HEAD START 2025-2026
SUBAWARD AGREEMENT BETWEEN

PUGET SOUND EDUCATIONAL SERVICE DISTRICT
EARLY LEARNING PROGRAM
800 OAKESDALE AVE SW
RENTON, WA 98057

AND

FRANKLIN PIERCE SCHOOL DISTRICT
315 129TH ST S
TACOMA, WA 98444-5044

THIS CONTRACT is made and entered into by and between PUGET SOUND EDUCATIONAL SERVICE DISTRICT EARLY LEARNING PROGRAM (hereinafter referred to as "PSESD") and FRANKLIN PIERCE SCHOOL DISTRICT (hereinafter referred to as "Center").

IT IS THE PURPOSE OF THIS CONTRACT to provide comprehensive Head Start services, in accordance with this contract, all exhibits and attachments, and PSESD's Early Learning Program Manual (ELPM), ensuring compliance with service plans, Performance Standards, and other federal regulations.

THE FUNDING SOURCE FOR THIS CONTRACT is 100% federal funds pursuant to CFDA # 93.600. The federal award identification number for this Head Start grant is 10CH012059, awarded to PSESD on June 23, 2021.

THEREFORE, IT IS MUTUALLY AGREED THAT:

1. CONTRACT MANAGEMENT

1.1 The Contract Manager and Center Director for each of the parties shall be the contact person(s) for all communications and billings regarding the performance of this Contract.

1.2 Any notice or demand or other communication required or permitted to be given under this Contract or applicable law shall be effective only if it is in writing, properly addressed, and either emailed, delivered in person, or by a recognized courier service, or deposited within the United States Postal Service.

1.3 Each party shall notify the other party in writing within ten days of any changes of the name and contact information regarding either party's designated Contract Manager or Center Director.

1.4 Notwithstanding RCW 1.12.070, such communications shall be effective upon the earlier of receipt or four calendar days after mailing or emailing. The notice addresses as provided herein may be changed by written notice given as provided above.

2. EXHIBITS AND ATTACHMENTS

Attached hereto and incorporated herein as though set forth in full are the following exhibits and attachments:

- Exhibit A - STATEMENT OF WORK
- Exhibit B - DELIVERABLES CALENDAR
- Exhibit C - GENERAL TERMS AND CONDITIONS
- Exhibit D - SUPPLEMENTAL TERMS AND CONDITIONS

The parties agree that the exhibits and attachments listed in this paragraph shall be enforceable against the parties and are a part of this Contract.

3. STATEMENT OF WORK

The parties agree that the Center shall perform the activities and obligations as set forth and described in ELWA and ELPM, this Contract and its Exhibits, attached hereto, and incorporated herein as though set forth in full. The Center shall also furnish the necessary personnel, equipment, material, and/or service(s) and otherwise do all things necessary for or incidental to the performance of the work as set forth and described in this Contract. The Center agrees to provide the services, products and activities at the costs set forth in this Contract.

4. PERIOD OF PERFORMANCE

Subject to the requirements of this Contract, the period of performance of this Contract shall commence on November 1, 2025, and be completed on or before November 30, 2025, unless terminated sooner as provided herein. WW
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5. COMPENSATION

PSESD shall reimburse the Center upon receipt of proper documentation as required by PSESD, as detailed below. The Center must follow the Office of Management and Budget (OMB) Circular cost principles.

FUNDING

Model	Slots	Slot Rate	Total Funding
Funded Enrollment (Part Day)	114	$754.36	$85,997.04
Funded Enrollment (School Day)	-	-	-
Funded Enrollment (Working Day)	-	-	-
Grand Total	**114**		**$85,997.04**

The funds provided for this November contract are, at present, locally funded and not federal. WW
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PSESD may increase or decrease the approved budget in this Agreement or may make other changes to the Agreement. This will be in the form of an Amendment to the Agreement, which will outline the reasons for any changes.

The parties have determined that the cost of accomplishing the work herein shall not exceed the amount in the table above. Any additional authorized expenditure, for which reimbursement is sought, must be submitted as written documentation following the One-Time Funds application process to the PSESD Contract Manager for pre-approval and established by a written Contract Amendment signed by all designated parties. Compensation will be paid upon the timely completion of services as described in this Contract and is contingent upon acceptance of relevant work products and approval of claims by PSESD as described in this Contract.

6. BILLING PROCEDURE

6.1 The Center will submit properly completed Reimbursement Claim Forms ("claim") at least monthly, but not more than two times per month, no later than forty-five (45) days after the month's end, except for August and final claims as described below.

August - To facilitate PSESD's fiscal year-end deadlines, any claim for payment not already made, up to and including August, must be submitted within thirty (30) days after August month close, (8/31).

Final - Upon the expiration of this Contract, any claim for payment not already made shall be submitted to PSESD no later than forty-five (45) days following the expiration date of this Contract. The final claim shall certify that the Center has completed all requirements of this Contract and be marked as ***"FINAL CLAIM."***

Scan and email to: elfiscal@psesd.org

6.2 Payment to the Center for approved and completed work shall be made by warrant or Electronic Funds Transfer by PSESD and considered timely if made within 30 days of receipt of a properly completed claim. Payment shall be sent to the address designated by the Center and set forth in this Contract.
6.3 Each claim must clearly reference the PSESD Contract Number.
6.4 Upon the expiration of this Contract, any claim or payment not already made shall be submitted to PSESD no later than forty-five (45) days following the expiration date of this Contract. The final claim shall certify that the Center has completed all requirements of this Contract.
6.5 The deliverables outlined in the table below shall be submitted before or on the due date. Claims for expenses incurred after the due date will not be processed until the deliverable is submitted.
6.6 In the event that the Center doesn't complete and/or submit a deliverable outlined in this contract and PSESD's funder holds PSESD's monthly voucher pending that deliverable, PSESD reserves the right to hold the Center's monthly claim until the deliverable is completed and/or submitted.

Deliverable	Due Date	Submission
Site Readiness and Safety Checklists	September 15 (full-year sites) Before classes start (part-year sites)	See Site Readiness and Safety Checklist Procedure in ELPM – Email to ELMonitoring@psesd.org
Active Supervision Plans	September 15 (full-year sites) Before classes start (part-year sites)	See Active Supervision Procedure in ELPM – Post in classroom and email to ELMonitoring@psesd.org
Safe Arrival and Departure/Transportation (SADT) Plan	September 15 (full-year sites) Before classes start (part-year sites)	Email to ELMonitoring@psesd.org
Operating Budget	**ECEAP:** September 30 **HS / EHS:** January 31	Email to Fiscal Team at: ELFiscal@psesd.org
Staff Compensation	**ECEAP:** September 30 **HS / EHS:** December 1	Email to Fiscal Team at: ELFiscal@psesd.org
Written Cost Allocation Plan	**ECEAP:** September 30 **HS / EHS:** January 31	Email to Fiscal Team at: ELFiscal@psesd.org
Inventory – Log and report new small & attractive items (electronics) with a unit cost of $300 or more **(ECEAP only)**	Prior to Month Claim Submission	ELPM
BEFORE making equipment purchases of $15,000 or greater	Complete Purchase Approval Form	Email to Fiscal Team at: ELFiscal@psesd.org

7. SIGNATURES

THIS CONTRACT, including the exhibits described in section 2, is executed by the persons signing below who warrant they have read and understand this Contract and the exhibits. The persons signing below further represent that they have the authority to execute this Contract.

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CENTER:

Unique Entity ID: FRKVVBMS2C77

Signature	Print Name	Date
Thor Boucher (Nov 12, 2025 10:50:20 PST)	Thor Boucher	Nov 12, 2025
Center Director		
Lance Goodpaster	Lance Goodpaster	Nov 18, 2025
Superintendent		

PSESD:

Signature	Print Name	Date
Jolianne Valentino (Nov 10, 2025 09:51:48 PST)	Jolianne Valentino	Nov 10, 2025
PSESD Superintendent or Designee		
Julie Rolling	Julie Rolling	Nov 10, 2025
Early Learning Executive Director or Designee		

BUSINESS OFFICE USE ONLY

Account Codes:

3440-27-7300-1026-2100-5127	$81,901.95
3440-98-7300-1026-2100-5198	$4,095.09
Contract Total:	**$85,997.04**

Contract Number: 0102600062

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Signature	Print Name	Date
	Jacob Costelloe	Nov 10, 2025
Business Office Approval		

ATTACHMENT # 0102600062 **- Federal Award Identification for Subrecipients**
(Reference 45 CFR 75.352)

HEAD START

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(i) Subrecipient name (which must match the name associated with its unique entity identifier);	FRANKLIN PIERCE SCHOOL DISTRICT
(ii) Subrecipient's unique entity identifier;	FRKVVBMS2C77
(iii) Federal Award Identification Number (FAIN);	10CH012059-03
(iv) Federal Award Date (see § 200.39 Federal award date);	06/23/2021
(v) Subaward Period of Performance Start and End Date;	11/01/25-11/30/25
(vi) Amount of Federal Funds Obligated by this action by the pass-through entity to the subrecipient;	$85,997.04
(vii) Total Amount of Federal Funds Obligated to the subrecipient by the pass-through entity including the current financial obligation;	$85,997.04
(viii) Total Amount of the Federal Award committed to the subrecipient by the pass-through entity;	$85,997.04
(ix) Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA);	Head Start
(x) Name of Federal awarding agency, pass-through entity, address, and contact information for awarding official of the Pass-through entity;	HHS - Administration for Children and Families Puget Sound Educational Service District 800 Oakesdale Ave SW, Renton, WA 98057 Decca Calloway, Executive Director Early Learning dcalloway@psesd.org
(xi) Assistance Listings number and Title; the pass-through entity must identify the dollar amount made available under each Federal award and the Assistance Listings Number at time of disbursement;	93.600 Head Start
(xii) Identification of whether the award is R&D;	☐ Yes ☒ No
(xiii) Indirect cost rate for the Federal award (including if the de minimis rate is charged) per § 200.414.	0%

The Federal Funding Accountability Transparency Act (FFATA) requires Puget Sound Education Services District (PSESD) to report to the federal government subaward expenditures over $30,000. You recently received a subaward from PSESD valued at, or over, $30,000 which prompts our FFATA reporting obligations. To assist PSESD in compliance reporting, please provide the following information:

1. The zip code +4 where the majority of services are provided or performed:	98444
2. Did you receive 80% or more of your annual gross revenue from federal contracts, grants, loans, subgrants, and/or cooperative agreements?	no
3. Did you receive $25,000,000 or more in annual gross revenues from federal contracts, subcontracts, grants, loans, subgrants, and/or cooperative agreements?	no
4. Does the public have access to information about the compensation of the executives in your business or organization through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986?	no

PSESD must report these expenditures in order to draw down funding to support your contract.

1. INTRODUCTION

1.1. Head Start promotes the school readiness of young children furthest from opportunity through agencies in their local community. Head Start (which includes Early Head Start) supports the comprehensive development of children from birth to age 5, in centers, child care partner locations, and in their own homes. Head Start services include early learning, health, and family well-being.

1.2. The Office of Head Start (OHS) administers grant funding and oversight to the agencies that provide Head Start services. OHS also provides federal policy direction and a training and technical assistance (T/TA) system to assist grantees in providing comprehensive services to eligible young children and their families. OHS oversight, grant funding, administration, and access to T/TA is provided through a Program Specialist at the OHS Regional Office for West Region.

1.3. Puget Sound Educational Service District (PSESD) is a Head Start grantee. PSESD subcontracts with Centers to provide Head Start services.

1.4. Head Start subcontracts are renewable for subcontractors in good standing, based on available funding.

2. DEFINITIONS

As used throughout this Contract, the following terms shall have the meanings set forth below:

2.1. “Ancillary costs” means all costs and expenses associated with or arising from a purchase such as, but not limited to shipping, handling, taxes, or installation.

2.2. “Canvas” means the Learning Management System (LMS) that hosts PSESD’s online courses and data collection portals. It can be found at Classes.EarlyLearningWA.org.

2.3. “Center” means an organization that is a public or private organization, including, but not limited to school districts, educational service districts, community and technical colleges, private businesses, local governments, or nonprofit organizations (per RCW 43.215.415) providing Head Start services under a signed contract with PSESD.

2.4. “Confidential Information” means information that may be exempt from disclosure to the public or other unauthorized persons under either chapter 42.56 RCW or other state or federal laws. Confidential Information includes, but is not limited to, Personal Information, agency source code or object code, and agency security data.

2.5. "Contract" or "Agreement" means this entire written agreement between PSESD and the Center, including any Exhibit, attachments, documents, program agreement, materials incorporated by reference, and all amendments hereto. The parties may execute this contract with multiple counterparts, each of which is deemed an original and all of which constitute only one agreement. E-mail or Facsimile transmission of a signed copy of this Contract shall be the same as delivery of an original.

2.6. “Contractor” means an organization that is a public or private organization, including, but not limited to school districts, educational service districts, community and technical colleges, private businesses, local governments, or nonprofit organizations (per RCW 43.216.515) providing Head Start services as a Grantee of OHS. Interchangeable with “Grantee” for the purposes of this Contract.

2.7. “Data” means records, files, forms, data, information, and other documents in electronic or hard copy form, including but not limited to Converted Data.

2.8. “DCYF” means the Department of Children, Youth and Families of Washington State; any division, section, office, unit, or other entity of DCYF; or any of the officers or other officials lawfully representing DCYF.

2.9. “Debarment” means an action taken by a State or Federal agency to exclude a person or business entity from participating in transactions involving certain federal or state funds.

2.10. “Early Achievers” means Washington’s quality rating and improvement system (QRIS), to help early care and education programs offer high-quality care that supports each child’s learning and development.

2.11. “ELPM” means the PSESD Early Learning Program Manual available at www.earlylearningwa.org.

2.12. “ERSEA” means Eligibility, Recruitment, Selection, Enrollment, and Attendance.

2.13. “Family/caregiver” means the birth parent(s), relative caregiver (kinship care), foster parent(s), and/or adoptive parent(s) who act as caregiver(s) for a child.

2.14. “Family Child Care Provider/In-home Caregiver” means an in-home child care provider that:

- 2.14.1.1. provides regularly scheduled care for a child;
- 2.14.1.2. receives child care subsidies; and
- 2.14.1.3. is licensed by the state.

