federal.

Area Served: Statewide.

In the event that federal funds become no longer available, general funds will not be requested to support this program.

Respectfully submitted,



Manlee Nihan
Deputy Commissioner

Approved by



Jeffrey A. Meyers
Commissioner



**State of New Hampshire
Department of Health and Human Services
Amendment #1 to the State Grant in Aid, Bureau of Behavioral Health - Projects for Assistance
in Transition from Homelessness, Emergency Solutions Grant, Continuum of Care Program,
Homeless Management Information System Contract**

This first Amendment to the State Grant in Aid, Bureau of Behavioral Health - Projects for Assistance in Transition from Homelessness, Emergency Solutions Grant, Continuum of Care Program, Homeless Management Information System Contract, (hereinafter referred to as "Amendment #1") dated this 6th day of May, 2016, 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 nonprofit corporation with a place of business located at 45 High Street, Nashua, NH 03060.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on July 22, 2015, Item #18, 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 form P-37 General Provisions, Paragraph 18, the State may at its sole discretion, amend the Contract by written agreement of the parties upon Governor and Executive Council Approval; and

WHEREAS the parties agree to increase the contract price limitation and extend the contract completion date to support continued delivery of these services; and

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:

To amend as follows:

1. Form P-37, General Provisions, Block 1.7, Completion Date, to read:
July 31, 2017
2. Form P-37, General Provisions, Block 1.8, Price Limitation, to read:
\$548,890
3. Delete Exhibit B, Method and Conditions Precedent to Payment, and replace with Exhibit B – Amendment #1, Method and Conditions Precedent to Payment.
4. Delete Exhibit B-1, Expense Budget Detail for SFY 2016 and SFY 2017, and replace with Exhibit B-1 – Amendment #1, Expense Budget Detail for State Fiscal Years 2016, 2017 & 2018.

New Hampshire Department of Health and Human Services



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,

5/11/16
Date

State of New Hampshire
Department of Health and Human Services
[Signature]
Name
Title:

5/11/16
Date

Harbor Homes, Inc.
[Signature]
Name: Peter Kelleher
Title: President and CEO

Acknowledgement:

State of NH, County of Hillsborough on 5/11/16, before the undersigned officer, personally appeared the person identified 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 of Notary Public or Justice of the Peace

Wendy Nichols, Notary
Name and Title of Notary or Justice of the Peace



New Hampshire Department of Health and Human Services



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

OFFICE OF THE ATTORNEY GENERAL

Date 6/3/16

Name: Megan V. Cole
Title: Attorney

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

OFFICE OF THE SECRETARY OF STATE

Date _____

Name: _____
Title: _____



METHOD AND CONDITIONS PRECEDENT TO PAYMENT

1. HOMELESS MANAGEMENT INFORMATION SYSTEM

This contract is funded by the New Hampshire General Fund and/or by federal funds made available under the Catalog of Federal Domestic Assistance (CFDA), as follows:

NH General Funds:

Program Title: State Grant in Aid, Homeless Management Information System

Total Amount Homeless Management Information System Operations costs not to exceed: \$219,604;

July 1, 2015 – June 30, 2017: not to exceed \$219,604

NH General Funds:

Program Title: Bureau of Behavioral Health, Homeless Management Information System Expansion to include Projects for Assistance in Transition from Homelessness data

Total Amount Homeless Management Information System not to exceed \$17,342;

July 1, 2015 – June 30, 2016: not to exceed \$17,342

Federal Funds:

CFDA # 14.231

Federal Agency: U.S. Department of Housing & Urban Development

Program Title: Emergency Solutions Grant Program, Homeless Management Information System

Total Amount Homeless Management Information System not to exceed \$31,000;

July 1, 2015 – June 30, 2016: not to exceed \$10,000

July 1, 2016 – June 30, 2017: not to exceed \$21,000

Federal Funds:

CFDA #: 14.267

Federal Agency: U.S. Department of Housing & Urban Development

Program Title: Continuum of Care Program, Homeless Management Information System

Total Amount Homeless Management Information System not to exceed \$280,944;

August 1, 2015 – July 31, 2016: not to exceed \$140,472

August 1, 2016 – July 31, 2017: not to exceed \$140,472

pc
5/11/16

New Hampshire Department of Health and Human Services
Homeless Management Information System



Exhibit B - Amendment #1

Funds allocation under this agreement for Homeless Management Information System, Manchester:

HMIS: \$100,644
Administrative costs: \$3,260
Total program amount: \$103,904

Funds allocation under this agreement for Homeless Management Information System, Nashua:

HMIS: \$24,340
Administrative costs: \$608
Total program amount: \$24,948

Funds allocation under this agreement for Homeless Management Information System, Balance of State:

HMIS: \$148,194
Administrative costs: \$3,898
Total program amount: \$152,092

2. Subject to the General Provisions of this Agreement and in consideration of the satisfactory completion of the services to be performed under this Agreement, the State agrees to fund the Contractor for operations utilizing funds provided through the U.S. Department of Housing and Urban Development, Continuum of Care Program in an amount not to exceed block 1.8 of the General Provisions of this Agreement.

