

	Competition Impracticable CONTRACT		ARIZONA DEPARTMENT OF HEALTH SERVICES 150 N 18 th Avenue, Suite 530 Phoenix, Arizona 85007 Procurement Officer Gina Corwin
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	DESCRIPTION: Outside Legal Counsel – Sober Living Facilities	OF 34	

Offer

TO THE STATE OF ARIZONA:

The Undersigned hereby offers and agrees to furnish the material, service or construction in compliance with all terms, conditions, scope of work and amendments in the Contract.

UEI#: _____

Name: _____ D. Andrew Gaona

Phone: _____ (602) 381-5486

Email: _____ agaona@cblawyer.com

Coppersmith Brockelman PLC

Company Name

2800 N Central Ave., Suite 1900

Address

Phoenix Arizona 85004

City State Zip



Signature of Person Authorized to Sign Offer

D. Andrew Gaona

Printed Name

Partner

Title

By signature, the Contractor certifies:

1. The Contractor shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, State Executive Order 2023-01, 2023-09, and 2009-9 or A.R.S. §§ 41-1461 through 1465.

ACCEPTANCE OF OFFER

The Contractor is bound to sell the materials or services listed by the attached contract.

This Contract shall henceforth be referred to as Contract No. **CTR071079**

The effective date of the Contract is **effective upon signature by both parties.**

The Contractor is cautioned not to commence any billable work or to provide any material or service under this contract until Contractor receives purchase order, contract release document or written notice to proceed.

State of Arizona
Awarded this 11th day of April 2024
Gina Corwin
Digitally signed by Gina Corwin
Date: 2024.04.11 12:20:39 -07'00'
Chief Procurement Officer or Designee

UNIFORM TERMS AND CONDITIONS

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Uniform Terms and Conditions

Version 10.5

1. Definition of Terms. As used in this Solicitation and any resulting Contract, the terms listed below are defined as follows:
 - 1.1. "AI" means the science and engineering of making machines capable of performing tasks that are typically associated with human intelligence, such as learning and problem-solving, and includes without limitation: AI systems, classic AI, external AI, generative AI, and large language model (LLM) AI.
 - 1.2. "Attachment" means any item the Contract requires the Contractor to submit as part of the Offer.
 - 1.3. "Contract" means the combination of the Instructions to Offerors, the Uniform and Special Terms and Conditions, and the Specifications and Statement or Scope of Work; or Contract Amendments.
 - 1.4. "Contract Amendment" means a written document signed by the Procurement Officer that is issued for the purpose of making changes in the Contract.
 - 1.5. "Contractor" means any person who has a Contract with the State.
 - 1.6. "Data" means recorded information, regardless of form or the media on which it may be recorded. The term may include technical data and computer software. The term does not include information incidental to contract administration, such as financial, administrative, cost or pricing, or management information.
 - 1.7. "Days" means calendar days unless otherwise specified.
 - 1.8. "Exhibit" means any item labeled as an Exhibit in the Exhibits section of the Contract generally containing maps, schematics, examples of reports, or other documents that will be used to perform the requirements of the Scope of Work after contract award.
 - 1.9. "Gratuity" means a payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.
 - 1.10. "Materials" means all property, including equipment, supplies, printing, insurance and leases of property but does not include land, a permanent interest in land or real property or leasing space.
 - 1.11. "Procurement Officer" means the person, or his or her designee, duly authorized by the State to enter into and administer Contracts and make written determinations with respect to the Contract.
 - 1.12. "Services" means the furnishing of labor, time or effort by a Contractor or Subcontractor which does not involve the delivery of a specific end product other than required reports and performance, but does not include employment agreements or collective bargaining agreements.
 - 1.13. "State" means any department, commission, council, board, bureau, committee, institution, agency, government corporation or other establishment or official of the executive branch or corporation commission of the State of Arizona that executes the Contract.
 - 1.14. "State Fiscal Year" means the period beginning with July 1 and ending June 30.
 - 1.15. "Subcontract" means any Contract, express or implied, between the Contractor and another party or between a Subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any Materials or any Services required for the performance of the Contract.

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- 1.16. "Subcontractor" means a person who contracts to perform work or render Services to a Contractor or to another Subcontractor as a part of a Contract with the State.

2. Contract Interpretation

- 2.1. Arizona Law. The Arizona law applies to this Contract including, where applicable, the Uniform Commercial Code as adopted by the State of Arizona and the Arizona Procurement Code, Arizona Revised Statutes (A.R.S.) Title 41, Chapter 23, and its implementing rules, Arizona Administrative Code (A.A.C.) Title 2, Chapter 7.
- 2.2. Implied Contract Terms. Each provision of law and any terms required by law to be in this Contract are a part of this Contract as if fully stated in it.
- 2.3. Contract Order of Precedence. In the event of a conflict in the provisions of the Contract, as accepted by the State and as they may be amended, the following shall prevail in the order set forth below:
- 2.3.1. Special Terms and Conditions;
 - 2.3.2. Uniform Terms and Conditions;
 - 2.3.3. Statement or Scope of Work;
 - 2.3.4. Specifications;
 - 2.3.5. Attachments;
 - 2.3.6. Exhibits; then
 - 2.3.7. Any other documents referenced or included in the Contract including, but not limited to, any documents that do not fall into one of the above categories.
- 2.4. Relationship of Parties. The Contractor under this Contract is an independent Contractor. Neither party to this Contract shall be deemed to be the employee or agent of the other party to the Contract.
- 2.5. Severability. The provisions of this Contract are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition of the Contract.
- 2.6. No Parol Evidence. This Contract is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any terms used in this document and no other understanding either oral or in writing shall be binding.
- 2.7. No Waiver. Either party's failure to insist on strict performance of any term or condition of the Contract shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.

3. Contract Administration and Operation

- 3.1. Records. Under A.R.S. § 35-214 and § 35-215, the Contractor shall retain and shall contractually require each Subcontractor to retain any and all Data and other "records" relating to the acquisition and performance of the Contract for a period of five (5) years after the completion of the Contract. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the Contractor shall produce a legible copy of any or all such records.
- 3.2. Non-Discrimination. The Contractor shall comply with State Executive Order Nos. 2023-09, 2023-01, 2009-09, and any and all other applicable Federal and State laws, rules and regulations, including

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the Americans with Disabilities Act. Contractor shall include these provisions in contracts with Subcontractors when required by Federal or State law.

- 3.3. Audit. Pursuant to A.R.S. § 35-214, at any time during the term of this Contract and five (5) years thereafter, the Contractor's or any Subcontractor's books and records shall be subject to audit by the State and, where applicable, the Federal Government, to the extent that the books and records relate to the performance of the Contract or Subcontract.
- 3.4. Facilities Inspection and Materials Testing. The Contractor agrees to permit access to its facilities, Subcontractor facilities, and the Contractor's processes or services, at reasonable times for inspection of the facilities or Materials covered under this Contract as required under A.R.S. § 41-2547. The State shall also have the right to test, at its own cost, the Materials to be supplied under this Contract. Neither inspection of the Contractor's facilities nor Materials testing shall constitute final acceptance of the Materials or Services. If the State determines non-compliance of the Materials, the Contractor shall be responsible for the payment of all costs incurred by the State for testing and inspection.
- 3.5. Notices. Notices to the Contractor required by this Contract shall be made by the State to the person indicated on the Offer and Acceptance form submitted by the Contractor unless otherwise stated in the Contract. Notices to the State required by the Contract shall be made by the Contractor to the Solicitation Contact Person indicated on the Solicitation, stated in the Contract, or listed on the State's eProcurement system. An authorized Procurement Officer and an authorized Contractor representative may change their respective person to whom notice shall be given by written notice to the other and an amendment to the Contract shall not be necessary.
- 3.6. Advertising, Publishing and Promotion of Contract. The Contractor shall not use, advertise or promote information for commercial benefit concerning this Contract without the prior written approval of the Procurement Officer.
- 3.7. Continuous Improvement. Contractor shall recommend continuous improvements on an on-going basis in relation to any Materials and Services offered under the Contract, with a view to reducing State costs and improving the quality and efficiency of the provision of Materials or Services. State may require Contractor to engage in continuous improvements throughout the term of the Contract.
- 3.8. Other Contractors. State may undertake on its own or award other contracts to the same or other suppliers for additional or related work. In such cases, the Contractor shall cooperate fully with State employees and such other suppliers and carefully coordinate, fit, connect, accommodate, adjust, or sequence its work to the related work by others. Where the Contract requires handing-off Contractor's work to others, Contractor shall cooperate as State instructs regarding the necessary transfer of its work product, Materials, Services, or records to State or the other suppliers. Contractor shall not commit or permit any act that interferes with the State's or other suppliers' performance of their work, provided that, State shall enforce the foregoing section equitably among all its suppliers so as not impose an unreasonable burden on any one of them.
- 3.9. Ownership of Intellectual Property
- 3.9.1. Rights In Work Product. All intellectual property originated or prepared by Contractor pursuant to the Contract, including but not limited to, inventions, discoveries, intellectual copyrights, trademarks, trade names, trade secrets, technical communications, records reports, computer programs and other documentation or improvements thereto, including Contractor's administrative communications and records relating to the Contract, are considered work product and Contractor's property, provided that, State has Government Purpose Rights to that work product as and when it was delivered to State.
- 3.9.2. "Government Purpose Rights" are:
- 3.9.2.1. the unlimited, perpetual, irrevocable, royalty free, non-exclusive, worldwide right to use, modify, reproduce, release, perform, display, sublicense, disclose

