Sample Contract for the Disability Services Innovation Grant

This is a sample contract for the Disability Services Innovation Grant program. For more information, see the [DHS Disability Service Innovation Grants page](#).

THIS CONTRACT, and amendments and supplements thereto, is between State of Minnesota, acting through its Department of Human Services, Disability Services Division (hereinafter “STATE”) and ________________, an independent grantee, not an employee of the State of Minnesota, address ________________ (hereinafter “GRANTEE”).

RECITALS

WHEREAS, STATE, pursuant to Minnesota Statutes, section _______ is empowered to enter into contracts for the following services: _____________________, and

WHEREAS STATE is in need of the following services: ______________________, and

WHEREAS, GRANTEE represents that it is duly qualified and willing to perform the services set forth herein,

THEREFORE, the parties agree as follows:

1. GRANTEE’S DUTIES.

GRANTEE shall:

2. CONSIDERATION AND TERMS OF PAYMENT.

2.1 Consideration.

Consideration for all services performed and goods or materials supplied by GRANTEE pursuant to this Contract shall be paid by STATE as follows:

A. Compensation.

GRANTEE will be paid as follows

B. Reimbursement.

Reimbursement for travel and subsistence expenses actually and necessarily incurred by GRANTEE’S performance of this Contract shall be no greater amount than provided in the current Commissioner’s Plan (which is incorporated by reference) promulgated by the Commissioner of Minnesota Management and Budget. GRANTEE shall not be reimbursed for travel and subsistence expense incurred outside the State of Minnesota unless it has received prior written approval for such out of state travel from STATE.
C. **Total obligation.**

The total obligation of STATE for all compensation and reimbursements to GRANTEE shall not exceed_________ dollars ($________________).

D. **Withholding.**

If applicable, for compensation payable under this Contract, which is subject to withholding under state or federal law, appropriate amounts will be deducted and withheld by the State as required.

2.2 **Terms of Payment**

A. **Reimbursement.**

Reimbursement shall be one initial cash advance of _______________ (equal to one calendar month or calendar quarter) followed by monthly/quarterly cost reimbursement based on the previous month’s/quarter’s expenses as documented by receipts, invoices, travel vouchers, and time sheets.

STATE shall issue a second cash advance of _____________ (equal to one calendar month or calendar quarter) after reconciliation of the previous State fiscal year funds. If actual expenditures of GRANTEE are less than provided in the approved program line item budget at the end of the grant’s term, STATE shall reduce the final payment so as not to exceed expenditures.

B. **Cash Advance Justification.**

Please document the need for the Advance given to GRANTEE:

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

C. **Invoices.**

Payments shall be made by STATE promptly after GRANTEE’S presentation of invoices for services performed and acceptance of such services by STATE’S authorized agent pursuant to Clause 7. Invoices shall be submitted in a form prescribed by STATE and according to the following schedule:

D. **Federal Funding.**

(Where applicable. If blank this section does not apply.) Payments are to be made from federal funds obtained by STATE through Title _______ of the ______________ Act of ____________ (Public law __________ and amendments thereto) Catalog of Federal Domestic Assistance (CFDA) No. __________ federal award name and number _______________ -__________. If at any time such funds become unavailable, this Contract shall be terminated immediately upon written notice of such fact by STATE to GRANTEE. In the event of such termination, GRANTEE shall be entitled to payment, determined on a pro rata basis, for services satisfactorily performed.

3. **CONDITIONS OF PAYMENT.**

All services provided by GRANTEE pursuant to this Contract shall be performed to the satisfaction of STATE, as determined at the sole discretion of its authorized representative, and in accord with all applicable federal, state, and local laws, ordinances, rules and regulations including business registration requirements of the Office of the Secretary of State.  GRANTEE
shall not receive payment for work found by STATE to be unsatisfactory, or performed in violation of federal, state or local law, ordinance, rule or regulation.

4. **PAYMENT RECOUPMENT.**

GRANTEE must reimburse STATE upon demand or STATE may deduct from future payments under this Contract any amounts paid by STATE, under this or any previous grant, for which invoices and progress reports have not been received, or for which GRANTEE’S books, records or other documents are not sufficient to clearly substantiate that those amounts were used by GRANTEE to perform grant services.

