Independent Verification and Validation
CHAMPS Cloud Enablement and Migration

Request for Proposals
Appendix B
Sample Contract

Issued By
Michigan Public Health Institute

RFP Identifier: 2015-CCEMP-001
Issued on: June 1, 2015
Directions for Standard Subcontract Template

**Color Key**

- **Text in Red** = Must be filled in
- **Text in Blue** = Optional text depending on the situation

**Basic Notes**

- This is the standard subcontract template for both incorporated and unincorporated subcontractors. If subcontractor is a Business Associate, use Business Associate Agreement Subcontract Template.
- This subcontract template should NOT be used for subcontracts written to Michigan State University or the Regents of the University of Michigan. Please use the templates created specifically for each university.

**Specific Sections of the Template**

**Cover Page**: Either “SSN” or “FEIN” must be deleted from the cover depending on the type of entity the subcontract is being written to. For instance, if the subcontract is being written to an individual, “FEIN” would be deleted and the individual’s Social Security Number would be filled in.

**Section 1. Acknowledged Facts**: This section has been changed to require the Catalog of Federal Domestic Assistance (CFDA) number **ONLY** if the relationship between MPHI and the subcontractor is determined to be a subrecipient relationship (as opposed to a vendor relationship). If no federal funds are involved, the agreement is considered to be a vendor relationship. **IF THE RELATIONSHIP IS DETERMINED TO BE A VENDOR RELATIONSHIP OR IF THE AGREEMENT IS FUNDED WITH NO FEDERAL FUNDS, DELETE THE “BLUE” LANGUAGE IN SECTION 1 AND REPLACE THE LANGUAGE WITH THE FOLLOWING STATEMENT: “THIS AGREEMENT CONSTITUTES A VENDOR RELATIONSHIP.”**

Following are the characteristics of a subrecipient relationship:
- The subcontractor determines who is eligible to receive what federal financial assistance.
- The subcontractor has its performance measured against whether the objectives of the Federal program are met.
- The subcontractor has responsibility for programmatic decision making.
- The subcontractor has responsibility for adherence to applicable Federal program compliance requirements; and
- The subcontractor uses the Federal funds to carry out a program of the organization as compared to providing goods or services for a program of the pass-through entity.

Following are the characteristics of a vendor relationship:
- The subcontractor provides goods and services within normal business operations;
- The subcontractor provides similar goods and services to many different purchasers;
- The subcontractor operates in a competitive environment;
- The subcontractor provides goods or services that are ancillary to the operation of the Federal program; and
- The subcontractor is not subject to compliance requirements of the Federal program.
Judgment should be used in making this determination. There may be unusual circumstances or exceptions to the listed characteristics. In making the determination of whether a subrecipient or vendor relationship exists, the substance of the relationship is more important than the form of the agreement. It is not expected that all of the characteristics will be present.

Please note that MDCH generally does not provide the CFDA numbers to the Grants & Contracts office until later in the State fiscal year so the number may have to be obtained from the MDCH program contact. If the number cannot be obtained when writing the subcontract, a letter can be sent to the subcontractor later in the project year once the number becomes known. It is a legal requirement to notify subrecipients of any CFDA numbers applicable to their projects. For more information on the CFDA, please see: http://www.cfda.gov/.

Section 7. Records, Reporting, and Access: If the subcontract is not being written under an MDCH project, the language in blue may be deleted.

Section 9. Part E. Confidentiality and Privacy Practice. This section includes additional confidentiality and privacy clauses. In addition, this section references Exhibit D which is explained further below.

Section 12. Intellectual Property, Ownership, and Use: There are 3 language alternatives. The first gives MPHI full ownership of any intellectual property developed through the subcontract. The second gives MPHI full ownership of any intellectual property developed through the subcontract but grants a license to the subcontractor to use and sell any IP developed under the subcontract for a period of 5 years. It also requires the subcontractor to acknowledge MPHI’s sponsorship and copyright in any publications or disclosures. The third option allows for royalties connected to the development of IP.

Alternative #1 should be considered the default language and should be used for all subcontracts unless permission to use another language alternative is granted by MPHI’s Intellectual Property Officer, Renee Canady. To request permission to use alternatives 2 or 3, please complete the form at the end of these directions.

Exhibit A: Please note that any proposal submitted by the subcontractor should be incorporated into the agreement. Further, there is an area that designates progress report requirements.