2.15. “GOLD® by Teaching Strategies” means the proprietary child assessment system developed by Teaching Strategies, LLC, and used to assess multiple developmental domains for all program children.

2.16. “Head Start/Early Head Start services” means administration, enrollment and eligibility, human resources, health coordination, education and family support and parent involvement services as defined

by this Contract and in Performance Standards and other regulations.

2.17. "Indirect costs" means the shared costs of an organization necessary to the operation and the performance of its programs. This may include fiscal, payroll, information technology, human resources, and other costs associated with operating and maintaining staff and workspace.

2.18. "Interdisciplinary Team" is a comprehensive group of PSESD Early Learning content area experts who collaborate, share learning and resources for the purpose of supporting Centers to provide services to children and families.

2.19. "Licensed provider" means an individual or entity that provides child care and early learning services for a group of children, birth through twelve years of age that is licensed by the DCYF, pursuant to RCW 43.216.295, unless exempt under RCW 43.216.010(2) and WAC 110-300-0025.

2.20. "Licensed exempt provider" means an individual or entity that provides child care and early learning services for a group of children, birth through twelve years of age, which is exempt from licensing requirements by the DCYF, pursuant to RCW 43.216.295, based upon RCW 43.216.010(2) and WAC 110-300-0025.

2.21. "Materials" means all items in any format and includes, but is not limited to, data, reports, documents, pamphlets, advertisements, books, magazines, surveys, studies, computer programs, films, tapes, and/or sound reproductions. Ownership includes the right to copyright, patent, register and the ability to transfer these rights.

2.22. "Modified services" means classroom services may be closed, and services continue to be provided to children and families in an alternative way.

2.23. "MyTeachingStrategies" means the proprietary child assessment system developed by Teaching Strategies, LLC, and used to assess multiple developmental domains for all Head Start/Early Head Start children.

2.24. "Non-classroom staff" means any staff members who do not work in the Head Start/Early Head Start classroom and could have unsupervised access to Head Start/Early Head Start children such as bus drivers, kitchen, and custodial staff.

2.25. "OHS" is the federal Office of Head Start.

2.26. "Overpayment" means any payment or benefit to a recipient or to a vendor in excess of that to which is entitled by law, rule, or contract, including the amounts in dispute.

2.27. "Parent Funds" are defined as funds designated solely for costs associated with parent-led and approved family engagement activities as budgeted by the Parent Center Committee.

2.28. "Performance Standards" are available at www.earlylearningwa.org.

2.29. "Personal Information" means information identifiable to any person, including, but not limited to, information that relates to a person's name, health, finances, education, business, use or receipt of governmental services or other activities, addresses, telephone numbers, social security numbers, driver license numbers, email addresses, credit card information, law enforcement records or other identifying numbers or Protected Health Information, any financial identifiers, and other information that may be exempt from disclosure under either chapter 42.56 RCW or other state and federal statutes.

2.30. "PSESD" means the Puget Sound Educational Service District.

2.31. "Regulation" means any federal, state, or local rule, rule, or ordinance.

2.32. "RCW" means the Revised Code of Washington. All references in this Contract to RCW chapters or sections shall include any successor, amended, or replacement statute. Pertinent RCW chapters can be accessed at https://apps.leg.wa.gov/rcw/.

2.33. "Slots" means the number of available federally funded spaces for enrolled Head Start children at any one time. More than one child may occupy a slot in the course of a school year, as children leave the program and new children are enrolled.

- 2.33.1.1. "Part Day" means at least 3.5 child contact hours per day, at least 448 child contact hours in the program year, and following the site calendar submitted to PSESD.
- 2.33.1.2. "School Day" means at least 1,020 child contact hours over at least 8 months in the program year and following the site calendar submitted to PSESD.
- 2.33.1.3. "Working Day" means at least 10 hours per day, five (5) days per week, year-round, and following the site calendar submitted to PSESD.

2.34. "Staff" or "staff person" means the Center's directors, officers, employees, and agents who provide goods or services on behalf of PSESD or the Center.

2.35. "Transportation" means transporting children enrolled in Head Start to and/or from their home daily.

2.36. "Tribal Sovereign Nation" means the federally recognized Tribe that has executed this Contract and its designated subdivisions and agencies performing services pursuant to this Contract and includes the Tribal Sovereign Nation's officers, employees, and/or agents. For purposes of any permitted

Subcontract, Tribal Sovereign Nation includes any Subcontractor of the Tribal Sovereign Nation and the Subcontractor's owners, members, officers, directors, partners, employees, and/or agents.

2.37. "WAC" means the Washington Administrative Code. All references in this Contract to WAC chapters or sections shall include any successor, amended, or replacement regulation. Pertinent WAC chapters or sections can be accessed at http://apps.leg.wa.gov/wac/.

2.38. "West Region" means the Administration for Child and Families (ACF) office that provides leadership, direction, and coordination of ACF programs with states, tribes, and communities.

3. CENTER PARTICIPATION

The Center must participate in:

3.1. Center must allow and support adequate access to PSESD staff for the purpose of fully implementing the site support model with Center staff through coaching, monitoring, planning, technical assistance, and professional learning to meet all expectations as required in this Contract, ELWA and the ELPM.

3.2. Professional Learning opportunities to support reflection and growth of staff members for the purpose of fostering success for each child.

3.3. Collaborative conversations between PSESD and the Center's decision makers as early as possible during the contract year when discussing the Center's Early Learning offerings for current and future years, such as Transitional Kindergarten, Early Childhood Special Education, Bezos Academy, etc., and/or any other changes in Head Start/Early Head Start or ECEAP services. In the event that termination of some or all of this Contract is being considered, the Center must notify PSESD no later than four months prior to the Contract's end date.

3.4. Meetings with Center's Systems Manager, as scheduled throughout the program year.

3.5. Meetings with PSESD Leadership to support continuous quality improvement and implementation of program services, as needed/requested.

3.6. The Center must communicate with Center's Systems Manager, as changes develop regarding completion of ongoing documentation of services, as determined by PSESD.

3.7. Center Director Meetings and associated activities (send a representative if unable to attend). Alternatively, FCC Providers attend Provider meetings.

3.8. Required meetings and trainings, per the Training and Meeting Calendar available on www.earlylearningwa.org.

3.9. Supporting the Parent Center Committee to complete and execute a Parent Funds Budget by following the Parent Funds Policy and the Parent Funds and Expenditures Guidance.

3.10. PSESD annual Self-Assessment process.

3.11. On-site and desk monitoring and audit activities.

3.11.1. Monitoring activities may include, but are not limited to:

3.11.1.1. Review of deliverables listed in this Contract.

3.11.1.2. Desktop monitoring.

3.11.1.3. Intensive on-site program reviews to monitor compliance with program requirements.

3.11.1.4. Site visits to review records, observe implementation of services, or follow up on compliance issues. These visits may be unannounced.

3.12. Submission of items outlined in Deliverables Calendar completed and on time.

3.13. Reviews or audits conducted by PSESD, State of Washington Auditor's Office, OHS, DCYF or its designees, United States Department of Agriculture (USDA), or any other program funders.

3.14. PSESD, OHS, and the State of Washington have the right to monitor and evaluate performance, compliance, and quality assurance under this Contract. The Center shall provide a right of access to its facilities to the parties named above or to any other authorized agent or official of the State of Washington or the federal government at all reasonable times in order to monitor and evaluate performance, compliance, and/or quality assurance under this Contract.

3.15. Shared governance, including encouraging Policy Council parent representation and providing an opportunity for parent representative(s) to report back.

4. PRIOR APPROVALS

The Center must follow the most recent ELPM procedure(s) to obtain prior written approval from PSESD before:

4.1. Enrolling over-income families.

4.2. Changing class start or end dates.

4.3. Adding or moving an existing site or class.

4.4. Adding a new classroom or changing a classroom location.

4.5. Beginning a major remodeling of the site, including planned use of space not previously approved by the fire marshal's office or DCYF if child care licensed.
4.6. Changing a service area boundary.
4.7. Purchasing equipment with unit costs of $15,000 or greater including ancillary costs or procuring playground or facility improvements with a total cost of $15,000 or greater including ancillary costs, paid fully or in part with OHS funds. Refer to Exhibit A, Statement of Work, Purchase Approval section.
4.8. Selling or disposing of equipment purchased using program funds, in alignment with Inventory Procedure
4.9. Changing Center's legal status, Center Director, or organizational structure related to the program.
4.10. Implementing exceptions to Head Start Performance Standards
4.11. Scheduling non-student days, if providing Working Day model.
4.12. Enrolling non-program children in a class funded by this Contract.

5. NOTIFICATION TO PSESD

The Center must follow the most recent ELPM procedure(s) to immediately notify PSESD of:

5.1. Any serious issue that may impact services for children or families.
5.2. Any reportable incident, per the Incident Procedure available in the ELPM.
5.3. Any issue that has potential for media coverage or when law enforcement is involved.
5.4. A Child Protective Services (CPS) report related to program staff, facilities, transportation, or families where safety comes into question.
    5.4.1. Notification must be made to PSESD at the first opportunity and no later than 24 hours.
5.5. A charge or conviction against the director or a staff person for a disqualifying crime under WAC 170-06-0120.
5.6. Change of physical address, mailing address, or phone number of site.
5.7. Change of phone number or email address of director.
5.8. Change of ownership, chief executive, or director.
5.9. Changes to modified or full services.
5.10. A fire, major structural change, damage to the premises, or plumbing issue that can impact operations or services to children and families.
5.11. Changes in standing with DCYF child care licensing (loss of license, moving out of good standing)
5.12. A persistent concern or issue related to classroom management, including staff behavior, staff absences, conditions of the physical environment, or children of concern, including Active Supervision.
    5.12.1. Follow PSESD's Incident Notification Procedure, available in the ELPM.
5.13. Any suspicion that an employee improperly recorded a family's eligibility criteria, or a family provided false information in order to enroll in the program.
5.14. Any potential, suspected, attempted, or actual breaches of security including, but not limited to, unauthorized access, use, or disclosure, compromised data, or compromised login IDs or passwords.

6. LANGUAGE SPECIALISTS

6.1. PSESD will provide language specialists at no cost.
6.2. PSESD will provide deaf, deaf-blind, or hard of hearing clients with the services of a certified sign language interpreter at no cost, unless provided at the subcontractor level.
6.3. Language specialist services shall be provided by PSESD at no cost to the Center. The Contractor must comply with all federal, e.g., Title VI of the US Civil Rights Act of 1964, Chapter 49.60 RCW.

7. DATA ENTRY REQUIREMENTS AND CHILDPLUS

7.1. The Center must enter and maintain accurate data in ChildPlus. This includes ensuring all data is entered into ChildPlus according to the Deliverables Calendar.
7.2. The Center must complete and enter all Teaching Strategies GOLD® checkpoints as outlined in Deliverables Calendar.

8. RECRUITMENT, ELIGIBILITY, ENROLLMENT, AND FAMILY SUPPORT

The Center must:

8.1. Verify children's eligibility for Head Start in accordance with the Eligibility Section of the ELPM.
8.2. Prioritize eligible children for enrollment in available Head Start slots.
8.3. If contracted to provide Working Day classes, ensure additional eligibility criteria are met for children before enrolling.

8.4. Staff who determine eligibility must be trained in proper eligibility determination practices and the importance of protecting program integrity and the public trust. Fraudulent eligibility practices may lead to suspension or termination of contracts, requiring the Center and PSESD to discontinue subcontracts or terminate the involved employees, and referring cases for criminal prosecution.
8.5. Conduct ongoing recruitment throughout the year according to the Recruitment Section of the ELPM.
8.6. Make every effort to maintain full enrollment in line with PSESD's applicable policies and procedures. PSESD reserves the right to reclaim slots and funds if the Center cannot maintain full enrollment. Before reducing slots, PSESD will discuss strategies for full enrollment and deadlines with the Center.
8.7. Ensure that children are available to attend each class session with the exception of temporary absences due to illness or other reasons communicated by the family as they occur.

9. OBTAINING CONTACT INFORMATION TO RECRUIT FAMILIES

9.1. DCYF will provide PSESD with contact information for families receiving services from the Department of Social and Health Services (DSHS) who have children who are potentially eligible for the services of this contract. This contact information consists of names and addresses and is to be used solely for recruitment and enrollment purposes for this program. Centers who choose to receive this contact information must:
- 9.1.1. Protect the information and all documents generated from this information from unauthorized physical or electronic access.
- 9.1.2. Not transfer this contact information via email.
- 9.1.3. Submit a Confidential Notice of Non-Disclosure Form to PSESD for each staff who may access this contact information prior to receiving DSHS information.
- 9.1.4. Limit access to the contact information to persons who have signed the Notice of Non-Disclosure Form.
- 9.1.5. Not use the contact information for any other purpose than recruitment of families for participation in the services provided under this contract.
- 9.1.6. Destroy this contact information at the end of the annual recruitment period.

10. PORTABLE BACKGROUND CHECKS

10.1. All Head Start/Early Head Start subcontractors and providers must follow Head Start Performance Standard Personnel Policy 1302.90:
- 10.1.1. Before a person is hired, directly or through contract, including transportation staff, a program must obtain a cleared Portable Background Check through the Division of Children, Youth and Families (DCYF), with renewal for each employee every five years.

11. STAFFING, QUALIFICATIONS, AND PROFESSIONAL LEARNING

11.1. The Center will inform PSESD within 5 days of any staff changes using the Staff Information Form available on the Hiring and Staff Qualifications page of the ELPM, including but not limited to all positions listed below.
11.2. The Center agrees to provide the following staff as needed to carry out this Contract:
- 11.2.1. Center Director
- 11.2.2. Lead Teacher(s)
- 11.2.3. Teaching Assistant(s)
- 11.2.4. Family Support Specialist(s)
- 11.2.5. Other staff as required

11.3. Lead Teachers, Teaching Assistants, and Family Support Specialists must meet minimum qualifications as outlined in the Staff Position Qualifications Guidance document available in the ELPM.
- 11.3.1. Centers must keep documentation of qualifications, such as copies of diplomas, transcripts, licenses, and certifications, for seven years after employment ends.

