



INTERGOVERNMENTAL AGREEMENT (IGA)

Contract between the Arizona Department of Economic Security ("ADES" or "Department") and the Clerk of the Superior Court In and for Cochise County ("Clerk").

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

WHEREAS the Clerk is duly authorized to execute and administer contracts under A.R.S. §12-283; and

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

THEREFORE, the Department and Clerk of the Court agree to abide by all the terms and conditions set forth in this Contract.

BY SIGNING THIS FORM ON BEHALF OF THE COURT, THE SIGNATORY CERTIFIES HE/SHE HAS THE AUTHORITY TO BIND THE CLERK OF THE COURT TO THIS CONTRACT.

**FOR AND ON BEHALF OF THE ARIZONA,
DEPARTMENT OF ECONOMIC SECURITY**

**FOR AND ON BEHALF OF THE CLERK
OF THE SUPERIOR COURT IN AND
FOR COCHISE COUNTY**

Procurement Officer Signature

Signature

Printed Name

Printed Name

Title

Title

Date

Date

ADES Contract Number

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

ARIZONA ATTORNEY GENERAL'S OFFICE

By: _____
Assistant Attorney General

By: _____
Public Agency Legal Counsel

Date: _____

Date: _____

1.0 ADES VISION AND MISSION STATEMENTS

1.1 ADES Vision: Opportunity, assistance and care for Arizonans in need.

1.2 ADES Mission: The Arizona Department of Economic Security makes Arizona stronger by helping Arizonans reach their potential through temporary assistance for those in need, and care for the vulnerable.

2.0 PARTIES

2.1 This Intergovernmental Agreement (IGA) is between the Arizona Department of Economic Security (ADES), and the Clerk of the Court for Cochise County (Clerk).

3.0 TERM OF AGREEMENT

3.1 The term of this Agreement shall have an effective date of October 1, 2015, and shall end on September 30, 2020 unless otherwise agreed upon by both parties in writing.

3.2 EXTENSION

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

3.3 TERMINATION

3.3.1 This agreement may be terminated by mutual agreement of the parties at any time during the term of this agreement.

3.3.2 Each party shall have the right to terminate this agreement by providing to the other party written notice of termination at least thirty (30) days prior to the effective date of said termination.

4.0 AMENDMENTS OR MODIFICATIONS

4.1 This Agreement may be amended or modified at any time by mutual agreement. No agent, employee or other representative of either party is empowered to alter any of the terms of the agreement, unless done in writing and signed by the authorized representative of the respective parties.

4.2 Either party shall give written notice to the other party of any non-material alteration that affects the provisions of this Agreement. Non-material alterations that do not require a written amendment are as follows:

4.2.1 Change of telephone number;

4.2.2 Change in authorized signatory; and/or,

4.2.3 Change in the name and/or address of the person to whom notices are to be sent.

5.0 PURPOSE OF AGREEMENT

5.1 The purpose of this agreement is to establish responsibilities between the parties regarding Title IV-D operations and other required functions, with regard to reimbursable child support activities.

6.0 MANNER OF FINANCING

6.1 These services are financed by an annual grant from the Department of Health and Human Services, Administration for Children and Families, Grant No. G1604AZ4004.

7.0 SERVICE DESCRIPTION

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

8.0 CLERK RESPONSIBILITIES:

8.1 CHILD SUPPORT PAYMENTS

8.1.1 Within two (2) business days of receipt the Clerk shall forward all support payments, including purge payments, to the Arizona Child Support Payment Clearinghouse for posting. County issued checks with multiple obligor payments shall be accompanied by a document containing information necessary to post the payments accurately. The documented information shall include at a minimum; obligor name, Arizona Tracking Locate Automated System (ATLAS) case number, or court order number, amount paid, Clerk receipt number, and whether it is for a Title IV-D or Non-Title IV-D case.

8.1.2 The Clerk shall work each item in accordance with the United States Department of Health and Human Services and Office of Child Support Enforcement (OCSE) federal guidelines in the handling of collections held in suspense and undisbursed.

