Commonwealth of Kentucky

CONTRACT

IMPORTANT

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Doc Description: Chrysalis House - Purdue Pharma Settlement FY2017-2018	
Doc ID No: PON2 040 1700000091 1	**Procurement Folder:** 4397224
Procurement Type: Memorandum of Agreement	**Record Date:**
Issued By: FRAN PINKSTON	**Cited Authority:** FAP111-44-00
Telephone:	

CONTRACTOR

CHRYSALIS HOUSE INC

1589 HILLRISE DR

LEXINGTON KY 40504
US

Effective From: 01/01/2017 **Effective To:** 06/30/2018

Line	CL Description	Due Date	Quantity	Unit Issue	Unit Price	Contract Amt	Total Price
1	Chrysalis House Funding 2017		0.00		0.00000	100,000.00	100,000.00

Extended Description

Transfer of funds pursuant to Purdue Pharma Settlement and appropriation by the General Assembly Regular Session HB 303. Monies shall be to the use of public health initiatives, educational or public safety campaigns, reimbursement or financing of healthcare services and infrastructure related to addiction prevention and treatment. No expenditure of these funds shall be made which is inconsistent with this purpose, which was outlined by the Settlement Agreement.

BILL TO

421793
OFFICE OF THE ATTORNEY GENERAL
700 CAPITAL AVENUE
ROOM 34, CAPITAL BUILDING
FRANKFORT KY 40601
US

SHIP TO

421793
OFFICE OF THE ATTORNEY GENERAL
700 CAPITAL AVENUE
ROOM 34, CAPITAL BUILDING
FRANKFORT KY 40601
US

Effective From: 01/01/2017 **Effective To:** 06/30/2018

Line	CL Description	Due Date	Quantity	Unit Issue	Unit Price	Contract Amt	Total Price
2	Chrysalis House Funding 2018		0.00		0.00000	100,000.00	100,000.00

Extended Description

Transfer of funds pursuant to Purdue Pharma Settlement and appropriation by the General Assembly Regular Session HB 303. Monies shall be to the use of public health initiatives, educational or public safety campaigns, reimbursement or financing of healthcare services and infrastructure related to addiction prevention and treatment. No expenditure of these funds shall be made which is inconsistent with this purpose, which was outlined by the Settlement Agreement.

BILL TO	SHIP TO
421793 OFFICE OF THE ATTORNEY GENERAL 700 CAPITAL AVENUE ROOM 34, CAPITAL BUILDING FRANKFORT KY 40601 US	421793 OFFICE OF THE ATTORNEY GENERAL 700 CAPITAL AVENUE ROOM 34, CAPITAL BUILDING FRANKFORT KY 40601 US

Total Order Amount:	200,000.00

MEMORANDUM OF AGREEMENT

Between
Kentucky Office of the Attorney General
And
Chrysalis House

This MEMORANDUM OF AGREEMENT (hereinafter the "Memorandum") is made and entered into this 15th day of November, 2016, by and between Chrysalis House, with an address of 1589 Hill Rise Dr., Lexington , KY 40504, (hereinafter "Chrysalis House") and the OFFICE OF THE ATTORNEY GENERAL OF KENTUCKY, a Constitutional Office within the Commonwealth of Kentucky, with an address of 700 Capital Avenue, Suite 118, Frankfort, KY 40601, (hereinafter "Office of the Attorney General"). This Memorandum of Agreement is effective January 1, 2017 through June 30, 2018.

W I T N E S S E T H:

WHEREAS, the Office of the Attorney General has undertaken litigation against Purdue Pharma et. al. in connection with their marketing of prescription medications to the Commonwealth and its citizens and has reached settlements in the lawsuit;

WHEREAS, the General Assembly of the Commonwealth in the 2016 Regular Session, HB 303 directs for One Hundred Thousand Dollars ($100,000.00) to be transferred to Chrysalis House in each of the fiscal years for 2017-2018.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, and for other good and valuable consideration, the receipt, mutuality, and sufficiency of which is hereby acknowledged by the parties hereto, and the Office of the Attorney General agree as follows:

SECTION 1. OBLIGATIONS OF THE OFFICE OF THE ATTORNEY GENERAL

The Office of the Attorney General covenants and agrees to undertake the following obligations:

With the execution of this Memorandum, the Office of the Attorney General agrees to disburse to Chrysalis House One Hundred Thousand Dollars ($100,000.00) to fund and administer the programs specifically identified in Section 3 in each of the fiscal years for 2017-2018.