Exhibit B: Please note there is a requirement that the subcontractor divide any invoices between MPHI’s fiscal year. *Note section highlighted in blue. If the subcontract does not cross calendar years, you can delete this language.

Exhibit C: This is simply a placeholder for the funding source agreement for any subcontract.

Exhibit D: The subcontractor must adhere to this exhibit if the MPHI/Privacy Panel classifies the project as privacy-sensitive and the subcontractor collects or manages identifiable health information on behalf of MPHI. Exhibit D must be included with all subcontracts on projects that may be classified as privacy-sensitive.
Request for Change in Intellectual Property Language for a Subcontract

To request Intellectual Property language alternative 2 or 3 for a particular subcontract, please complete this form and submit it to Grants & Contracts along with the subcontract for review. Grants & Contracts will forward the form to Renee Canady for signature after review is completed.

*If MDCH is the funder, Grants & Contracts will review the requested change and if necessary contact MDCH for prior approval of the change in Intellectual Property language.

Project Number: ____________________

Subcontractor Name: ________________________________

Language Alternative Requested (2 or 3): ______

Reason for Requesting Alternate 2 or 3:

Approvals:

_________________________________________  Date  _______________________________  Ph.D., MPA  Date

Program Director                                                                 Renée Branch Canady,
Subcontractor Agreement between

The Michigan Public Health Institute

and

Subcontractor Name
Address
City, State and ZIP
FEIN: XX-XXX1234

Reference Number:
Program Area Letter-Project Number-WBS Element- 504200 (Inc)

Effective Dates: Start Date through End Date
SUBCONTRACTOR AGREEMENT

THIS AGREEMENT, made and entered into this {number} day of {Month}, {Year}, by and between the
MICHIGAN PUBLIC HEALTH INSTITUTE, a Michigan nonprofit corporation ("MPHI"), and the
{Subcontractor Name}, ("Subcontractor").

1. **Acknowledged Facts.** MPHI has entered into a contract with Funding Source to {insert short
description of project purpose} ("Funding Source Agreement"). MPHI desires to subcontract
with Subcontractor to provide services necessary for MPHI to carry out its obligations under the
Funding Source Agreement. This agreement constitutes a vendor relationship.

2. **Subcontractor Services.** Subcontractor shall perform the services described in Exhibit A.
Subcontractor shall perform the services in compliance with all terms of the Funding Source
Agreement. In the event of a conflict between the Funding Source Agreement and any term in
this Agreement, the Funding Source Agreement shall control. A copy of the Funding Source
Agreement is attached to this Agreement as Exhibit C. Subcontractor shall provide the necessary
administrative, professional, and technical staff for performance of the services.

3. **Term of Agreement; Termination Without Cause.** The Subcontractor shall begin providing
the services described above on the {number} day of {Month}, {Year}, and shall continue those
services through the {number} day of {Month}, {Year} or the date of termination, whichever
occurs first. Either party may terminate this Agreement at any time without cause by giving
thirty (30) days advance written notice to the other party. Termination under this section shall not
prejudice either party's remedies for any breach occurring before termination.

4. **Payment.** Payments shall be paid according to the program budget or schedule attached as
Exhibit B.

5. **Reimbursement and Return of Funds by Subcontractor.** Upon termination of this
Agreement, Subcontractor shall immediately return to MPHI any funds in the Subcontractor's
possession that Subcontractor has not earned or is otherwise not entitled to keep under this
Agreement. If any court or governmental agency orders MPHI to return any grant funds,
Subcontractor shall return to MPHI on demand any portion of those grant funds that were paid to
Subcontractor.

6. **Fees, Charges or Contributions.** Subcontractor shall not solicit or require any fees or charges
from any third party for services or materials provided by Subcontractor under this Agreement
without the prior written approval of MPHI.