5. **TERMS OF CONTRACT.**

This Contract shall be effective on ____________, or upon the date that the final required signature is obtained by STATE, pursuant to Minnesota Statutes, section 16C.05, subdivision 2, whichever occurs later, and shall remain in effect through ____________, or until all obligations set forth in this Contract have been satisfactorily fulfilled, whichever occurs first. GRANTEE understands that NO work should begin under this Contract until ALL required signatures have been obtained, and GRANTEE is notified to begin work by STATE's Authorized Representative. GRANTEE shall have a continuing obligation, after said grant period, to comply with the following provisions of grant clauses: 10. Indemnification; 11. State Audits; 12. Information Privacy and Security; 13. Intellectual Property Rights; 14. Publicity; and 19. Jurisdiction and Venue.

6. **CANCELLATION.**

6.1 **For Cause or Convenience.**

This Contract may be canceled by STATE or GRANTEE at any time, with or without cause, upon thirty (30) days written notice to the other party. In the event of such a cancellation, GRANTEE shall be entitled to payment, determined on a pro rata basis, for work or services satisfactorily performed. STATE has the right to suspend or terminate this Contract immediately when STATE deems the health or welfare of the service recipients is endangered, when STATE has reasonable cause to believe that GRANTEE has breached a material term of the grant contract, or when GRANTEE’S non-compliance with the terms of the grant contract may jeopardize federal financial participation.

6.2 **Insufficient Funds.**

STATE may immediately terminate this Contract if it does not obtain funding from the Minnesota Legislature, or other funding source; or if funding cannot be continued at a level sufficient to allow for the payment of the services covered here. Termination will be by written or fax notice to GRANTEE. STATE is not obligated to pay for any services that are provided after notice and effective date of termination. However, GRANTEE will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed to the extent that funds are available. STATE will not be assessed any penalty if the grant contract is terminated because of the decision of the Minnesota Legislature, or other funding source, not to appropriate funds. STATE must provide GRANTEE notice of the lack of funding within a reasonable time of STATE’s receiving that notice.
6.3 Breach.

Notwithstanding clause 6.1., upon STATE’s knowledge of a curable material breach of the grant contract by GRANTEE, STATE shall provide GRANTEE written notice of the breach and ten (10) days to cure the breach. If GRANTEE does not cure the breach within the time allowed, GRANTEE will be in default of this Contract and STATE may cancel the grant contract immediately thereafter. If GRANTEE has breached a material term of this Contract and cure is not possible, STATE may immediately terminate this Contract.

7. AUTHORIZED REPRESENTATIVES, RESPONSIBLE AUTHORITY, and PROJECT MANAGER.

7.1 State.

STATE’S authorized representative for the purposes of administration of this Contract is _____________ or his/her successor. Such representative shall have final authority for acceptance of GRANTEE’S services and if such services are accepted as satisfactory, shall so certify on each invoice submitted pursuant to Clause 2.2.

7.2 Grantee.

GRANTEE’s Authorized Representative is _____________ or his/her successor. If GRANTEE’s Authorized Representative changes at any time during this Contract, GRANTEE must immediately notify STATE.

7.3 Information Privacy and Security.

(If applicable) GRANTEE’s responsible authority for the purposes of complying with data privacy and security for this Contract is _____________ or his/her successor.

7.4 Project Manager.

STATE’S project manager for this Contract is _____________ phone number: _____________ or his/her successor.

8. ASSIGNMENT.

GRANTEE shall neither assign nor transfer any rights or obligations under this Contract without the prior written consent of STATE.

9. AMENDMENTS.

Any amendments to this Contract shall be in writing, and shall be executed by the same parties who executed the original grant contract, or their successors in office.

10. INDEMNIFICATION.

In the performance of this Contract by GRANTEE, or GRANTEE’S agents or employees, GRANTEE must indemnify, save, and hold harmless STATE, its agents, and employees, from any claims or causes of action, including attorney’s fees incurred by STATE, to the extent caused by GRANTEE’S: 1) Intentional, willful, or negligent acts or omissions; or 2) Actions that give rise to strict liability; or 3) Breach of contract or warranty. The indemnification obligations of this clause do not apply in the event the claim or cause of action is the result of STATE’S sole negligence. This clause will not be construed to bar any legal remedies GRANTEE may have for STATE’S failure to fulfill its obligation under this Contract.
11. **STATE AUDITS.**

Under Minnesota Statutes, section 16C.05, subdivision 5, the books, records, documents, and accounting procedures and practices of GRANTEE and its employees, agents, or subcontractors relevant to this Contract shall be made available and subject to examination by STATE, including the contracting Agency/Division, Legislative Auditor, and State Auditor for a minimum of six years from the end of this Contract.

