Purchase-of-Service Agreement

Blue Earth County Human Services, 410 S. Fifth Street, Mankato, Minnesota, 56002-3526, hereafter referred to as the “County,” and City of Mankato, Department of Public Safety, 710 South Front Street, Mankato, Minnesota, 56001, hereafter referred to as the "Contractor,” enter into this agreement for the period from January 1, 2025, through December 31, 2025.

WITNESSETH

WHEREAS, the Contractor is a Government agency duly qualified and willing to provide transportation; and

WHEREAS, the County, pursuant to Minnesota Statutes, Section 373.01, 373.02, 254A.08, and 253B.051, Subd. 1, wishes to purchase such services from Contractor; and

NOW, THEREFORE, in consideration of the mutual understandings and agreements set forth, the County and Contractor agree as follows:

I. CONTRACTOR’S DUTIES

Transportation will be provided to detox facilities by the Mankato Department of Public Safety for persons in need of detoxification services found to be intoxicated within the borders of the City of Mankato.

II. COST AND DELIVERY OF PURCHASED SERVICES

A. For transportation to the New Ulm detoxification facility, cost for the service will be the 2025 IRS mileage rate for a round trip (59 miles).

B. For persons who need transportation to a detoxification facility outside the New Ulm/Mankato area, cost for the service will be as stated below.

The cost for the service will be $105.56 per hour.

III. ELIGIBILITY FOR SERVICES

A. The parties understand and agree that the eligibility of the client to receive the purchased services are limited to these individuals found to be intoxicated within the borders of the City of Mankato.

IV. PAYMENT FOR PURCHASED SERVICES

A. Certification of Expenditures: The Contractor will, within 15 working days following the last day of the calendar month, submit an invoice for services purchased to Blue Earth County Human Services. The invoice must show: 1) total expenditures for the month; and 2) an itemized account for each individual, identifying the service, number of units, and cost per unit.

B. Payment: The County, within 30 days of the date of receipt of the invoice, will make payment to the Contractor for all eligible individuals identified on the invoice.

V. AUDIT AND RECORD DISCLOSURES

The Provider must:

A. Allow personnel of the County, the Minnesota Department of Human Services, and the U.S. Department of Health and Human Services access to the Provider's facility and records at reasonable hours to exercise their responsibility to monitor purchased services.

B. Maintain all records pertaining to the contract for four (4) years for audit purposes.

VI. SAFEGUARD OF CLIENT INFORMATION

A. The use or disclosure by any party of information concerning an eligible client in violation of any rule of confidentiality provided for in Minnesota Statutes, Chapter 13, or for any purpose not directly connected with the County's or Contractor's responsibility with respect to the purchased services hereunder is prohibited except on written consent of such eligible client, the client's attorney, or the client's responsible parent or guardian.

B. The County is a covered entity under the Health Insurance Portability and Accountability Act (HIPAA). To the extent that the Contractor performs a function or activity involving the use of "protected health information" (45 CFR section 164.501), on behalf of the Agency including, but not limited to: providing health care services; health care claims processing or administration; data analysis, processing, or administration; utilization review; quality assurance; billing; benefit management; practice management; repricing; or otherwise provided by 45 CFR section 160.103, the Contractor shall comply with the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations (45 C.F.R. Parts 160-164), (collectively referred to as "HIPAA"), and all applicable requirements.

VII. FAIR HEARING AND GRIEVANCE PROCEDURE

The County agrees to provide for a fair hearing and grievance procedure in conformance with Minnesota Statutes, Section 256.045, and in conjunction with fair hearing and grievance procedures established by Department of Human Services administrative rules.

VIII. PROVIDER DEBARMENT, SUSPENSION, AND RESPONSIBILITY CERTIFICATION

Federal Regulation 45 CFR 92.35 prohibits the County from purchasing goods or services with federal money from vendors who have been suspended or debarred by the Federal Government. Similarly, Minnesota Statutes, Section 16C.03, Subd. 2, provides the Commissioner of Administration with the authority to debar and suspend vendors who seek to contract with the County. Vendors may be suspended or debarred when it is determined, through a duly-authorized hearing process, that they have abused the public trust in a serious manner.

By signing this contract, the Contractor certifies that it and its principals[1] and employees:

A. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from transacting business by or with any federal, state, or local governmental department or agency; and

B. Have not within a three (3) year period preceding this contract:

1. 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 contract;
2. Violated any federal or state antitrust statutes; or
3. Committed embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property; and

C. Are not presently indicted or otherwise criminally or civilly charged by a governmental entity for:

1. Commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public (federal, state, or local) transaction;
2. Violating any federal or state antitrust statutes; or
3. Committing embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements or receiving stolen property; and

D. Are not aware of any information and possess no knowledge that any sub-provider(s) that will perform work pursuant to this contract are in violation of any of the certifications set forth above.