7. **Records, Reporting, and Access.** Subcontractor shall maintain records relating to its services
provided under this Agreement in accordance with generally accepted accounting practices and
in accordance with reasonable requirements of MPHI and the Funding Source Agreement, and in
a form sufficient to permit MPHI to verify the Subcontractor's costs, expenditures and other
activities incurred pursuant to this Agreement. MPHI and any funding sources identified in the
Funding Source Agreement, shall have access to all of Subcontractor's records relating to its
services under this Agreement at any reasonable time, including but not limited to canceled
checks, invoices, vouchers, purchase orders, subcontracts, time sheets, mileage records and all
other records relating to services and expenditures. MPHI and the funding source shall be
entitled to perform audits of all of Subcontractor's records described in this section. Subcontractor shall maintain records relating to the services provided under this Agreement until a final audit has been performed to MPHI's satisfaction or until three (3) years after termination of this Agreement, whichever occurs first. For any services funded through the Michigan Department of Community Health ("MDCH"), MPHI will comply with the regulations set forth in the Single Audit Act Amendments of 1996, 31 USC 7501 et seq, and 2 CFR Part 200, et al., "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule" and provide MDCH with a copy of the annual audit reporting package of MPHI and management letter within nine months after the end of MPHI's fiscal year.

8. **Ownership of Property Purchased with Funding Source Funds.** All property purchased by Subcontractor in whole or in part with funds authorized under this Agreement, the cost of any single item of which exceeds $5,000, shall be owned by and remain the property of MPHI. Upon termination of this Agreement, all of that property shall be returned immediately to MPHI if requested by MPHI in writing.

9. **Compliance with Laws, Regulations, and MPHI Policies and Assurances.**

A. **Nondiscrimination.** This contractor and subcontractor shall abide by the requirements of 41 CFR 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity, or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status or disability. The Subcontractor shall adhere to all other applicable Federal, State and local laws, ordinances, rules and regulations prohibiting discrimination, including, but not limited to, the following:

1. The Elliott Larsen Civil Rights Act, 1976 PA 453, as amended.

B. **Anti-Lobbying Act.** The Subcontractor will comply with the Anti-Lobbying Act, 31 USC 1352, as revised by the Lobbying Disclosure Act of 1995, 2 USC 1601 et seq, and Section 503 of the Departments of Labor, Health and Human Services and Education, and Related Agencies Appropriations Act (Public Law 104-208). Further, the Subcontractor shall require that the language of this assurance be included in the award documents of all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.
C. **Human Research Subject Protections.** The subcontractor will comply with MPHI’s Federalwide Assurance of Protection for Human Subjects. This assurance specifies: guidance of research activities involving human subjects according to the ethical principles of The Belmont Report; compliance with the procedural standards of 45 CFR 46 (and its Subparts A, B, C, and D) for all human subject research regardless of funding source; and the designation of the MPHI Institutional Review Board (IRB) for review of research under the assurance.

D. **HIPAA.** The Subcontractor will comply with all applicable Administrative Simplification requirements specified in the Health Insurance Portability and Accountability Act of 1996, P.L. 104-191 and all regulations promulgated thereunder. The Subcontractor will comply with the HIPAA Privacy Rule and Security Rule (45 CFR Parts 160, 162 and 164, Standards for Privacy of Individually Identifiable Health Information).

E. **Confidentiality and Privacy Practice.** Subcontractor shall not use MPHI's name in any way without MPHI's prior written consent. Other than in the performance of this Agreement, subcontractor shall not disclose, publish or use at any time, either before or after termination of this Agreement, any confidential information concerning MPHI or any other person or entity. Confidential information shall include, but not be limited to, data collected, stored or managed on behalf of MPHI, information concerning MPHI or any other person or entity not generally known to the public, including, but not limited to, personal or private information concerning any individual, contracts, criminal records, financial information or other processes, records or documents, or any other information allowing the identification of which person or entity furnished data in connection with services provided under this Agreement. Subcontractor must have appropriate safeguards in place to protect the confidentiality of MPHI data. If the Subcontractor is handling identifiable data on behalf of MPHI on a project classified as privacy-sensitive by the MPHI IRB/Privacy Panel, the Subcontractor agrees to implement the privacy requirements detailed in Exhibit D (see Exhibit D attached). Subcontractor must provide, if requested, adequate information on the scope of work to facilitate screening of the project by the MPHI IRB/Privacy Panel. The MPHI program contact will notify the Subcontractor if the project is classified as privacy-sensitive. Failure to implement appropriate safeguards and/or to abide by the terms of Exhibit D is grounds for termination of this contract. The inadvertent disclosure through negligence of confidential information or data concerning MPHI is grounds for termination of this contract.

