



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Charlie Janssen
State Auditor

Charlie.Janssen@nebraska.gov
PO Box 98917
State Capitol, Suite 2303
Lincoln, Nebraska 68509
402-471-2111, FAX 402-471-3301
www.auditors.nebraska.gov

November 9, 2015

Courtney Phillips, Chief Executive Officer
Department of Health and Human Services
301 Centennial Mall South, 3rd Floor
Lincoln, NE 68509-5026

Dear Ms. Phillips:

This letter is provided pursuant to AICPA Auditing Standards AU-C Section 265.A17, which permits the early communication of certain audit findings due to their significance and the urgent need for corrective action.

The audit work addressed herein was performed as part of the fiscal year 2015 Comprehensive Annual Financial Report (CAFR) audit. This communication is based on our audit procedures through June 30, 2015. Because we have not completed our audit of the fiscal year 2015 CAFR, additional matters may be identified and communicated in our final reports.

In planning and performing our audits of the financial statements, we considered the State's internal control over financial reporting (internal control) as a basis for designing audit procedures for the purpose of expressing our opinions on the financial statements of the State, but not for the purpose of expressing an opinion on the effectiveness of the State's internal control. Accordingly, we do not express an opinion on the effectiveness of the State's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

We noted certain internal control or compliance matters related to the Department of Health and Human Services (DHHS), or other operational matters that are presented below for your consideration. The following comment and recommendation, which has been discussed with the appropriate members of management, are intended to improve internal control or result in other operating efficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a

deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We did not identify any deficiencies in internal control that we consider to be a significant deficiency.

Draft copies of this letter were furnished to provide DHHS management with an opportunity to review and to respond to the comment and recommendation contained herein. All formal responses received have been incorporated into this letter. Responses have been objectively evaluated and recognized, as appropriate, in the letter. Responses that indicate corrective action has been taken were not verified at this time, but they will be verified in the next audit.

This letter explains concerns relating to office space leased by DHHS at 5220 South 16th Street in Lincoln, Nebraska, and the process used to obtain the requests for proposals for the leasing of that property.

Background Information

In February 2012, DHHS announced that KVC Behavioral Healthcare Nebraska, Inc. (KVC) would no longer provide child welfare case management and related services for the State, effective March 1, 2012. As part of the transition process, DHHS agreed to pay the remaining cost of the office space leased by KVC, which was located at 5220 South 16th Street in Lincoln, Nebraska, from March 1, 2012, to May 30, 2012.

Subsequently, DHHS entered into a temporary lease of the same property for the period of September 2012 to August 2013, paying \$484,575 for that one year's rent. DHHS then issued a request for proposal (RFP), seeking new office space in excess of 38,000 square feet. DHHS entered into another lease for the 5220 South 16th Street property, agreeing to pay \$362,057 per year to rent the same office space from November 1, 2013, to August 31, 2018.

The APA was first contacted regarding DHHS' new lease for the 5220 South 16th Street location in June 2013. At that time, concerns were raised that the RFP had been written to match the description of that same location, which was already being temporarily leased by DHHS. The APA reviewed the RFP process but found nothing unusual based on the information provided by DHHS.

After a new management team was put in place at DHHS, the APA received a request in July 2015 to review the lease arrangement again. At this point, DHHS staff produced previously undisclosed information regarding the RFP process. In carrying out a new review of the lease arrangement, the APA interviewed the following DHHS and Department of Administrative Services (DAS) personnel:

- Amir Azimi, DHHS Administrator II
- Greg Hood, DHHS Safety/Emergency Preparation & Response Coordinator

- Rodney Anderson, DAS Building Division Administrator
- Paula Sedlacek, former DAS State Property Program Manager
- Matt Clough, former DHHS Chief Operating Officer

During fiscal year 2015 alone, DHHS paid \$362,057 to lease office space at the 5220 South 16th Street location. The following comment and recommendation addresses the APA's concerns regarding the RFP process resulting in that lease agreement.

Comment and Recommendation

The APA identified the following three concerns with the RFP process that led to DHHS leasing the 5220 South 16th Street location: 1) DHHS wrote and modified the RFP to fit the description of the office space that it was already temporarily leasing; 2) the facility workstation specifications did not meet those set out in the RFP, and 3) the RFP's electrical service requirements for the facility were not met.

RFP Draft and Modifications

According to the DHHS and DAS Building personnel interviewed, the RFP was written using the specifications of the 5220 South 16th Street location already under temporary lease.