E. Shall immediately give written notice to the County should Contractor come under investigation and allegations of fraud or a criminal offense in connection with obtaining, or performing a public (federal, state, or local government) transaction; violating any federal or state antitrust statutes; or committing embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property.

IX. CONDITIONS OF THE PARTIES' OBLIGATIONS

A. This agreement may be canceled by either party at any time, with cause, upon ninety (90) days' notice, in writing, delivered by mail or in person.

B. Before the termination date specified, the County may evaluate the performance of the Contractor in regard to terms of this agreement to determine whether such performance merits renewal of this agreement.

[1] "Principals" for the purposes of this certification means officers, directors, owners, partners, and persons having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of a subsidiary, division, or business segment; and similar positions).

C. Any alterations, variations, modifications, or waivers of provisions of this agreement must be valid only when they have been reduced to writing, duly-signed, and attached to the original of this agreement.

X. SUBCONTRACTING

A. The Contractor agrees not to enter into subcontracts for any of the work contemplated under this contract without written approval of the County.

B. All sub-providers must be subject to and must meet all of the requirements of this contract.

C. The Contractor must ensure that any and all sub-providers to provide services under this contract must contain the following language:

The sub-provider acknowledges and agrees that the Minnesota Department of Human Services is a third-party beneficiary and, as a third-party beneficiary, is an affected party under this contract. The sub-provider specifically acknowledges and agrees that the Minnesota Department of Human Services has standing to and may take any appropriate administrative action or may sue the provider for any appropriate relief in law or equity, including but not limited to recision, damages, or specific performance, of all or any part of the contract. Minnesota Department of Human Services is entitled to and may recover from the provider reasonable attorney's fees, costs, and disbursements associated with any action taken under this paragraph that is successfully maintained. This provision must not be construed to limit the rights of any party to the contract or any other third-party beneficiary, nor must it be construed as a waiver of immunity under the Eleventh Amendment of the United States Constitution or any other waiver or immunity.

D. The Contractor agrees to be responsible for the performance of any sub-provider to ensure compliance to the subcontract and Minnesota Rules, Part 9525.1870, Subpart 3.

XI. NONCOMPLIANCE

A. If the Contractor fails to comply with the provisions of this contract, the County may seek any available legal remedy. If the County fails to comply with the provisions of this contract, the Contractor may seek any available legal remedy.

B. Either party must notify the other party within thirty (30) days when a party has reasonable grounds to belief that this contract has been or will be breached in a material manner. The party receiving such notification must have thirty (30) days, or any other such period of time as mutually agreed to by the parties, to cure the breach or anticipatory breach. Resolution will be attempted following fair hearing and grievance procedure outlined in Section VII.

XII. MISCELLANEOUS

The Contractor acknowledges and agrees that the Minnesota Department of Human Services is a third-party beneficiary and, as third-party beneficiary, is an affected party under this agreement. The Contractor specifically acknowledges and agrees that the Minnesota Department of Human Services has standing to and may take any appropriate administrative action or may sue the Contractor for any appropriate relief in law or performance of all or any part of the agreement between the County Welfare Board and the Contractor. The Contractor specifically acknowledges that the County Welfare Board and the Minnesota Department of Human Services are entitled to and may recover from the Contractor reasonable attorney's fees and costs and disbursements associated with any action taken under this paragraph and that is successfully maintained. This provision must not be construed to limit the rights of any party to the agreement of any other third-party beneficiary, nor must it be construed as a waiver of immunity under the Eleventh Amendment to the United States Constitution or any other waiver of immunity.

XIII. BONDING, INDEMNITY, INSURANCE AND AUDIT CLAUSE

A. **Bonding**: The Provider will be required to maintain at all times, during the term of this Contract, a fidelity bond or insurance coverage for employee dishonesty with a minimum amount of $100,000.00 covering the activity of each person authorized to receive or distribute monies under the term of this Contract. A copy of the Provider's bond or insurance certificate shall be delivered to the Lead County at the beginning of this Contract term and on an annual basis thereafter.