12. **INFORMATION PRIVACY AND SECURITY.**

A. It is expressly agreed that STATE will not be disclosing or providing information protected under the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, (the “Data Practices Act”) as “not public data” on individuals to GRANTEE under this Contract. “Not public data” means any data that is classified as confidential, private, nonpublic, or protected nonpublic by statute, federal law or temporary classification. Minn. Stat. § 13.02, subd. 8a.

B. It is expressly agreed that GRANTEE will not create, receive, maintain, or transmit "protected health information," as defined in the Health Insurance Portability Accountability Act (“HIPAA”), 45 C.F.R. § 160.103, on behalf of STATE for a function or activity regulated by 45 C.F.R. 160 or 164. Accordingly, GRANTEE is not a "business associate" of STATE, as defined in HIPAA, 45 C.F.R. § 160.103 as a result of, or in connection with, this Contract. Therefore, GRANTEE is not required to comply with the privacy provisions of HIPAA as a result of, or for purposes of, performing under this Contract. If GRANTEE has responsibilities to comply with the Data Practices Act or HIPAA for reasons other than this Contract, GRANTEE will be responsible for its own compliance.

C. Notwithstanding paragraph A and B, in its capacity as GRANTEE under this Contract, GRANTEE must comply with the provisions of the Data Practices Act as though it were a governmental entity as defined by the Data Practices Act. GRANTEE will be performing functions of a government entity under Minn. Stat. § 13.05, subd. 11, and thus any data created, collected, received, stored, used, maintained or disseminated by GRANTEE in performing its duties under this Contract is subject to the protections of the Data Practices Act. The civil remedies of Minnesota Statutes, section 13.08 apply to the release of the data governed by the Data Practices Act, Minnesota Statutes, ch. 13, by either GRANTEE or STATE.

D. In its capacity as GRANTEE under this Contract, GRANTEE is being made an agent of the “welfare system” as defined in Minn. Stat. §13.46, subd. 1, and any data collected, created, received, stored, used, maintained or disseminated by GRANTEE in performing its duties under this Contract is explicitly subject to the protections of Minn. Stat. 13.46.

E. If GRANTEE receives a request to release data created, collected, received, stored, used, maintained or disseminated by GRANTEE in performing its duties under this Contract, GRANTEE must immediately notify and consult with STATE’s Authorized Representative as to how GRANTEE should respond to the request.

F. Under this Contract, GRANTEE performing the functions of a government entity including, but are not limited to, responding appropriately pursuant to Minn. Stat. §§ 13.03 and 13.04 to requests for data created, collected, received, stored, used, maintained, or disseminated by GRANTEE in performing its duties under this Contract.
G. GRANTEE’s obligations while performing the functions of a government entity include, but are not limited to, complying with Minn. Stat. § 13.05, subd. 5 to establish appropriate security safeguards for all records containing data on individuals.

H. GRANTEE must comply with Minn. Stat. § 13.055 to investigate and appropriately report or notify regarding any potential unauthorized acquisition of data created, collected, received, stored, used, maintained, or disseminated by GRANTEE in performing its duties under this Contract.

13. INTELLECTUAL PROPERTY RIGHTS.

13.1 Definitions.

Works means all inventions, improvements, discoveries (whether or not patentable or copyrightable), databases, computer programs, reports, notes, studies, photographs, negatives, designs, drawings, specifications, materials, tapes, and disks conceived, reduced to practice, created or originated by GRANTEE, its employees, agents, and subcontractors, either individually or jointly with others in the performance of the grant contract. Works includes “Documents.” Documents are the originals of any data bases, computer programs, reports, notes, studies, photographs, negatives, designs, drawings, specifications, materials, tapes, disks, or other materials, whether in tangible or electronic forms, prepared by GRANTEE, its employees, agents, or subcontractors, in the performance of this Contract.