In fact, DHHS made several modifications to its standard building lease template, including workstations and cubicles, parking availability, specific types of door handles and hand dryers, and data wiring that was not consistent with DHHS data wiring requirements at that time. Included below are examples of some of the modifications made to the original draft RFP. The colored fonts identify the modifications to DHHS' standard template.

Workstation Modification:

Furnishings:

Lessor shall provide cubicles or divided workstations to accommodate 237 staff members as part of the proposal.

Parking Modification:

- c. Employees: Two Hundred Forty (240) parking spaces required for employees. It is highly desired that parking be located within two blocks of the Demised Premises. Due to the nature of the work the staff perform and the need to quickly access transportation, parking directly outside the building is strongly preferred.

Door Handle Modification:

All doors must be equipped with ADA compliant handles, or be easily modified. The front exterior door shall be equipped with an automatic opener and meet ADA accessibility requirements. If the main entrance into the building does not open directly into the proposed space, both doors must meet this requirement.

Hand Dryer Modification:

All restrooms are to be fully equipped with toilets, partition walls, sinks, mirrors, soap dispensers, towel dispensers or hand dryers, and waste receptacles for anticipated users and accessible according to the ADAAG requirements and all fixtures must be high grade commercial fixtures. All restrooms must meet current city and/or local codes. Proposal must include restroom space size and number of stalls for each. Paper products for restrooms should be included in the rental rate provided in each proposal.

Data Wiring Modification:

Each data cable shall at a minimum be a solid copper, 23 or 24 AWG, 100 Ω balanced twisted-pair (UTP) Category 5e cable with four individually twisted-pairs, which meet or exceed the mechanical and transmission performance specifications in ANSI/TIA/EIA-568-B up to 250 MHz. Tenant Agency will only accept Category 5e in an existing configuration. If the building floor plan is changing to meet the requirements of the RFP, or if future remodels are preformed, Category 6, or better, wiring shall be used.

Workstations

The original RFP required 196 cubicles that measured eight foot by eight foot, 4 clerical cubicles that were ten foot by ten foot, and 37 private offices that were ten foot by fifteen foot, for a total of 237 workstations.

According to the email documentation provided by DHHS after the lease was signed, the 5220 South 16th Street office building had 209 five-foot by six-foot cubicles, 11 six-foot by eight-foot cubicles, and 20 private offices. See email documentation in **Attachment 1**. Although the number of workstations provided was more than the 237 required in the RFP, the size of the cubicles did not meet the DHHS standard workstation sizes specified in that same document. Additional cubicle panels were needed, therefore, in order to comply with the RFP requirements.

To determine whether the owner of the 5220 South 16th Street office building had the additional cubicle panels required, April Leach-Sanna, DHHS Interior Space Planner II, and Amir Azimi, DHHS Administrator II, visited the owner's storage area to examine the "panel system." No cubicle panels were found there. Ms. Leach-Sanna indicated that she would check to see if there were areas at the storage facility that were missed. Again, they found nothing. Email correspondence appears to indicate that the building owner was unwilling to expend additional funds on renovations needed in order to make the building compliant with the RFP.

In June 2014, DHHS purchased additional cubicle panels costing \$168,900.05 for the 5220 South 16th Street office building. See **Attachment 2** for email correspondence regarding the panels. See **Attachment 3** for a copy of the panel invoices.

According to DHHS, the purchases noted above included 67 new cubicles. Additionally, 12 additional cubicles were built with surplus panels from DHHS inventory. **Attachment 4** is an illustration of the office location after the additional panels were purchased. The areas highlighted in blue represent the panels purchased by DHHS, while the areas highlighted in pink represent those panels built from surplus panels.

Currently the 5220 South 16th Street office building leased by DHHS contains 246 cubicles, 20 floor-to-ceiling offices, and 2 reception spaces.

Electrical Work

The RFP drafted by DHHS requires the Lessor to bear the cost of providing the following:

An Existing Facility: Demised Premises structure and building components shall include . . . all mechanical equipment, such as HVAC system, electrical service . . . (Emphasis added.)

Despite this requirement, the electrical service at the 5220 South 16th Street office building proved insufficient to meet the needs of all of the planned DHHS employees. Consequently, DHHS had to pay for additional electrical work to correct the defect at the leased property.

On May 16, 2014, Ms. Leach-Sanna sent an email message to Greg Hood, DHHS Safety/Emergency Preparation & Response Coordinator, regarding the bid for the needed electrical work, which included “a 75 KVA 480 VOLT to 120/208 transformer, a 60 circuit 120/208 volt panel, and a 100 amp 3-phase I-Line breaker to feed the transformer.” That same day, Ms. Leach-Sanna informed the building owner via email that an additional transformer was needed. Her email message explains, “Mr. [Matt] Clough [former DHHS Chief Operating Officer] asked me to extend the courtesy of sharing this information with you and inquire if you have resources to assist us in this project.”