F. **Other Laws.** Subcontractor shall comply with all other applicable federal, state and local laws, ordinances, guidelines, rules and regulations in carrying out the terms of this Agreement, including, but not limited to, the following clauses incorporated by reference, with the same effect as if they were given in full text:

2. The whistleblower rights and remedies in the Pilot Program on Contractor Employee Whistleblower Protections established at [41 U.S.C. 4712](http://www.dol.gov/olms/regs/compliance/EO13496.htm) by section
10. **Independent Contractor.** The Subcontractor is an independent contractor for MPHI and neither the Subcontractor nor any of its employees or agents shall be treated as employees of MPHI. Subcontractor will not represent either itself or any of its employees or agents as employees of MPHI. Subcontractor shall be responsible for all compensation, fringe benefits, and other obligations due to its employees, including but not limited to the withholding and payment of all applicable employment, income and social security taxes to federal, state and local governments. Subcontractor shall also comply with all workers’ compensation laws applicable to its business and will provide to MPHI proof of its compliance with this section upon request by MPHI. If any court or administrative agency determines that Subcontractor or any of its employees or agents should be treated as employees of MPHI instead of independent contractors, Subcontractor agrees to reimburse MPHI on demand for all expenses and costs incurred by MPHI as a result of that determination, including but not limited to reasonable attorneys' fees, taxes, interest, penalties and damages.

11. **Indemnification and Insurance.** Subcontractor shall defend, indemnify and hold MPHI and its officers, directors, agents and employees harmless from all claims, liabilities, and expenses (including but not limited to reasonable attorney fees and costs) arising out of any action by Subcontractor or any of its agents, employees or subcontractors in connection with the services to be provided under this Agreement. During the term of this Agreement, Subcontractor, if working under an FEIN, shall maintain at its own expense Commercial General Liability insurance, including broad form contractual liability insurance, in amounts satisfactory to MPHI and in amounts sufficient to cover Subcontractor's liability under this Agreement. During the term of this Agreement, Subcontractor, if working under their SSN, shall maintain at its own expense insurance satisfactory to MPHI and in amounts sufficient to cover Subcontractor’s liability under this Agreement. This insurance shall name MPHI as an additional insured. By signing this agreement, subcontractor certifies that this insurance is in effect, that MPHI is named as an additional insured on all such policies, and that none of the coverages will be terminated or modified without giving at least 30 days prior written notice to MPHI. MPHI reserves the right to request and receive proof of insurance coverage and proof of additional insured status.

12. **Intellectual Property, Ownership, and Use.**

As between MPHI and Subcontractor, MPHI is the sole and exclusive owner of, and retains all right, title and interest in: a) all notes, designs, drawings, memoranda, reports, computer programs, data records (computerized or otherwise), other technical data, and any other material developed by Subcontractor as "works made for hire" in connection with the performance of services under this agreement and b) all copyrights, trademarks, trade secret rights, patent rights and other similar proprietary rights to any of the above in any jurisdiction ( a) and b) collectively referred to as "Products"). Other than in the performance of this agreement, subcontractor has no license or other right to use, disclose or sell any of the Products at any time.

13. **Representations and Warranties by Subcontractor.** Subcontractor represents and warrants to MPHI that each of the following are true and will remain true during the term of this Agreement:
A. Subcontractor has the authority to enter into this Agreement and to perform all of its obligations under this Agreement.

B. Subcontractor's execution and performance of this Agreement shall not create a breach or default in any other agreement or court order to which Subcontractor is a party or by which it is bound.

C. Neither Subcontractor nor any of its employees or agents is currently barred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from providing any services under this Agreement by any federal, state or local department or agency.

D. Subcontractor has not within a 3-year period preceding this Agreement been convicted of or had a civil judgment rendered against it or any of its officers for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or state antitrust statues or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statement, or receiving stolen property.

E. Neither Subcontractor nor any of its officers are presently indicted or otherwise criminally or civilly charged by a government entity (federal, state or local) with commission of any of the offenses enumerated above.

F. Subcontractor has not within a 3-year period preceding the date of this Agreement had one or more public transactions (federal, state or local) terminated for cause or default.

G. No actual or potential conflict of interests exists between Subcontractor or any of its employees, agents or any of their respective business interests, financial interests or family members, and MPHI or any other entity that would create a conflict of interest. Subcontractor will immediately notify MPHI if any conflict of interest arises during the term of this Agreement.