11.4. Staff funded by this contract or working with children and families receiving services through this contract must complete online courses according to the Deliverables Calendar.
11.5. The Center must support the professional learning of staff by providing regularly scheduled time for:
- 11.5.1. Curriculum planning.
- 11.5.2. Reflective practice with coaches, supervisors, and peers.
- 11.5.3. Attending required training provided by PSESD.
- 11.5.4. Teachers and Family Support Specialist to complete a minimum of 20 hours of professional development each year. Document the hours in staff member's personnel file at center/site.

12. CHILD SAFETY

12.1. As defined in the ELPM "Incidents and Findings Notification Procedure," incidents must be reported to PSESD within 24 hours at the first opportunity. PSESD must be notified immediately of Emergency incidents via the Incident Online Form or Phone Line, with online documentation to follow within 24 hours. Failure to report in a timely manner and/or follow up to satisfactorily resolve the incident may result in corrective action, suspension of services, or contract information.

12.2. Children's health, safety, and well-being must always be the primary concern of the Center in the delivery of services under this Contract. The Center must report child abuse and neglect in accordance with RCW 26.44.030. If the Center, or any of the Center's employees, has reasonable cause to believe that a child has suffered abuse or neglect from any person, the Center or employee must immediately report such incident to CPS Intake at 1-866-ENDHARM. This requirement includes suspected abuse or neglect that occurs when a child is in the care of the Center as well as outside of the Center's care.

12.2.1. If a report is made, see Notification to PSESD section of this Exhibit.

12.3. The Center must ensure that managers, board members, employees, and volunteers of the Head Start programs who will or may have unsupervised contact with Head Start children complete training on child abuse and neglect, including reporting procedures, annually before working with children or families. The required training is available on the Canvas online learning platform.

12.4. If the Center elects to provide transportation to children, the Center must participate in and adhere to all regulations and training set forth in state and federal laws, program Performance Standards, the ELPM, and the Office of the Superintendent of Public Instruction (OSPI). Failure to follow and/or report any transportation or other safety violations may lead to an investigation by PSESD Early Learning and other relevant organizations, of which the Center shall fully participate. At the conclusion of the investigation, PSESD has the right to impose a corrective action plan, suspension or dismissal of involved staff, and contractual relationship with the Center as outlined in the Supplemental Terms and Conditions Exhibit.

13. POLICIES

The Center shall maintain internal policies governing its own business systems, fiscal management, and personnel. If a Center policy conflicts with a PSESD policy, the more restrictive policy will prevail. If there is a missing element in the Center policy, the PSESD policy language regarding the missing element must be followed.

14. USE OF FUNDS

14.1. The Center must maintain a financial management system with written policies and procedures ensuring strong internal controls.

14.2. When expending funds through this Contract for items, personnel or services used by other programs or individuals, funds through this Contract may only be spent for the share used solely for Contract services.

14.3. The Center may submit a supplemental claim when all funds have been spent prior to the end of the contract period, and there are budgeted expenditures that were not previously claimed. A supplemental claim and budget must be submitted 45 days prior to the end of the contract year. Supplemental claims are not guaranteed and will be approved based on need and availability of funding.

14.4. The Center shall not carryover funds from one contract year to another.

14.5. The Center must maintain a written plan describing the use and allocation of funding through this Contract and other funds.

14.6. The Center may use funds provided through this contract for the following costs:

14.6.1. Administration including planning and coordination; accounting and auditing; purchasing, personnel and payroll functions; and equipment, training, travel, and facility costs related to these purposes. Administrative costs must not exceed 5 percent of the amount of this Contract, including Centers' administrative costs, if any.

14.6.2. Services including preschool education, health services coordination, nutrition, family supports and parent involvement. This includes salaries and benefits for direct service personnel, goods and services, equipment, facilities, training, travel, and other costs related to direct services as described in this Contract.

14.7. The Center may not use funds provided through this Contract for the following:

14.7.1. Costs not directly related to this Contract.

14.7.2. Costs that exceed the Contract amount.

14.7.3. Finance charges or late fees on purchases.

14.7.4. Work charged to or paid by any other contract or funding source.

14.7.5. Any sectarian purpose or activity, including sectarian worship or instruction.

14.8. If the Center provides Head Start services within a licensed child care, the Center may separately bill for child care subsidies for the same children for hours that are simultaneously enrolled in child care and Head Start.

14.9. The Center may engage in efforts to obtain additional funds and in-kind contributions to expand or enhance service delivery. The Center must not solicit funds from families enrolled in Head Start.

15. PURCHASE APPROVALS

15.1. The Center must obtain prior written approval from OHS/West Region for any equipment (defined below), using the Purchase Request Form in the ELPM, before using or contributing any program funds to acquire:

15.1.1. Equipment, defined as any article of tangible, nonexpendable, property having a useful life of more than one year with a unit cost or total purchase cost of $15,000 or greater, including ancillary costs. Ancillary costs include, but are not limited to tax, shipping, handling, and installation.

15.2. Playground or facility improvements with a unit or total purchase cost of $15,000 or greater, including ancillary costs. For playgrounds, this includes but is not limited to costs for equipment and site preparation.

15.3. The Contractor must provide a cost allocation plan if the purchase is not solely for Head Start use.

16. INVENTORY

16.1. The Center must log all assets with a unit cost of $15,000 or more purchased fully or partially with contract funds into the Early Learning Inventory Log. See ELPM for procedure and necessary forms.

16.1.1. The Center must update the log for all assets that have been lost, stolen, or disposed of into the Early Learning Lost/Stolen/Disposal Log. See ELPM for procedure and necessary forms.

16.1.2. The Center is required to keep records and log any assets with unit costs (including ancillary costs) of $15,000 or more purchased with Head Start funds.

16.2. The inventory list and supporting records must include the following, if applicable:

16.2.1. Inventory Control Number (tag).
16.2.2. Description of the asset.
16.2.3. Manufacturer or trade name.
16.2.4. Serial number.
16.2.5. Contractor's acquisition date.
16.2.6. Order number from purchasing document.
16.2.7. Total cost or value at time of acquisition (including all ancillary costs).
16.2.8. Ownership status, for example if shared by multiple funding sources.
16.2.9. Depreciation (for capital assets).
16.2.10. Location of item.
16.2.11. Useful life, in years.
16.2.12. Disposal date, method, and salvage value.

16.3. Subject to PSESD, West Region, or OHS determination, Centers may be required to return assets purchased with Head Start funding.

The Center must submit/complete the following deliverables by the dates indicated. This list does include all deliverables required from Centers. Always refer to the Monthly To-Do lists in the Connector Blog or ELWA for additional deliverables and information. The Center staff must review and refer to the ELPM as needed for all applicable deliverables, procedures, and forms.

Indicates a pause in funding: Reimbursement of expenses will be held in full or in part if the deliverable is not met by the due date until the deliverable is completed.

Program Staff

Date Due	*Deliverable*	*Submission*
Full Year: September 15 **Part Year**: Before classes start	Complete the Site Readiness and Safety Checklists: 1. Classroom Forms 2. Center Director Forms	Upload to ChildPlus
September 30	Active Supervision Plan – 1 per class and include ELMS/ChildPlus class ID	• Upload to ChildPlus • Post in Classroom
At enrollment	Complete Health History	**ECEAP:** • Family File **HS/EHS:** • Family File • Upload to ChildPlus
Before child starts class	Complete Certificate of Immunization Status (and Certificate of Exemption when applicable)	**ECEAP:** • Family File • Enter into ELMS **HS/EHS:** • Family File • Upload to ChildPlus
By 1st day of class	All slots fully enrolled	**ECEAP:** • ELMS **HS/EHS:** • ChildPlus
Ongoing	**ECEAP:** • Maintain full enrollment • Vacancies filled within 45 calendar days **HS/EHS:** • Maintain full enrollment • Vacancies filled within 30 calendar days	**ECEAP:** • ELMS **HS/EHS:** • ChildPlus
Before child starts class	Completed Child Health Plan with medication on site (potentially life-threatening illnesses).	**ECEAP:** • Family File • Emergency Backpack • Enter in ELMS **HS/EHS:** • Family File • Emergency Backpack • Upload to ChildPlus

Program Staff – continued

Date Due	*Deliverable*	*Submission*
Before Fall Checkpoints	Complete Child Enrollment Information Form & Home Language Survey	• Family File • MyTeachingStrategies
Before child starts class	PSESD USDA Sites: Complete USDA Enrollment Form (EF)	• Family File • Upload to ChildPlus (within 5 days of child's 1st day of class)
Before classes start & monthly updates	Complete Monthly Classroom Health & Safety Checklist	Post in classroom
5th of each month	**ECEAP Only:** Submit ELMS Monthly Report	**ECEAP Only:** • ELMS
1st Friday of each month	Upload Special Diet List and menus (including all dietary accommodations) for previous month	Upload to Monthly Menu Collection Portal (USDA Sites-use Center-specific link)
September 15	Complete Class Profile for each classroom/class	Enter into ChildPlus
Monthly	Complete monthly To-Do's/Deliverables	ELPM
Within 45 days of child's 1st day of class	Complete Developmental and Social Emotional Screenings (ASQ-3 and ASQ-SE, e-DECA for ECLIPSE) screenings	• Record on results in ELMS (ECEAP) and ChildPlus (HS/EHS) • Record on results form in Family File
Within 45 days of child's 1st day of class	Complete Health (Vision/Hearing) and Growth screenings; follow procedures for referrals and rescreening as required.	**ECEAP:** • Record on Results Form; copy in Family File • Provide a copy to the Family • Enter in ELMS **HS/EHS:** • Record on Results Form; copy in Family File • Provide a copy to the Family • Upload to ChildPlus
November 1	Submit Policy Council Representative Notice and Verification Form	ELWA

Program Staff – continued

Date Due	*Deliverable*	*Submission*
November 1	Complete Parent Fund Budget Form and Hold 1st Parent Center Committee meeting to review and confirm.	• Family Engagement Notebook • Upload to ChildPlus
November 15	Finalize Fall MyTS GOLD Checkpoints	MyTeachingStrategies
Before February 2, 2026	Hold Fall parent-teacher conferences and complete Individual School Readiness Goals.	**ECEAP:** • Family File • Documentation in ELMS **HS/EHS:** • Family File • Document in ChildPlus under Family Services
November 30	**ECEAP ONLY:** Mobility Mentoring first assessment due	**ECEAP ONLY:** • ELMS
Within 6-8 weeks after initial screening	Complete developmental rescreens as needed	Record results on ASQ only and results form kept in Family File **ECEAP:** • Family File • Enter in ELMS **HS/EHS:** • Family File • Enter into ChildPlus
Within 90 days of child's 1st day of class	Maintain documentation of up to date well child (including lead/hematocrit results) and dental exams	**ECEAP:** • Enter in ELMS **HS/EHS:** • Upload into ChildPlus
December 15th	Center Transition Plan	Submit to Family Engagement Coach
Beginning in January and ongoing	Discuss and complete transition activities with families.	Document on ELMS/ChildPlus
March 15	Finalize Winter MyTS GOLD Checkpoints	MyTeachingStrategies
Before May 4, 2026	Hold Winter parent-teacher conferences and complete/review/revise Individual School Readiness Goals with families.	**ECEAP:** • Family File • Document in ELMS **HS/EHS:** • Family File • Document in ChildPlus under Family Services

Program Staff – continued

Date Due	Deliverable	Submission
March 29	**ECEAP ONLY:** Mobility Mentoring mid-year check-in due	**ECEAP ONLY:** • ELMS
6 months after initial screening	**ECEAP and HS ONLY:** Complete 2nd Growth screenings **(does not apply to EHS)**	**ECEAP:** • Record on results form • Enter in ELMS **HS ONLY:** • Record on results form • Upload into ChildPlus
May 15th	Finalize Spring MyTS GOLD Checkpoints	MyTeachingStrategies
Before August 3, 2026	Hold Spring parent-teacher conferences and complete Individual School Readiness Goals **Part year:** Complete with Family **Full year:** Review and revise with family	**ECEAP:** • Family File • Document in ELMS **HS/EHS:** • Family File • Document in ChildPlus under Family Services
June 28	**ECEAP ONLY:** Mobility Mentoring final assessment due	**ECEAP ONLY:** • ELMS
August 15	**Full year Only:** Finalize Summer MyTS GOLD Checkpoints	MyTeachingStrategies
Before August 31	**Full year Only:** Hold Summer parent-teacher conferences and Complete Individual School Readiness Goals	• Family File • Document in ChildPlus under Family Services

New Staff: Hiring & Professional Learning

Date Due	Deliverable	Submission
During hiring process	Parent participation is required. Complete Verification of Parent Participation in Hiring Process Form	ELPM: Submit through SIF process
Upon hire	Complete Staff Information Form	
Start date	Portable Background Check cleared before hired	
Start date	Review deliverables outlined in New Staff Documentation Requirements (Medical Release (MR), TB results, and MMR immunizations)	

New Staff: Hiring & Professional Learning – continued

Date Due	Deliverable	Submission
All scheduled sessions	Applicable staff attend (virtual or in-person) New Staff Training	Training and Meeting Calendar
Within 2 months of the start date	Complete online courses in learning path	Canvas - online training platform
Within the first year	Staff complete Limited Restraint/De-escalation training	Training and Meeting Calendar

All Staff: Professional Learning

Date Due	Deliverable	Submission
Before working with children or families	Staff working with program children/families OR paid with program funds complete "First 5" online courses	Canvas - online training platform
Before enrolling children	Staff who verify ECEAP eligibility complete a DCYF ECEAP Eligibility and Enrollment training and maintain certificates of completion. These staff must also complete Contractor-provided training on eligibility practices.	Canvas - online training platform
1 month after classes begin	Returning Staff: Complete online courses in learning path	Canvas - online training platform
Ongoing	Teachers and Teaching Assistants maintain current GOLD Interrater Reliability Certificate	Systems Manager, Professional Learning
Ongoing	Staff working with children maintain current First Aid/CPR card	Post the card(s) in classroom
Ongoing	All Teaching and FSS Staff working with food must maintain current Food Worker Card	Post the card(s) in classroom