8.1.3 Any payments misapplied due to the action or inaction of the Clerk shall be the responsibility of the Clerk in an amount equal to any ADES loss. Prior to making a claim for reimbursement to the Clerk, ADES will issue

a letter to the Custodial Parent (CP) that received the erroneous payment. If the CP does not return the misapplied payment in full or make satisfactory payment arrangements within thirty (30) calendar days, the ADES shall invoice the clerk for the uncollected portion. The Clerk shall have thirty (30) calendar days to pay or to challenge the invoice by sending an email to DCSSPIE@azdes.gov. If DCSS recovers any amounts from the CP after the Clerk has paid the invoice, DCSS will refund the money to the Clerk.

- 8.1.4 The Clerk shall be responsible for activating the court action pending receipt ("R") narrative on ATLAS for all court orders or filings requiring monies to be held based on a court order or a minute entry. ADES shall be responsible for the removal of the "R" narrative on Title IV-D cases. Upon receipt of the underlying order, the Clerk shall be responsible for the removal of the "R" narrative in non-Title IV-D cases upon resolution of the court action as follows:
- 8.1.4.1 Seventy-five percent (75%) within two business days of the resolution; and,
- 8.1.4.2 Ninety-five percent (95%) within five business days of the resolution.
- 8.1.5 All Clerk of the Court debts must have accurate and defensible balances. The Clerk shall:
- Make any changes to the debts screens in ATLAS for Title IV-D cases. Debts screens include DELN, DEDN, SUOD and SUOL.
 - Make any debt adjustments or payment adjustments in ATLAS for Title IV-D cases. Debt and payment adjustment screens include DARN, DEHA, DEDR, RNRE, SURE, SUPR and PAAR.
- 8.1.6 The Clerk shall perform all duties assigned to the Clerk of the Superior Court pursuant to A.R.S. §25-510(C) for Non IV-D cases including:
- Load all new support orders in ATLAS
 - Modify order amounts in ATLAS
 - Respond to payment inquiries
 - Research payment related issues
 - Release payments pursuant to orders of the court
 - Update and maintain demographic and new employer information for the parties in ATLAS pursuant to A.R.S. §25-501.
- 8.1.7 For the purpose of this Agreement, support orders include both child support and spousal maintenance orders.
- 8.1.8 The Clerk shall accept child support payments at each courthouse facility. The Clerk may limit payment types (e.g. cash or money orders), but must provide to the payor a reasonable method for making payments without charge. The Clerk may also take checks made payable to the Arizona Child Support Payment Clearinghouse and forward the checks to Clearinghouse for negotiation.

9.0 LEGAL:

- 9.1 If the Clerk maintains its court records electronically pursuant to the Rules of the Supreme Court 94(g), the Clerk shall provide the Office of the Attorney General, or the Office of an Arizona County Attorney operating a Title IV-D program, with electronic remote access to those records pursuant to Rules of the Supreme Court.
- 9.2 Minute entries shall:
- (a) Include ATLAS numbers; when available;
 - (b) Be delivered electronically when available and allowed by rule; and
 - (c) In Title IV-D cases, minute entries shall endorse the Office of the Attorney General or the Office of the County Attorney at an email address provided by the agency, in addition to any notification to individual attorneys.
- 9.3 In Title IV-D and Non IV-D cases, the Clerk shall, in accordance with A.R.S. §25-504, mail or fax all Orders of Assignments (Income Withholding Orders) signed by the court upon entry of a new or modified child support order or an Order to Stop Order of Assignment within two (2) business days in ninety-five (95%) of the cases from date of receipt unless the document must be returned to the Judicial Officer for clarification.
- 9.4 Any Order of Assignment or Income withholding order containing the Social Security Number of the Obligor shall not be transmitted by electronic mail in accordance to A.R.S. §44-1373, unless transmitted using a secure connection or encryption.
- 9.4.1 The clerk shall make all appropriate ATLAS entries reflecting entry of support orders, orders of assignment or

income withholding orders within two business days. Guidelines for what constitutes appropriate entries can be found in Exhibit A, which is attached hereto and incorporated herein by reference.