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- and create derivatives from that work product without restriction for any activity in which State is a party;
- 3.9.2.2. the right to release or disclose that work product to third parties for any State government purpose; and the right to authorize those to whom it rightfully releases or discloses that work product to use, modify, release, create derivative works from the work product for any State government purpose; such recipients being understood to include the federal government, the governments of other states, and various local governments.
- 3.9.3. "Government Purpose Rights" do not include any right to use, modify, reproduce, perform, release, display, create derivative works from or disclose that work product for any commercial purpose, or to authorize others to do so.
- 3.9.4. Joint Developments. The Contractor and State may each use equally any ideas, concepts, know-how, or techniques developed jointly during the course of the Contract, and may do so at their respective discretion, without obligation of notice or accounting to the other party.
- 3.9.5. Pre-existing Material. All pre-existing software and other Materials developed or otherwise obtained by or for Contractor or its affiliates independently of the Contract or applicable Purchase Orders are not part of the work product to which rights are granted State under subparagraph 3.9.1 above, and will remain the exclusive property of Contractor, provided that:
- 3.9.5.1. any derivative works of such pre-existing Materials or elements thereof that are created pursuant to the Contract are part of that work product;
- 3.9.5.2. any elements of derivative work of such pre-existing Materials that was not created pursuant to the Contract are not part of that work product; and
- 3.9.5.3. except as expressly stated otherwise, nothing in the Contract is to be construed to interfere or diminish Contractor's or its affiliates' ownership of such pre-existing Materials.
- 3.9.6. Developments Outside Of Contract. Unless expressly stated otherwise in the Contract, this Section does not preclude Contractor from developing competing Materials outside the Contract, irrespective of any similarity to Materials delivered or to be delivered to State hereunder.
- 3.10. Property of the State. If there are any materials that are not covered by Section 3.9 above created under this Contract, including but not limited to, reports and other deliverables, these materials are the sole property of the State. The Contractor is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. The Contractor shall not use or release these materials without the prior written consent of the State.
- 3.11. Federal Immigration and Nationality Act. Contractor shall comply with all federal, state and local immigration laws and regulations relating to the immigration status of their employees during the term of the contract. Further, Contractor shall flow down this requirement to all Subcontractors utilized during the term of the contract. The State shall retain the right to perform random audits of Contractor and Subcontractor records or to inspect papers of any employee thereof to ensure compliance. Should the State determine that the Contractor or any Subcontractors be found noncompliant, the State may pursue all remedies allowed by law, including, but not limited to: suspension of work, termination of the contract for default and suspension or debarment of the contractor.
- 3.12. E-Verify Requirements. In accordance with A.R.S. § 41-4401, Contractor warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. § 23- 214, Subsection A.

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- 3.13. Offshore Performance of Work involving Data is Prohibited. Any Services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and involve access to Data shall be performed within the defined territories of the United States.
- 3.14. Protection of State Cybersecurity Interests. The Contractor shall comply with State Executive Order No. 2023-10, which includes, but is not limited to, a prohibition against (a) downloading and installing of TikTok on all State-owned and State-leased information technology; and (b) accessing TikTok through State information technology.
- 3.15. Artificial Intelligence (AI) Prohibitions. Consistent with State policy, if Contractor supplies AI Services or Materials (either directly or through Subcontractors or the sale of licenses), such as research, development, training, implementation, deployment, maintenance, provision, or sale of AI systems, then Contractor is prohibited from using State of Arizona Materials or Data in generative AI queries or for building or training proprietary generative AI programs unless explicitly approved in advance by the State in writing.
- 3.15.1. Contractor shall also disclose the utilization of generative AI before producing works owned by the State and/or integrating generative AI into Materials or Services used by the State.
- 3.15.2. Contractor shall perform due diligence to ensure proper licensure of model training data for all generative AI services throughout the life of the Contract.
- 3.16. Certifications Required by State Law.
- 3.16.1. If Contractor is a Company as defined in A.R.S. § 35-393, Contractor certifies that it is not currently engaged in a boycott of Israel as described in A.R.S. §§ 35-393 *et seq.* and will refrain from any such boycott for the duration of this Contract.
- 3.16.2. Contractor further certifies that it shall comply with A.R.S. § 35-394, regarding use of the forced labor of ethnic Uyghurs, as applicable.

4. Costs and Payments

- 4.1. Payments. Payments shall comply with the requirements of A.R.S. Titles 35 and 41, Net 30 days. Upon receipt and acceptance of Materials or Services, the Contractor shall submit a complete and accurate invoice for payment from the State within thirty (30) days.
- 4.2. Delivery. Unless stated otherwise in the Contract, per A.R.S. § 47-2319, all prices shall be F.O.B. ("free on board") Destination and shall include all freight delivery and unloading at the destination.
- 4.3. Firm, Fixed Price. Unless stated otherwise in the Special Terms and Conditions of the Contract, all prices shall be firm-fixed-prices.
- 4.4. Applicable Taxes
- 4.4.1. Payment of Taxes. The Contractor shall be responsible for paying all applicable taxes.
- 4.4.2. State and Local Transaction Privilege Taxes. The State of Arizona is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sale and are the responsibility of the seller to remit. Failure to collect such taxes from the buyer does not relieve the seller from its obligation to remit taxes.
- 4.4.3. Tax Indemnification. Contractor and all Subcontractors shall pay all Federal, state and local taxes applicable to its operation and any persons employed by the Contractor. Contractor shall, and require all Subcontractors to hold the State harmless from any responsibility for

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taxes, damages and interest, if applicable, contributions required under Federal, and/or state and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.

4.4.4. IRS W9 Form. In order to receive payment the Contractor shall have a current I.R.S. W9 Form on file with the State of Arizona, unless not required by law.

4.5. Availability of Funds for the Next State Fiscal Year. Funds may not presently be available for performance under this Contract beyond the current State Fiscal Year. No legal liability on the part of the State for any payment may arise under this Contract beyond the current State Fiscal Year until funds are made available for performance of this Contract.

4.6. Availability of Funds for the Current State Fiscal Year. Should the State Legislature enter back into session and reduce the appropriations or for any reason and these Materials or Services are not funded, the State may take any of the following actions:

4.6.1. Accept a decrease in price offered by the Contractor;

4.6.2. Cancel the Contract; or

4.6.3. Cancel the Contract and re-solicit the requirements.

5. Contract Changes

5.1. Amendments. This Contract is issued under the authority of the Procurement Officer who signed this Contract. The Contract may be modified only through a Contract Amendment within the scope of the Contract. Changes to the Contract, including the addition of Services or Materials, the revision of payment terms, or the substitution of Services or Materials, directed by a person who is not specifically authorized by the Procurement Officer in writing or made unilaterally by the Contractor are violations of the Contract and of applicable law. Such changes, including unauthorized written Contract Amendments shall be void and without effect, and the Contractor shall not be entitled to any claim under this Contract based on those changes.

5.2. Subcontracts. The Contractor shall not enter into any Subcontract under this Contract for the performance of this Contract without the advance written approval of the Procurement Officer as described in Arizona State Procurement Office Standard Procedure 002. The Contractor shall clearly list any proposed Subcontractors and the Subcontractor's proposed responsibilities. The Subcontract shall incorporate by reference the terms and conditions of this Contract.

5.3. Assignment and Delegation. The Contractor shall not assign any right nor delegate any duty under this Contract without the prior written approval of the Procurement Officer. The State shall not unreasonably withhold approval.

6. Risk and Liability

6.1. Risk of Loss. The Contractor shall bear all loss of conforming Materials covered under this Contract until received by authorized personnel at the location designated in the purchase order or Contract. Mere receipt does not constitute final acceptance. The risk of loss for nonconforming Materials shall remain with the Contractor regardless of receipt.

6.2. Indemnification

6.2.1. Contractor/Vendor Indemnification (Not Public Agency). To the fullest extent permitted by law, Contractor shall defend, indemnify, and hold harmless the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees (hereinafter referred to as "Indemnitee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and

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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 Contractor or any of its owners, officers, directors, agents, employees or Subcontractors. 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 Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the State of Arizona, its officers, officials, agents, and employees for losses arising from the work performed by the Contractor for the State of Arizona. This indemnity shall not apply if the Contractor or Subcontractor(s) is/are an agency, board, commission or university of the State of Arizona.

6.2.2. Public Agency Language Only. 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, employees, or volunteers.

6.3. Indemnification - Patent and Copyright. The Contractor shall indemnify and hold harmless the State against any liability, including costs and expenses, for infringement of any patent, trademark or copyright arising out of Contract performance or use by the State of Materials furnished or work performed under this Contract. The State shall reasonably notify the Contractor of any claim for which it may be liable under this paragraph. If the Contractor is insured pursuant to A.R.S. § 41-621 and § 35-154, this paragraph shall not apply.

6.4. Force Majeure.

6.4.1. Except for payment of sums due, neither the Contractor nor State shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes: acts of God, acts of the public enemy, war, riots, strikes, mobilization, labor disputes, civil disorders, fire, flood, lockouts, injunctions-intervention-acts, failures or refusals to act by government authority, and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence.

6.4.2. Force Majeure shall not include the following occurrences:

6.4.2.1. Late delivery of equipment, Materials, or Services caused by congestion at a manufacturer's plant or elsewhere, or an oversold condition of the market;

6.4.2.2. Late performance by a Subcontractor unless the delay arises out of a force majeure occurrence in accordance with this force majeure term and condition; or

6.4.2.3. Inability of either the Contractor or any Subcontractor to acquire or maintain any required insurance, bonds, licenses or permits.

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6.4.3. If either the Contractor or State is delayed at any time in the progress of the work by force majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practicable and no later than the following working day, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be delivered or mailed certified-return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by Contract Amendment for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this Contract.

6.4.4. Any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure.

6.5. Third Party Antitrust Violations. The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern Materials or Services supplied by third parties to the Contractor, toward fulfillment of this Contract.