3. PROJECT COSTS; PAYMENT OF PROJECT COSTS; REVIEW BY THE STATE

3.1 Project Costs:

As used in this Agreement, the term "Project Costs" shall mean all expenses directly or indirectly incurred by the Contractor in the performance of the Services, as determined by the State to be eligible and allowable for payment in accordance with allowable cost standards set forth in Office of Management and Budget Circular A-87 as revised from time to time, and with the rules, regulations and guidelines established by the State. Nonprofit subcontractors shall meet the requirements of the Office of Management and Budget Circular A-122.

3.2 Payment of Project Costs:

Subject to the general provisions of this Agreement and in consideration of the satisfactory completion of the Services to be performed under this Agreement, the State agrees to purchase from the Contractor, in the amount not to exceed the price limitation set forth in block 1.8 of the General Provisions of the Agreement. The State agrees to provide funds for services in payments in accordance with such other schedules as may be required by the U.S. Department of Housing and Urban Development.

The Contractor shall submit documentation of expenditures of Federal funds at the conclusion of each monthly period or any other such schedule as may be required. In no event shall the funds provided exceed the Price Limitation set forth in block 1.8 of the General Provisions. Upon release of additional Federal funding to the State, the Contractor may invoice for balance of contracted amount as specified in block 1.8 based on documentation of expenditures.

PK

5/11/16



Exhibit B - Amendment #1

3.3 Review by the State, Disallowance of Costs:

At any time during the performance of the Services, and upon receipt of the semiannual reports, Termination Report or Audited Financial Report, the State may review all Project Costs incurred by the Contractor and all payments made to date. Upon such review, the State shall disallow any items of expense which are not determined to be allowable or are determined to be in excess of actual expenditures, and shall, by written notice specifying the disallowed expenditures, inform the Contractor of any such disallowance. If the State disallows costs for which payment has not been made, it shall refuse to pay such costs. The funds authorized to be expended under this Agreement shall be used only for services of the Homeless Management Information System Project provided by the Contractor for the period and operation years of the Supportive Housing Project as approved by the U.S. Department of Housing and Urban Development and in accordance with the Supportive Housing Project Rule, codified at 24 CFR Part 583.

4. USE OF GRANT FUNDS

Conformance to 24 CFR Part 84: Grant funds are to be used only in accordance with procedures, requirements, and principles specified in 24 CFR Part 583.

5. CONTRACTOR FINANCIAL MANAGEMENT SYSTEM

Line Item Transfers: Funds may not be transferred between programs nor may funds be transferred between line items as appears on the budget page without the prior written authorization from the State. Any expenditures which exceed the approved budgets shall be solely the financial responsibility of the Contractor. However, such excess expenditures may be covered by the transfer of other funds where such transfer is permissible by this Agreement. In any event, the Contractor shall be required to continue providing the Services specified in this Agreement. The Contractor shall make no adjustments so as to incur additional expenses in State funded programs in subsequent years without prior written authorization from the State.

Handwritten initials, possibly 'RH', with a checkmark next to them.

5/11/16

New Hampshire Department of Health and Human Services
Homeless Management Information System



Exhibit B-1 – Amendment #1

EXPENSE BUDGET DETAIL for State Fiscal Years 2016, 2017 & 2018

EXPENSE ITEM	SFY	Federal Funds	Bureau of Behavioral Health	State Grant in Aid Funds	Vendor Match
State Grant in Aid (SGIA)	2016	0.00	0.00	\$109,802	\$109,802
State Grant in Aid (SGIA)	2017	0.00	0.00	\$109,802	\$109,802
Bureau of Behavioral Health (HMIS expansion to include PATH data)	2016	0.00	\$17,342	0.00	Not Applicable
Emergency Solutions Grant (ESG)	2016	\$10,000	0.00	0.00	Not Applicable
Emergency Solutions Grant (ESG)	2017	\$21,000	0.00	0.00	Not Applicable
Continuum of Care (COC)	2016	\$128,766	0.00	0.00	Not Applicable
Continuum of Care (COC)	2017	\$140,472	0.00	0.00	\$33,083
Continuum of Care (COC)	2018	\$11,706	0.00	0.00	\$3,008
TOTALS		\$311,944	\$17,342	\$219,604	\$255,695
TOTAL State Grant in Aid + Match				\$439,208	