9.4.2 The Clerk shall not close any Non IV-D ATLAS case until all Clearinghouse fees have been paid, ADES has waived collection of the fees or a court has explicitly ruled that no fees are owing

9.4.3 To the extent permitted by law, the Clerk shall provide information regarding the dates and case numbers of adoptions and termination of parental rights as requested by ADES, County Attorneys, or the Attorney General's Office so support orders may be stopped or modified.

10.0 TRAINING:

10.1 DCSS shall provide ATLAS training to the Clerk of the Court sufficient for the Clerk to comply with their duties under this agreement. Within thirty (30) calendar days of contract award, the Clerk shall designate two (2) Subject Matter Experts (SME) to be trained by DCSS. Thereafter it shall be the responsibility of the SME in the Clerk of the Court Office to train new personnel, as necessary, to become an SME.

10.2 DCSS will provide one-time instruction to the designated employees from the Clerk at no charge. All training shall be conducted in the Phoenix metro area. For Clerk staff who must travel, costs will be reimbursed by submitting a claim on the Certified Public Expenditure Statement (CPES) for travel, lodging, and per diem, if necessary. Reimbursement shall be in accordance with Arizona General Accounting Office Standards.

10.3 DCSS will provide the curriculum and training within 90 days of the contract award.

10.4 All new Clerk staff assigned to Title IV-D Child Support shall complete ADES required forms and ATLAS security training before being assigned "log on" identifiers for ATLAS.

10.5 New ATLAS users are required to complete the following forms provided by ADES:

10.5.1 J-125, Request for Terminal Access;

10.5.2 J-129, Affirmation Statement;

10.5.3 CS-169, Conflict of Interest/Confidentiality Statement.

10.6 The above forms are available electronically upon request. Completed forms shall be sent electronically to ISAADMIN@AZDES.GOV.

11.0 CUSTOMER SERVICE:

11.1 The Clerk shall provide customer service and access during regular business hours of 8:00 A.M. to 5:00 P.M., Monday through Friday, excluding holidays. Customer Service includes answering telephone calls, serving walk-in customers, and returning telephone calls within one business day. The Clerk is solely responsible for customer service inquiries on their county caseload. These inquiries include questions regarding payments and distribution, debt balances, debt adjustments, and case status. The Clerk shall respond to the ADES inquiries concerning support cases within two (2) business days.

11.2 Customer telephone calls regarding non Title IV-D inquiries shall not be directed to ADES staff. Clerk staff shall, within two (2) business days, email the appropriate ADES email address with a request for information when necessary. ADES staff will respond to email inquiries within two (2) business days. Email addresses for these inquiries shall be sent to Clerk staff upon the execution of this Agreement.

11.3 The Clerk shall provide to ADES names of Non-Title IV-D customer service representatives to whom inquiries and complaints can be directed for investigation and response.

11.4 Upon request by ADES, its agent, the Attorney General's Office and an Arizona County Attorney operating a Title IV-D program the Clerk shall provide, free of charge, copies of case records [as defined by Rules of the Supreme Court 123(b)(16)(B)]. Records shall be delivered or made accessible by mail, facsimile, or an electronically scanned format, to the requesting party within five (5) calendar days of the request. When certified copies of court documents are required, the Clerk shall provide them within fifteen (15) calendar days of the request at no charge. Copies requested by parties or another State's IV-D program shall be provided in the same timely manner, but the Clerk may charge for copies as permitted by law.

11.5 By close of business daily, the Clerk shall update ATLAS upon receipt of new information. Changes include, but are not limited to, names, addresses of the parties, telephone numbers, placement of the domestic violence indicator (NDI), job information, sources of income, and Social Security numbers. The Clerk shall add to the Case Activity List CAAL in ATLAS, alert codes upon processing all orders in Title IV-D cases.

11.6 Requests to open cases in which a Notice of Change in Status is received shall be processed within three (3) business days of receipt of the request.