7. Warranties

7.1. Liens. The Contractor warrants that the Materials supplied under this Contract are free of liens and shall remain free of liens.

7.2. Quality. Unless otherwise modified elsewhere in the Special Terms and Conditions, the Contractor warrants that, for one (1) year after acceptance by the State of the Materials, they shall be:

7.2.1. Of a quality to pass without objection in the trade under the Contract description;

7.2.2. For the intended purposes for which the Materials are used within the variations permitted by the Contract and are of even kind, quantity, and quality within each unit and among all units;

7.2.3. Adequately contained, packaged, and marked as the Contract may require; and

7.2.4. Conform to the written promises or affirmations of fact made by the Contractor.

7.3. Conformity to Requirements.

7.3.1. Contractor warrants that, unless expressly provided otherwise elsewhere in the Contract, the Materials and Services will for one (1) year after acceptance and in each instance:

7.3.1.1. Conform to the requirements of the Contract, which by way of reminder include without limitation all descriptions, specifications, and drawings identified in the Scope of Work and any and all Contractor affirmations included as part of the Contract;

7.3.1.2. Be free from defects of material and workmanship;

7.3.1.3. Conform to or perform in a manner consistent with current industry standards; and

7.3.1.4. Be fit for the intended purpose or use described in the Contract.

7.3.2. Mere delivery or performance does not substitute for express acceptance by the State. Where inspection, testing, or other acceptance assessment of Materials or Services cannot be done until after installation or invoicing, the forgoing warranty will not begin until State's explicit acceptance of the Materials or Services.

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- 7.4. Inspection/Testing. The warranties set forth in this Section 7 [Warranties] are not affected by inspection or testing of or payment for the Materials or Services by the State.
- 7.5. Contractor Personnel. Contractor warrants that its personnel will perform their duties under the Contract in a professional manner, applying the requisite skills and knowledge, consistent with industry standards, and in accordance with the requirements of the Contract. Contractor further warrants that its key personnel will maintain any and all certifications relevant to their work, and Contractor shall provide individual evidence of certification to State's authorized representatives upon request.
- 7.6. Compliance With Applicable Laws. The Materials and Services supplied under this Contract shall comply with all applicable federal, state, and local laws and policies (including, but not limited to, information technology policies, standards, and procedures available on the State's website and/or the website of any department, commission, council, board, bureau, committee, institution, agency, government corporation or other establishment or official of the executive branch or corporation commission of the State of Arizona). Federal requirements may be incorporated into this Contract, if required, pursuant to A.R.S. § 41-2637. Contractor shall maintain any and all applicable license and permit requirements. This requirement includes, but is not limited to, any and all Arizona state statutes that impact state contracts, regardless of whether those statutory references have been removed during the course of contract negotiations; this is notice to Contractors that the State does not have the authority to modify Arizona state law by contract.
- 7.7. Intellectual Property. Contractor warrants that the Materials and Services do not and will not infringe or violate any patent, trademark, copyright, trade secret, or other intellectual property rights or laws, except only to the extent the Specifications do not permit use of any other product and Contractor is not and cannot reasonably be expected to be aware of the infringement or violation.
- 7.8. Licenses and Permits. Contractor warrants that it will maintain all licenses required to fully perform its duties under the Contract and all required permits valid and in force.
- 7.9. Operational Continuity. Contractor warrants that it will perform without relief notwithstanding being sold or acquired; no such event will operate to mitigate or alter any of Contractor's duties hereunder absent a consented delegation under paragraph 5.3 [Assignment and Delegation] that expressly recognizes the event.
- 7.10. Performance in Public Health Emergency. Contractor warrants that it will:
- 7.10.1. Have in effect, promptly after commencement, a plan for continuing performance in the event of a declared public health emergency that addresses, at a minimum:
 - 7.10.1.1. Identification of response personnel by name;
 - 7.10.1.2. Key succession and performance responses in the event of sudden and significant decrease in workforce; and
 - 7.10.1.3. Alternative avenues to keep sufficient product on hand or in the supply chain.
 - 7.10.2. Provide a copy of its current plan to State within three (3) business days after State's written request. If Contractor claims relief under paragraph 6.4 [Force Majeure] for an occurrence of force majeure that is a declared public health emergency, then that relief will be conditioned on Contractor having first implemented its plan and exhausted all reasonable opportunity for that plan implementation to overcome the effects of that occurrence, or mitigate those effects to the extent that overcoming entirely is not practicable.

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- 7.10.3. A request from the State related to this paragraph 7.10 does not necessarily indicate that there has been an occurrence of force majeure, and the Contractor will not be entitled to any additional compensation or extension of time by virtue of having to implement a plan.
- 7.10.4. Failure to have or implement an appropriate plan will be a material breach of contract
- 7.11. Lobbying
- 7.11.1. Prohibition. Contractor warrants that it will not engage in lobbying activities, as defined in 40 Code of Federal Regulations (CFR) part 34 and A.R.S. § 41-1231, *et seq.*, using monies awarded under the Contract, provided that, the foregoing does not intend to constrain Contractor's use of its own monies or property, including without limitation any net proceeds duly realized under the Contract or any value thereafter derived from those proceeds; and upon award of the Contract, it will disclose all lobbying activities to State to the extent they are an actual or potential conflict of interest or where such activities could create an appearance of impropriety. Contractor shall implement and maintain adequate controls to assure compliance with above. Contractor shall obtain an equivalent warranty from all Subcontractors and shall include an equivalent no-lobbying provision in all Subcontracts.
- 7.11.2. Exception. This paragraph 7.11 does not apply to the extent that the Services are defined in the Contract as being lobbying for State's benefit or on State's behalf.
- 7.12. Covered Telecommunications or Services. Contractor warrants that the Materials and Services rendered under this Agreement will not require Contractor to use for the State, or provide to the State to use, "covered telecommunications equipment or Services" as a substantial or essential component of any system, or as critical technology as part of any system, within the meaning of Federal Acquisition Regulation ("FAR") Section 52.204-25.
- 7.13. Debarment, Suspension, U.S. Government Restricted Party Lists. Contractor warrants that it is not, and its Subcontractors are not, on the U.S. government's Denied Parties List, the Unverified List, the Entities List, the Specially Designated Nationals and Blocked Parties List, and neither the Contractor nor any Subcontractors are presently debarred, suspended, proposed for debarment or otherwise declared ineligible for award of federal contracts or participation in federal assistance programs or activities.
- 7.14. False Statements. Contractor represents and warrants that all statements and information Contractor prepared and submitted in response to the Solicitation or as part of the Contract documents are current, complete, true, and accurate. If the Procurement Officer determines that Contractor submitted an Offer or Bid with a false statement, or makes material misrepresentations during the performance of the Contract, the Procurement Officer may determine that Contractor has materially breached the Contract and may void the submitted Offer or Bid and any resulting Contract.
- 7.15. Survival of Rights and Obligations after Contract Expiration or Termination.
- 7.15.1. Survival of Warranty. All representations and warranties made by Contractor under the Contract will survive the expiration or earlier termination of the Contract.
- 7.15.2. Contractor's Representations and Warranties. All representations and warranties made by the Contractor under this Contract shall survive the expiration or termination hereof. In addition, the parties hereto acknowledge that pursuant to A.R.S. § 12-510, except as provided in A.R.S. § 12- 529, the State is not subject to or barred by any limitations of actions prescribed in A.R.S., Title 12, Chapter 5.
- 7.15.3. Purchase Orders. The Contractor shall, in accordance with all terms and conditions of the Contract, fully perform and shall be obligated to comply with all purchase orders received

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by the Contractor prior to the expiration or termination hereof, unless otherwise directed in writing by the Procurement Officer, including, without limitation, all purchase orders received prior to but not fully performed and satisfied at the expiration or termination of this Contract.

8. State's Contractual Remedies

8.1. Right to Assurance. If the State in good faith has reason to believe that the Contractor does not intend to, or is unable to perform or continue performing under this Contract, the Procurement Officer may demand in writing that the Contractor give a written assurance of intent to perform. Failure by the Contractor to provide written assurance within the number of Days specified in the demand may, at the State's option, be the basis for terminating the Contract under the Uniform Terms and Conditions or other rights and remedies available by law or provided by the contract.

8.2. Stop Work Order.

8.2.1. The State may, at any time, by written order to the Contractor, require the Contractor to stop all or any part of the work called for by this Contract for period(s) of days indicated by the State after the order is delivered to the Contractor. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage.

8.2.2. If a stop work order issued under this clause is canceled or the period of the order or any extension expires, the Contractor shall resume work. The Procurement Officer shall make an equitable adjustment in the delivery schedule or Contract price, or both, and the Contract shall be amended in writing accordingly.

8.3. Non-exclusive Remedies. The rights and the remedies of the State under this Contract are not exclusive.

8.4. Nonconforming Tender. Materials or Services supplied under this Contract shall fully comply with the Contract. The delivery of Materials or Services or a portion of the Materials or Services that do not fully comply constitutes a breach of contract. On delivery of nonconforming Materials or Services, the State may terminate the Contract for default under applicable termination clauses in the Contract, exercise any of its rights and remedies under the Uniform Commercial Code, or pursue any other right or remedy available to it.

8.5. Right of Offset. The State shall be entitled to offset against any sums due the Contractor, any expenses or costs incurred by the State, or damages assessed by the State concerning the Contractor's non-conforming performance or failure to perform the Contract, including expenses, costs and damages described in the Uniform Terms and Conditions.