4V 18



STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF HUMAN SERVICES
BUREAU OF HOMELESS AND HOUSING SERVICES

Nicholas A. Toumpas
Commissioner

Mary Ann Cooney
Associate Commissioner

129 PLEASANT STREET, CONCORD, NH 03301-3857
603-271-9196 1-800-852-3345 Ext. 9196
Fax: 603-271-5139 TDD Access: 1-800-735-2964 www.dbhs.nh.gov

June 22, 2015

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
State House
Concord, NH 03301

*Sole Source
Retroactive*

Requested Action

Authorize the Department of Health and Human Services, Office of Human Services, Bureau of Homeless and Housing Services to enter into a **retroactive, sole source** agreement with Harbor Homes, Inc. (Vendor # 155358-B001), 45 High Street Nashua, NH 03060, for the operation and maintenance of the New Hampshire Statewide Homeless Management Information System, in an amount not to exceed \$387,418, effective retroactive to July 1, 2015, upon Governor and Executive Council approval, through June 30, 2017. 61.2% General funds, 38.8% Federal funds.

Funds are anticipated to be available in the following accounts in State Fiscal Years 2016 and 2017, with the ability to adjust encumbrances between State Fiscal Years through the Budget Office, if needed and justified, without further approval from the Governor and Executive Council.

05-95-42-423010-7928 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: HUMAN SERVICES, HOMELESS & HOUSING, HOUSING- SHELTER PROGRAM

State Fiscal Year	Class/Object	Class Title	Contract Amount
2016	102-500731	Contract for Program Svc.	\$109,802
2017	102-500731	Contract for Program Svc.	\$109,802
		Sub Total	\$219,604

05-95-42-423010-7927 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: HUMAN SERVICES, HOMELESS & HOUSING, HOUSING- SHELTER PROGRAM

State Fiscal Year	Class/Object	Class Title	Contract Amount
2016	102-500731	Contract for Program Svc.	\$10,000
		Sub Total	\$10,000

**05-95-092-920010-5945 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS:
 BEHAVIORAL HEALTH DIV OF, DIV OF BEHAVIORAL HEALTH, CMH PROGRAM SUPPORT**

State Fiscal Year	Class/Object	Class Title	Contract Amount
2016	102-500731	Contract for Program Svc.	\$17,342
		Sub Total	\$17,342

**05-95-42-423010-7927 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS:
 HUMAN SERVICES, HOMELESS & HOUSING, HOUSING- SHELTER PROGRAM**

State Fiscal Year	Class/Object	Class Title	Contract Amount
2016	102-500731	Contract for Program Svc.	\$128,766
2017	102-500731	Contract for Program Svc	\$11,706
		Sub Total	\$140,472
		Grand Total	\$387,418

Explanation

This request is **sole source** because the U.S. Department of Housing and Urban Development requires Homeless Management Information System grant funds to be utilized through a single Sponsor Agency capable of maintaining consistent statewide services. The knowledge, training, and licensing required to perform this role are so specialized that only this vendor is capable of serving as the Sponsor Agency.

This request is **retroactive** because of a delay associated with the inclusion of three additional funding streams in this agreement with the State's Homeless Management Information System Sponsor Agency. This contract was previously supported by a single funding source, and now contains four separate funding streams.

The purpose of this request is to operate and maintain the New Hampshire Statewide Homeless Management Information System where specialized data is entered from various agencies regarding the homeless individuals and families served statewide.

This agreement provides General Funds from the State Grant in Aid Program and from the New Hampshire Bureau of Behavioral Health which administers the Projects for Assistance in Transition from Homelessness Grant Program. On May 27, 2015, the Substance Abuse and Mental Health Services Administration outlined expectations in a letter to the Department requiring Statewide Homeless Management Information System tracking of individuals and families served by the Projects for Assistance in Transition from Homelessness Program. A one-time expenditure of General Funds from the Bureau of Behavioral Health is being used to support this requirement which must be fully implemented by June 30, 2016. This includes all agency licenses, database development, and training of all Projects for Assistance in Transition from Homelessness outreach workers. The Bureau of Homeless and Housing Services anticipates this work will require the current Sponsor Agency, Harbor Homes, Inc., approximately one year to complete.