Center Leadership

Date Due	Deliverable	Submission
Part Year: April 30 **Full Year:** June 30 & As changes occur	Submit next year's Center Calendar	Submit to Systems Manager, Site Support

Center Leadership – continued

Date Due	Deliverable	Submission
Part Year: Before classes start **Full Year:** September 15	• Complete Site Readiness and Safety Checklist Form – Center Director • Center Director also reviews and submits Classroom Checklist(s)	Upload to ChildPlus
Part Year: Before classes start **Full Year:** Sept 15	Complete Safe Arrival/Departure, Transportation Plan with required supporting documents	Upload to ChildPlus
Before classes start	Verify ECEAP contracted nurse's license is active.	Retain documentation in administrative records
Due each Monday for the previous week	Complete Daily Safe Arrival, Departure, and Transportation Checklist (Self-Transport AND Center-Provided Transportation) for first 3 weeks of class	Email to: ELMonitoring@psesd.org
September 30	Active Supervision Plan – 1 per Class and include ELMS/ChildPlus class ID	• Upload to ChildPlus • Post in Classroom
Monthly	Attend and participate in Center Director meetings and additional required trainings	Training and Meeting Calendar
Monthly	Support and oversee completion of monthly To-Do's/Deliverables	ELPM, Connector
By the 10th of each month	Submit Site and Class report for ECEAP	ELMS
Ongoing as planned	Attend and participate in meetings with Team Manager	Team Manager
Ongoing	Ensure Center is in compliance with Policy Council representation and reporting	ELWA
September 30	All classes are started for the year	**ECEAP:** • ELMS **HS/EHS:** • ChildPlus
October 15	Complete all available and accurate database information	**ECEAP:** • ELMS **HS/EHS:** • ChildPlus

Center Leadership – continued

Date Due	*Deliverable*	*Submission*
TBD	Complete Site School Readiness Goals	TBD
May 1	If applicable, complete Professional Development Plan Annual Update for provisional hires	SIF Document Upload Only
Annually	Complete staff performance evaluations	Personnel file(s) at Center/Site
Annually	If applicable, provide a copy of lease/facility use agreement for space utilized for ECEAP/Head Start services	Systems Manager, Site Support
Upon renewal	Provide a copy of Insurance certificate, (**only** if Center is not a state agency or member of the Washington Schools Risk Management Pool.)	Systems Manager, Site Support
During hiring process	Parent participation is required. Complete Verification of Parent Participation in Hiring Process Form	ELPM: Submit through SIF process
Upon hire	Complete Staff Information Form	
Start date	Portable Background Check, cleared before hired	ELPM: Submit through SIF process
Start date	Review deliverables outlined in New Staff Documentation Requirements	
All scheduled sessions	Applicable staff attend (virtual or in-person) new staff training	Training and Meeting Calendar
Within 2 months of the start date	Complete online courses in learning path	Canvas - online training platform
Before enrolling children	Staff who verify ECEAP eligibility complete a DCYF ECEAP Eligibility and Enrollment training and maintain certificates of completion. These staff must also complete Contractor-provided training on eligibility practices.	Canvas - online training platform
1 month after classes begin	Returning Staff: Complete online courses in learning path	Canvas - online training platform
Before working with children or families	Staff working with program children/families OR paid with program funds complete “First 5” online courses	Canvas - online training platform

Center Leadership – continued

Date Due	Deliverable	Submission
Ongoing	Teachers and Teaching Assistants maintain current GOLD Interrater Reliability Certificate	Program Coordinator, Hiring and Staff Quals
Ongoing	Staff working with children maintain current First Aid/CPR card	Post the card(s) in classroom
Ongoing	All Teaching and FSS Staff working with food must maintain current Food Worker Card	Post the card(s) in classroom

Fiscal

Date Due	Deliverable	Submission
August 15	Actual *Year-End Final Reimbursement Claim Form*	Fiscal Team
ECEAP: September 30 **HS/EHS/EHS-CCP:** January 31	Operating Budget	Fiscal Team
ECEAP: September 30 **HS/EHS/EHS-CCP:** December 1	Staff Compensation Summary	Fiscal Team
ECEAP: September 30 **HS/EHS/EHS-CCP:** January 31	Written Cost Allocation Plan	Fiscal Team
Within 45 days of month's end	*Monthly Reimbursement Claim Form* *(Example: Submit September's claim by November 15)*	Fiscal Team
Within 30 days of month's end	*USDA Sites Only: Submit monthly invoice for meals/snacks.*	Fiscal Team Program Manager, H/N
Within 5 days of inventory changes	Report lost or stolen items **and/or** request approval to transfer, sell, dispose of equipment	ELPM
Prior to submitting monthly claim	**ECEAP:** • Log and report new "Small and Attractive" (electronics) with unit costs of $300 or more. • Prior approval required for items $10,000 and over must also be logged and reported. **HS/EHS:** • Prior approval required for items $15,000 and over and must be logged and reported.	ELPM (see Program Administration webpage and Inventory tab)

1. **Access to Data.** The Center shall provide access to data generated under this Contract to the PSESD and the State Auditor at no additional cost. This includes but is not limited to access to all information that supports the findings, conclusions, and recommendations of the Center's reports, including computer models and methodology for those models.

2. **Alterations and Amendments.** This agreement may be amended only by mutual agreement of all parties. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind each of the parties.

3. **Americans with Disabilities Act (ADA) of 1990, Public Law 101-336, also referred to as the "ADA" 28 CFR Part 35.** The Center must comply with the ADA, which provides comprehensive civil rights protection to individuals with disabilities in the areas of employment, public accommodations, state and local government services, and telecommunications.

4. **Assignment.** Neither the PSESD nor the Center shall assign this Contract, either in whole or in part, without the prior written consent of the other party, which shall not be unreasonably withheld. Any assignment permitted under this clause does not relieve either party from its duties or obligations under this Contract.

5. **Audit Requirements.** If the Center is a subrecipient of federal awards as defined by the Office of Management and Budget (OMB) 2 Code of Federal Regulations C.F.R. §200, the Center shall maintain records that identify all federal funds received and expended. Such funds shall be identified by the appropriate OMB Catalog of Federal Domestic Assistance (CFDA) Numbers. The Center shall make their records available for review or audit by officials of federal agencies, the General Accounting Office, the Washington State Auditor's Office and the PSESD or designee. The Center shall incorporate OMB 2 C.F.R. §200 audit requirements into all Contracts between the Center and its subcontractors who are subrecipients. The Center shall comply with any future amendments to OMB Circular 2 C.F.R. §200 and any successor or replacement Circular or regulation.

   If the Center expends $750,000 or more in federal awards from any other and or/all sources in any fiscal year ending after December 26, 2014, the Center shall procure at their expense a single or program-specific audit for that year. Upon completion of each audit, the Center shall submit to PSESD's Contract Manager the data collection form and reporting package specified in OMB 2 C.F.R. §200, and any reports required by the program-specific audit guide (if applicable).

6. **Background Checks.** In accordance with Washington State laws, any Centers who will have contact with or near children are required to pass a fingerprint-based background check through both the Washington State Patrol and the Federal Bureau of Investigation before they begin work. Additionally, see the Portable Background Checks section in Exhibit A, Statement of Work.

7. **Budget Revisions.** Any monetary amount of an interlocal agreement budgeted by the terms of this Contract for various activities and line-item objects of expenditure may be revised without prior written approval of PSESD, so long as the revision is no more than ten percent (10%) of the original line-item amount and the increase in an amount is offset by a decrease in one or more other amounts equal to or greater than the increase. All other budget revisions exceeding ten percent (10%) shall only be made with the prior written approval of the PSESD.

8. **Certification Regarding Debarment, Suspension, and Ineligibility.** If federal funds are the basis for this Contract, the Center certifies that neither it nor its principals are presently debarred, declared ineligible, or voluntarily excluded from participation in transactions by any federal department or agency.

9. **Change in Status.** In the event of substantive change in the legal status, organizational structure, or fiscal reporting responsibility of the Center, the Center agrees to notify the PSESD of the change. The Center shall provide notice as soon as practicable, but no later than thirty (30) days after such a change takes effect.

10. **Confidentiality.** The Center acknowledges that student data, material and information which originates from this Contract, and the student assessment data, material and information which will come into its possession in connection with performance under this Contract, consists of confidential data owned by the PSESD or confidential personally identifiable data subject to the federal Family Educational Rights and Privacy Act or other privacy laws, and that

disclosure to or use by third parties would be damaging. The Center, therefore, agrees to hold all such material and information in strictest confidence, not to make use thereof other than for the performance of this Contract, to release it only to authorized employees and agents requiring such information and not release or disclose it to any other party. The Center agrees to release such information or material only to employees and agents who have signed a written agreement expressly prohibiting disclosure.

11. **Disputes.** In the event that a dispute arises under this Contract, use the PSESD Early Learning Community Feedback, Concern, and Complaint Policy and Procedure as found in the Early Learning Program Manual (ELPM).

12. **Entire Agreement.** This written Contract constitutes the mutual agreement of the Center and the PSESD in whole. No alteration or variation of the terms of this Contract and no oral understandings or agreements not incorporated herein shall be binding.

13. **Ethical Conduct.** Neither the Center nor any employee or agent of the Center shall participate in the performance of any duty or service in whole or part under this Contract in violation of, or in a manner that violates any provision of the Ethics in Public Service law at chapter 42.52 RCW, RCW 42.17.130 and 41.06.250 prohibiting the use of public resources for political purposes.

14. **Governing Law.** This Contract shall be construed and interpreted in accordance with the laws of the State of Washington and the venue of any action brought hereunder shall be in Superior Court for King County.

15. **Indemnification / Hold Harmless.** The Center shall defend, indemnify and hold the PSESD, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or in connection with the Center's and/or subcontractor's performance of this agreement, except for injuries and damages caused by the sole negligence of PSESD.

    The Center shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of this agreement by the Center, their agents, representatives, employees, or subcontractors.

16. **Independent Capacity.** The parties intend that an independent contractor relationship will be created by this contract. The Center and his/her employees or agents performing under this Contract are not employees or agents of the PSESD. The Center will not hold himself/herself out as nor claim to be an officer or employee of the PSESD by reason hereof, nor will the Center make any claim or right, privilege, or benefit which would accrue to such employee under law. Conduct and control of the work will be solely with the Center.

17. **Insurance.**

    This section does not apply to Community and Technical Colleges (CTC).

    17.1. Worker's Compensation Coverage. The Center shall at all times comply with all applicable worker's compensation, occupational disease, and occupational health and safety laws, statutes, and regulations to the fullest extent applicable. This requirement includes the purchase of industrial insurance coverage for the Center's employees, as may now hereafter be required of an "employer" as defined in Title 51 RCW. Such worker's compensation and occupational disease requirements shall include coverage for all employees of the Center, and for all employees of any subcontract retained by the Center, suffering bodily injury (including death) by accident or disease, which arises out of or in connection with the performance of this Contract. Satisfaction of these requirements shall include, but shall not be limited to:

    17.1.1. Full participation in any required governmental occupational injury and/or disease insurance program, to the extent participation in such a program is mandatory in any jurisdiction;

    17.1.2. Purchase worker's compensation and occupational disease insurance benefits to employees in full compliance with all applicable laws, statutes, and regulations, but only to the extent such coverage is not provided under mandatory governmental program an in "a" above, and/or;

    17.1.3. Maintenance of a legally permitted and governmentally approved program of self-insurance for worker's compensation and occupational disease.

Except to the extent prohibited by law, the program of the Center's compliance with worker's compensation and occupational disease laws, statutes, and regulations in 1), 2), and 3) above shall provide for a full waiver of rights of subrogation against the PSESD, its directors, officers, and employees.

If the Center, or any subcontractor retained by the Center, fails to effect and maintain a program of compliance with applicable worker's compensation and occupational disease laws, statutes, and regulations and the PSESD incurs fines or is required by law to provide benefits to such employees, to obtain coverage for such employees, the Center will indemnify the PSESD for such fines, payment of benefits to Center or subcontractor employees or their heirs or legal representatives, and/or the cost of effecting coverage on behalf of such employees. Any amount owed the PSESD by the Center pursuant to the indemnity may be deducted from any payments owed by the PSESD to the Center for the performance of this Contract.

17.2. Commercial General Liability. The Center shall provide Commercial General Liability insurance written on an occurrence basis with limits no less than $1,000,000 combined single limit per occurrence, $2,000,000 aggregate for personal injury, bodily injury, and property damage. Coverage shall include but not be limited to: blanket contractual; products/completed operations; broad form property damage; explosion, collapse, and underground (XCU) if applicable; and employer's liability.

17.3. Auto Coverage. The Center shall maintain minimum automobile liability insurance of $1,000,000 per occurrence for personal injury and property damage if contractor or its staff are required to transport students, clients, or staff pursuant to this agreement.

17.4. Proof of Insurance. Certificates and or evidence satisfactory to the PSESD confirming the existence, terms and conditions of all insurance required above shall be delivered to the PSESD within five (5) days of the Center's receipt of a request for proof. The policy(ies) of insurance required to be maintained in accordance with this Contract shall not be cancelled or given notice of non-renewal nor shall the terms and conditions thereof be altered or amended without thirty (30) days written notice being given to the PSESD.

PSESD shall be named as an additional insured on the Commercial General Liability insurance policy, as respects activities of the Center and a copy of the endorsement naming PSESD as additional insured shall be attached to the Certificate of Insurance. PSESD reserves the right to receive a certified copy of all required insurance policies.

18. Licensing and Accreditation Standards. The Center shall comply with all applicable local, state, and federal licensing, accreditation, and registration requirements/standards, necessary to the performance of this contract.

19. Non-Discrimination. The Center shall comply with all the federal and state non-discrimination laws, regulations, and policies, which are otherwise applicable to the PSESD. Accordingly, no person shall, on the ground of race, creed, color, national origin, sex, marital status, or the presence of any sensory, mental, or physical disability, be unlawfully excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any activity performed by the Center and its agents under this Contract. The Center shall notify the PSESD immediately of any allegations, claims, disputes, or challenges made against it under the Americans with Disabilities Act. In the event of the Center's noncompliance or refusal to comply with this nondiscrimination provision, this Contract may be rescinded, cancelled, or terminated in whole or part, and the Center may be declared ineligible for further contracts with the PSESD.