13.2 Ownership.

STATE owns all rights, title, and interest in all of the intellectual property, including copyrights, patents, trade secrets, trademarks, and service marks in the Works and Documents created and paid for under this Contract. The Works and Documents will be the exclusive property of STATE and all such Works and Documents must be immediately returned to STATE by GRANTEE upon completion or cancellation of this Contract. To the extent possible, those Works eligible for copyright protection under the United States Copyright Act will be deemed to be “works made for hire.” If using STATE data, GRANTEE must cite the data, or make clear by referencing that STATE is the source.

13.3 Responsibilities.

A. Notification.

Whenever any Works or Documents (whether or not patentable) are made or conceived for the first time or actually or constructively reduced to practice by GRANTEE, including its employees and subcontractors, and are created and paid for under this Contract, GRANTEE will immediately give STATE’S Authorized Representative written notice thereof, and must promptly furnish the Authorized Representative with complete information and/or disclosure thereon. GRANTEE will assign all right, title, and interest it may have in the Works and the Documents to STATE.

B. Filing and recording of ownership interests.

GRANTEE must, at the request of STATE, execute all papers and perform all other acts necessary to transfer or record STATE’S ownership interest in the Works and Documents created and paid for under this Contract. GRANTEE must perform all acts, and take all steps necessary to ensure that all intellectual property rights in these Works and
Documents are the sole property of STATE, and that neither GRANTEE nor its employees, agents, or subcontractors retain any interest in and to these Works and Documents.

C. Duty not to Infringe on intellectual property rights of others.

GRANTEE represents and warrants that the Works and Documents created and paid for under this Contract do not and will not infringe upon any intellectual property rights of other persons or entities. Notwithstanding Clause 10, GRANTEE will indemnify; defend, to the extent permitted by the Attorney General; and hold harmless STATE, at GRANTEE’S expense, from any action or claim brought against STATE to the extent that it is based on a claim that all or part of these Works or Documents infringe upon the intellectual property rights of others. GRANTEE will be responsible for payment of any and all such claims, demands, obligations, liabilities, costs, and damages, including but not limited to, attorney fees. If such a claim or action arises, or in GRANTEE’S or STATE’S opinion is likely to arise, GRANTEE must, at STATE’S discretion, either procure for STATE the right or license to use the intellectual property rights at issue or replace or modify the allegedly infringing Works or Documents as necessary and appropriate to obviate the infringement claim. This remedy of STATE will be in addition to and not exclusive of other remedies provided by law.

14. PUBLICITY.

Any publicity given to the program, publications, or services provided resulting from this Contract, including but not limited to, notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for GRANTEE or its employees individually or jointly with others or any subcontractors, shall identify STATE as the sponsoring agency and shall not be released, unless such release is a specific part of an approved work plan included in this Contract prior to its approval by the State’s Authorized Representative.

15. WORKERS’ COMPENSATION.

GRANTEE certifies that it is in compliance with Minnesota Statute, section 176.181, subdivision 2, pertaining to workers’ compensation insurance coverage. GRANTEE’S employees and agents will not be considered employees of STATE. Any claims that may arise under the Minnesota Workers’ Compensation Act on behalf of these employees or agents and any claims made by any third party as a consequence of any act or omission on the part of these employees or agents are in no way STATE’S obligation or responsibility.

16. VOTER REGISTRATION REQUIREMENT.

GRANTEE certifies that it will comply with Minnesota Statutes, section 201.162 by providing voter registration services for its employees and for the public served by GRANTEE.

17. OWNERSHIP OF EQUIPMENT.

STATE shall have the right to require transfer of all equipment purchased with grant funds (including title) to STATE or to an eligible non-STATE party named by STATE. This right will normally be exercised by STATE only if the project or program for which the equipment was acquired is transferred from one grantee to another.
18. FEDERAL AUDIT REQUIREMENTS AND GRANTEE DEBARMENT INFORMATION.

18.1 Single Audit Act.

GRANTEE certifies it will comply with the Single Audit Act, and Code of Federal Regulations, title 2, subtitle A, chapter II, part 200, as applicable. All sub-recipients receiving $750,000 or more of federal assistance in a fiscal year will obtain a financial and compliance audit made in accordance with the Single Audit Act, or Code of Federal Regulations, title 2, subtitle A, chapter II, part 200, as applicable. Failure to comply with these requirements could result in forfeiture of federal funds.