9. Contract Termination

9.1. Cancellation for Conflict of Interest. Pursuant to A.R.S. § 38-511, the State may cancel this Contract within three (3) years after Contract execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the State is or becomes at any time while the Contract or an extension of the Contract is in effect an employee of or a consultant to any other party to this Contract with respect to the subject matter of the Contract. The cancellation shall be effective when the Contractor receives written notice of the cancellation unless the notice specifies a later time. If the Contractor is a political subdivision of the State, it may also cancel this Contract as provided in A.R.S. § 38-511.

9.2. Gratuities. The State may, by written notice, terminate this Contract, in whole or in part, if the State determines that employment or a Gratuity was offered or made by the Contractor or a representative of

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the Contractor to any officer or employee of the State with the purpose of influencing the outcome of the procurement or securing the Contract, an amendment to the Contract, or favorable treatment concerning the Contract, including the making of any determination or decision about contract performance. The State, in addition to any other rights or remedies, shall be entitled to recover exemplary damages in the amount of three (3) times the value of the Gratuity offered by the Contractor.

9.3. Suspension or Debarment. The State may, by written notice to the Contractor, immediately terminate this Contract if the State determines that the Contractor has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a Subcontractor of any public procurement unit or other governmental body. Submittal of an offer or execution of a contract shall attest that the Contractor is not currently suspended or debarred. If the Contractor becomes suspended or debarred, the Contractor shall immediately notify the State.

9.4. Termination for Convenience. The State reserves the right to terminate the Contract, in whole or in part at any time when in the best interest of the State, without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work, as directed in the notice, notify all Subcontractors of the effective date of the termination and minimize all further costs to the State. In the event of termination under this paragraph, all documents, Data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State upon demand. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed, and Materials or Services accepted before the effective date of the termination. The cost principles and procedures provided in A.R.S. § 41-2543 and A.A.C. Title 2, Chapter 7, Article 7, shall apply.

9.5. Termination for Default.

9.5.1. In addition to the rights reserved in the contract, the State may terminate the Contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the Contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory progress in performing the Contract. The Procurement Officer shall provide written notice of the termination and the reasons for it to the Contractor.

9.5.2. Upon termination under this paragraph, all goods, Materials, documents, Data, and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State on demand.

9.5.3. The State may, upon termination of this Contract, procure, on terms and in the manner that it deems appropriate, Materials or Services to replace those under this Contract. The Contractor shall be liable to the State for any excess costs incurred by the State in procuring Materials or Services in substitution for those due from the Contractor.

9.6. Continuation of Performance Through Termination. The Contractor shall continue to perform, in accordance with the requirements of the Contract, up to the date of termination, as directed in the termination notice.

10. Contract Claims

All contract claims or controversies under this Contract shall be resolved according to A.R.S. Title 41, Chapter 23, Article 9, and rules adopted thereunder.

11. Arbitration

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 (A.R.S. Title 41)

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Purpose

Pursuant to provisions of the Arizona Procurement Code, A.R.S. 41-2501 et seq., the State of Arizona, Department of Health Services (ADHS) intends to establish a Contract for the materials or services as listed herein.

1. Term of Contract (2 Year)

The term of any resultant Contract shall commence on date of award and shall continue for a period of two (2) years thereafter, unless terminated, canceled or extended as otherwise provided herein.

2. Contract Extensions (3 Year Maximum)

The Contract term as indicated under section 2, may be subject to additional successive periods of twelve (12) months per extension with a maximum aggregate including all extensions not to exceed three (3) years.

3. Contract Type

☒ Firm Fixed Price – Hourly Rate

4. Authority to Contract

This Contract is a single-agency contract issued by the ADHS and for its sole use only.

5. Contract

This Contract is made with reference to the following facts:

- 5.1. The State desires to contract for the provision of legal services by Counsel not in its employ.
- 5.2. The Counsel has represented that it is professionally qualified to perform such services, and the State has relied on such representation in entering into this Contract.
- 5.3. The Signed Conflict Waiver is complete and the State has relied upon the disclosures when entering into this Contract.
- 5.4. Counsel accepts and bears the role of Contractor in this Contract. Any contract Counsel enters into with another entity to perform work under this Contract shall be treated as a Subcontract.

6. Withdrawal from Case

If Counsel seeks to withdraw from a case, Counsel must first notify the ADHS's Representative. If the State does not agree that Counsel should be allowed to withdraw from the case, Counsel shall file a written motion to withdraw with the Court.

7. Section Headings and Definitions

Section headings in this Contract are for convenience only, and are not to be construed to define, limit, expand, interpret, or amplify the provisions of this Contract. When initially capitalized in this Contract or amendments hereto, the following words or phrases shall have the meanings specified:

- 7.1. **Contract:** This document, including all referenced material that forms a contract between the State and the firm named on the Contract Signature Page for the performance of service by person or firm whose signature is on the Contract Signature Page.
- 7.2. **Best Efforts:** Those efforts which a skilled, competent, experienced, and prudent legal professional would use to perform and complete the requirements of this Contract in a timely manner, exercising the degree

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of skill, care, competence, and prudence customarily imposed on a legal professional performing similar work.

- 7.3. Counsel: The firm identified on the Contract Signature Page who has entered into the Contract with the State. In this Contract, it is **CTR071079**.
- 7.4. Documentation: Correspondence, evaluations, depositions, interrogatories, reports, pleadings, memoranda, briefs, information and any other similar documents or material prepared or used in connection with Services.
- 7.5. Services: All obligations undertaken by Counsel pursuant to – SCOPE OF Work.
- 7.6. Sites: The area(s) at Arizona facilities where Counsel may be called upon to visit to perform Services.

8. Licenses

The Contractor shall maintain in current status, all federal, state and local licenses and permits required for the operation of the business conducted by the Contractor.

9. Information Disclosure

The Contractor shall establish and maintain procedures and controls that are acceptable to the State for the purpose of assuring that no information contained in its records or obtained from the State or from others in carrying out its functions under the Contract shall be used or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under the Contract. Persons requesting such information should be referred to the State. The Contractor also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of Contractor as needed for the performance of duties under the Contract, unless otherwise agreed to in writing by the State.

10. Key Personnel

- 10.1. It is essential that the Contractor provide adequate experienced personnel, capable of and devoted to the successful accomplishment of work to be performed under this Contract. The Contractor must agree to assign specific individuals to the key positions.
- 10.2. The Contractor agrees that, once assigned to work under this Contract, key personnel shall not be removed or replaced without written notice to the State.
- 10.3. Key personnel not available for work under this Contract for a continuous period exceeding thirty (30) calendar days, or are expected to devote substantially less effort to the work than initially anticipated, the Contractor shall immediately notify the State, and shall, subject to the concurrence of the State, replace such personnel with personnel of substantially equal ability and qualifications.

11. Pricing

Most-Favored Customer - Throughout the life of the contract, the Contractor shall always offer the State the Most-Favored Customer or Highest Tier Customer price discount rate on contracted product(s) concurrent with a published price discount rate made to other Customers (both Private and Public sectors). The Contractor shall extend to the State that most-favored customer or Highest Tier Customer price discount on all new product lines during the life of the contract.

12. Non-Exclusive Contract

This Contract is issued with the understanding and agreement that it is for the sole convenience of the State of Arizona. The State reserves the right to obtain like goods or services from another source when necessary, or when determined to be in the best interest of the State.

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13. Volume of Work

The ADHS does not guarantee a specific amount of work either for the life of the Contract or on an annual basis.

14. Employees of the Contractor

All employees of the Contractor employed in the performance of work under the Contract shall be considered employees of the Contractor at all times, and not employees of the ADHS or the State. The Contractor shall comply with the Social Security Act, Workman's Compensation laws and Unemployment laws of the State of Arizona and all State, local and Federal legislation relevant to the Contractor's business.

15. General Requirements

- 15.1. Cooperation – counsel shall, to the best of its abilities, cooperate with the State to enable the successful completion of the Services according to the terms of this Contract including, but not limited to, commitment of additional resources, material, and personnel, if requested by the State or its designated representative to assure that the Services are properly performed and completed in accordance with the provisions of this Contract.
- 15.2. Testimony – Should Counsel be required to testify at any judicial, legislative, or administrative hearing concerning matters in any way related to the Services performed under this Contract, Counsel shall prior to the scheduled time of each hearing, supply to the State or the Attorney General's designated representative in writing all information likely to be disclosed at said hearing as well as Counsel's position thereon. Should counsel be required by a third (3rd) party to testify at any judicial, legislative, or administrative hearing not specified in this Contract but concerning the subject matter of this Contract, Counsel shall notify the State or the Attorney General's designated representative in advance of the date and time of such hearing to enable State of Arizona representatives to attend and participate.

16. Professional Responsibility

- 16.1. General – Counsel shall use Best Efforts to perform and complete the Services in accordance with this provision of this Contract.
- 16.2. Liability – In the event that Counsel breaches its obligations under this Contract, Counsel shall take the necessary actions to correct and cure its breach of this Contract. If Counsel, upon notification of said breach does not promptly take steps to correct the breach, the State, without waiving any other rights or remedies it may have at law or otherwise may do so and Counsel shall reimburse the State for all expenses and costs incurred in performing such corrective actions.
- 16.3. Expertise – Work under the Contract shall be performed in the manner that a reasonably competent and prudent attorney would perform legal work. Work may be performed by paralegals if a reasonably competent and prudent attorney would delegate such work to a paralegal. Paralegals are expected to perform their work in the manner that a reasonably competent and prudent paralegal would perform. All time deadlines specified by the court or court rules shall be complied with.
- 16.4. Complaints – Counsel will promptly notify the State if a business complain is filed against Counsel on any matter, if a motion for sanctions is filed against Counsel, or if sanctions are awarded against Counsel in cases assigned pursuant to this Contract. Any sanctions ordered by the court as a result of attorney or paralegal malfeasance shall be born e by the attorney.