11.7 When the status of the case is changed from IV-D to Non IV-D, The Clerk shall notify employers in writing,

within five (5) business days, of the change in the case number. This is to ensure proper payment credit on an Income Withholding Order.

- 11.8 The Clerk shall review NDI exception reports for the County, including Superior Court and the limited jurisdiction courts. The Clerk shall research cases on the exception report for data matches and make the proper ATLAS updates. The Clerk shall review these cases within three (3) business days of receipt of the report.

12.0 COMPENSATION FOR SERVICES:

- 12.1 The Clerk shall submit a yearly summary operating budget to ADES that reflects the projected expenditures for child support enforcement activities as required in this agreement by August 1st of each year.
- 12.2 If the Clerk intends to claim reimbursement for indirect costs, it shall provide yearly to ADES a copy of its cost allocation plan. The plan shall comply with the standards contained in OMB Circular A-87 and be subject to yearly written approval from ADES. The approval will be provided prior to the date of any period for which reimbursement is requested.
- 12.3 Actual, allowable expenditures shall be determined in accordance with provisions of this agreement, 45 CFR. 74.1, et seq., and 45 C.F.R. 304.
- 12.4 Under this agreement, the reimbursement rate shall be at the applicable amount established by the federal government in accordance with 42 U.S. Code, Section 655(a)(2).
- 12.5 If ADES conducts a financial audit and disallows expenses reimbursed under this agreement, the Clerk shall pay ADES in an amount equal to the amount of the disallowance.
- 12.6 If the Federal Office of Child Support Enforcement conducts a financial audit and disallows the Clerk expenses already reimbursed by the Department, the Clerk shall pay ADES an amount equal to any disallowance of expenses within 30 calendar days.

13.0 INCENTIVE PAYMENTS:

- 13.1 The ADES shall pay to the Clerk an amount equal to the proportionate share of incentives earned based on performance in the five federally established incentive measures for the quarter in which the incentives are earned. The Clerk's proportionate share shall be based upon the methodology set forth in the ADES current incentive policy, which is incorporated by reference into this agreement.
- 13.2 The ADES will determine incentives payments for the Clerk based on performance in the five federally established incentive measures.
- 13.3 Incentives paid each quarter to the counties are calculated based on "Arizona IV-D Incentive Distribution.
- 13.4 Arizona allocates the Incentive Pool based on the federal incentive distribution model which includes the following five (5) performance measures:
1. Paternity Establishment Percentage;
 2. Percentage of cases with support orders;
 3. Collection rate of current support
 4. Percentage of cases with collection on arrears and
 5. Cost Effectiveness Ratio (total dollars collected per dollar of expenditures).
- 13.5 The ADES will calculate the collections by County for both DCSS and the Clerk-run programs.
- 13.6 Cost by county includes courts, DCSS local offices and the central admin allocated costs.
- 13.7 State Share of Retained Earnings retained and passed to the Clerk since they run their own program.
- 13.8 Incentives are paid to county courts for services rendered.
- 13.9 The Clerk agrees to isolate incentive payments received from other funding and dedicate the use of such payment solely for the enhancement of the Clerk's Title IV-D program. Expenditure of incentive payments must follow the requirements of Section 7309 of the Deficit Reduction Act of 2005.

14.0 REPORTING REQUIREMENTS:

- 14.1 The Clerk shall submit to the Department programmatic and financial reports as required by the Department. These will include reports other than those required by federal regulations, such management reports as may be needed for the proper and efficient operation of the Title IV-D and Non IV-D program.
- 14.2 The Clerk shall provide a case closure report including amount of balance due;
- 14.3 Other reports may be required by the DCSS through the Contract term.

14.4 All reports shall reference the contract number and be submitted to the person designated by the Department in a manner agreed upon with the Department.

14.5 Reports shall be sent to:

AZ Department of Economic Security
Division of Child Support Enforcement
ATTN: Contracts Unit, Site Code 019A
PO Box 40458
Phoenix, AZ 85067-0458

14.6 If the Clerk has contractors conducting business as it relates to this Agreement, the Clerk shall submit the Certificate of Insurance as specified in Section 27.2 of this Agreement to the address below.