Federal Funding is provided by the U.S. Department of Housing and Urban Development, Continuum of Care and Emergency Solutions Grant Programs to the New Hampshire Department of Health and Human Services, Bureau of Homeless and Housing Services. The prioritization of housing

and service needs for New Hampshire's homeless population is coordinated through New Hampshire's Continuum of Care Program which is comprised of three Continua (Manchester, Nashua, and Balance of State), and which includes broad participation of community stakeholders.

These grant funds will improve the operational capacity of the New Hampshire Homeless Information System and meet the data entry and reporting needs of all New Hampshire Homeless Service programs engaged in Homeless Assistance activities as defined in the U.S. Department of Housing and Urban Development Emergency Solutions Grants Program and Consolidated Plan Conforming Amendments 24 CFR parts 91 and 576 and Homeless Assistance and Rapid Transition to Housing: Continuum of Care Program 24 CFR Part 578.

The Homeless Management Information System program is a Federal mandate set forth in the Conference Report (H.R. Report 106-988) in the Federal Fiscal Year 2001 U.S. Department of Housing and Urban Development Appropriations Act and is described in the July 30, 2004 Federal Register (Homeless Management Information Systems; Data and Technical Standards Final Notice). The grants fund the acquisition, implementation, training, and operation of a web-based Homeless Management Information System by Harbor Homes, Inc., a nonprofit organization.

This system is regulated through policies and procedures that all participating shelters and programs are required to follow. The policies and procedures define responsibilities by all system users in actions that include system security, local system administration, and client confidentiality. This is the only Homeless Management Information System project funded by the U.S. Department of Housing and Urban Development in New Hampshire and is consistent with the centralized, statewide architecture developed and adopted by the New Hampshire Continuums in 2002 with the U.S. Department of Housing and Urban Development's technical assistance.

Alternatives and Benefits

Alternatives to contracting these services include utilizing funds from local community organizations such as emergency homeless shelters to support this system. This would result in a decentralized data system that could only be supported in regions that can accrue the necessary local funds for software and services. In addition, an option to build this system in-house using New Hampshire Department of Information Technology staff was considered, however, it was determined that the New Hampshire Department of Information Technology lacked the resources for this project.

Benefits to the Department include improved capacity to measure the aspects of homelessness in New Hampshire, and improving the ability for local programs that assist people who are homeless to maintain eligibility for continued federal funding. Collateral project goals are to use Homeless Management Information System software to improve homeless shelter resource sharing, automated eligibility determinations, and linkages to mainstream assistance programs for New Hampshire homeless clients. An additional benefit is the improved coordination of essential services and supports that address and alleviate homelessness.

Should the Governor and Executive Council determine not to approve this request, New Hampshire homeless shelters and permanent and transitional supportive housing and outreach programs, which currently receive federal funding, will not be able to utilize the federally mandated Homeless Management Information System and, therefore, will no longer be eligible to receive that federal funding. This would eliminate the operational capacity of many community programs supporting homeless individuals and families. Using State Fiscal Year 2014 data on persons served, approximately 549 individuals would not receive transitional housing services; 886 individuals would not receive permanent housing services; 3,573 homeless individuals would not receive outreach services; 4,760 individuals, including 855 children, would have severely limited access to emergency shelter; and countless full time jobs would be eliminated.


Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
Page 4 of 4

Source of Funds: 61.2% General from the State Grant in Aid Program and the New Hampshire Bureau of Behavioral Health, 38.8% Federal from the U.S. Department of Housing and Urban Development, Continuum of Care Program, Office of Community Planning and Development, Catalog of Federal Domestic Assistance Number (CFDA) #14.267.

Area Served: Statewide.

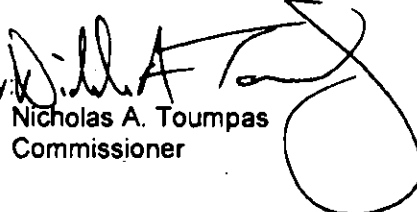
In the event that federal funds become no longer available, general funds will not be requested to support this program.

Respectfully submitted,



Mary Ann Cooney
Associate Commissioner

Approved by:



Nicholas A. Toumpas
Commissioner



STATE OF NEW HAMPSHIRE
DEPARTMENT OF INFORMATION TECHNOLOGY
27 Hazen Dr., Concord, NH 03301
Fax: 603-271-1516 TDD Access: 1-800-735-2964
www.nh.gov/doit

Denis Goulet
Commissioner

June 26, 2015

Nicholas Toumpas, Commissioner
State of New Hampshire
Department of Health and Human Services
129 Pleasant Street
Concord, NH 03301-3857

Dear Commissioner Toumpas:

This letter represents formal notification that the Department of Information Technology (DoIT) has approved your agency's request to enter into a contract amendment with Harbor Homes Corporation of Nashua, NH as described below and referenced as DoIT No. 2012-160D.