17. Termination at Will

At the sole discretion of the State, the State may terminate this Contract at any time, or may terminate all or any portion of the Services not then completed by giving the other party written notice of termination. Upon receipt of notice of termination, Counsel, unless the notice requires otherwise, shall discontinue performance of the Services on the date and to the extent specified in the notice, except those Services necessary to preserve and protect the work product of the Services already performed, and otherwise minimize costs to the State. Payment

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for Services already completed or in the process of completion shall be adjusted between Counsel and the State, in a fair and reasonable manner, but such payment shall exclude any allowance for unperformed Services or anticipated profits thereon. Such payment for Services already completed or in the process of completion shall be the total compensation due to Counsel for Termination at Will by either party.

18. Termination for Cause

The State may declare this Contract canceled for default by notifying Counsel in writing should Counsel at any time (i) violate any part of this Contract, (ii) fail to supply sufficient properly skilled personnel, material or equipment of the quality or quantity to properly perform the Services, (iii) fail to provide services in the most cost-effective manner. Without limiting or waiving any other remedies the State may have, Counsel shall compensate the State for costs (whether they arise before or after completion of the Services) arising out of any breach by Counsel or arising out of any.

19. Accounting and Auditing

Under A.R.S. § 35-214 and § 35-215, Counsel shall maintain accurate and complete accounting and financial records and vouchers in support of all cost and service billings to the State in accordance with generally accepted accounting principles and practices. The State, or its audit representative, shall have the right at any reasonable time to examine and audit the records, vouchers, and their source documents without limitation which serve as a basis for compensation under this Contract. Said records shall be available in Phoenix, Arizona for the State's inspection and audit for five years after completion or termination of the services under this Contract.

20. Laws and Regulations

Counsel and its employees shall at all times comply with all applicable federal, state and local laws, ordinances, statutes, rules and regulations. Counsel shall hold the State of Arizona and the State harmless from loss, cost or damage by reason of any actual or alleged violation thereof arising out of Counsel's employees or Counsel's contractor(s) failure to so comply.

21. Governing Law and Venue

This Contract shall be interpreted in accordance with the substantive and procedural laws of the State of Arizona. Any action at law or judicial proceeding instituted by Counsel relating to this Contract shall be instituted only in the State or Federal Courts of the State of Arizona. The parties agree that proper venue for any and all disputes arising out of this Contract shall be in Maricopa County, State of Arizona.

22. Authorized Representatives and Notices

- 22.1. Representatives – Prior to commencement of the Services, the State and Counsel shall each designate a representative authorized to act on behalf of each party and shall advise the other party in writing of the name, address, and telephone number (day and night) of such designated representative and shall inform the other party of any subsequent change in such designation. All communications relating to the administrative activities under this Contract shall be exchanged between the respective representatives of the State and Counsel.
- 22.2. Notices – All legal or claim notices required by this Contract shall be in writing, and shall be delivered personally to the authorized representatives of the State and Counsel as set forth below, or shall be mailed thereto by certified mail, postage prepaid, return receipt requested. Notice shall be effective on the date delivered.

To: State of Arizona:
Arizona Department of Health Services
Administrative Counsel and Rules
Policy and Intergovernmental Affairs
Stacie Gravito,
Office Chief/Administrative Counsel
150 N. 18th Ave., Suite 200,
Phoenix, AZ 85007

To: Counsel:
Coppersmith Brockelman PLC
D. Andrew Gaona
2800 N Central Ave, Suite 1900
Phoenix, AZ 85004

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23. Order Process

The award of a Contract shall be in accordance with the Arizona Procurement Code. Any attempt to represent any material and/or service not specifically awarded as being under Contract with ADHS is a violation of the Contract and the Arizona Procurement Code. Any such action is subject to the legal and contractual remedies available to the state inclusive of, but not limited to, Contract cancellation, suspension and/or debarment of the Contractor.

24. Contractor Performance Reports

Program management shall document Contractor performance, both exemplary and needing improvements where corrective action is needed or desired. Copies of corrective action reports will be forwarded to the ADHS Procurement Office for review and any necessary follow-up. The Procurement Office may contact the Contractor upon receipt of the report and may request corrective action. The Procurement Office shall discuss the Contractor's suggested corrective action plan with the Procurement Specialist for approval of the plan.

25. Payment Procedures

- 25.1. ADHS accounting will not make payments to any Entity, Group or individual other than the Contractor with the Federal Employer Identification (FEI) Number identified in the Contract. Contractor invoices requesting payment to any Entity, Group or individual other than the contractually specified Contractor shall be returned to the Contractor for correction.
- 25.2. The Contractor shall review and ensure that the invoices for services provided show the correct Contractor name prior to sending them to the ADHS Accounting Office for payment.
- 25.3. If the Contractor Name and FEI Number change, the Contractor must complete an "Assignment and Agreement" form transferring Contract rights and responsibilities to the new Contractor. ADHS must indicate consent on the form. A written Contract Amendment must be signed by both parties and a new W-9 form must be submitted by the new Contractor and entered into the system prior to any payments being made to the new Contractor.

26. Financial Management

- 26.1. For all contracts, the practices, procedures, and standards specified in and required by the Accounting and Auditing Procedures Manual for Arizona Department of Health Services funded programs shall be used by the Contractor in the management of Contract funds and by the ADHS when performing a Contract audit. Funds collected by the Contractor in the form of fees, donations and/or charges for the delivery of these Contract services shall be accounted for in a separate fund.
- 26.2. State Funding. Contractors receiving state funds under this Contract shall comply with the certified Compliance provisions of A.R.S. § 35-181.03.
- 26.3. Federal Funding. Contractors receiving federal funds under this Contract shall comply with the certified finance and compliance audit provision of the Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200) if applicable. The federal financial assistance information shall be stated in a Change Order or Purchase Order.

27. Inspection and Acceptance

All services, data and required reports are subject to final inspection, review, evaluation and acceptance by the ADHS. The ADHS may withhold payment for services that are deemed to not meet Contract standards.

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28. Authorization for Services

Authorization for purchase of services under this Contract shall be made only upon ADHS issuance of a Purchase Order that is signed by an authorized agent. The Purchase Order will indicate the Contract number and the dollar amount of funds authorized. The Contractor shall only be authorized to perform services up to the amount on the Purchase Order. ADHS shall not have any legal obligation to pay for services in excess of the amount indicated on the Purchase Order. No further obligation for payment shall exist on behalf of ADHS unless a) the Purchase Order is changed or modified with an official ADHS Procurement Change Order, and/or b) an additional Purchase Order is issued for purchase of services under this Contract.

29. Indemnification Clause

- 29.1. To the fullest extent permitted by law, Counsel shall defend, indemnify, and hold harmless the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees (hereinafter referred to as "Indemnitee") 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 Counsel or any of its owners, officers, directors, agents, employees or subcontractors. 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 Counsel 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 Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by Counsel from and against any and all claims. It is agreed that Counsel will be responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable. In consideration of the award of this contract, Counsel agrees to waive all rights of subrogation against the State of Arizona, its officers, officials, agents, and employees for losses arising from the work performed by Counsel for the State of Arizona.
- 29.2. This indemnity shall not apply if the Counsel or Sub-contractor(s) is/are an agency, board, commission or university of the State of Arizona.

30. Insurance Requirements

- 30.1. Counsel and subcontractors shall procure and maintain, until all of their obligations have been discharged, including any warranty periods under this Contract, insurance against claims for injury to persons or damage to property arising from, or in connection with, the performance of the work hereunder by Counsel, its agents, representatives, employees or subcontractors.
- 30.2. The Insurance Requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect Counsel from liabilities that arise out of the performance of the work under this Contract by Counsel, its agents, representatives, employees or subcontractors, and Counsel is free to purchase additional insurance.
- 30.3. **MINIMUM SCOPE AND LIMITS OF INSURANCE:**

Counsel shall provide coverage with limits not less than those stated below.

30.3.1. Commercial General Liability – Occurrence Form

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

- | | |
|---|-------------|
| • General Aggregate | \$2,000,000 |
| • Products – Completed Operations Aggregate | \$1,000,000 |
| • Personal and Advertising Injury | \$1,000,000 |

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- Damage to Rented Premises \$ 50,000
- Each Occurrence \$1,000,000

- a. The policy shall be endorsed, as required by this written Contract, to include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Counsel.
- b. Policy shall contain a waiver of subrogation endorsement, as required by this written Contract, in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of Counsel.

30.3.2. Business Automobile Liability

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

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

- a. Policy shall be endorsed, as required by this written Contract, to include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by, or on behalf of, Counsel involving automobiles owned, hired and/or non-owned by Counsel.
- b. Policy shall contain a waiver of subrogation endorsement as required by this written Contract in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of Counsel.

30.3.3. Worker's Compensation and Employer's Liability

Workers' Compensation Statutory

Employers' Liability

- Each Accident \$1,000,000
- Disease – Each Employee \$1,000,000
- Disease – Policy Limit \$1,000,000

- a. Policy shall contain a waiver of subrogation endorsement, as required by this written Contract, in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of Counsel.
- b. This requirement shall not apply to each Counsel or subcontractor that is exempt under A.R.S. § 23-901, and when such Counsel or subcontractor executes the appropriate waiver form (Sole Proprietor or Independent Counsel).

30.3.4. Professional Liability (Errors and Omissions Liability)

- Each Claim \$2,000,000
- Annual Aggregate \$2,000,000

- a. In the event that the Professional Liability insurance required by this Contract is written on a claims-made basis, Counsel warrants that any retroactive date under the policy shall precede the effective date of this Contract and, either continuous coverage will be maintained, or an extended discovery period will be exercised, for a period of two (2) years beginning at the time work under this Contract is completed.