20. Payments. No payments in advance or in anticipation of services or supplies to be provided under this Contract shall be made by the PSESD. All payments to the Center are conditioned upon (1) Center's submission of a properly executed and supported invoice for payment, including such supporting documentation of performance and supporting documentation of costs incurred or paid, or both as is otherwise provided for in the body of this Contract under Duties of the PSESD, and (2) Acceptance and certification by the PSESD or designee of satisfactory performance by the Center.

Except as otherwise provided in this Contract, (1) All approvable invoices for payment due to the Center shall be paid within thirty (30) calendar days of their submission by the Center, and (2) All expenses necessary to the Center's performance of this contract shall be borne in full by the Center.

21. **Registration with Department of Revenue.** The Center shall be registered with the Department of Revenue and be responsible for payment of all taxes due on payments made under this contract.

22. **Rights in Data.** Data that originates under this Contract shall be "works for hire" as defined by the U.S. Copyright Act of 1976 and shall be owned by the PSESD. In the event any data which originates under this Contract is not considered a "work for hire" under the U.S. Copyright laws, the Center hereby, irrevocably assigns all rights, title, and interest in such data, including all intellectual rights, to the PSESD effective from the moment of creation of such data. Data shall include, but not be limited to, notes, minutes, reports, documents, pamphlets, articles, books, magazines, surveys, studies, computer programs, films, tapes, and/or sound reproductions, photographs, and other items in any format, form, or medium. Ownership includes ownership of all intellectual concepts and properties embodied in data, the right to copyright, patent or register data, and the right to transfer these rights.

    Data which is delivered under this Contract, but which does not originate thereunder, shall be transferred to the PSESD with a nonexclusive, royalty-free, irrevocable license to publish, translate, reproduce, deliver, perform, dispose of, and to authorize others to do so: PROVIDED, that such a license shall be limited to the extent which the Center has a right to grant such a license. The Center shall exert all reasonable effort to advise the PSESD, at the time of delivery of data furnished under this contract, of all known or potential invasions of privacy contained therein and of any portion of such document that was not produced in the performance of this Contract. The PSESD shall receive prompt written notice of each notice or claim of copyright infringement received by the Center with respect to any data delivered under this Contract. The PSESD shall have the right to modify or remove any restrictive markings placed upon the data by the Center.

23. **Records, Documentation and Reports.** The Center shall maintain complete financial records relating to this Contract and complete records documenting the services rendered under the Contract, including all books, records, documents, magnetic media, receipts, invoices, and all other evidence of accounting procedures and practices which sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this Contract. These records shall be subject to all reasonable times to inspection, review, or audit by personnel duly authorized by the PSESD, the Office of the State Auditor, and state and federal officials so authorized by law, rule, regulation, or agreement. The Center will retain all books records, documents, and other materials relevant to this Contract for seven (7) years after the date of final payment by the PSESD and make them available for inspection by persons authorized under this provision.

    If any litigation, claim, or audit is started before the expiration of the seven (7) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.

24. **Right of Inspection.** The Center shall provide right of access to its facilities to the PSESD or any of its officers at all reasonable times, in order to monitor and evaluate performance, compliance, and/or quality assurance under this Contract on behalf of the PSESD. All inspections and evaluations shall be performed in such a manner that will not unduly interfere with the Center's business or work hereunder.

25. **Severability.** If any provision of this Contract or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect other provisions of this Contract which can be given effect without the invalid provision, and to this end the provisions of this contract are declared to be severable.

26. **Subcontracting.** Neither the Center nor any subcontractor shall enter into subcontracts for any of the work contemplated under this Contract without obtaining prior written approval of the PSESD. In no event shall the existence of the subcontract operate to release or reduce liability of the Center to the PSESD for any breach in the performance of the Center's duties. This clause does not include contracts of employment between the Center and personnel assigned to work under this Contract.

27. **Termination** (Additionally, see #3-c Center Participation in Exhibit A, Statement of Work).

    27.1. **Termination for Convenience.** Except as otherwise provided in this Contract, the PSESD Superintendent or Designee may, by ten (10) days written notice, beginning on the second day after the mailing, terminate this Contract in whole or in part. The notice shall specify the date of termination and shall be conclusively deemed to have been delivered to and received by the Center as of midnight the second day of mailing in the absence of

proof of actual delivery to and receipt by the Center. If this Contract is so terminated, the PSESD shall be liable only for payment required under the terms of the Contract for services rendered or goods delivered prior to the effective date of termination.

27.2. Termination for Default. The PSESD Superintendent or Designee may terminate this Contract for default, in whole or in part, by written notice to the Center if the PSESD has a reasonable basis to believe that the Center has:

- 27.2.1. Failed to meet or maintain any requirement for contracting with the PSESD;
- 27.2.2. Failed to ensure the health or safety of any client for whom services are being provided under this Contract;
- 27.2.3. Failed to perform under, or otherwise breached, any term or condition of this Contract; and/or
- 27.2.4. Violated any applicable law or regulation.

In such event, the Center shall be liable for damages as authorized by law including, but not limited to, any cost difference between the original contract and the replacement contract, e.g., cost of the competitive bidding, mailing, advertising and staff time; provided that if (i) it is determined for any reason the Center was not in default, or (ii) the Center's failure to perform is without Center's and/or subcontractor's control, fault or negligence, then the termination shall be deemed a "Termination for Convenience."

27.3. Termination Due to Funding Limitations. In the event funding from state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this Contract and prior to normal completion, the PSESD may, without advance notice and without liability for damages, terminate the Contract under the "Termination for Convenience" clause. The PSESD and Center may, however, renegotiate this Contract under any such new funding limitations and conditions.

27.4. Termination Procedure. Upon termination of this Contract the PSESD, in addition to other rights provided in this Contract, may require the Center to deliver to the PSESD any property specifically produced or acquired for the performance of such part of this agreement as has been terminated. The provisions of the "Treatment of Assets" clause shall apply in such property transfer.

The PSESD shall pay to the Center the agreed upon price, if separately stated, for completed work and services accepted by the PSESD and the amount agreed upon by the Center and the PSESD for (a) completed work and services for which no separate price is stated, (b) partially completed work and services, (c) other property or services which are accepted by the PSESD, and (d) the protection and preservation of the property, unless the termination is for default, in which case the PSESD shall determine the extent of the liability. Failure to agree with such determination shall be a dispute within the meaning of the "Disputes" clause for this Contract. The PSESD may withhold from any amounts due to the Center such sum as the PSESD determines to be necessary to protect the PSESD against potential loss or liability.

The rights and remedies of the PSESD provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law under this contract.

After receipt of a notice of termination, and except as otherwise directed by the PSESD, the Center shall:

- 27.4.1. Stop work under this Contract on the date and to the extent specified, in the notice;
- 27.4.2. Place no further orders or subcontractors for materials, services, or facilities except as may be necessary for completion of such portion of the work under the Contract this is not terminated;
- 27.4.3. Assign to the PSESD, in the manner, at the times, and to the extent directed by the PSESD, all rights, title, and interest of the Center under the orders and subcontracts in which case the PSESD has the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;
- 27.4.4. Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of the PSESD to the extent the PSESD may require, which approval or ratification shall be final for all the purposes of this clause;
- 27.4.5. Transfer title to the PSESD and deliver, in the manner, at the times and to the extent as directed by the PSESD, any property which, if the contract had been completed, would have been required to be furnished to the PSESD;

27.4.6. Complete performance of such part of the work not terminated by the PSESD; and
27.4.7. Take such action as may be necessary, or as the PSESD may direct, for the protection and preservation of the property related to this agreement which is in the possession of the Center and in which the PSESD has or may acquire an interest.

28. **Text Messaging when Driving.** Prohibition of text messaging and emailing while driving during official federal grant business. Federal grant recipients, subrecipients and their grant personnel are prohibited from text messaging while driving a government owned vehicle, or while driving their owned vehicle during official grant business, or from using government supplied electronic equipment to text message or email when driving.

29. **Treatment of Assets.** Except as otherwise provided for in the Contract, the ownership and title to all real property and all personal property purchased by the Center in the course of performing this Contract with moneys paid by the PSESD shall vest in the PSESD, except for supplies consumed in performing this Contract. The Center shall (1) maintain a current inventory of all the real and personal property; (2) label all the property “PSESD”; and (3) surrender property and title to the PSESD without charge prior to settlement upon completion, termination, or cancellation of this agreement.

    Any property of the PSESD furnished to the Center shall, unless otherwise provided herein, or approved by the PSESD, be used only for the performance of the Contract.

    The Center shall be responsible for any loss or damage to property of the PSESD that results from the negligence of the Center which results from the failure on the part of the Center to maintain and administer that property in accordance with sound management practices.

    If any property is lost, destroyed, or damaged, the Center shall notify the PSESD and take all reasonable steps to protect the property from further damage.

    All reference to the Center under this clause shall include Center’s employees, agents, and subcontractors.

1. FISCAL MANAGEMENT

1.1. The Center agrees to maintain detailed records to substantiate all fiscal claims. Center financial systems shall contain the following:

- 1.1.1. Accurate, current, and complete disclosure of the financial results of each contract.
- 1.1.2. Records that identify the source and application of funds.
- 1.1.3. Control over and accountability for all funds, property, and other assets.
- 1.1.4. Comparison of actual outlays with budgeted amounts for each contract.
- 1.1.5. Procedures that minimize the time elapsing between the expenditure of funds and submission of claims.
- 1.1.6. Procedures for determining reasonableness, allowability, and allocability of costs.
- 1.1.7. Accounting records that are supported by source documentation.
- 1.1.8. System for timely and appropriate resolution of audit findings and recommendations.

1.2. The Center shall submit monthly reimbursement claims to PSESD with proper documentation for all payments. Monthly claims shall be expedited to report expenses in a timely manner with as little time as possible between the expenditure and the claim. Regular monthly reimbursement claims shall be submitted to PSESD no later than 45 days from the end of each calendar month, to include as many documented expenditures as possible for the preceding month. The final yearly claim shall be submitted to PSESD within 45 days of the last day of the Contract. No payments for claims made more than 75 days after the last day of the Contract will be made without specific permission from PSESD. If expenditure reports are not submitted in a timely manner, PSESD may institute procedures to recapture unclaimed funds and deny reimbursement for these expenditures. Additionally, see Billing Procedure in Subaward Agreement.

1.3. For Automated Clearing House (ACH) payments, deposits will be made on Friday for completed claims received no later than noon on the Wednesday prior. The Center will be notified via email when bank closures or PSESD non-workdays impact this schedule.

1.4. It shall be the responsibility of the Center to contact PSESD fiscal staff if payment has not been received within 30 days of submission of claim. Failure to contact PSESD within 75 days of the last day of the Contract for payments not received could result in non-payment.

1.5. Approximately six months into the Contract, PSESD staff will analyze Center claims for Budget to Actual. If Center has not claimed a reasonable percentage of Contract funds to ensure a quality program, PSESD staff shall require Center fiscal staff to meet. This could result in re-negotiating funding level for the Center.

1.6. When purchases are made that benefit multiple programs, a Cost Allocation Plan rationale is required.

1.7. Any additional funding beyond the base Contract shall be claimed on a separate invoice including One Time Funds, Continuity of Care, and Temporary Classroom Assistant (TCA) funds.

1.8. Reimbursement shall not be made for any expenses incurred by the Center prior to the start date of this Contract.

1.9. The Center cannot claim reimbursement for site improvements, building costs, or any other goods or services not completed by the last day of this Contract unless an approval from Region X has been obtained through a waiver request.

1.10. Incentive compensation to employees based on cost reduction, or efficient performance, suggestion awards, safety awards, etc., is allowable to the extent that the overall compensation is determined to be reasonable and such costs are paid or accrued pursuant to an agreement entered into in good faith between the non-Federal entity and the employees before the services were rendered, or pursuant to an established plan followed by the non-Federal entity so consistently as to imply, in effect, an agreement to make such payment. (2 CFR 200.430(f))

1.11. Travel expenses allowed in this Section (FISCAL MANAGEMENT) may include airfare (economy or coach class only), mileage, other transportation expenses, lodging, and subsistence necessary during periods of required travel. The Center must comply with the Washington State Office of Financial Management travel policy as described at http://www.ofm.wa.gov/policy/10.htm including travel rates and exceptions to the maximum allowable rates. When the lowest available lodging rate exceeds the current state travel reimbursement rates or the lodging provider requires a government-issued identification card in order to receive the state per diem rate and the Center is not a government-based entity, PSESD may allow an exception to the maximum allowable limit for lodging when such exception is documented, pre-approved in writing by the Center's director or authorized designee (i.e. finance director), and available for review.

1.12. The Center may submit a supplemental claim when all funds have been spent prior to the end of the contract period, and there are budgeted expenditures that were not previously claimed. A supplemental claim and

budget must be submitted 45 days prior to the end of the contract year. Supplemental claims are not guaranteed and will be approved based on need and availability of funding.

1.13. In the event that the Center:
- 1.13.1. Withdraws use of the space in which building improvements, building, modular or mobile buildings were financed by federal funds, and/or
- 1.13.2. Terminates its contract with PSESD to provide services, the Center agrees to:
  - 1.13.2.1. Reimburse PSESD an amount equal to the remaining useful life of the building improvements, and/or
  - 1.13.2.2. Return equipment with a remaining useful life of more than one year.

1.14. Upon termination of this Contract, PSESD will pay the Center's final claim only after all contractual obligations have been satisfied.

1.15. The Center agrees to furnish documentation to PSESD of all claimed in-kind contributions of services, items, or cash. These in-kind (non-federal) contributions should total the amount listed under "Non-Federal Share" found in the opening pages of this contract. This amount is a target to meet the program total of 36%. The Center will follow PSESD in-kind guidelines and reporting procedures.

1.16. Center claims shall comply with the layered funding guidance, available in the Fiscal section of the Early Learning Program Manual (ELPM).