This is a request to enter into a contract amendment to fund the New Hampshire Statewide Homeless Management Information System serving New Hampshire homeless individuals and families. The system collects uniform information about clients satisfying the federal requirement for nationwide unduplicated client-level homelessness data reporting. The grant budget funds the acquisition, implementation, training, and operation of a web-based Homeless Management Information System by Harbor Homes, Inc. The amount of the contract amendment is not to exceed \$387,418, effective retroactively to July 1, 2015, upon Governor and Executive Council approval, through June 30, 2017.

A copy of this letter should accompany the Department of Health and Human Services' submission to the Governor and Executive Council for approval.

Sincerely,

A handwritten signature in black ink, appearing to read "DG", with a long horizontal flourish extending to the right.

Denis Goulet
Commissioner

DG/mh
Contract #2012-160D
cc: Michael O'Neil, DoIT
Leslie Mason, DoIT


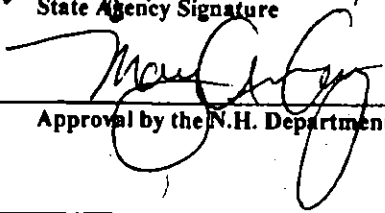
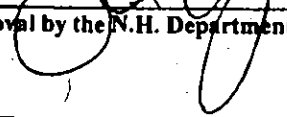

Subject: State Grant in Aid, Bureau of Behavioral Health - Projects for Assistance in Transition from Homelessness, Emergency Solutions Grant, Continuum of Care Program, Homeless Management Information System

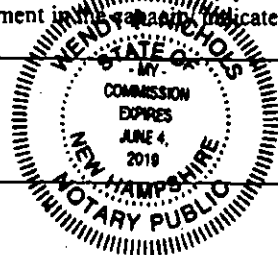
AGREEMENT

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

GENERAL PROVISIONS

I. IDENTIFICATION.

1.1 State Agency Name Department of Health and Human Services Office of Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301	
1.3 Contractor Name Harbor Homes, Inc.		1.4 Contractor Address 45 High Street Nashua, NH 03060	
1.5 Contractor Phone Number (603) 881-8436	1.6 Account Number 05-95-42-423010-7928 102-500731, 05-95-42-423010-7927 102-500731, 05-95-092-920010-5945	1.7 Completion Date June 30, 2017	1.8 Price Limitation \$387,418
1.9 Contracting Officer for State Agency Eric D. Borrin		1.10 State Agency Telephone Number (603) 271-9558	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Peter Kelleher President & CEO	
1.13 Acknowledgement: State of <u>NH</u> , County of <u>Hillsborough</u> On <u>6/15</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] <u>Wendy Nichols</u>			
1.13.2 Name and Title of Notary or Justice of the Peace <u>Wendy Nichols, Notary</u>			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Macey Ann Cooney Associate Commissioner	
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) By:  Megan A. York Attorney On: <u>7/6/15</u>			
1.18 Approval by the Governor and Executive Council 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, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Governor and Executive Council approve this Agreement ("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.

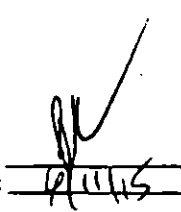
5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

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. 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 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.

Handwritten signature and date. The signature is a stylized 'M' with a checkmark above it. The date is written as '11/15'.

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 consent of the N.H. Department of Administrative Services. None of the Services shall be subcontracted by the Contractor without the prior written 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 \$250,000 per claim and \$2,000,000 per occurrence; and

14.1.2 fire and extended coverage insurance 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 fifteen (15) 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 endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) 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.

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.



Exhibit A

SCOPE OF SERVICES

Homeless Management Information System

Harbor Homes, Inc. serves more than 1,000 clients annually, with approximately half being residential. Harbor Homes, Inc. serves homeless men, women and families; people living with mental illness; veterans and family members; HIV/AIDS patients and family members; people overcoming substance use disorders; low-income individuals and families; and housebound/disabled senior citizens.