14.6.1 Contractors include; Armored Car Service, document and language translators, temporary staff and counselors.

AZ Department of Economic Security
Division of Child Support Enforcement
ATTN: Contracts Unit, Site Code 019A
PO Box 40458
Phoenix, AZ 85067-0458

15.0 PAYMENT REQUIREMENTS

15.1 Upon receipt of CS-016-FF, Certified Public Expenditure Statement (CPES), ADES will reimburse the Clerk for costs incurred in the delivery of Contract Services during the term of this Agreement within thirty (30) calendar days.

15.2 The Clerk shall submit supporting expense documents each month to support the claim on the CPES. The Clerk shall submit the CPES and supporting documentation by the 28th day of the month following the service.

15.3 CPES shall be submitted to:

AZ Department of Economic Security
Division of Child Support Services
ATTN: Contracts Unit, Site Code 019A
PO Box 40458
Phoenix, AZ 85067-0458

15.4 After Contract award, an email address may be provided for CPES, reports and notices.

15.5 Services provided to DCSE will be paid via Automated Clearing House (ACH) by using the ACH process. Instructions and downloadable forms are found at <https://gao.az.gov/sites/default/files/GAO-618%20ACH%20Vendor%20Authorization%20030215-S%26S.pdf>

16.0 NOTICES

16.1 All notices to the Clerk regarding this agreement shall be sent to the following address:

Cochise County Clerk of the Superior Court
Kenny Reeves, Chief Deputy Clerk
PO Box CK
Bisbee, AZ 85603

17.0 APPLICABLE LAW

17.1 This Contract shall be governed and interpreted by the laws of the State of Arizona. The materials and services supplied under this Contract shall comply with all applicable Federal, State and local laws, and the Clerk shall maintain all applicable licenses and permit requirements.

18.0 ARBITRATION

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

19.0 AUDIT

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

20.0 CANCELLATION FOR CONFLICT OF INTEREST

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

21.0 CONFIDENTIALITY

- 21.0 The Clerk and ADES shall adhere to standards of confidentiality of record maintenance in accordance with the law and DCSS policy. The Clerk agrees that any information provided by the Department or the State relative to the applicants or recipients of public assistance shall be used only for the administration of this contract, or in any investigation or civil proceeding conducted pursuant to this contract. The Clerk shall provide safeguards to restrict the use or disclosure of any information concerning any individual who is party to a case. The Clerk understands that revealing any information concerning the Non Custodial Parent (NCP) or Custodial Parent (CP), one to the other, is in violation of the law and grounds for immediate termination of this contract. This includes, but is not limited to, revealing the date, location and time that a party to a case is scheduled for paternity testing.
- 21.2 The safeguards provided shall also prohibit disclosure of any information that identifies by name, address, or social security number the Custodial Person to any committee or legislative body. The Contractor agrees that any federal or state tax-related information shall be treated as confidential and shall not be disclosed.
- 21.3 The Clerk shall establish and maintain procedures and controls that are acceptable to the Department for the purpose of assuring that no information contained in its records or obtained from the Department, or from others carrying out its functions under the contract, shall be used or disclosed by the Clerk or by the Clerk's agents, officers or employees except as required to perform duties under the contract. Persons requesting such information shall be referred to the Department. The Clerk also agrees that any information pertaining to an individual shall not be disclosed other than to employees or officers of the Clerk for the performance of duties under the contract, unless otherwise agreed to in writing by the Department.
- 21.4 The Clerk agrees not to use or permit the use of the names and/or addresses of individuals referred from the Department for any commercial purpose.
- 21.5 The Clerk shall observe and abide by all applicable State and Federal statutes, rules, and regulations regarding the use or disclosure of information including, but not limited to, information concerning applicants for and recipients of contract services. To the extent permitted by law, the Clerk shall release information to the ADES and to the Attorney General's Office as required by the terms of this contract, by law or upon their request.
- 21.6 The Clerk shall comply with the requirements of Arizona Address Confidentiality Program, A.R.S. §41-161 et. seq. The ADES will advise the Clerk as to applicable policies and procedures the ADES has adopted for such compliance.