On May 22, 2014, Ms. Leach-Sanna reiterated her previous request in a follow-up email message to the building owner: “We would appreciate any assistance you are willing to provide in obtaining the necessary power to the building at S. 16th.”

Almost a week later, on May 28, 2014, Ms. Leach-Sanna sent an email message to both Mr. Hood and Mr. Azimi. In that message, she described being told the following during a telephone conversation with the building owner: “Yes, Good Morning, I just wanted to talk to the Director, Matt about this. Please have him call me.” Mr. Azimi forwarded Ms. Leach-Sanna’s email message to Mr. Clough, who responded as follows on the same day: “Move forward on the electrical with the firm that quoted at DHHS expense.” (Emphasis added.)

See **Attachment 5** for a copy of this email correspondence.

As a result, DHHS paid \$32,077 in September and October 2014 for the needed electrical work at the 5220 South 16th Street office building. See **Attachment 6** for a copy of the contract.

Good internal control requires procedures to ensure a standardized, fair, and open process for the selection of leased office space by a State agency. Furthermore, such procedures should ensure compliance with the requirements of the RFP for the office space lease. Without adequate procedures to ensure both a standardized, fair, and open selection process and compliance with the requirements of the RFP, there is an increased risk for loss of public funds when the State leases office space.

We recommend DHHS implement adequate procedures to ensure a standardized, fair, and open process for leasing office space. We also recommend DHHS ensures the lessor complies with the requirements of the RFP.

DHHS Response: The Department of Health and Human Services (DHHS) will continue to follow the RFP process as established by the Department of Administrative Services (DAS). Furthermore, DHHS will implement policies and procedures to strengthen internal controls and ensure compliance with the RFP process. These policies and procedures will clearly communicate the internal expectations and process by which DHHS will adhere to DAS standards.

Our audit procedures are designed primarily on a test basis and, therefore, may not bring to light all weaknesses in policies or procedures that may exist. Our objective is, however, to use our knowledge of the agencies and their interaction with other State agencies and administrative departments gained during our work to make comments and suggestions that we hope will be useful to the agencies.

This interim communication is intended solely for the information and use of DHHS, its management, the Governor and the State Legislature. It is not intended to be, and should not be, used by anyone other than the specified parties. However, this letter is a matter of public record, and its distribution is not limited.

If you have any questions regarding the above information, please contact our office.

Sincerely,

A handwritten signature in black ink, appearing to read "C. J. Janssen", with a long horizontal flourish extending to the right.

Charlie Janssen

Nebraska Auditor of Public Accounts

DHHS Building Lease – 5220 South 16th Street
Count of Workstations

Attachment 1

Imlay, Rita

From: Leach-Sanna, April
Sent: Thursday, December 26, 2013 11:18 AM
To: Azimi, Amir
Subject: S. 16th counts

5220 South 16th

Existing

220 total cubes(not including reception)

209 – 5x6

11 – 6x8

20 - Private Offices

2 – Interview rooms

2 – Family Visitation Rooms

1-Observation room

1 - reception cube

Proposed

278 total cubes(not including reception)

54 - new 8x8 cubes

4 - new 8x12 cubes

1-new reception cube

Thank you.

April Leach-Sanna, Project Manager
Support Services - Operations
Dept. of Nebraska Health & Human Services
301 Centennial Mall South (5th floor)
Lincoln, NE 68509
Phone: (402)471-1574 Fax (402)471-9455
April.Leach-Sanna@nebraska.gov

DHHS Building Lease – 5220 South 16th Street
Email Correspondence on Panel Purchase

Attachment 2

Azimi, Amir

From: Clough, Matt
Sent: Friday, November 08, 2013 5:45 PM
To: Azimi, Amir
Cc: Hood, Greg; Leach-Sanna, April
Subject: RE: South 16th

Amir,

We can discuss these panel purchases in any order or format you would like, however the funding question still must be answered.

I can take a look at the RFP that generated the award to lease the south 16th property but as I recall the panel system was calculated based on what was available, not whatever quantity we choose to utilize. In the event the property was leased the plan was always to move up to 250 staff to south 16th filling the area currently used for meetings. This is reflected in the July 23rd email you copy below.

I would suggest you meet with Dan or Lori in budget first to understand your funding options before taking the time of Lindy or Vicki.

Moving forward with this conversation it will be more efficient to talk rather than email. Please feel free to stop in.

Thanks.