1. **PROVISIONS APPLICABLE TO ALL SERVICES:**

- 1.1. Except as otherwise modified in paragraphs of Exhibit A, the Contractor agrees to comply with the program narrative, budget detail and narrative, and amendments thereto, for the Homeless Management Information System (HMIS) as approved by the Bureau of Homeless and Housing Services, Office of Human Services, Department of Health and Human Services, hereafter referred to as the State and any federal requirements applicable to HMIS under the Continuum of Care or Emergency Solutions Grant programs, or other federal programs requiring HMIS participation.
- 1.2. The Contractor shall maintain a single statewide HMIS or equivalent, as designated by the State. The Contractor shall ensure that the HMIS is an accurate resource for information that includes, but is not limited to, fulfillment of federal and state reporting requirements on homelessness, including unduplicated counts of people served, use of services, and the effectiveness of local homeless assistance systems.
- 1.3. The Contractor shall ensure that accurate and timely data are entered into New Hampshire's HMIS by providing participating agencies of NH-HMIS with support that includes, but is not limited to:
 - 1.3.1. Software access;
 - 1.3.2. Technical and reporting assistance;
 - 1.3.3. Training;
 - 1.3.4. Policy guidance; and
 - 1.3.5. Security assessments.
- 1.4. The Contractor shall provide a comprehensive monitoring and data validation process for all participating agencies, and will report results of those processes to the State as requested.
- 1.5. The Contractor shall pursue any and all appropriate public sources of funds that are applicable to the funding of the services, operations, prevention, acquisition, or rehabilitation. Appropriate records shall be maintained by the Contractor to document actual funds received or denials of funding from such public sources of funds.
- 1.6. The Contractor shall purchase Bowman User Licenses & ART Viewing Licenses for all PATH provider agencies, develop a PATH database, and offer new provider training and ongoing support, to be fully operational by June 30, 2016.


6/11/15



Exhibit A

- 1.7. The Contractor shall provide report information data by service modality that includes, but is not limited to:
 - 1.7.1. HMIS Annual Progress Reports for each NH Continuum of Care (CoC), as required by the U.S. Department of Housing and Urban Development (HUD);
 - 1.7.2. HMIS data necessary for the Annual Point-in-Time Count, as required by HUD;
 - 1.7.3. Annual Homeless Assessment Report for each CoC, as defined by HUD;
 - 1.7.4. HMIS data required for successful completion of funding applications by each CoC, as specified in the HUD Notice of Funding Availability; and
 - 1.7.5. Annual Reports for Projects for Assistance in Transition from Homelessness per SAMHSA/PATH requirements.
- 1.8. Failure to submit above reports in agreed upon timelines could result in the delay or withholding of reimbursements until such reports are received in a manner that is consistent with the requirements of the State.

2. SERVICES:

- 2.1. Based on the continued receipt/availability of federal funds, the Contractor shall utilize funds as defined in Exhibit B from the HUD Continuum of Care Program, to implement & maintain the HMIS final data and technical standards in a statewide HMIS system.

3. DATA SECURITY:

- 3.1. The Contractor shall be strictly prohibited from releasing or using data or information obtained in its capacity as a collector and processor of the data for any purposes other than those specifically authorized by DHHS. Failure to comply could be a violation of NH laws and rules and may lead to voiding of the Contract.
- 3.2. As the state's agent, the Contractor must comply with the requirements of the Health Insurance Portability & Accountability Act (HIPAA), HITECH ACT, and DHHS's standard business associate agreement.
- 3.3. The Contractor shall be solely liable for costs associated with any breach of data, including but not limited to notification and any damages assessed by the courts.
- 3.4. The Contract must comply with all provisions in the NH-HMIS Policy and Procedures Manual.
- 3.5. The Contractor shall provide confirmation of a biannual security assessment of HMIS software, performed by an independent third-party security Contractor, to verify that the environment containing the contractor's project data is secure. Broader Contractor-wide assessments that include the project's systems are acceptable. The Contractor shall provide confirmation of this assessment to DHHS.
- 3.6. In carrying out the duties of this Contract, the Contractor shall be the agent and business associate of DHHS. As such, it is bound by applicable State and federal laws regarding health care information.

[Handwritten Signature]
6/11/15



Exhibit A

- 3.6.1. The Contractor recognizes that some clients function as Covered Entities under the Health Insurance Portability and Accountability Act of 1996 (HIPAA). Work for these clients (or related entities) may require the Contractor to have access to Protected Health Information. In such instances, these clients are obligated to enter into a written Business Associates Agreement (BAA) which imposes HIPAA mandated requirements on the Contractor to limit its use of the Protected Health Information to certain specified purposes, safeguard the Information from misuse, and help Covered Entities comply with some of their duties under the regulations. The BAA addresses the parties' expanded obligations as outlined in the HITECH Act. These obligations include, but are not limited to, the Contractor's implementation of appropriate administrative, physical and technical safeguards as described in the HIPAA Security Rule and the Contractor's duty to provide the client with notice of any breach of unsecured protected health information, as defined in the HITECH Act.
- 3.6.2. The Contractor's Chief Executive Officer has overall responsibility to see that the Contractor takes steps to comply with HIPAA by controlling the disclosure and use of such Protected Health Information, and establishing and maintaining guidance and educational material to assist Contractor employees in that effort.