22.0 CONFLICT OF INTEREST

- 22.1 In accordance with A.R.S. §38-511, the State may within three years after execution cancel the Agreement, without penalty or further obligation, if any person significantly involved in initiating, negotiating,

securing, drafting or creating the Agreement on behalf of the State, at any time while the Agreement is in effect, becomes an employee or agent of any other party to the Agreement in any capacity or a consultant to any other party to the Agreement with respect to the matter of the Agreement.

23.0 DATA SHARING AGREEMENT

23.1 When determined by the Department that sharing of confidential data will occur with the Clerk, the Clerk shall complete the ADES Data Sharing Request Agreement and submit the completed Agreement to the ADES Program Designated Staff prior to any work commencing or data shared. A separate Data Sharing Request Agreement shall be required between the Clerk and each ADES Program sharing confidential data.

24.0 E-VERIFY

24.1 In accordance with A.R.S. §41-4401, the Clerk warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with A.R.S. §23-214, Subsection A.

25.0 FEDERAL IMMIGRATION AND NATIONALITY ACT

25.1 By entering into the Agreement, the Clerk warrants compliance with the Federal Immigration and Nationality Act. (FINA) and all other Federal immigration laws and regulations related to the immigration status of its employees. The Clerk shall obtain statements from its subcontractors certifying compliance and shall furnish the statements to the Procurement Officer upon request. These warranties shall remain in effect through the term of the Agreement. The Clerk and its subcontractors shall also maintain Employment Eligibility Verification forms (I-9) as required by the U.S. Department of Labor's Immigration and Control Act, for all employees performing work under the Agreement. I-9 forms are available for download at USCIS.GOV.

25.2 The State may request verification of compliance for any Clerk or subcontractor performing work under the Agreement. Should the State suspect or find that the Clerk or any of its subcontractors are not in compliance, the State may pursue any and all remedies allowed by law, including, but not limited to suspension of work, termination of the Agreement for default, and suspension and/or debarment of the Clerk. All costs necessary to verify compliance are the responsibility of the Clerk.

26.0 INDEMNIFICATION

26.1 Each Party is responsible for its own negligence.

26.2 Indemnification for Clerk:

26.2.1 Each Party (as "Indemnitor") agrees to indemnify, defend, and hold harmless the other party (as "Indemnatee") from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as "Claims") arising out of bodily injury of any person (including death) or property damage, but only to the extent that such Claims which result in vicarious/derivative liability to the Indemnatee are caused by the act, omission, negligence, misconduct, or other fault of the Indemnitor, its officers, officials, agents, employers, or volunteers.

26.3 **Indemnification for Subcontractor**

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

27.0 INSURANCE REQUIREMENTS

27.1 INSURANCE REQUIREMENTS FOR GOVERNMENTAL PARTIES TO AN IGA

27.1.1 None.

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

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

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

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

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

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

a. The policy shall be endorsed to **include coverage for sexual abuse and molestation.**

b. The policy shall be endorsed to include the following additional insured language: **“The State of Arizona and the Arizona Department of Economic Security shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Clerk ”.**

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

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

2. **Automobile Liability**

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

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

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

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

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

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

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

- a. Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Clerk.
- b. This requirement shall not apply to: Separately, EACH contractor or subcontractor exempt under A.R.S. 23-901, AND when such contractor or subcontractor executes the appropriate waiver (Sole Proprietor/Independent Contractor) form.