H. Subcontractor will immediately notify MPHI of any act or circumstance that would create a breach of any of these representations or warranties either immediately or with the mere passage of time.

14. **Default and Remedies.** Subcontractor shall be in default if it fails to perform any of its obligations as described in this Agreement within ten (10) days after MPHI gives written notice of failure to Subcontractor. Upon the occurrence of a default by Subcontractor, MPHI shall be entitled to exercise any and all remedies available to it in law or in equity, including but not limited to the right to terminate this Agreement without further notice to Subcontractor, the right to seek damages for the default, the right to seek specific performance of Subcontractor's obligations, and the right to reduce, diminish or terminate any payments otherwise owing to Subcontractor set forth above in a manner that reflects the noncompliance. Subcontractor shall reimburse MPHI on demand for all expenses, including but not limited to court costs and reasonable attorney's fees, incurred by MPHI in enforcing any of its rights under this Agreement, whether or not enforcement requires any litigation.
15. **Notices.** Any notice required or permitted to be given to either party under this Agreement shall be deemed given on the date of personal delivery to a representative of the party at its business address, or on the next business day after being sent either via facsimile (with a hard copy mailed the same day via regular mail) or via overnight mail service, or three (3) business days after being mailed regular mail, postage prepaid, in the U.S. mail service or other comparable mail service, to the following addresses:

If to MPHI:  
Sharon Simmons, Grants and Contracts Administrator  
Michigan Public Health Institute  
2436 Woodlake Circle, Suite 300  
Okemos, MI 48864

If to the Subcontractor:  
Subcontractor Name  
Subcontractor Organization Name if Applicable  
Subcontractor Address  
City, State ZIP

Either party may, by written notice, designate a different address other than a post office box to which notices may be sent.

16. **General Provisions.**

A. **Waivers.** No failure or delay on the part of MPHI in exercising any right under this Agreement shall operate as a waiver, nor shall a single or partial exercise of any right preclude any other or further exercise of that right or any other right.

B. ** Entire Agreement and Amendment.** This Agreement and any documents to which it refers contain all of the terms of the Agreement between the parties with respect to its subject matter and all Exhibits are incorporated by reference. This Agreement supersedes any previous discussions, writings, or other communications with respect to its subject matter. Any amendment or waiver of any term in this Agreement shall be enforceable only if it is in writing and signed by both parties.

C. ** No Assignment or Subcontracting.** The Subcontractor shall not assign, subcontract or otherwise transfer any of its rights or duties without the prior written consent of MPHI.

D. **Invalid Provisions.** If any term of this Agreement is held to be invalid, the remainder of the Agreement shall nevertheless be enforced to the maximum extent permitted by law.

E. **Third Party Beneficiaries.** No third party shall have the right to enforce any term in this Agreement against either party, except that any funding source identified in the Funding Source Agreement shall be entitled to enforce any of MPHI's rights under this Agreement.

F. **Individual Authority.** Any persons signing on behalf of the Subcontractor represent and warrant that they are duly authorized to sign this Agreement on behalf of the Subcontractor and that this Agreement has been authorized by the Subcontractor.
## MICHIGAN PUBLIC HEALTH INSTITUTE

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<tr>
<th>Name</th>
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<tr>
<td>Kate Platte, CPA</td>
<td>Controller</td>
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<td>Limin Kinsey, CPA</td>
<td>Chief Financial Officer</td>
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**Recommended by:**

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<tr>
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<td>Program Director Name</td>
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**Reviewed by MPHI Grants & Contracts Office:**

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<tr>
<th>Name</th>
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<tr>
<td>Sharon Simmons, CFCM, GWCCM</td>
<td>Grants &amp; Contracts Administrator</td>
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<tr>
<td>Ammie Hernandez</td>
<td>Grants &amp; Contracts Administrator</td>
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## SUBCONTRACTOR NAME

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EXHIBIT A
WORK STATEMENT & PROGRESS REPORTS

Contract Between
Michigan Public Health Institute
and
Subcontractor's Name

Contract Period: Start Date through End Date

Work Plan

The services to be performed by the Subcontractor are as follows:

Describe services to be performed.