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- b. The policy shall cover professional misconduct or negligent acts for those positions defined in the Scope of Work of this contract.

30.4. ADDITIONAL INSURANCE REQUIREMENTS:

The policies shall include, or be endorsed to include, as required by this written Contract, the following provisions:

Counsel's policies, as applicable, shall stipulate that the insurance afforded Counsel shall be primary and that any insurance carried by the Department, its agents, officials, employees, or the State of Arizona shall be excess and not contributory insurance, as provided by A.R.S. § 41-621 (E).

Insurance provided by Counsel shall not limit Counsel's liability assumed under the indemnification provisions of this Contract.

30.5. NOTICE OF CANCELLATION

Applicable to all insurance policies required within the Insurance Requirements of this Contract, Counsel's insurance shall not be permitted to expire, be suspended, be canceled, or be materially changed for any reason without thirty (30) days prior written notice to the State of Arizona. Within two (2) business days of receipt, Counsel must provide notice to the State of Arizona if they receive notice of a policy that has been or will be suspended, canceled, materially changed for any reason, has expired, or will be expiring. Such notice shall be sent directly to the Department.

30.6. ACCEPTABILITY OF INSURERS

Counsel's insurance shall be placed with companies licensed in the State of Arizona or hold approved non-admitted status on the Arizona Department of Insurance List of Qualified Unauthorized Insurers. Insurers shall have 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 Counsel from potential insurer insolvency.

30.7. VERIFICATION OF COVERAGE

Counsel shall furnish the State of Arizona with certificates of insurance (valid ACORD form or equivalent approved by the State of Arizona) evidencing that Counsel has the insurance as required by this Contract. An authorized representative of the insurer shall sign the certificates.

All such certificates of insurance and policy endorsements must be received by the State of Arizona before work commences. The State of Arizona's receipt of any certificates of insurance or policy endorsements that do not comply with this written Contract shall not waive or otherwise affect the requirements of this Contract.

Each insurance policy required by this Contract must be in effect at, or prior to, commencement of work under this Contract. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

All certificates required by this Contract shall be sent directly to the Department. The State of Arizona project/contract number and project description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete copies of all insurance policies required by this Contract at any time.

30.8. SUBCOUNSELS/SUBCONTRACTOR

Counsel's certificate(s) shall include all subcontractors as insureds under its policies or Counsel shall be responsible for ensuring and/or verifying that all subcontractors have valid and collectable insurance as evidenced by the certificates of insurance and endorsements for each subcontractor. All coverages for

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subcontractors shall be subject to the minimum Insurance Requirements identified above. The Department reserves the right to require, at any time throughout the life of this contract, proof from Counsel that its subcontractors have the required coverage.

30.9. APPROVAL AND MODIFICATIONS

The Contracting Agency, in consultation with State of Arizona Risk, reserves the right to review or make modifications to the insurance limits, required coverages, or endorsements throughout the life of this contract, as deemed necessary. Such action will not require a formal Contract amendment but may be made by administrative action.

30.10. EXCEPTIONS

In the event the Counsel or subcontractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a certificate of self-insurance. If Counsel or subcontractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.

31. Health Insurance Portability and Accountability Act of 1996

31.1. The Contractor warrants that it is familiar with the requirements of HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act (HITECH Act) of 2009, and accompanying regulations and will comply with all applicable HIPAA requirements in the course of this Contract. Contractor warrants that it will cooperate with the ADHS in the course of performance of the Contract so that both ADHS and Contractor will be in compliance with HIPAA, including cooperation and coordination with the Arizona Department of Administration-Arizona Strategic Enterprise Technology (ADOA-ASET) Office, the ADOA-ASET Arizona State Chief Information Security Officer and HIPAA Coordinator and other compliance officials required by HIPAA and its regulations. Contractor will sign any documents that are reasonably necessary to keep ADHS and Contractor in compliance with HIPAA, including, but not limited to, business associate agreements.

31.2. If requested by the ADHS Procurement Office, Contractor agrees to sign a "Pledge To Protect Confidential Information" and to abide by the statements addressing the creation, use and disclosure of confidential information, including information designated as protected health information and all other confidential or sensitive information as defined in policy. In addition, if requested, Contractor agrees to attend or participate in HIPAA training offered by ADHS or to provide written verification that the Contractor has attended or participated in job related HIPAA training that is: (1) intended to make the Contractor proficient in HIPAA for purposes of performing the services required and (2) presented by a HIPAA Privacy Officer or other person or program knowledgeable and experienced in HIPAA and who has been approved by the ADOA-ASET Arizona State Chief Information Security Officer and HIPAA Coordinator.

32. Pandemic Contractual Performance

32.1. The State shall require a written plan that illustrates how the Contractor shall perform up to contractual standards in the event of a pandemic. The State may require a copy of the plan at any time prior or post award of a Contract. At a minimum, the pandemic performance plan shall include:

32.1.1. Key succession and performance planning if there is a sudden significant decrease in Contractor's workforce;

32.1.2. Alternative methods to ensure there are products in the supply chain; and

32.1.3. An up to date list of company contacts and organizational chart.

32.2. In the event of a pandemic, as declared the Governor of Arizona, U.S. Government or the World Health Organization, which makes performance of any term under this Contract impossible or impracticable, the State shall have the following rights:

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32.2.1. After the official declaration of a pandemic, the State may temporarily void the Contract(s) in whole or specific sections, if the Contractor cannot perform to the standards agreed upon in the initial terms;

32.2.2. The State shall not incur any liability if a pandemic is declared and emergency procurements are authorized by the Director as per A.R.S. 41-2537 of the Arizona Procurement Code; and

32.2.3. Once the pandemic is officially declared over and/or the Contractor can demonstrate the ability to perform, the State, at its sole discretion, may reinstate the temporarily voided Contract(s).

32.3. The State, at any time, may request to see a copy of the written plan from the Contractor. The Contractor shall produce the written plan within seventy-two (72) hours of the request.

33. The Federal Funding Accountability and Transparency Act (FFATA or Transparency Act - P.L.109-282, as amended by section 6202(a) of P.L. 110-252), found at <https://www.fsrc.gov/>

If applicable, the subrecipient or sub-awardee is required to abide by the Federal Funding Accountability and Transparency Act (FFATA or Transparency Act – P.L. 109-282, as amended by section 6202(a) of P.L. 110-252), found at <https://www.fsrc.gov/>. The associated Grant Reporting Certification Form and completion instructions will be sent to the subrecipient from ADHS Program(s) responsible for the specific contract. The subrecipient or sub-awardee must return the completed form to ADHS Program(s) by the 15th of the month following that in which the award was received. Failure to complete a required Grant Reporting Certification Form may result in loss of funding.

34. Transition Activities

34.1. Upon termination of this Contract, if ADHS anticipates a continued need for the Contract Services specified herein and a Contract is awarded to a new Contractor, there shall be a transition of services period of not less than thirty (30) days. During this period, the existing Contractor shall work closely with the new Contractor, or Contractors, personnel and/or staff to ensure a smooth and complete transfer of duties and responsibilities;

34.2. An authorized representative from ADHS shall coordinate all transition activities. A transition plan will be developed in conjunction with the outgoing Contractor to assist the new Contractor, or Contractors, personnel and/or staff to implement the transfer of duties;

34.3. ADHS reserves the right to determine which projects nearing completion will remain with the current Contractor of record.

34.4. The Contractor shall return all ADHS equipment, reports, and any other documentation developed during the term of the Contract that ADHS deems necessary to maintain ongoing operations.

35. Contracting; Procurement; Investment; Prohibitions

35.1. A public entity may not enter into a contract with a company to acquire or dispose of services, supplies, information technology or construction unless the contract includes a written certification that the company is not currently engaged in, and agrees for the duration of the contract to not engage in, a boycott of Israel.

35.2. A public entity may not adopt a procurement, investment or other policy that has the effect of inducing or requiring a person or company to boycott Israel.

36. Fraud, Waste, and Abuse

36.1. ADHS requires all employees to abide by the State's Personnel System Rules, R2-5A-501; Standards of Conduct which includes maintaining high standards of honesty, integrity, and impartiality, free from personal considerations and/or favoritism, and Code of Conduct for individuals engaged in Accounting,

SPECIAL TERMS AND CONDITIONS

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Financial and Budgeting Activities which depicts the moral, ethical, legal and professional aspects of personal conduct. ADHS requires the same conduct of its consultants, vendors, contractors, subrecipients, or persons doing business with the agency.

- 36.2. Any State employee, consultant, vendor, contractor or subrecipient or person doing business with the Agency who receives a report of improper activity must report the information within one (1) business day. **Note:** Federal Award policy denotes awardees must disclose, in a timely manner, in writing to ADHS all violations of Federal Criminal Law, involving fraud, bribery, or gratuity violations potentially affecting Federal Awards.

- 36.3. Anyone suspecting Fraud, Waste, or Abuse related to ADHS activities are required to report Fraud, Waste, or abuse through any of the following reporting channels:

36.3.1. ADHS Ethics Action Hotline at (602) 542-2347,

36.3.2. ADHS Ethics Action Email at reportethics@azdhs.gov ,or

36.3.3. General Accounting Office (GAO) Fraud Reporting Email at reportfraud@azdoa.gov to report Fraud, Waste, or Abuse incidents.