2. **Additional Insurance Requirements:** The policies shall contain, or be endorsed to contain, the following provisions:
 1. The State of Arizona and the Department of Economic Security, wherever additional insured status is required such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Agreement.
 2. The contractor's insurance coverage shall be primary insurance with respect to all other available sources.
 3. Coverage provided by the contractor shall not be limited to the liability assumed under the indemnification provisions of this Agreement.
 3. **Notice of Cancellation:** Each insurance policy required by the insurance provisions of this Agreement shall provide the required coverage and shall not be suspended, voided, canceled, or reduced in coverage or in limits except after thirty (30) days prior written notice has been given to the State of Arizona. Such notice shall be sent directly to the **Department of Economic Security, Office of Procurement, 1789 W. Jefferson St. Site Code 805Z, Phoenix, AZ 85007** and shall be sent by certified mail, return receipt requested.
 4. **Acceptability of Insurers:** Insurance is to be placed with duly licensed or approved non-admitted insurers in the State of Arizona with an "A.M. Best" rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Clerk from potential insurer insolvency.
 5. **Verification of Coverage:** Clerk shall furnish the State of Arizona with certificates of insurance (ACORD form or equivalent approved by the State of Arizona) as required by this Agreement. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.
 All certificates and endorsements are to be received and approved by the State of Arizona before work commences. Each insurance policy required by this Agreement must be in effect at or prior to commencement of work under this Agreement and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Agreement, or to provide evidence of renewal, is a material breach of Agreement.
- All certificates required by this Agreement shall be sent directly to **Department of Economic Security, Office of Procurement, 1789 W. Jefferson St. Site Code 805Z, Phoenix, AZ 85007** unless the Reporting Requirements specifies otherwise. The State of Arizona **contract number and contract description shall be noted or referenced on the certificate of insurance.** The State of Arizona reserves the right to require complete, certified copies of all insurance policies required by this Agreement at any time. **DO NOT SEND CERTIFICATES OF INSURANCE TO THE STATE OF ARIZONA'S RISK MANAGEMENT SECTION.**
6. **Subcontractors:** Contractors' certificate(s) shall include all subcontractors as insureds under its policies or Contractor shall furnish to the State of Arizona separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.
 7. **Approval:** Any modification or variation from the insurance requirements in this Agreement shall

be made by the Department of Administration, Risk Management Section, whose decision shall be final. Such action will not require a formal amendment to the Agreement, but may be made by administrative action.

8. **Exceptions:** In the event the contractor or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self-Insurance. If the contractor or sub-contractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.

28.0 IT 508 COMPLIANCE

- 28.1 Unless specifically authorized in the Agreement, any electronic or information technology offered to the State of Arizona under this agreement shall comply with A.R.S. §41-3531 and 3532 and Section 508 of the Rehabilitation Act of 1973, which requires that employees and members of the public shall have access to and use of information technology that is comparable to the access and use by employees and members of the public who are not individuals with disabilities.

29.0 NON-AVAILABILITY OF FUNDS

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

30.0 NON-DISCRIMINATION

- 30.1 In accordance with A.R.S. §41-1461 and Executive Order No. 2009-09, the Clerk shall provide equal employment opportunities for all persons, regardless of race, color, religion, creed, sex, age, national origin, disability or political affiliation. The Clerk shall comply with the Americans with Disabilities Act.

31.0 OFFSHORE PERFORMANCE OF WORK PROHIBITED

- 31.1 Due to security and identity protection concerns, direct services under this contract shall be performed within the borders of the United States. Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and may involve access to secure or sensitive data or personal client data or development or modification of software for the State shall be performed within the borders of the United States. Unless specifically stated otherwise in the specifications, this definition does not apply to indirect or 'overhead' services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers

32.0 RIGHT OF OFFSET

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

33.0 SAFEGUARDING OF TAX INFORMATION PER IRS PUBLICATION 1075

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

34.0 PERFORMANCE

- In performance of this Contract, the Clerk agrees to comply with and assume responsibility for compliance by his or her employees with the following requirements:
- 34.2 All work will be done under the supervision of the Contractor or the Contractor's employees.