Progress Reports

Subcontractor shall send progress reports to Program Director's or Project Coordinator's name at the following address:

Address to send progress reports: Program Director or Project Coordinator Name
Program Name
Michigan Public Health Institute
Address
City, State ZIP
Phone Number
Email Address

Progress reports are due ten (10) days following the end of the calendar quarter. The content of the quarterly reports should be very brief, should be written in paragraph format, and should describe:

• What activities were accomplished in the previous quarter,
• What activities are planned for the next quarter,
• Any anticipated problems that may delay completion of the project on schedule,
• Any significant staff changes on the project,
• Whether the budget for the project is on-track, and
• Whether any amendments to the original subcontract should be expected.
EXHIBIT B
BUDGET, STATEMENT, & INVOICE INFORMATION

Contract Between
Michigan Public Health Institute
and
Subcontractor's Name

Contract Period:  Start Date through End Date

Description of payment amounts and payment methods:

NOTE: (List out hourly rates, fixed price, or how payments will be made, including any specific reimbursed expenses)
Use current GSA business mileage rates which can be found at www.gsa.gov.

Total payments from MPHI to the Subcontractor under this Agreement, shall not exceed the sum of XXXX and xx/100 DOLLARS [Dollar amount in text form: ALL CAPS] ($XX,XXX,XX). MPHI shall make payments to Subcontractor within forty-five (45) days after receipt by the Business Office of an itemized statement that has been approved by the project coordinator indicating the amount due and the reference number X-XXXXXX-XX(X)-504X00.

MPHI’s fiscal year is January to December. Subcontractor invoices, that cross more than one of MPHI’s fiscal years, cannot be submitted. All invoices must be separated by MPHI’s fiscal year. An invoice for any expenses incurred during one fiscal year must be submitted to MPHI within forty-five (45) days of the start of the following fiscal year. For example, for work performed on a subcontract between December 1, 2010 and January 31, 2011, an invoice must be submitted for the December 1-31, 2010 portion of expenses by February 14, 2011.

Subcontractor shall send itemized statements no more frequently than monthly and all statements must conform to requirements in the Funding Source Agreement. A final invoice must be submitted to MPHI within fifteen (15) days after the termination date of this contract, unless otherwise agreed in writing by the Grants and Contracts Manager of MPHI. Invoices received after this date without prior approval will not be honored. Payment by the MPHI to the Subcontractor is subject to the availability of funds under the Funding Source Agreement.

Statements/Invoices should be mailed to:  Program Director or Project Coordinator Name
Project Office Name
Michigan Public Health Institute
Address
City, State ZIP
Phone Number
Email Address
EXHIBIT C

COPY OF FUNDING SOURCE AGREEMENT
(see attached)
EXHIBIT D

PRIVACY REQUIREMENTS FOR SUBCONTRACTORS TO
MPHI PRIVACY-SENSITIVE PROJECTS

Contact Information/Definitions:

Privacy-sensitive project: A project may be classified as privacy-sensitive due to applicable federal laws such as HIPAA, because of state or local laws or regulations, or by the MPHI Privacy Panel decision. Privacy-sensitive projects are required to comply with additional and/or modified procedures and safeguards that are not normally applied to standard MPHI projects.

MPHI Program Contact:  
Contact Name  
Address  
City, State ZIP  
Phone Number

MPHI Privacy Officer:  
Ta-Tanisha Manson  
Michigan Public Health Institute  
2436 Woodlake Drive, Suite 340  
Okemos, MI 48864  
(517) 324-6084

Maintaining Security & Confidentiality of Privacy-Sensitive Data
Subcontractor staff working on privacy-sensitive projects will comply with the additional confidentiality and security procedures described below.

1. Controlling Access to Data on Privacy-Sensitive Projects:
   a. Subcontractor staff will be assigned by the Subcontractor to appropriate levels of authorization limiting access to data. These levels of authorization apply to both electronic data and data stored in hardcopy.
   b. The Subcontractor will maintain a log of who has been granted access to the project data, their level of authorization, their role, when access was granted, and when access was changed or revoked.
   c. Subcontractor staff with access to MPHI data will be required to sign a Confidentiality Agreement annually prior to being granted access to project data or information. Signed and dated copies of these Confidentiality Agreements will be supplied to the MPHI program contact.
   d. Subcontractor staff will receive training in the Subcontractor’s privacy and confidentiality policies and procedures, including any enhanced procedures applicable to MPHI projects.