SECTION 2. OBLIGATIONS OF CHRYSALIS HOUSE

Chrysalis House covenants and agrees to administer the funding for the following Programs through either its departments or by contract or grant with an external entity. In any instance where Chrysalis House contracts or grants with an external entity to administer Programs under the terms of this Memorandum of Agreement, Chrysalis House must execute a written agreement with the external entity that is subject to the approval of the Office of the Attorney General. No funds shall pass from Chrysalis House to any external entity for Program administration unless and until the Office of the Attorney General, in writing, reviews and assents to the terms of the written agreement between Chrysalis House and the external agency.

Chrysalis House will submit reports semi-annually to the Office of the Attorney General on the expenditure of the

funds in order to help the Office of the Attorney General assess the impact of the award. In any instance in which Chrysalis House enters into a written contract or grant with an external entity pursuant to this Section III, the external entity shall also submit semi-annual written reports to the Office of the Attorney General consistent with this paragraph.

Chrysalis House covenants and agrees to administer, Two Hundred Thousand Dollars ($200,000.00) of the Commonwealth of Kentucky's share of the Settlement only to the use of public health initiatives, educational or public safety campaigns, reimbursement or financing of healthcare services and infrastructure related to addiction prevention and treatment. No expenditure of these funds shall be made which is inconsistent with this purpose, which was outlined by the Settlement Agreement.

SECTION 3. MUTUALITY OF OBLIGATIONS

A. The Office of the Attorney General and Chrysalis House agree that the obligations imposed upon each are for the benefit of the Office of the Attorney General and Chrysalis House and that the timely fulfillment of each and every obligation in accordance with this Memorandum is necessary. The failure of a party to fulfill its obligations under this Memorandum or the failure of any event to occur by the date established by this Memorandum shall constitute a breach of this Memorandum unless the fulfillment of such obligation is waived or modified by written agreement of the parties.

B. Except as may otherwise be provided herein, each party to this Memorandum shall be solely responsible for any costs incurred in fulfilling its obligations under this Memorandum, and no party shall have any claim against any other party for reimbursement of such costs, whether or not any party is in default.

C. Waiver by either party of performance by the other party of any of the provisions of this Memorandum shall not be construed as a waiver of any further right to insist upon full performance of the terms of this Memorandum.

SECTION 4. GENERAL PROVISIONS

Cancellation clause:
Either party may cancel the agreement at any time for cause or may cancel without cause on 30 days' written notice.

Funding Out Provision:
The state agency may terminate this agreement if funds are not appropriated to the contracting agency or are not otherwise available for the purpose of making payments without incurring any obligation for payment after the date of termination, regardless of the terms of the agreement. The state agency shall provide the Contractor thirty (30) calendar days written notice of termination of the agreement due to lack of available funding.

Reduction in Contract Worker Hours:
The Kentucky General Assembly may allow for a reduction in contract worker hours in conjunction with a budget balancing measure for some professional and non-professional service contracts. If under such authority the agency is required by Executive Order or otherwise to reduce contract hours, the agreement will be reduced by the amount specified in that document.

Access to Records:
The state agency certifies that it is in compliance with the provisions of KRS 45A.695, "Access to contractor's books, documents, papers, records, or other evidence directly pertinent to the contract." The Contractor, as defined in KRS

45A.030(8) and (10), agrees that the contracting agency, the Finance and Administration Cabinet, the Auditor of Public Accounts, and the Legislative Research Commission, or their duly authorized representatives, shall have access to any books, documents, papers, records, or other evidence, which are directly pertinent to this agreement for the purpose of financial audit or program review. The Contractor also recognizes that any books, documents, papers, records, or other evidence, received during a financial audit or program review shall be subject to the Kentucky Open Records Act, KRS 61.870 to 61.884. Records and other prequalification information confidentially disclosed as part of the bid process shall not be deemed as directly pertinent to the agreement and shall be exempt from disclosure as provided in KRS 61.878(1)(c).

Effective Date:
All Memorandum of Agreements are not effective until the Secretary of the Finance and Administration Cabinet or his authorized designee has approved the agreement and until the agreement has been submitted to the government contract review committee. However, in accordance with KRS 45A.700, memoranda of agreement in aggregate amounts of $50,000 or less are exempt from review by the committee and need only be filed with the committee within 30 days of their effective date for informational purposes.