1.17. The Center may use funds provided through this contract for the following costs:
- 1.17.1. Administration including planning and coordination; accounting and auditing; purchasing, personnel and payroll functions; and equipment, training, travel, and facility costs related to these purposes. Administrative costs must not exceed 5 percent of the amount of this Contract, including Centers' administrative costs, if any.
- 1.17.2. Services including preschool education, health services coordination, nutrition, family supports and parent involvement. This includes salaries and benefits for direct service personnel, goods and services, equipment, facilities, training, travel, and other costs related to direct services as described in this Contract.

1.18. By accepting federal funds from PSESD for equipment and/or facility renovation, the Center acknowledges a federal interest in these assets for their useful life. Useful life is defined as follows:
- 1.18.1. 5 years for equipment.
- 1.18.2. 10 years for renovations up to $100,000.
- 1.18.3. 20 years for renovations of over $200,000.
- 1.18.4. 50 years for new construction.

1.19. The terms and conditions of this contract will remain in effect until a subsequent contract has been fully executed.

1.20. Multiple Funding: The Center should use additional funding sources which supplement its Head Start/Early Head Start funding to operate one or more of its classrooms. Such operations and funding, when in excess of the subcontractor's in-kind obligation listed on the first page of this agreement, may go for supporting services for non-Head Start/Early Head Start enrolled children and families, providing such services are consistent with the mission and regulations of Head Start/Early Head Start, as well as when such services enhance the services being provided to Head Start/Early Head Start families. In operating such multiple-funded services, the subcontractor and PSESD agree to have this arrangement governed by all applicable state and federal regulations, as well as the following specific provisions:
- 1.20.1. Use of multiple funding sources is done in accordance with ACYF-IM-95-27, issued 7/24/95, originated by the Office of Head Start, entitled "Reimbursement and Cost Allocation Plan." PSESD, in consultation with its auditors and federal monitors and the subcontractor's auditors and other staff, will meet its fiduciary responsibility by making the final determination on what specific actions, reports, and records are necessary to be in compliance with this Information Memorandum. PSESD will inform the center of this determination and other requirements, and will provide technical assistance to the center to assist it in meeting this arrangement.
- 1.20.2. In order to allow both parties to this agreement to meet the federal and state requirements for cost allocation, the subcontractor will:
  - 1.20.2.1. Develop a budget with assistance from ESD staff, which includes all funding resources used to operate programs that enroll Head Start/Early Head Start children, to be included in the next fiscal year's contract.

1.20.2.2. Report Center's contribution to PSESD of non-Head Start/Early Head Start resources, by line item or other acceptable method, with monthly claim for reimbursement and/or monthly report of in-kind contributions.

1.20.2.3. In keeping with ACYF-IM-95-27 cited above, both PSESD and the subcontractor will take the necessary steps to ensure that Head Start/Early Head Start funds are used solely for allowable costs to support programs for Head Start/Early Head Start.

1.21. Funds are allocated for the purpose of providing services to eligible children enrolled in the Center. The Center is responsible for accessing other funding sources in order to provide basic child care services for enrolled children. The Center may require parents to have funding for child care services before enrolling in the Center. Possible funding sources include, but are not limited to: child care subsidies, parent fees, and other private funding to cover the cost of child care services. The Center may collect fees from parents for child care services. Parents may not be charged fees for services provided under this contract.

1.21.1. Center monthly claims will be capped at 1/12 or bimonthly will now be capped at 1/24 of the total amount of the center's annual budget, unless authorized otherwise in writing by the Operations Director.

1.22. Food for parent and family events/activities is an allowable expense under the federal grant that provides funding for this subcontract (see CFDA number on cover page).

2. ATTORNEY FEES

In the event of litigation or other action brought to enforce this Contract, each party agrees to bear its own attorney fees and costs.

3. COMPLIANCE WITH LAWS, RULES, AND REGULATIONS

3.1. **Assurances**. The Center agrees that all activity pursuant to this Contract will be in accordance with all applicable current federal, state, and local laws, rules, and regulations, including but not limited to the Public Records Act (chapter 42.56 RCW), the Freedom of Information Act (5 U.S.C. 522) and the Records Retention Act (chapter 40.14 RCW).

3.2. **Child Health, Safety, And Well Being And Child Abuse Or Neglect.** In the delivery of services under this Contract, children's health, safety, and well-being shall always be the primary concern of the Center. Centers shall fully comply with the mandatory reporting requirements of RCW 26.44.030 pertaining to child abuse or neglect. In addition, pursuant this Contract, when the Center has reasonable cause to believe that a child has suffered abuse or neglect at the hands of any person, the Center shall immediately report such incident to Child Protective Services (CPS) Intake at 1-866-ENDHARM.

3.3. **Civil Rights Laws**

3.3.1. During the performance of this Contract the parties shall comply with all federal and state nondiscrimination laws including, but not limited to chapter 49.60 RCW, Washington's Law Against Discrimination, and 42 U.S.C. § 12101 et seq., the Americans with Disabilities Act (ADA).

In the event of the Center's noncompliance or refusal to comply with any nondiscrimination law, regulation or policy, this Contract may be rescinded, canceled, or terminated in whole or in part, and the Center may be declared ineligible for further contracts with PSESD. The Center shall, however, be given a reasonable time in which to remedy this noncompliance. Any dispute may be resolved in accordance with the "Disputes" procedure set forth herein.

3.4. **Conflict of Interest**

3.4.1. PSESD may, in its sole discretion, by written notice to the Center terminate this Contract if it is found after due notice and examination by PSESD that there is a violation of the Ethics in Public Service Act, Chapter 42.52 RCW, or any similar statute involving the Center in the procurement of, or performance under, this Contract.

3.4.2. In the event this Contract is terminated as provided above, PSESD shall be entitled to pursue the same remedies against the Center as it could pursue in the event of a breach of the contract by the Center. The rights and remedies of PSESD provided for in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law. The existence of facts upon which PSESD makes any determination under this clause shall be an issue and may be reviewed as provided in the "Disputes" clause of this Contract.

3.5. **Noncompliance with Laws, Regulations, or Policies.** The Center shall be responsible for and shall pay any fines, penalties, or disallowances imposed on PSESD or Center arising from any noncompliance with the laws,

regulations, policies, guidelines, and Collective Bargaining Agreements that affect the Services or Deliverables that are to be provided or that have been provided by the Center or its agents.

3.6. **Registration with Department of Revenue and Payment of Taxes.** The Center must pay all taxes including, but not limited to, sales and use taxes, Business and Occupation taxes, other taxes based on the Center's income or gross receipts, or personal property taxes levied or assessed on the Center's personal property. The Center shall complete registration with the Washington State Department of Revenue and be responsible for payment of all taxes due on payments made under this Contract.

4. CENTER STAFF

4.1. Prior to the effective date of this Contract, the Center shall have provided to PSESD a list of Center Staff that will be performing services pursuant to this Contract. The list shall also include Staff member's job title and his or her job description.

4.2. All Staff proposed by the Center as replacements for other Staff shall have comparable or greater skills for performing the activities as performed by the Staff being replaced. The Center shall provide PSESD with written notice of any Staff changes that the Center proposes on or before the hire date of the new Staff member.

4.3. During the term of the Contract, PSESD reserves the right to approve or disapprove Center's staff assigned to this Contract, to approve or disapprove any proposed changes in staff, or to require the removal or reassignment of any Center staff found unacceptable by PSESD, subject to PSESD's compliance with applicable laws and regulations.

4.4. Center assumes sole and full responsibility for its acts and the acts of its personnel. Center shall ensure that any transition to new staff will not affect the schedule or provision of services set forth in this Contract. Center understands and agrees that PSESD does not assume liability for the actions of Center's or its agents. Center agrees that it has no right to indemnification or contribution from PSESD for any judgments rendered against Center or its agents.

5. CONTINUED PERFORMANCE

If PSESD, in good faith, has reason to believe that the Center does not intend to, or is unable to perform or has refused to perform or continue performing all material obligations under this Contract, PSESD may demand in writing that the Center give a written assurance of intent to perform. Failure by the Center to provide written assurance within the number of days specified in the demand (in no event less than five business days) may, at PSESD's option, be the basis for terminating this Contract under the terms and conditions or other rights and remedies available by law or provided by this Contract.

6. DATA SHARE AND PROTECTION OF CONFIDENTIAL INFORMATION

6.1. **Scope of Protection**

This Section applies to data, information, or materials related to the subject matter of this Contract, which is received, created, developed, revised, modified, or amended by DCYF, PSESD, or the Center. Such data, information, and materials shall include but is not limited to all confidential information and personal information of in-home caregivers.

6.2. **Use of Confidential Information and Sensitive Personal Information**

6.2.1. For Sensitive Personal Information of In-home Caregivers, Data and Confidential Information that is collected, used, or acquired in connection with this Contract the parties shall comply with the following:

6.2.1.1. All federal and state laws and regulations, as currently enacted or revised, regarding the protection, security, and electronic interchange of Sensitive Personal Information of In-home Caregivers, Data and Confidential Information; and

6.2.1.2. All federal and state laws and regulations, as currently enacted or revised, regarding the use, disclosure, modification or loss of Sensitive Personal Information of In-home Caregivers, Data and Confidential Information.

6.2.2. The DCYF or PSESD does not warrant or guarantee the accuracy of the Sensitive Personal Information of In-home Caregivers, Data and Confidential Information provided pursuant to this Contract. The Center understands all risks and liabilities of the use and misuse of the information provided pursuant to this Contract.

6.3. **Protection of Sensitive Personal Information**

6.3.1. The Center agrees to protect the confidentiality of Sensitive Personal Information of In-home Caregivers.

6.3.2. The Center further understands and agrees that Sensitive Personal Information of In-home Caregivers may only be released or disclosed if required by this Contract, or a lawfully issued court order. The Center further understands and agrees that before the Center can release the Sensitive Personal Information of In-home Caregivers pursuant to a third-party request, or for any other reason, the Center must comply with all the requirements, including notice requirements, contained in this Section (PROTECTION OR SENSITIVE PERSONAL INFORMATION).

6.4. **Notice of Third-Party Request and Intended Disclosure**

6.4.1. **Written Notice Required.** If a third-party requestor seeks from the Center the Sensitive Personal Information of an In-home Caregiver, or the Center intends to release or disclose the Sensitive Personal Information of an in-home Caregiver for any reason not related to a third-party request, the Center shall give notice to PSESD of such request and/or the Center's intent to release or disclose such information.

6.4.2. **Notice Deadline: Third Party Request.** The notice required under this Section (NOTICE OF THIRD-PARTY REQUEST AND INTENDED DISCLOSURE) shall be provided to PSESD's program contact within five (5) calendar days from the date of the request, to allow PSESD to see a protective order from the proper tribunal.

6.4.3. **Notice Deadline: Disclosure for any Other Reason.** If the Center intends to release or disclose the Sensitive Information of an In-home Caregiver for a reason that is unrelated to a particular third-party request, the Center shall provide written notice to PSESD no less than twenty-one (21) calendar days prior to the intended release date.

6.4.4. **Basis for Disclosure.** The Center understands and agrees that it will not release the Sensitive Personal Information of an In-home Caregiver without the express written consent from PSESD, or a lawfully issued court order in which PSESD has been given an opportunity to oppose prior to entry of the order.

6.5. If the Center is required by this Contract to release or disclose the Sensitive Personal Information of an In-home Caregiver(s), prior to such release or disclosure the Center must obtain from the recipient of such Sensitive Personal Information a signed DCYC Statement of Confidentiality and Non-Disclosure Agreement consistent with this Contract.

6.6. The Center understands and agrees that before the Center releases or discloses, pursuant to the terms of this Contract, the Sensitive Personal Information of In-home Caregivers, the Center must obtain prior written approval from PSESD agreeing to such disclosure.

6.7. **Information Technology Security Standards**

6.7.1. The Center and its staff shall comply with the following:

6.7.1.1. All security standards, practices, and procedures which are equal to or exceed those of the PSESD (which security standards, practices, and procedures of PSESD shall have been provided to Center in writing); and

6.7.1.2. The Washington State Office of the Chief Information Officer IT Standards.

6.7.2. The parties agree to implement physical, electronic, and managerial policies, procedures, and safeguards to prevent unauthorized access, use, or disclosure of Sensitive Personal Information of In-Home Caregivers, Data, and Confidential Information. The Center shall make the Sensitive Personal Information of In-Home Caregivers, Data, and Confidential Information available to amend as directed by PSESD and incorporate any amendments into all the copies maintained by the Center.

6.8. **Confidentiality Protection**

To safeguard the confidentiality of all Sensitive Personal Information of In-Home Caregivers, Data, and Confidential Information, and in addition to the requirements contained in this Section (DATA SHARE AND PROTECTION OF CONFIDENTIAL INFORMATION AND SENSITIVE PERSONAL INFORMATION) the Center must:

6.8.1. Ensure that the Center and Center's staff use Sensitive Personal Information of In-Home Caregivers, Data, and Confidential Information solely for the purposes of accomplishing the services set forth in this Contract.

6.8.2. Limit access to Sensitive Personal Information of In-Home Caregivers, Data, and Confidential Information to the Center's staff requiring access for performance of their assigned duties.

6.8.3. Require that the Center's staff having access to Sensitive Personal Information of In-Home Caregivers, Data, or Confidential Information complete the Standards of Conduct online course at

http://classes.earlylearningwa.org and electronically agree to the Statement of Confidentiality and Non-Disclosure Agreement before working with children or families. Sensitive Personal Information of In-Home Caregivers, Data, and Confidential information shall not be released to the Center's staff person(s) until the following conditions have been met:

6.8.3.1. PSESD approves the Center's staff person to work on this Contract; and

6.8.3.2. PSESD must receive the signed original Statement of Confidentiality and Non-Disclosure Agreement, signed by the staff person, from the Center.

6.8.4. Center will notify its staff person(s) of the requirements of Section (COMPLIANCE WITH LAWS, RULES, AND REGULATIONS) and this Section (DATA SHARE AND PROTECTION OF CONFIDENTIAL INFORMATION AND SENSITIVE PERSONAL INFORMATION).

6.8.5. Ensure the Sensitive Personal Information of In-Home Caregivers, Data, and Confidential Information is not released, disclosed, published, modified, transferred, sold, or otherwise made known to unauthorized persons without the prior written consent of the individual named or as otherwise authorized by law.