- 34.3 Any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material will be treated as confidential and will not be divulged or made known in any manner to any person except as may be necessary in the performance of this contract. Disclosure to anyone other than an officer or employee of the Clerk will be prohibited.
- 34.4 All returns and return information will be accounted for upon receipt and properly stored before, during, and after processing. In addition, all related output will be given the same level of protection as required for the source material.
- 34.5 The Clerk certifies that the data processed during the performance of this contract will be completely purged from all data storage components of his or her computer facility, and no output will be retained by the Clerk at the time the work is completed. If immediate purging of all data storage components is not possible, the Clerk certifies that any IRS data remaining in any storage component will be safeguarded to prevent unauthorized disclosures.
- 34.6 Any spoilage or any intermediate hard copy printout that may result during the processing of IRS data will be given to the agency or his or her designee. When this is not possible, the Clerk will be responsible for the destruction of the spoilage or any intermediate hard copy printouts, and will provide the agency or his or her designee with a statement containing the date of destruction, description of material destroyed, and the method used.
- 34.7 All computer systems processing, storing, or transmitting Federal tax information must meet the requirements defined in IRS Publication 1075. To meet functional and assurance requirements, the security features of the environment must provide for the managerial, operational, and technical controls. All security features must be available and activated to protect against unauthorized use of and access to Federal tax information.
- 34.8 No work involving Federal tax information furnished under this contract will be subcontracted without prior written approval of the IRS.
- 34.9 The Contractor will maintain a list of employees authorized access. Such list will be provided to the agency and, upon request, to the IRS reviewing office.
- 34.10 The agency will have the right to void the contract if the Contractor fails to provide the safeguards described above.
- 35.0 CRIMINAL/CIVIL SANCTIONS:**
- 35.1 Each officer or employee of any person to whom returns or return information is or may be disclosed will be notified in writing by such person that returns or return information disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any such returns or return information for a purpose or to an extent unauthorized herein constitutes a felony punishable upon conviction by a fine of as much as \$5,000 or imprisonment for as long as 5 years, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized further disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount not less than \$1,000 with respect to each instance of unauthorized disclosure. These penalties are prescribed by IRC sections 7213 and 7431 and set forth at 6 CFR 301.6103(n)-1.
- 35.2 Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of the contract. Inspection by or disclosure to anyone without an official need to know constitutes a criminal misdemeanor punishable upon conviction by a fine of as much as \$1,000 or imprisonment for as long as 1 year, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized inspection or disclosure of returns or return information may also result in an award of civil damages against the officer or employee [United States for Federal employees] in an amount equal to the sum of the greater of \$1,000 for each act of unauthorized inspection or disclosure with respect to which such defendant is found liable or the sum of the actual damages sustained by the plaintiff as a result of such unauthorized inspection or disclosure plus in the case of a willful inspection or disclosure which is the result of gross negligence, punitive damages, plus the costs of the action. These penalties are prescribed by IRC section 7213A and 7431.

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

36.0 INSPECTION

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

37.0 THIRD- PARTY ANTITRUST VIOLATIONS

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

38.0 Attachments and Exhibits

38.1 Attachment 1 - Certification Regarding Lobbying

38.2 Attachment 2 - Certification Regarding Maintenance of Effort

38.3 Attachment 3 – Sub recipient Fact Sheet

39.0 Exhibit A Non IV-D Procedures Manual

40.0 Exhibit B Certified Public Expenditure Statement

|

CERTIFICATION REGARDING LOBBYING
CERTIFICATION FOR CONTRACTS, GRANTS, LOANS,
AND COOPERATIVE AGREEMENTS

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

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

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

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

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

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL

TITLE

APPLICANT ORGANIZATION

DATE SUBMITTED

ATTACHMENT 2

CERTIFICATION REGARDING MAINTENANCE OF EFFORT

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

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

Signature of Authorized Certifying Official

Title

Date

SUBRECIPIENT FACT SHEET

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

Official/Legal Name of Sub recipient

Clerk of the Superior Court in and for Cochise County
(From the Contract)

Contract # _____

Federal Employer Taxpayer ID # 866000398

- Federal Grantor's Name U.S. Department of Health and Human Services

- CFDA Title and Number 93.563

- Award Name and Number Arizona Department of Economic Security

- Award Period October 1, 2015 through September 30, 2020
- Pass-through Number Assigned by the Department G1604AZ4004

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

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