METHOD AND CONDITIONS PRECEDENT TO PAYMENT

Homeless Management Information System

This contract is funded by the New Hampshire General Fund and/or by federal funds made available under the Catalog of Federal Domestic Assistance (CFDA), as follows:

NH General Funds:

Program Title: State Grant in Aid, Homeless Management Information System

HMIS Operations costs: \$219,604

Total Amount Homeless Management Information System;

July 1, 2015 – June 30, 2017: not to exceed \$219,604

NH General Funds:

Program Title: Bureau of Behavioral Health, Homeless Management Information System Expansion to include Projects for Assistance in Transition from Homelessness data

HMIS: \$17,342

Total Amount Homeless Management Information System;

July 1, 2015 – June 30, 2016: not to exceed \$17,342

Federal Funds:

CFDA # 14.231

Federal Agency: U.S. Department of Housing & Urban Development

Program Title: Emergency Solutions Grant Program, Homeless Management Information System

HMIS: \$10,000

Total Amount Homeless Management Information System;

July 1, 2015 – June 30, 2016: not to exceed \$10,000

CFDA #: 14.267

Federal Agency: U.S. Department of Housing & Urban Development

Program Title: Continuum of Care Program, Homeless Management Information System

Total Amount Homeless Management Information System;

August 1, 2015 – July 31, 2016: not to exceed \$140,472

[Handwritten Signature]
6/11/15

New Hampshire Department of Health and Human Services
Homeless Management Information System



Exhibit B

Funds allocation under this agreement for Homeless Management Information System, Manchester:

HMIS: \$50,322
Administrative costs: \$1,630
Total program amount: \$51,952

Funds allocation under this agreement for Homeless Management Information System, Nashua:

HMIS: \$12,170
Administrative costs: \$304
Total program amount: \$12,474

Funds allocation under this agreement for Homeless Management Information System, Balance of State:

HMIS: \$74,097
Administrative costs: \$1,949
Total program amount: \$76,046

1. Subject to the General Provisions of this Agreement and in consideration of the satisfactory completion of the services to be performed under this Agreement, the State agrees to fund the Contractor for operations utilizing funds provided through the U.S. Department of Housing and Urban Development, Continuum of Care Program in an amount not to exceed block 1.8 of the General Provisions of this Agreement.

2. PROJECT COSTS; PAYMENT OF PROJECT COSTS; REVIEW BY THE STATE

2.1. Project Costs:

As used in this Agreement, the term "Project Costs" shall mean all expenses directly or indirectly incurred by the Contractor in the performance of the Services, as determined by the State to be eligible and allowable for payment in accordance with allowable cost standards set forth in Office of Management and Budget Circular A-87 as revised from time to time, and with the rules, regulations and guidelines established by the State. Nonprofit subcontractors shall meet the requirements of the Office of Management and Budget Circular A-122.

2.2. Payment of Project Costs:

Subject to the general provisions of this Agreement and in consideration of the satisfactory completion of the Services to be performed under this Agreement, the State agrees to purchase from the Contractor, in the amount not to exceed the price limitation set forth in block 1.8 of the General Provisions of the Agreement. The State agrees to provide funds for services in payments in accordance with such other schedules as may be required by the U.S. Department of Housing and Urban Development.

The Contractor shall submit documentation of expenditures of Federal funds at the conclusion of each monthly period or any other such schedule as may be required. In no event shall the funds provided exceed the Price Limitation set forth in block 1.8 of the General Provisions. Upon release of additional Federal funding to the State, the Contractor may invoice for balance of contracted amount as specified in block 1.8 based on documentation of expenditures.



Exhibit B

2.3. Review by the State, Disallowance of Costs:

At any time during the performance of the Services, and upon receipt of the semiannual reports, Termination Report or Audited Financial Report, the State may review all Project Costs incurred by the Contractor and all payments made to date. Upon such review, the State shall disallow any items of expense which are not determined to be allowable or are determined to be in excess of actual expenditures, and shall, by written notice specifying the disallowed expenditures, inform the Contractor of any such disallowance. If the State disallows costs for which payment has not been made, it shall refuse to pay such costs. The funds authorized to be expended under this Agreement shall be used only for services of the Homeless Management Information System Project provided by the Contractor for the period and operation years of the Supportive Housing Project as approved by the U.S. Department of Housing and Urban Development and in accordance with the Supportive Housing Project Rule, codified at 24 CFR Part 583.