6.8.6. Ensure that Sensitive Personal Information of In-Home Caregivers, Data, and Confidential Information is protected from loss and from unauthorized physical or electronic access.

6.8.7. Ensure that the input of user identifications and passwords are necessary and required before the Center's staff can access electronically stored Sensitive Personal Information of In-Home Caregivers, Data and Confidential Information.

6.8.8. Destroy all Sensitive Personal Information of In-Home Caregivers, Data, and Confidential Information so that it cannot be accessed by unauthorized individuals and cannot be recovered, when the confidential information is no longer required or used for providing services under this Contract, and retention is no longer required by the Records Retention Act (chapter 40.14 RCW) or Section (RECORDS MAINTENANCE), whichever is longer. Unless the Washington State Office of the Chief Information Officer IT Standards require a different method for the destruction of Sensitive Personal Information of In-Home Caregivers, Data, or Confidential Information, the information required to be destroyed under this Section (DATA SHARE AND PROTECTION OF CONFIDENTIAL INFORMATION AND SENSITIVE PERSONAL INFORMATION) must be destroyed as follows:

6.8.8.1. For paper documents containing Data, but not Sensitive Personal Information of In-Home Caregivers or Confidential Information, a contract with a paper shredding firm is acceptable, provided the contract ensures that the confidentiality of the Data will be protected. Such documents may also be destroyed by on-site shredding, pulping, or incineration.

6.8.8.2. For paper documents containing Sensitive Personal Information of In-Home Caregivers, or Confidential Information, requiring special handling (e.g., Protected Client Information) the documents must be destroyed by on-site shredding, pulping, or incineration.

6.8.8.3. If Sensitive Personal Information of In-Home Caregivers, Data, or Confidential Information has been contained on optical discs (e.g., CDs or DVDs), the Center shall either destroy by incinerating the disc(s), shredding the discs, or completely deface the readable surface with a coarse abrasive.

6.8.8.4. If Sensitive Personal Information of In-Home Caregivers, Data, or Confidential Information has been stored on magnetic tape(s), the Center shall destroy the Sensitive Personal Information of In-Home Caregivers, Data, or Confidential Information by degaussing, incinerating, or crosscut shredding.

6.8.8.5. If Sensitive Personal Information of In-Home Caregivers, Data, or Confidential Information has been stored on server or workstation data hard drives or similar media, the Center shall destroy the Sensitive Personal Information of In-Home Caregivers, Data, or Confidential Information by using a "wipe" utility which will overwrite the Sensitive Personal Information of In-Home Caregivers, Data, or Confidential Information at least three (3) times using either random or single character data, degaussing sufficiently to ensure that the Sensitive Personal Information of In-Home Caregivers, Data, or Confidential Information cannot be reconstructed, or physically destroying disk(s).

6.8.8.6. If Sensitive Personal Information of In-Home Caregivers, Data, or Confidential Information has been stored on removable media (e.g. floppies, USB flash drives, portable hard disks, or similar disks), the data recipient shall destroy the Sensitive Personal Information of In-Home Caregivers, Data, or Confidential Information by using a "wipe" utility which will

overwrite the Sensitive Personal Information of In-Home Caregivers, Data, or Confidential Information at least three (3) times using either random or single character data, degaussing sufficiently to ensure that the Sensitive Personal Information of In-Home Caregivers, Data, or Confidential Information cannot be reconstructed, or physically destroying disk(s).

6.8.9. Within fifteen (15) calendar days after the completion of the requirements contained in this Section, the Center shall complete and deliver to PSESD a signed Certification of Data Disposition.

6.8.10. Ensure that paper records are protected by storing the records in a secure area which is only accessible to authorized personnel. When not in use, such records must be stored in a locked container, such as a file cabinet, locking drawer, or safe, to which only authorized persons have access.

6.8.11. Shall immediately notify PSESD after becoming aware of any potential, suspected, attempted, or actual breaches of security including, but not limited to, unauthorized access, use or disclosure, and compromised data, or compromised login IDs or passwords. The Center shall take all necessary steps to mitigate the harmful effects of such breach of security. The Center agrees to defend, protect, and hold harmless PSESD for any damages related to a breach of security by their officers, directors, employees, or agents.

6.9. **Confidentiality Breach**

In the event of a breach by the Center of this Section (DATA SHARE AND PROTECTION OF CONFIDENTIAL INFORMATION AND SENSITIVE PERSONAL INFORMATION) and in addition to all other rights and remedies available to PSESD, PSESD may elect to do any of the following:

6.9.1. Terminate the Contract;

6.9.2. Require that the Center return all Sensitive Personal Information of In-Home Caregivers and Confidential Information to PSESD that was previously provided to the Center by PSESD;

6.9.3. Require that the Center destroy all Sensitive Personal Information of In-Home Caregivers Confidential Information so it cannot be accessed by unauthorized individuals and cannot be recovered; or

6.9.4. Suspend the Center's on-line access to accounts and other information.

6.10. **Method of Transfer**

6.10.1. All data transfers to or from the Center shall only be made by using PSESD-approved secure transfer methods that meets DCYF and state IT security standards established for that specific data.

6.11. **Public Disclosure**

6.11.1. Either party to this Contract may designate certain Confidential Information as "Confidential Information/Notice Requested." This designation shall be made by clearly stamping, watermarking, or otherwise marking each page of the Confidential Information. The party who owns the data is responsible for informing the other party what it considers Confidential Information.

6.11.2. If a third-party requestor seeks information that has been marked "Confidential Information/Notice Requested," notice shall be given to the marking party prior to release of the information. Such notice shall be provided to the program contact no less than five (5) business days prior to the date of the disclosure, to allow the party objecting to disclosure to seek a protective order from the proper tribunal.

6.12. **Access to Data**

In compliance with RCW 39.26.180, the Center shall provide access to data generated under this Contract to PSESD, DCYF, the Joint Legislative Audit and Review Committee, and the State Auditor at no additional cost. This includes, but is not limited to, access to all information that supports the findings, conclusions, and recommendations of the Center's reports, including computer models and methodology for those models.

6.13. **Definitions**

As used throughout this Contract, the following terms shall have the meanings set forth below:

6.13.1. "Confidential Information" means information that may be exempt from disclosure under either chapter 42.56 RCW or other state or federal statutes. Confidential Information includes, but is not limited to, personal information, agency source code or object code, and agency security data.

6.13.2. "Converted Data" means the data which has been successfully converted by the Center for processing by PSESD's or the DCYF's computer systems.

6.13.3. "Data means records, files, forms, data, information, and other documents in electronic or hard copy form, including but not limited to Converted Data

6.13.4. “Personal Information" means information identifiable to any person, including, but not limited to, information that relates to a person's name, health, finances, education, business, use or receipt of governmental services or other activities, addresses, telephone numbers, social security numbers, driver license numbers, e-mail addresses, credit card information, law enforcement records or other identifying numbers or Protected Health Information, any financial identifiers, and other information that may be exempt from disclosure under either chapter 42.56 RCW or other state and federal statutes.

7. DISALLOWED COSTS

The Center is responsible for any audit exceptions or disallowed costs incurred by its own organization.

8. DISPUTES

In the event that a dispute arises under this Contract, use the PSESD Early Learning Community Feedback Concern, and Complaint Policy and Procedure as found in the Early Learning Program Manual (ELPM).

9. DUPLICATE PAYMENT

PSESD shall not pay the Center if the Center has charged or will charge the State of Washington, or any other party under any other contract or agreement, for the same services or expenses.

10. ENTIRE CONTRACT

This Contract, including all referenced exhibits, contains all the terms and conditions agreed upon by the parties. No other understanding, written, oral, or otherwise regarding the subject matter of this Contract shall be deemed to exist or to bind any of the parties hereto.

11. EXPENSES

All expenses not provided for specifically in this Contract shall be the responsibility of the Center unless otherwise mutually agreed upon by the parties.

12. FEDERAL FUNDING REQUIREMENTS

12.1. **Covenant Against Contingent Fees**

The Center warrants that no person or selling agent has been employed or retained to solicit or secure this Contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established agents maintained by the Center for securing business. PSESD shall have the right, in the event of breach of this clause by the Center, to annul this Contract without liability or, in its discretion, to deduct from the Contract price or consideration or recover by other means the full amount of such commission, percentage, brokerage or contingent fees.

12.2. **Certification of Cost Allocation Plan or Indirect (F&A) Cost Rate Proposal**

12.2.1. A proposal to establish a cost allocation plan or an indirect (F&A) cost rate, whether submitted to a Federal cognizant agency for indirect costs or maintained on file by the non-Federal entity, must be certified by the non-Federal entity using the Certificate of Cost Allocation Plan or Certificate of Indirect Costs as set forth in Appendices III through VII, and Appendix IX. The certificate must be signed on behalf of the non-Federal entity by an individual at a level no lower than vice president or chief financial officer of the non-Federal entity that submits the proposal.

12.2.2. Unless the non-Federal entity has elected the option under OMB 2 C.F.R. §200.414 Indirect (F&A) costs, paragraph (f), the Federal Government may either disallow all indirect (F&A) costs or unilaterally establish such a plan or rate when the non-Federal entity fails to submit a certified proposal for establishing such a plan or rate in accordance with the requirements. Such a plan or rate may be based upon audited past data or such other data that have been furnished to the cognizant agency for indirect costs and for which it can be demonstrated that all unallowable costs have been excluded. When a cost allocation plan or indirect cost rate is unilaterally established by the Federal Government because the non-Federal entity failed to submit a certified proposal, the plan or rate established will be set to ensure that potentially unallowable costs will not be reimbursed.

12.3. Certifications by non-profit organizations as appropriate that they did not meet the definition of a major non-profit organization as defined in OMB 2 C.F.R. §200.414 Indirect (F&A) costs, paragraph (a).

12.4. See also OMB 2 C.F.R. §200.450 Lobbying for another required certification.

13. FUNDING CONTINGENCY

13.1. In the event funding from state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this Contract and prior to the completion of work in this Contract, PSESD may:

13.1.1. Terminate this Contract with ten (10) days advance notice. If this Contract is terminated, the parties shall be liable only for performance rendered or costs incurred in accordance with the terms of this Contract prior to the effective date of termination;

13.1.2. Renegotiate the terms of this Contract under the new funding limitations and conditions;

13.1.3. After a review of project expenditures and deliverable status, extend the end date of this Contract and postpone deliverables or portions of deliverables; or

13.1.4. Pursue such other alternatives as the parties mutually agree to in writing.

13.2. Any termination under this Section (FUNDING CONTINGENCY) shall be considered a Termination for Convenience.

14. HEADINGS

The headings throughout this Contract are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions of this Contract.

15. INDEMNIFICATION

15.1. To the fullest extent permitted by law, Center shall indemnify, defend, and hold harmless PSESD and all officials, agents, and employees of PSESD, from and against all claims for injuries or death arising out of or resulting from the performance of the Contract. Center's obligation to indemnify, defend, and hold harmless includes any claim by Center's agents, employees, or representatives.

15.2. Center expressly agrees to indemnify, defend, and hold harmless PSESD for any claim arising out of or incident to Center's performance or failure to perform under the Contract. Center's obligation to indemnify, defend, and hold harmless the PSESD shall not be eliminated or reduced by any actual or alleged concurrent negligence of PSESD or its agents, agencies, employees, and officials.

15.3. The Center waives its immunity under Title 51 RCW to the extent it is required to indemnify, defend and hold harmless State and its agencies, officials, agents, or employees.

16. INSURANCE

16.1. Also see Insurance Section of General Terms and Conditions Exhibit.

16.2. The Center shall provide insurance coverage as set out in this Section. The intent of the required insurance is to protect PSESD should there be any claims, suits, actions, costs, damages, or expenses arising from any negligent or intentional act or omission of the Centers or its agents, while performing under the terms of this Contract.

16.3. The insurance required by this Contract shall be issued by an insurance company(ies) authorized to do business within the state of Washington and have a rating of A-, Class VII or better in the most recently published edition of Best's Reports. Any exception shall be reviewed and approved by PSESD before the contract is accepted.

16.4. The Center shall instruct the insurers to give PSESD thirty (30) calendar days advance written notice of any insurance cancellation or non-renewal.

16.5. PSESD shall be named as an additional insured on all general liability, excess, umbrella, and property insurance policies. If the Center is currently covered under an insurance risk pool, this Section shall only apply if the Center terminates coverage under the insurance risk pool and obtains a different form of insurance consistent with this Section.

16.6. All insurance provided in compliance with this Contract shall be primary to any other valid and collectable insurance or self-insurance programs afforded to or maintained by the State of Washington. If the Center is currently covered under an insurance risk pool, this Section shall only apply if the Center terminates coverage under the insurance risk pool and obtains a different form of insurance consistent with this section.

16.7. By requiring insurance herein, PSESD does not represent that coverage and limits will be adequate to protect the Center, and such coverage and limits shall not limit the Center's liability under the indemnities and reimbursements granted to PSESD in this Contract.

16.8. ***This Section does not apply to Community and Technical Colleges (CTC).*** The Center shall provide insurance coverage which shall be maintained in full force and effect during the term of this Contract, as follows:

16.8.1. **Commercial General Liability Insurance Policy.** The Center shall maintain Commercial General Liability ("CGL") Insurance, including contractual liability, and, if necessary, commercial umbrella insurance with a limit of not less than $1,000,000 per accident, $2,000,000 aggregate. If such CGL Insurance contains aggregate limits, the general aggregate limit shall be at least twice the "each occurrence" limit.

16.8.2. **Automobile Liability Policy.** In the event that services delivered pursuant to this Contract involve the use of vehicles, either owned or unowned by the Center, automobile liability insurance shall be required. The minimum limit for automobile liability is $1,000,000 per accident, using a Combined Single Limit for bodily injury and property damage.

16.8.3. **Professional Liability Policy.** If services delivered pursuant to this Contract, either directly or indirectly, involve or require providing professional services, then professional liability insurance shall be required. Such coverage shall cover injury or loss resulting from the Center's rendering of or failing to render professional services and shall be no less than $1,000,000 per incident, loss, or person, as applicable. If defense costs are paid within the limit of liability, the Center shall maintain limits of $2,000,000 per incident, loss, or person, as applicable. If the policy contains a general aggregate or policy limit, it shall be at least two times the incident, loss or per person limit. If professional liability insurance is written on a "claims made" basis, the policy shall provide full coverage for prior acts or include a retroactive date that precedes the effective date of this Contract. The Center is required to buy professional liability insurance for a period of 24 months after completion of this Contract. This requirement may be satisfied by the continuous purchase of commercial insurance or an extended reporting period.