B. **Indemnity**: The Provider agrees that it will at all times defend, indemnify, and hold harmless, the Department of Human Services and the Lead County or Financially Responsible Agency against any and all liability, loss, damages, costs and expenses which the Department, Financially Responsible Agency, or Lead County may hereafter sustain, incur, or be required to pay:

1. By reason of any applicant or eligible person suffering bodily or personal injury, death, or property loss or damage either while participating in or receiving the care and services to be furnished under this Contract, or while on premises owned, leased, or operated by the Provider, or while being transported to or from said premises in any vehicle owned, operated, leased, chartered, or otherwise contracted for by the Provider or any officer, agent, or employee thereof; or
2. By reason of any applicant or eligible person causing injury to, or damage to, the property of another person, during any time when the Provider or any officer, agent, or employee thereof has undertaken or is furnishing the care and services called for under this Contract; or
3. By reason of any negligent act or omission or intentional act of the Provider, its agents, officers, or employees which causes bodily injury, death, personal injury, property loss, or damage to another during the performance of Purchased Services under this Contract.

C. **Insurance**: The Provider further agrees, in order to protect itself as well as the Department, the Lead County, and other Financially Responsible Agencies under the indemnity contract provision set forth above, its officers, agents, employees, and servants as additional insureds, but only insofar as the operations under this contract. It will at all times during the term of the Contract, and beyond such term when so required, have and keep in force a general liability insurance policy. Adult family foster care providers and child family foster care providers who are covered by the DHS-purchased liability policy for these providers are exempt from this insurance requirement as long as the DHS-purchased insurance is in force. Any insurance required to be provided by the Provider shall be primary, and not excess, to any other coverage carried by the County. The selected insurance company of the Provider must be acceptable to the County. The Provider is responsible for any deductible or self-insured retention contained within the insurance program.

1. The Provider will purchase occurrence-based liability insurance. The policy shall include coverage for all applicable liabilities arising out of premises, operations, independent contractors, products, completed operations, personal and advertising injury, and liability assumed under a contract. An umbrella liability policy may be used in conjunction with the primary coverage limits to meet the minimum limit requirements for each coverage. The County should be listed as an additional insured.
2. The applicable liability insurance coverage will meet the limits as shown below or be of equal to the tort liability limits under Minnesota Statutes, Section 3.736, Subd. 4, whichever is greater:
    a. **Commercial General Liability Coverage**
       $3,000,000.00 for general aggregate coverage
       $3,000,000.00 for products and completed operations aggregate
       $1,500,000.00 for each occurrence
       $1,500,000.00 for personal injury and advertising injury
       $100,000.00 for fire damage limit
       $5,000.00 for medical expense
    b. **Auto liability coverage** of $1,500,000.00 per occurrence. Auto coverage should include any auto, including hired and non-owned.
    c. **Worker's Compensation and employer's liability coverage**: Worker's Compensation limits are to be statutory per applicable state and federal laws. Minimum employer's liability coverage:
       Bodily injury by accident: $500,000.00 each accident
       Bodily injury by disease: $500,000.00 each employee
       Bodily injury by disease: $500,000.00 policy limit
3. The Department of Human Services, Lead County, and Financially Responsible Agency must all be listed as additional insured, and the Lead County shall be sent a current, appropriately signed certificate of insurance on an annual basis. The certificate should identify the county as an additional insured for relevant coverages, except Worker's Compensation. The certificate must show that the Lead County will receive sixty (60) calendar days' prior written notice in the event of cancellation, nonrenewal, or material change in the described policy.
4. If the Provider is unable to obtain the required insurance coverage, or if the coverage is cancelled during the term of this Agreement, the Provider must notify the Lead County contract manager (or the contract manager's designee) by telephone or e-mail the same business day as the Provider receives notice of cancellation or inability to obtain coverage. The Provider shall also provide written notice to the Lead County contract manager within five (5) business days. The Provider shall make immediate good faith efforts to obtain or replace the coverage in the open market. If such efforts are unsuccessful, the Provider shall apply to the Minnesota Joint Underwriting Association for the insurance coverage. Failure to maintain required insurance coverage shall be considered an event of default pursuant to this Agreement.

XIV. ENTIRE AGREEMENT

It is understood and agreed that the entire contract of the parties is contained herein and this contract supersedes all oral agreements and negotiations between the parties relating to the subject matter thereof.

IN WITNESS WHEREOF, the County and the Contractor have executed this Agreement as of the day and year first above-written:

Dated: __________________ ______________________________________
Chairperson, Blue Earth County Board

Dated: __________________ Attest: ______________________________
Robert W. Meyer
Blue Earth County Administrator

Dated: __________________ ______________________________________
Phil Claussen, Director
Blue Earth County Human Services

Dated: __________________ ______________________________________
Susan MH Arntz
City of Mankato

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