3. USE OF GRANT FUNDS

Conformance to 24 CFR Part 84: Grant funds are to be used only in accordance with procedures, requirements, and principles specified in 24 CFR Part 583.

4. CONTRACTOR FINANCIAL MANAGEMENT SYSTEM

Line Item Transfers: Funds may not be transferred between programs nor may funds be transferred between line items as appears on the budget page without the prior written authorization from the State. Any expenditures which exceed the approved budgets shall be solely the financial responsibility of the Contractor. However, such excess expenditures may be covered by the transfer of other funds where such transfer is permissible by this Agreement. In any event, the Contractor shall be required to continue providing the Services specified in this Agreement. The Contractor shall make no adjustments so as to incur additional expenses in State funded programs in subsequent years without prior written authorization from the State.

[Handwritten Signature]
4/11/15

New Hampshire Department of Health and Human Services
Homeless Management Information System



Exhibit B-1

EXPENSE BUDGET DETAIL for SFY 2016 and SFY 2017:

EXPENSE ITEM	SFY	Federal Funds	Bureau of Behavioral Health	State Grant in Aid Funds	Vendor Match
State Grant In Aid (SGIA)	2016	0.00	0.00	\$109,802	\$109,802
State Grant In Aid (SGIA)	2017	0.00	0.00	\$109,802	\$109,802
Bureau of Behavioral Health (HMIS expansion to include PATH data)	2016	0.00	\$17,342	0.00	Not Applicable
Emergency Solutions Grant (ESG)	2016	\$10,000	0.00	0.00	Not Applicable
Continuum of Care (COC)	2016	\$128,766	0.00	0.00	Not Applicable
Continuum of Care (COC)	2017	\$11,706	0.00	0.00	Not Applicable
TOTALS		\$150,472	\$17,342	\$219,604	\$219,604
TOTAL State Grant In Aid + Match				\$439,208	



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

Exhibit C - Special Provisions

Contractor Initials *SN*



more employees, it will maintain a current EEO on file and submit an EEO Certification Form to the OCR, certifying that its EEO 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 EEO Certification Form to the OCR certifying it is not required to submit or maintain an EEO. Non-profit organizations, Indian Tribes, and medical and educational institutions are exempt from the EEO requirement, but are required to submit a certification form to the OCR to claim the exemption. EEO 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.



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. Subparagraph 14.1.1 of the General Provisions of this contract, is deleted and the following subparagraph is added:
 - 14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$1,000,000 per occurrence with additional general liability umbrella insurance coverage of not less than \$5,000,000 per occurrence; and



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




- 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.

Contractor Name: Harbor Homes, Inc.

6/11/15
Date


Name: Peter Kelleher
Title: President and 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-1.)
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: Harbor Homes, Inc.

Name: Peter Kelleher
Title: President and CEO

6/11/15
Date



**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 (I)(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: Harbor Home, Inc.

Name: Peter Kelleher
Title: President and CEO

6/11/15
Date

Contractor Initials

Date 6/11/15



**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

Contractor Initials

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

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: Harbor Homes, Inc.

Name: Peter Kelleher
Title: President and CEO

6/11/15

Date

Exhibit G

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

Contractor Initials



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: Harbor Homes, Inc.

Name: Peter Kellcher
Title: President and CEO

6/11/15
Date



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

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.

NH DHHS
 The State
Mary Ann Cooney
 Signature of Authorized Representative
MARY ANN COONEY
 Name of Authorized Representative
Associate Commissioner President and CEO
 Title of Authorized Representative
6/22/15
 Date

Harbor Homes, Inc.
 Name of the Contractor
Peter Kelleher
 Signature of Authorized Representative
Peter Kelleher
 Name of Authorized Representative
President and CEO
 Title of Authorized Representative
6/11/15
 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: Harbor Home, Inc.

Name: Peter Kelleher
Title: President and CEO

6/11/15

Date

6/11/15



FORM A

As the Contractor identified in Section 1.3 of the General Provisions, I certify that the responses to the below listed questions are true and accurate.

1. The DUNS number for your entity is: 13-186-4357
2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

NO YES

If the answer to #2 above is NO, stop here

If the answer to #2 above is YES, please answer the following:

3. Does the public have access to information about the compensation of the executives in your business or organization through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C.78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986?

NO YES

If the answer to #3 above is YES, stop here

If the answer to #3 above is NO, please answer the following:

4. The names and compensation of the five most highly compensated officers in your business or organization are as follows:

Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____