16.8.4. **Employers Liability ("Stop Gap") Insurance.** The Center shall buy employers liability insurance with limits of not less than $1,000,000 each accident for bodily injury by accident or $1,000,000 each employee for bodily injury caused by disease.

17. LIMITATION OF AUTHORITY

Only the Center's agent or agent's delegate by writing (delegation to be made prior to action) and PSESD's agent or agent's delegate by writing (delegation to be made prior to action) shall have the express, implied, or apparent authority to alter, amend, modify, or waive any clause or condition of this Contract. Furthermore, any alteration, amendment, modification, or waiver of any clause or condition of this Contract is not effective or binding unless made in writing and signed by the agents for both parties.

18. MONITORING

18.1. PSESD has the right to monitor and evaluate performance, compliance, and quality assurance under this Contract. The Center shall provide a right to access to its facilities to PSESD, personnel authorized by PSESD, or to any other authorized agent or official of the State of Washington or the federal government at all reasonable times in order to monitor and evaluate performance, compliance, and/or quality assurance under this Contract.

18.2. Monitoring activities may include, but not be limited to:

18.2.1. Review of the deliverables and other requirements listed in the Deliverables Exhibit of this Contract

18.2.2. Site visits to review records, observe implementation of services or follow up on compliance issues. These visits may be unannounced.

18.2.3. Intensive program reviews, including intensive on-site program reviews. The off-site and on-site program reviews may include, but not be limited to, review of the following:

18.2.3.1. Center's compliance with Section (COMPLIANCE WITH LAWS, RULES, AND REGULATIONS);

18.2.3.2. Center's compliance with Section (DATA SHARE AND PROTECTION OF CONFIDENTIAL INFORMATION AND SENSITIVE PERSONAL INFORMATION);

18.2.4. On-site program reviews and site visit records reviews must be scheduled in advance with the Center.

19. NEUTRAL AUTHORSHIP

Each of the provisions of this Contract has been reviewed, negotiated, and represents the combined work product of both parties hereto. No presumption or other rules of construction which would interpret the provisions of this Contract

in favor of or against the party preparing the same shall be applicable in connection with the construction or interpretation of any of the provisions of this Contract.

20. ORDER OF PRECEDENCE

In the event of an inconsistency in the terms of this Contract, or between the terms and any applicable statute or rule, the inconsistency shall be resolved by giving precedence in the following order:

1. Applicable Federal statutes, regulations, policies, and Federal Certifications and Assurances;
2. Applicable State of Washington statutes, regulations, and policies;
3. The terms and conditions as contained in this basic Contract instrument but not contained in the exhibits of this Contract;
4. Exhibit C - General Terms and Conditions;
5. Exhibit D - Supplemental Terms and Conditions;
6. Program Performance Standards (found at: https://headstart.gov/policy/45-cfr-chap-xiii)
7. Exhibit A - Statement of Work;
8. Exhibit B - Deliverables Calendar; and
9. Any other exhibit, provision, term, or material incorporated herein by reference or otherwise.

21. OVERPAYMENT

18.1. Center shall promptly, but in all cases within 30 Days, pay to PSESD the full amount of any erroneous payment or overpayment (a) upon Notice of an erroneous payment or overpayment to which Center is not entitled with supporting documentation to substantiate such erroneous payment or overpayment and the grounds for the PSESD's determination of such erroneous payment or overpayment or (b) when any such erroneous payment or overpayment is otherwise discovered by Center.

18.2. In addition to the requirements contained in this Section, the Center agrees that PSESD may also recover overpayments made to the Center by deducting amounts owed to the Center. PSESD must provide written notice to the Center if it elects to recover overpayments by deducting amounts owed to the Center.

22. RECAPTURE

22.1. In the event that the Center fails to expend funds under this Contract in accordance with state laws and/or the provisions of this Contract, PSESD reserves the right to recapture funds in an amount equivalent to the extent of the noncompliance in addition to any other remedies available under law.

22.2. Such right of recapture shall exist for a period not to exceed six years following Contract termination. Repayment by the Center of funds under this recapture provision shall occur within 30 days of demand. In the event that PSESD is required to institute legal proceedings to enforce the recapture provision, PSESD shall be entitled to its costs thereof.

23. RECORDS MAINTENANCE

23.1. The Center shall maintain all books, records, documents, Data, and other evidence relating to this Contract and performance of the services described herein, including but not limited to accounting procedures and practices which sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this Contract. Center shall retain such records for a period of seven (7) years following the date of the final payment. At no additional cost, these records, including Materials generated under the Contract, shall be subjected at all reasonable times to inspection, review, or audit by PSESD, personnel duly authorized by PSESD, the Office of the State Auditor, and federal and state officials so authorized by law, regulation or agreement.

23.2. If any litigation, claim, or audit is started before the expiration of the seven (7) year period, the records shall by retained until all litigation, claims, or audit findings involving the records have been resolved.

24. REMEDIES

Except for remedies designated specifically as exclusive, no remedy conferred by any of the specific provisions of this Contract is intended to be exclusive of any other remedy, and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder, now, or hereafter existing at law or by statute or otherwise. The election of any one or more remedies by either party shall not constitute a waiver of the right to pursue other available remedies.

25. SITE SECURITY

While on PSESD's premises, the Center, its agents, or employees shall conform in all respects with physical, fire or other security policies or regulations.

26. TERMINATION

26.1. Also see Termination Section of General Terms and Conditions Exhibit.

26.2. **Termination for Cause**

26.2.1. In the event PSESD determines the Center has failed to comply with the conditions of this Contract in a timely manner, PSESD has the right to suspend or terminate this Contract. PSESD shall notify the Center in writing of the need to take corrective action. If appropriate corrective action is not taken within thirty (30) days, the Contract may be terminated.

26.2.2. PSESD reserves the right to suspend all or part of this Contract, withhold further payments, or prohibit the Center from incurring additional obligations of funds during investigation of the alleged compliance breach and pending corrective action by the Center or a decision by PSESD to terminate the Contact.

26.2.3. In the event of termination, the Center shall be liable for damages as authorized by law including, but not limited to, any cost difference between the original Contract and the replacement or cover contract and all administrative costs related to the replacement contract (e.g., cost of the competitive bidding, mailing, advertising, and Staff time). The termination shall be deemed to be a "Termination for Convenience" if it is determined that: (1) the Center was not in default; or (20) failure to perform was outside of Center's control, fault, or negligence. The rights and remedies of PSESD provided in this Section (TERMINATION FOR CAUSE) shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

26.2.4. A filing for bankruptcy by Center will be deemed a material breach and may result in immediate termination of this Contract.

26.2.5. Section titled TERMINATION FOR CAUSE, sub-section a. shall not apply to conduct in the performance of this Contract by the Center(s) that involves child abuse or neglect. In the event PSESD has reason to believe that in the performance of this Contract that any Centers cause a child to be abused or neglected as defined in chapter 26.44 RCW, PSESD may immediately suspend or terminate this Contract. PSESD may elect to notify the Center in writing of the need to take corrective action before this Contract is suspended or terminated by PSESD.

26.3. **Termination for Convenience**

PSESD may terminate this Contract in whole or in part when it is in the best interest of PSESD by giving the Center at least thirty (30) calendar days' written notice. If this Contract is so terminated, PSESD shall be liable only for payment required under the terms of this Contact for services received and accepted, or goods delivered and accepted, prior to the effective date of termination.

26.4. **Termination Procedure**

26.4.1. Upon termination of this Contract, PSESD in addition to any other rights provided in this Contract may require the Center to deliver to PSESD any property specifically produced or acquired for the performance of such part in this Contract as has been terminated. The provisions of Section (CENTER REPRESENTATIONS AND WARRANTIES) shall apply in such property transfer.

26.4.2. PSESD shall pay to the Center the agreed upon price, if separately stated, for completed work and service(s) accepted by PSESD, and the amount agreed upon by the Center and PSESD for (i) completed work and service(s) for which no separate price is stated, (ii) partially completed work and service(s), (iii) other property or services which are accepted by PSESD, and (iv) the protection and preservation of property, unless the termination is for default, in which case PSESD and Center may agree to the extent of the liability of PSESD. Failure to agree to the extent of the liability shall be a dispute within the meaning of Section (DISPUTES) of this Contract. PSESD may withhold from any amounts due to the Center such sum as PSESD determines to be necessary to protect PSESD against potential loss or liability.

26.4.3. The rights and remedies of PSESD provided in this Section (TERMINATION PROCEDURE) shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

26.4.4. After receipt of a notice of termination, and except as otherwise directed by PSESD, the Center shall:

26.4.4.1. Stop work under the Contract on the date, and to the extent specified, in the notice;

26.4.4.2. Place no further orders or subcontracts for materials, services, or facilities except as be necessary for completion of such portion of the work under the Contract as is not terminated;

26.4.4.3. Assign to PSESD, in the manner, at the times, and to the extent directly by PSESD, all of the rights, title, and interest of the Center under the orders and subcontracts so terminated, in which case PSESD has the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;

26.4.4.4. Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of PSESD to the extent PSESD may require, which approval or ratification shall be final for all the purposes of this clause;

26.4.4.5. Transfer title to PSESD and deliver in the manner, at the times, and to the extent directed by this Contract or by PSESD any property which, if the Contract had been completed, would have required to be furnished to PSESD;

26.4.4.6. Complete performance of such part of the work as shall not have been terminated by PSESD; and

26.4.4.7. Take such action as may be necessary, or as PSESD may direct, for the protection and preservation of the property related to this Contract which is in possession of the Center and in which PSESD has or may acquire an interest.

27. WAIVER

A failure by either party to exercise its rights under this Contract shall not preclude that party from subsequent exercise of such rights and shall not constitute a waiver of any other rights under this Agreement. Waiver of any default or breach shall not be deemed to be a waiver of any subsequent default or breach. Any waiver shall not be construed to be a modification of the terms of this Contract unless stated to be such in writing signed by personnel authorized to bind each of the parties.

28. WITHHOLDING PAYMENTS

PSESD may withhold payment to a Center for any services/deliverables not performed as required hereunder until such time as the Center modifies or delivers services/deliverables to the satisfaction of the PSESD.

29. CENTER REPRESENTATIONS AND WARRANTIES

29.1. **Qualified to do Business.** Center represents and warrants that it is in good standing and qualified to do business in the State of Washington, that it possesses and shall keep current all required licenses and/or approvals, and that it is current, in full compliance, and has paid all applicable taxes owed to the State of Washington.

29.2. **Suspension & Debarment.** Center represents and warrants that neither it nor its principals or affiliates presently are debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in any governmental contract by any governmental department or agency within the United States.

29.3. **Quality of Goods or Services.** Center represents and warrants that any goods and/or services sold pursuant to this Contract shall be merchantable, shall conform to this Contract, shall be fit and safe for the intended purposes, shall be free from defects in materials and workmanship, and shall be produced and delivered in full compliance with applicable law. Center further represents and warrants it has clear title to the goods and that the same shall be delivered free of liens and encumbrances and that the same does not infringe any third-party patent. Upon breach of warranty, Center will repair or replace (at no charge to PSESD) any goods and/or services whose nonconformance is discovered and made known to the Center. If, in PSESD's judgment, repair or replacement is inadequate, or fails of its essential purpose, Center will refund the full amount of any payments that have been made. The rights and remedies of the parties under this warranty are in addition to any other rights and remedies of the parties provided by law, including, without limitation, actual damages, and, as applicable and awarded under the law, to a prevailing party, reasonable attorneys' fees, and costs.

29.4. **Wage Violations.** Center represents and warrants that, during the term of this Contract and the three (3) year period immediately preceding the effective date of this Contract, it is not determined, by a final and binding citation and notice of assessment issued by the Washington Department of Labor and Industries or through a civil judgment entered by a court of limited or general jurisdiction, to be in willful violation of any provision of Washington state wage laws set forth in RCW chapters 49.46, 49.48, or 49.52. For purposes of this Subsection (Wage Violations) and pursuant to RCW 49.48.082, "willful" shall mean a knowing and intentional action that is

neither accidental nor the result of a bona fide dispute, as evaluated under the standards applicable to wage payment violations under RCW 49.52.050(2).

29.5. **Pay Parity.** Center represents and warrants that, as required by Washington state law, during the term of this Contract the Center agrees to parity among its workers by ensuring similarly employed individuals are compensated as equals.

29.5.1. For purposes of this Subsection (Pay Parity), employees are similarly employed if the individuals work for the same employer, the performance of the job requires comparable skill, effort, and responsibility, and the jobs are performed under similar working conditions. Job titles alone are not determinative of whether employees are similarly employed.

29.5.2. For purposes of this Subsection (Pay Parity), the Center may allow differentials in compensation for its workers based in good faith on any of the following: a seniority system; a merit system; a system that measures earnings by quantity or quality of production; a bona fide job-related factor or factors; or a bona fide regional difference in compensation levels.

29.5.2.1. A bona fide job-related factor or factors may include, but not be limited to, education, training, or experience, that is consistent with business necessity.

29.5.2.2. A bona fide regional difference in compensation level must be consistent with business necessity.

29.5.3. Notwithstanding any provision to the contrary, upon breach of this pay parity warranty (Subsection Pay Parity) and Center's failure to provide satisfactory evidence of compliance within thirty (30) days, PSESD may suspend or terminate this Contract.

29.6. **Procurement Ethics & Prohibition on Gifts.** Center represents and warrants that it complies fully with all applicable procurement ethics restrictions including, but not limited to, restrictions against Center providing gifts or anything of economic value, directly or indirectly, to Purchasers' employees.

29.7. **Sensitive Personal Information of In-home Caregivers.** Center represents and warrants that, as required by state law (RCW 42.56.640, RCW 42.56.645, and RCW 43.17.410), it agrees to fully comply with all applicable non-disclosure requirements that pertain to the Sensitive Personal Information of In-home Caregivers.