18.2 Debarment by the State of Minnesota.

GRANTEE certifies that neither it nor its principles is presently debarred or suspended by STATE, or any of its departments, commissions, agencies, or political subdivisions. GRANTEE’S certification is a material representation upon which the grant contract award was based. GRANTEE shall provide immediate written notice to STATE’S authorized representative if at any time it learns that this certification was erroneous when submitted or becomes erroneous by reason of changed circumstances.

19. JURISDICTION AND VENUE.

This Contract, and amendments and supplements thereto, shall be governed by the laws of the State of Minnesota. Venue for all legal proceedings arising out of this Contract, or breach thereof, shall be in the state or federal court with competent jurisdiction in Ramsey County, Minnesota.

20. WAIVER.

If the State fails to enforce any provision of this Contract, that failure does not waive the provision or STATE’s right to enforce it.

21. CONTRACT COMPLETE.

This Contract contains all negotiations and agreements between STATE and GRANTEE. No other understanding regarding this Contract, whether written or oral may be used to bind either party.

22. OTHER PROVISIONS.

22.1 General Commercial Liability Insurance.

GRANTEE agrees that it will at all times during the term of the grant contract keep in force a commercial general liability insurance policy with the following minimum amounts: $2,000,000 per occurrence and $2,000,000 annual aggregate, protecting it from claims for damages for bodily injury, including sickness or disease, death, and for care and loss of services as well as from claims for property damage, including loss of use which may arise from operations under the grant contract whether the operations are by GRANTEE or by a subcontractor or by anyone directly or indirectly employed by GRANTEE under the grant contract.
22.2 Employee Theft/Dishonesty Policy.

GRANTEE further agrees to keep in force a blanket employee theft/employee dishonesty policy in at least the total amount of the first year’s grant award as either an addendum on its property insurance policy, or, if it is not feasible to include it as an addendum to a property insurance policy, as a stand-alone employee theft/employee dishonesty policy. STATE will be named as both a joint payee and a certificate holder on the employee theft/employee dishonesty addendum or on the stand-alone employee theft/employee dishonesty policy, whichever is applicable. Only in cases in which the first year’s grant award exceeds the available employee theft/employee dishonesty coverage may grantees provide blanket employee theft/employee dishonesty insurance in an amount equal to either 25% of the yearly grant amount, or the first quarterly advance amount, whichever is greater. Upon execution of this Contract, GRANTEE shall furnish the State with a certificate of employee theft/employee dishonesty insurance.

22.3 Religious Based Counseling.

GRANTEE agrees that no religious based counseling shall take place under the auspices of this Contract.

22.4 Independent Audit.

If GRANTEE has an independent audit, a copy of the audit shall be submitted to STATE.

22.5 Payment to Subcontractors.

(If applicable) As required by Minnesota Statutes, section 16A.1245, the prime GRANTEE must pay all subcontractors, less any retainage, within ten (10) calendar days of the prime GRANTEE’s receipt of payment from the State for undisputed services provided by the subcontractor(s) and must pay interest at the rate of one and one-half percent per month or any part of a month to the subcontractor(s) on any undisputed amount not paid on time to the subcontractor(s).
IN WITNESS WHEREOF, the parties have caused this Contract to be duly executed intending to be bound thereby.

APPROVED:

1. STATE ENCUMBRANCE VERIFICATION
   Individual certifies that funds have been encumbered as required by Minnesota Statutes, chapter 16A and section 16C.05.

   By: _________________________________
   Date: _______________________________
   Grant No: ___________________________

2. GRANTEE
   Signatory is authorized by applicable articles, by-laws, resolutions, or ordinances to sign on behalf of the Grantee.

   By: _________________________________
   Title: _______________________________
   Date: _______________________________

I certify that the signatories for the Grantee have lawful authority, by virtue of the corporate by-laws or a corporate resolution, to bind the Grantee to the terms of this Contract.

(Attorney for Grantee)

   By: _________________________________
   Title: _______________________________
   Date: _______________________________

3. STATE AGENCY
   By: _________________________________
       (with delegated authority)
   Title: _______________________________
   Date: _______________________________
   Distribution:
   State - Original (fully executed) contract
   Grantee
   State Authorized Representative
Attention. If you need free help interpreting this document, call the above number.

651-431-4300 or 866-267-7655

For accessible formats of this publication or additional equal access to human services, email DHS.info@state.mn.us, call 651-431-4300 or 866-267-7655 (toll free) or use your preferred relay service.