KRS 45A.695(7) provides that payments on personal service contracts and memoranda of agreement shall not be authorized for services rendered after government contract review committee disapproval, unless the decision of the committee is overridden by the Secretary of the Finance and Administration Cabinet or agency head, if the agency has been granted delegation authority by the Secretary.

Violation of tax and employment laws:
KRS 45A.485 requires the Contractor and all subcontractors performing work under the agreement to reveal to the Commonwealth, prior to the award of a contract, any final determination of a violation by the Contractor within the previous five (5) year period of the provisions of KRS chapters 136, 139, 141, 337, 338, 341, and 342. These statutes relate to the state sales and use tax, corporate and utility tax, income tax, wages and hours laws, occupational safety and health laws, unemployment insurance laws, and workers compensation insurance laws, respectively.

To comply with the provisions of KRS 45A.485, the Contractor and all subcontractors performing work under the agreement shall report any such final determination(s) of violation(s) to the Commonwealth by providing the following information regarding the final determination(s): the KRS violated, the date of the final determination, and the state agency which issued the final determination.

KRS 45A.485 also provides that, for the duration of any contract, the Contractor and all subcontractors performing work under the agreement shall be in continuous compliance with the provisions of those statutes, which apply to their operations, and that their failure to reveal a final determination as described above, or failure to comply with the above statutes for the duration of the agreement shall be grounds for the Commonwealth's cancellation of the agreement and their disqualification from eligibility for future state contracts for a period of two (2) years.

Contractor must check one:
_____ The Contractor has not violated any of the provisions of the above statutes within the previous five (5) year period.

_____ The Contractor has violated the provisions of one or more of the above statutes within the previous five (5) year period and has revealed such final determination(s) of violation(s). Attached is a list of such

determination(s) , which includes the KRS violated, the date of the final determination, and the state agency which issued the final determination.

Discrimination:
This section applies only to agreements disbursing federal funds, in whole or part, when the terms for receiving those funds mandate its inclusion. Discrimination (because of race, religion, color, national origin, sex, sexual orientation, gender identity, age, or disability) is prohibited. During the performance of this agreement, the Contractor agrees as follows:

1. The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, national origin, sex, sexual orientation, gender identity or age. The Contractor further agrees to comply with the provisions of the Americans with Disabilities Act (ADA), Public Law 101-336, and applicable federal regulations relating thereto prohibiting discrimination against otherwise qualified disabled individuals under any program or activity. The Contractor agrees to provide, upon request, needed reasonable accommodations. The Contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, religion, color, national origin, sex, sexual orientation, gender identity, age or disability. Such action shall include, but not be limited to the following; employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensations; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.

2. In all solicitations or advertisements for employees placed by or on behalf of the Contractor, the Contractor will state that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, sex, sexual orientation, gender identity, age or disability.

3. The Contractor will send to each labor union or representative of workers with which he/she has a collective bargaining agreement or other contract or understanding, a notice advising the said labor union or workers' representative of the Contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment. The Contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance.

4. The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965 as amended, and of the rules, regulations and relevant orders of the Secretary of Labor.

5. The Contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, as amended, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

6. In the event of the Contractor's noncompliance with the nondiscrimination clauses of this agreement or with any of the said rules, regulations or orders, this agreement may be cancelled, terminated or suspended in whole or in part and the Contractor may be declared ineligible for further government contracts or federally-assisted construction contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, as amended, and such other sanctions may be imposed and remedies invoked as provided in or as otherwise provided by law.

7. The Contractor will include the provisions of paragraphs (1) through (7) of section 202 of Executive Order 11246 in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor, issued pursuant to section 204 of Executive Order No. 11246 of September 24, 1965, as amended, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event a Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

Section 5. Approvals

This contract is subject to the terms and conditions as stated. By affixing signatures below, the parties agree that electronic approvals may serve as electronic signatures. In addition, the parties verify that they are authorized to bind this agreement between parties and that they accept the terms of the agreement.

Office of the Attorney General:

_____ _____

Signature Title

_____ _____

Printed Name Date

CHRYSALIS HOUSE:

_____ _____

Signature Title

_____ _____

Printed Name Date

Approved as to form and legality:

_____

Attorney