37. New Products/Services Language

The State, at its sole discretion may allow new products or services identified by the Contractor or ADHS to be incorporated. The request may be submitted at any time during the Contract period. The requested products or services shall align with the current Scope of Work and Price List. Environment and capable of meeting or exceeding all stated requirements. No substitutions shall be offered and accepted, including remanufactured or second tier offerings

Scope of Work

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1. Definitions

- 1.1. **ADHS:** Arizona Department of Health Services
- 1.2. **Attachment:** Attachment means any document titled "Attachment" incorporated into the Contract.
- 1.3. **Counsel:** The firm identified on the Contract Signature Page who has entered into the Contract with the State. In this Contract, it is Coppersmith Brockelman PLC.
- 1.4. **Documents:** Documents shall include all correspondence, evaluations, depositions, interrogatories, reports, pleadings, memoranda, briefs, information and any other similar documents or material prepared or used in connection with Services in the pursuit of this matter.
- 1.5. **Deliverable:** Deliverable shall refer to any report or other work product produced by the Counsel for the Office of the Attorney General.
- 1.6. **May:** Indicates something that is not mandatory but permissible
- 1.7. **Shall, Must:** Indicates a mandatory requirement; Failure to meet these mandatory requirements may result in the rejection of a proposal as non-responsive.
- 1.8. **Should, Will:** Indicates something that is recommended but not mandatory
- 1.9. **State:** Within this Contract, "State" is defined to mean ADHS. With respect to administration or rights, remedies, obligations and duties under the Contract for a given Order.
- 1.10. **State Indemnitees:** Collectively, the State of Arizona, its departments, agencies, universities, commissions, and boards and, and their respective officers, agents, and employees.

2. Background

In accordance with A.R.S. § 36-132(21), the ADHS license and regulate the health and safety of group homes and behavioral-supported group homes for persons with developmental disabilities. *See also* Title 36, Chapter 18 of the Arizona Revised Statutes and Title 9, Chapter 12 of the Arizona Administrative Code. The Bureau of Special Licensing conducts licensing inspections, on-site surveys, and complaint investigations to promote quality care and safety and ensure that performance standards are met. Pursuant to section 41-1093(01), Arizona Revised Statutes, an agency shall limit all occupational regulations to regulations that are demonstrated to be necessary to specifically fulfill a public health, safety or welfare concern.

3. Objective

Pursuant 41-192(E), the Department may employ Outside Legal Counsel if the Attorney General determines they are disqualified from providing judicial or quasi-judicial legal representation or legal services on behalf of that agency in relation to any matter. Per a request from the Governor's Office, ADHS is seeking outside legal representation with Coppersmith Brockelman to support litigation claims related to the Sober Living Assisted facilities.

4. Requirements

The Contractor shall:

4.1. Counsel's Personnel

- 4.1.1. Counsel shall employ suitably trained and skilled professional personnel to perform the Service. Prior to changing any key personnel, Counsel shall obtain the approval of the State. Any replacement personnel shall have capabilities at least equal to those of personnel they replaced

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for performance of the Services and hourly rate shall not exceed the hourly rate of the personnel being replaced. Counsel shall bear the costs associated with any and all such changes and said costs shall not be reimbursed by the State. While the State recognizes that staffing changes may be necessary from time to time, the State will not pay for the "downtime" or learning time that may result from such a staffing change. The State does not believe it appropriate to pay legal fees for the training of Counsel's personnel. Counsel has been retained because of its expertise. The time Counsel spends educating junior lawyers in the substantive law applicable to the matter assigned may not be included in Counsel's billings. Unless otherwise agreed, the State expects that only one attorney from Counsel's firm will attend meetings, depositions, and arguments, although a second person may be needed for trials and major hearings or meetings

4.1.2. Lead Counsel

The Lead Counsel for the outside counsel team shall be considered key personnel as defined in this Contract. The Counsel shall provide the Lead Counsel's complete address, e-mail address and telephone number. The Lead Counsel shall be the company representative to whom all correspondence, official notices, and requests related to the project shall be addressed.

4.1.3. Other Key Personnel

Any other individual who will perform crucial duties to directly support the person offered as the Lead Counsel shall be considered key personnel. The role and crucial duties this individual will perform shall be identified

4.2. Privileged Communications

All confidential communications between ADHS, any State of Arizona officer, employee or agent ("Arizona") and Counsel, whether oral or written, and all Documentation, whether prepared by Counsel or supplied by Arizona shall be considered privileged communications and shall not, except as required by law, be communicated by Counsel to any public agency, insurance company, rating organization, Counsel, vendor, or consultant, whether or not connected in any manner with Arizona or Counsel, without the prior written consent of the State. If such communications are approved in writing, or if such communications are required to be disclosed by law, Counsel shall provide the State two (2) copies of each written communication and/or two (2) copies of summaries of each oral communication. If such communication is required by law, Counsel shall provide the State written notice as to the time, place, and manner of such disclosure as well as a written summary of any information likely to be disclosed by such disclosure, and Counsel's position thereon.

4.3. General

These guidelines shall serve as the basis upon which Counsel shall provide investigation services, legal advice and opinions to the State under this Contract. Services rendered by Counsel shall be furnished in accordance with these terms unless the State has clearly granted an exception based on specific facts or circumstances.

4.4. Assigned Attorneys

The State expects the assigned attorney to complete the project unless extenuating circumstances arise. Replacement shall require State's approval.

4.5. Case Management

4.5.1. The State expects to be kept advised of progress on any substantial matter.

4.5.2. Counsel will provide the State a written quarterly report of progress on assigned case/matter as well as a report when significant developments occur. If no activity has occurred, a simple letter to that effect will be satisfactory.

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- 4.5.3. Notices of depositions shall not be sent by Counsel without prior written authorization from the State. Notices of depositions of State of Arizona employees filed by any party will be submitted to the State immediately upon Counsel's receipt to make necessary arrangements for their testimony. Upon request, summaries of depositions will be supplied by the assigned Counsel on conclusion of the deposition. Ordinarily only one attorney should attend depositions. The State may request the presence of a State employee at one or more depositions. Before copies of depositions are ordered, Counsel shall consider the necessity and is encouraged to avoid copies of deposition of questionable value. Copies of portions of depositions should be considered.
- 4.5.4. Counsel shall discuss with the State the advisability of attempting to settle a lawsuit when, in the opinion of Counsel, it is deemed in the best interest of the State to attempt settlement.
- 4.5.5. Whenever additional investigation is required by Counsel and can be provided by use of non-attorney investigators, Counsel shall notify the State of such need concerning who will conduct or contract for such investigation. The State shall be solely responsible for the accuracy of the facts or other information developed in response to such requests.
- 4.5.6. Expert witnesses shall be hired only after consultation with and prior written approval by the State. Approval for travel by Counsel shall be obtained and confirmed in writing through the State prior to departure.

4.6. Conflicts

ADHS agrees that Counsel's work for ADHS does not preclude Counsel from representing parties in unrelated matters involving ADHS, to the extent permitted by the Arizona Rules of Professional Conduct. This would include, for example, matters where ADHS serves as the licensing and regulatory agency for hospital and healthcare organizations and dual licensees under the Smart and Safe Act. Counsel shall advise ADHS of any perceived conflict as soon as possible. ADHS shall collaborate with Counsel to decide if the conflict is remote or disqualifying. In the event Counsel must either withdraw from a case or decline to defend, ADHS shall be immediately notified in writing, or by telephone if time is of the essence.

4.7. Request for Waiver of Conflict Form

The signed Conflict Waiver is complete and State has relied upon the disclosures when entering into this Contract. Should the Conflict Waiver need to be revised, the Request for Waiver of Conflict Form can be found online at www.azag.gov/procurement.

4.8. Schedule

Counsel shall be available to perform services upon execution of this Contract in the most expeditious manner necessary for each particular task and within the time agreed upon by the respective representatives of each party, all within the terms of this Contract.

4.9. Compensation and Payment

4.9.1. General

To the extent applicable, the State shall compensate Counsel for the reasonable costs and expenses arising out of the satisfactory and complete performance of the Services at the composite rates per hour, or fractions thereof, specified in the "Hourly Rate Table" spent by Counsel's personnel in performing the Services. These rates shall include all professional fees, salaries, overhead, profits and employee costs. Expenses for travel and other costs associated with the performance of Services shall be billed directly to the State.

4.9.2. Pricing

All prices shall be on an all-inclusive basis and shall contain the labor rate, labor benefits, payroll burden, insurance, workman's compensation, all taxes, profit, overhead, general and

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administrative expenses and all other related charges. A price reduction adjustment may be offered at any time during the term of the Contract and shall become effective upon notice

4.9.3. Billings and Invoices

Billings for any fiscal year shall be submitted to the State within fifteen (15) days of the end of the fiscal year, which begins July 1 and ends June 30. The State expects to remit payments promptly upon receipt and review by the State. Each billing shall be in sufficient detail to clearly indicate:

- 4.9.3.1. The project or matter involved including the file numbers of the State.
- 4.9.3.2. The attorney or other personnel whose time is involved on each charge.
- 4.9.3.3. The number of hours billed to the nearest one-tenth (1/10) of an hour.
- 4.9.3.4. The date and activity which generated the time billed.
- 4.9.3.5. The hourly rate for the attorney or other personnel (A master charge list kept current will be satisfactory).
- 4.9.3.6. A list of expenses including receipts for air travel and lodging, deposition transcripts, service of process, and expert fees.
- 4.9.3.7. Invoices, with receipts attached, shall be accompanied by itemization of disbursements and costs (long-distant calls, photocopying, transcripts, expert witnesses, court costs, et cetera) and travel and living expenses shall be itemized separately to indicate travel, lodging, business meetings, meals, taxis, and other expenses (specifically detailed).
- 4.9.3.8. Counsel will only bill for the actual time spent performing a task, not for a unit charge (e.g., no automatic billing of one-third (1/3) of an hour for a phone call that may have taken only five (5) minutes) and that all charges will be specified and not grouped or clustered into one (1) billing charge.
- 4.9.3.9. Travel expenses for Counsel shall be in accordance with the Arizona Department of Administration Travel Policy (see <http://www.gao.state.az.us/travel/>) unless otherwise authorized in advance and in writing by the State.
- 4.9.3.10. Only in unusual cases can travel by more than one (1) attorney be permitted.
- 4.9.3.11. The maximum number of hours that the State will pay per day for any individual (except during a trial) is ten (10).
- 4.9.3.12. Expenses will be reimbursed at the firm's cost.