2. Physical Safeguards to Protect Privacy-Sensitive Data:
   a. Any paper documents containing processed or unprocessed MPHI data that contains personal identifiers, or data that are broken out at the individual level are subject to the following security measures:
      i. Documents will not be left in an unattended, unsecured room.
      ii. If paper documents containing data are out on a desk or an open data file is on the computer screen, unauthorized persons will not be allowed in the room. Unauthorized
persons will not be allowed to use a workstation or laptop computer while project data is in use on that workstation.

iii. When leaving the office unattended for extended periods, documents must be placed in a locked drawer or safe accessible only to authorized staff members.

iv. Document shredding is required for documents containing data that have been superseded and/or determined to be obsolete. All documents will be shredded with a cross cut shredder.

3. Technical Safeguards to Protect Privacy-Sensitive Data:
   a. MPHI privacy-sensitive data files may routinely be stored on removable media. Removable media must be placed in a locked drawer or safe accessible only to authorized staff members when not in use.
   b. MPHI data for privacy-sensitive projects may routinely be stored in “Secure” data folders on servers or hard drives with appropriate firewalls and controlled access.
   c. MPHI reserves the right to specify how data will routinely be stored on a project-by-project basis.

4. Sending, Receiving and Transporting MPHI Privacy-Sensitive Data: The data transfer protocols described under this section help to ensure that data are not accessed by unauthorized persons and are neither inadvertently lost nor destroyed.
   a. All incoming and outgoing data transfers, regardless of transmission method, will be logged.
   b. Both paper and electronic MPHI data being retrieved or delivered in person by the Subcontractor must be carried by an authorized staff member and, to the extent practicable, must remain in close physical proximity to that person during the transfer. The staff member must retain knowledge and control over the data’s whereabouts at all times and may not entrust it to any person except an authorized staff member or other person to whom the data are being delivered in compliance with the project workplan or other project needs.
   c. Both paper and electronic MPHI privacy-sensitive data may be transferred via the U.S. Postal Service. Because tampering with the U.S. mail is a federal offense, this should provide adequate protection for the data when coupled with the use of certified or registered mail (including return receipt, restricted delivery, signature confirmation or other additional services). Any electronic files sent in the mail must be encrypted; password protection alone is not an adequate level of security. Subcontractor will use U.S. Postal Service’s registered or certified mail with return receipt service for delivering data or another courier service, such as by United Parcel Service, that offers traceable delivery. For incoming MPHI data, the Subcontractor will require use of courier services that provide tracking information and other security mechanisms similar to those provided by the US Postal Service, and will make every reasonable effort to ensure that project partners comply with secure transfer expectations, including encryption of data.
   d. Subcontractor use of facsimile transfers for confidential MPHI data is strongly discouraged. However, if it is necessary to send outgoing faxes with privacy-sensitive data, Subcontractor staff will maximize the security of the transmission by using a fax cover sheet that clearly identifies the person or entity that should receive the data and clearly states that the remaining pages in the fax contain confidential, privacy-sensitive information. They will also do everything in their control to assure that the intended recipient is at the fax machine at the time of transmission. Staff must request confirmation that the intended person or entity received the fax.
For incoming data, Subcontractor will strongly discourage the use of faxes and will make every reasonable effort to ensure that project partners comply with secure transfer expectations.

e. Electronic data transfers of MPHI data over publicly shared networks, such as email or the Internet, are only permitted when both sender and receiver are using federally approved encryption methods approved by MPHI. The software used to encrypt data should implement a U.S. government approved encryption algorithm called Advanced Encryption Standard (AES).

5. Subcontractor staff that have obtained permission to telecommute while working on an MPHI privacy-sensitive project are required to follow the procedures detailed in EXHIBIT D.

**Disclosing Privacy-Sensitive Data**

The state and federal laws that apply to the project often regulate the disclosure of privacy-sensitive data. Subcontractor should be familiar with the requirements of applicable laws. Subcontractors must follow guidelines for appropriate disclosure (including disclosure to clients, project partners, funders, and subcontractors) outlined in the project workplan or other applicable contractual agreements.

**Report Adverse Events**

Non-compliant data transfers, inadvertent data disclosures, and non-compliance with any of the security procedures required for privacy-sensitive projects must be reported to the MPHI Program contact and MPHI Privacy Officer immediately and documented as an adverse event.