4.9.4. Unacceptable Charges

Unless authorized in advance by the State, the following charges are not acceptable:

- 4.9.4.1. Secretarial or word processing services (normal, temporary, or overtime).
- 4.9.4.2. Incoming facsimiles at more than five (5) cents per page; Charges for outgoing local facsimiles and out of area facsimiles shall not be billed at more than actual cost.
- 4.9.4.3. Photocopy expenses at more than ten (10) cents per page.
- 4.9.4.4. Any other staff service charges, such as meals, filing, proofreading, regardless of when incurred.
- 4.9.4.5. Computer time (other than computer legal research specifically authorized in advance by the State of Arizona).

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4.9.4.6. Photocopy costs in excess of \$2,000 for a single job should be authorized in advance by the State.

4.9.4.7. Expenses should not include local telephone expenses of office supplier.

4.9.4.8. Unless otherwise approved in advance, the State does not pay charges for time spent in preparing bills.

4.9.4.9. In addition to the per diem limits outlined in SAAM, it is expected that expenses for lodging, meals, and transportation shall be at reasonable rates and that Counsel will exercise prudence in incurring such expenses.

4.9.4.10. The State will not reimburse the costs of first (1st) class travel and expects that travel arrangements will take advantage of any cost-effective discounts or special rates.

4.10. The Contractor shall provide a current and valid Certificate of Liability Insurance (COI) as outlined in Exhibit One (1) prior to commencement of the Contract and throughout the term of the Contract. A Purchase Order will not be issued for the Contractor to perform services without the COI on file in the Contract.

5. Approvals

The State will review and approval all invoices prior to issuing payment.

6. Deliverables

The Contractor shall provide:

6.1. Invoices are due monthly, on the seventh (7th) of the following month for which services were provided.

7. Notices, Correspondence and Reports

7.1. Notices, correspondence, reports, invoices, and program specific requests relative to this Contract from the Contractor shall be sent to:

Stacie Gravito
Office Chief/Administrative Counsel
Administrative Council and Rules
Policy and Intergovernmental Affairs
Arizona Department of Health Services,
150 N. 18th Ave., Suite 200
Phoenix, AZ 85007
(602) 542-5879
Stacie.Gravito@azdhs.gov

7.2. Invoices from the Contractor to ADHS shall be submitted electronically to invoices@azdhs.gov

7.3. Notices and correspondence from the ADHS to the Contractor will be sent to:

D. Andy Gaona
Coppersmith Brockelman
2800 N Central Ave, Suite 1900
Phoenix, AZ 85004
(602) 381-5486
agaona@cblawyers.com

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7.4. AUTOMATED CLEARING HOUSE.

7.4.1. ADHS may pay invoices for some or all Orders through an Automated Clearing House (ACH). In order to receive payments in this manner, the Contractor must complete an ACH Vendor Authorization Form (form GAO-618) within 30 (thirty) days after the effective date of the Contract. The form is available online at: <https://gao.az.gov/publications/forms>

7.4.2. ACH Vendor Authorization Form shall be emailed to Vendor.Payautomation@azdoa.gov

CONTRACT No. CTR071079
Price Sheet

Fixed Price/Hourly Price Sheet

Name of Counsel, Paralegal, Legal Assistant or Law Clerk anticipated to work on this assignment	Title	Counsel Bar Number	Hourly Rate
D. Andrew Gaona	Lead Counsel	028414	\$400/hr
Austin Yost	Counsel	034602	\$350/hr
Kym Derus	Paralegal		\$150/hr
Diana Hanson	Legal Assistant		\$50/hr
Total Contract Not to Exceed			\$3,000,000

CONTRACT No. CTR071079
Conflict of Interest Statement

List the specific cases in which your firm has been adverse to the State of Arizona in the last two (2) years.
If the case has been on-going for more than two (2) years it should be listed here. Add additional pages if needed.

Court or Case Name	Court or Case Number	Date Began	Date Ended

List the specific matter in which your firm has been adverse to the State of Arizona in the last two (2) years.
If the matter has been on-going for more than two (2) years it should be listed here. Add additional pages if needed.

Matter	Date Began	Date Ended

Represent Arizona

List the specific cases in which your firm has represented the State of Arizona in the last two (2) years.
If the case has been on-going for more than two (2) years it should be listed here. Add additional pages if needed.

Court or Case Name	Court or Case Number	Date Began	Date Ended

	Participation in Boycott of Israel		Arizona Department of Health Services 150 North 18 th Ave, Suite 530 Phoenix, AZ 85007
	Contract No.: CTR071079	PAGE 33	
	Description: Outside Legal Counsel – Sober Living Facilities	OF 34	

Boycott of Israel Disclosure

Please note that if any of the following apply to this Solicitation, Contract, or Contractor, then the Offeror shall select the "Exempt Solicitation, Contract, or Contractor" option below:

- The Solicitation or Contract has an estimated value of less than \$100,000;
- Contractor is a sole proprietorship;
- Contractor has fewer than ten (10) employees; and/or
- Contractor is a non-profit organization.

Pursuant to A.R.S. § 35-393.01, public entities are prohibited from entering into contracts "unless the contract includes a written certification that the company is not currently engaged in, and agrees for the duration of the contract to not engage in, a boycott of goods or services from Israel."

Under A.R.S. § 35-393:

1. "Boycott" means engaging in a refusal to deal, terminating business activities or performing other actions that are intended to limit commercial relations with entities doing business in Israel or in territories controlled by Israel, if those actions are taken either:
 - (a) Based in part on the fact that the entity does business in Israel or in territories controlled by Israel.
 - (b) In a manner that discriminates on the basis of nationality, national origin or religion and that is not based on a valid business reason.
2. "Company" means an organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company or other entity or business association, including a wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate, that engages in for-profit activity and that has ten or more full-time employees.
- ...
5. "Public entity": (a) Means this State, a political subdivision of this State or an agency, board, commission or department of this State or a political subdivision of this State. (b) Includes the universities under the jurisdiction of the Arizona board of regents and community college districts as defined in section 15-1401.

The certification below does not include boycotts prohibited by 50 United States Code Section 4842 or a regulation issued pursuant to that section. See A.R.S. § 35-393.03.

In compliance with A.R.S. § 35-393 et seq., all offerors must select one of the following:

- ☐ The Company submitting this Offer does not participate in, and agrees not to participate in during the term of the contract, a boycott of Israel in accordance with A.R.S. § 35-393 et seq. I understand that my entire response will become a public record in accordance with A.A.C. R2-7-C317.
- ☐ The Company submitting this Offer does participate in a boycott of Israel as described in A.R.S. § 35-393 et seq.
- ☐ **Exempt Solicitation, Contract, or Contractor.**

Indicate which of the following statements applies to this Contract:

- Solicitation or Contract has an estimated value of less than \$100,000;
- Contractor is a sole proprietorship;
- Contractor has fewer than ten (10) employees; and/or
- Contractor is a non-profit organization.



Coppersmith Brockelman PLC

Company name

2800 N. Central Ave., Suite 1900

Address

Phoenix, AZ 85004

City

State

Zip

Signature of person authorized to sign

D. Andrew Gaona, Partner

Printed name and title

agaona@cblawyers.com

602-381-5486

Email address

Phone number

	Forced Labor of Ethnic Uyghurs Ban		Arizona Department of Health Services 150 North 18 th Ave, Suite 530 Phoenix, AZ 85007
	Contract No.: CTR071079	PAGE 34	
	Description: Outside Legal Counsel – Sober Living Facilities	OF 34	

Forced Labor of Ethnic Uyghurs Ban

Please note that if any of the following apply to the Contractor, then the Offeror shall select the "Exempt Contractor" option below:

- Contractor is a sole proprietorship;
- Contractor has fewer than ten (10) employees; OR
- Contractor is a non-profit organization.

Pursuant to A.R.S. § 35-394, written certification is required to show that the company entering into a contract with a public entity does not use the forced labor, or any goods or services produced by the forced labor, of ethnic Uyghurs in the People's Republic of China.

Under A.R.S. § 35-394:

1. "Company" means an organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company or other entity or business association, including a wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate, that engages in for-profit activity and that has ten or more full-time employees.
2. "Public entity" means this State, a political subdivision of this State or an agency, board, commission or department of this State or a political subdivision of this State.

In compliance with A.R.S. §§ 35-394 et seq., all offerors must select one of the following:

- ☐ The Company submitting this Offer does not use, and agrees not to use during the term of the contract, any of the following:
- Forced labor of ethnic Uyghurs in the People's Republic of China;
 - Any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China; or
 - Any Contractors, Subcontractors, or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China.
- ☐ The Company submitting this Offer does participate in use of Forced Uyghurs Labor as described in A.R.S. § 35-394.
- ☐ **Exempt Contractor**
 Indicate which of the following statements applies to the Contractor (may be more than one):
- ☐ Contractor is a sole proprietorship;
 - ☐ Contractor has fewer than ten (10) employees; and/or
 - ☐ Contractor is a non-profit organization.

Coppersmith Brockelman, PLC



Company Name
2800 N. Central Ave., Suite 1900
Address
Phoenix, AZ 85004
City, State, ZIP

Signature of person authorized to sign
D. Andrew Gaona, Partner
Printed name and title
agaona@cblawyers.com 602-381-5486
Contact email address Contact phone number