Matt

Matthew G. Clough
Chief Operating Officer
Department of Health and Human Services
301 Centennial Mall South
Lincoln, NE 68509-5026
402-471-1877

From: Azimi, Amir
Sent: Thursday, November 07, 2013 4:17 PM
To: Clough, Matt
Cc: Hood, Greg; Leach-Sanna, April
Subject: South 16th

I would like to keep the discussion of panel system for NSOB, Kearney and South 16th separate. The NSOB panel system is a long term need after we receive the first floor space. Kearney is a County driven project and we don't have adequate panel systems to meet the immediate needs. Because panels were to be included in the RFP, the South 16th panel system has never been on Support Services agenda.

The first draft floor plan I provided you for South 16th is the minimal construction changes to meet the RFP requirements. These requirements include a specific number of floor to ceiling offices, interview rooms, conference room, cubicles, etc. Working with the existing building and lay out does not provide an efficient floor plan. The building as is still requires wiring/power poles to utilize the large vacant area in the middle.

If DHHS must provide panels we could meet with Lindy Bryceson and Vicki Maca to see whether they have sufficient resources to cover the cost.

Thank you,

Amir Azimi, Administrator
Support Services - Operations
NE Dept of Health & Human Services
301 Centennial Mall South (5th floor)
Lincoln, NE 68509
(402)471-9309
| Amir.Azimi@nebraska.gov

From: Clough, Matt
Sent: Thursday, November 07, 2013 10:49 AM
To: Azimi, Amir
Cc: Hood, Greg; Leach-Sanna, April
Subject: RE: South 16th

Hi Amir,

In addition to NSOB and Kearney panel purchases, you are planning to purchase panel system for South 16th? Please let me know the cost of this purchase and how you anticipate funding it?

I did have a brief conversation with Mr. Sampson about the possibility of him making renovations. His initial response was that he worked to be very competitive on the rate per square foot and that in doing so didn't leave a lot of room for renovations beyond the standard wear and tear of use, and the maintenance. I am open to further conversation with him.

What can you do currently to more fully utilize this space?

Thanks

Matt

Matthew G. Clough
Chief Operating Officer
Department of Health and Human Services
301 Centennial Mall South
Lincoln, NE 68509-5026
402-471-1877

From: Azimi, Amir
Sent: Wednesday, November 06, 2013 11:33 AM
To: Clough, Matt
Cc: Hood, Greg; Leach-Sanna, April
Subject: South 16th

Attached is the first draft floor plan covering identified spaces in the RFP. I have given you the hard copy showing the minimum requirements for some floor to ceiling wall changes on July 23rd (see note below). You were going to share the plan with Mr. Sampson to discuss the extent of remodeling/construction prior to sharing the plan with Lindy Bryceson.

The next steps after finalizing the floor plan:

- Timeline for construction/renovation

DHHS Building Lease – 5220 South 16th Street
Email Correspondence on Panel Purchase

Attachment 2

- Identifying staff moving from other buildings ie; Golds to South 16th
- Upgrading their security card system to DHHS access card system
- Panel system order/identified
- Furnishings and equipment for conference rooms, interview room, etc
- Schedule the panel move & set up
- Move staff to the final set up

Thank you,

Amir Azimi, Administrator
Support Services - Operations
NE Dept of Health & Human Services
301 Centennial Mall South (5th floor)
Lincoln, NE 68509
(402)471-9309
| Amir.Azimi@nebraska.gov

From: Clough, Matt
Sent: Tuesday, July 23, 2013 5:34 PM
To: Azimi, Amir
Cc: Hood, Greg; Leach-Sanna, April
Subject: RE: Proposed S 16th floor plan --Draft 1

This looks good, we can talk more about it tomorrow. I don't want any information disclosed to anyone until the full plan is developed i.e. timeline, cubicles, conference room furnishings, chairs etc.

Matthew G. Clough
Chief Operating Officer
Department of Health and Human Services

From: Azimi, Amir
Sent: Tuesday, July 23, 2013 2:40 PM
To: Clough, Matt
Cc: Hood, Greg; Leach-Sanna, April
Subject: Proposed S 16th floor plan --Draft 1

As you requested, attached is the first proposed floor plan for the DHHS South 16th Street Office. Please let me know how you wish to proceed, and can this be shared with Vicki Maca/Lindy Bryceson?

Thank you,

Amir Azimi, Administrator
Support Services - Operations
NE Dept of Health & Human Services
301 Centennial Mall South (5th floor)
Lincoln, NE 68509
(402)471-9309
| Amir.Azimi@nebraska.gov

From: Clough, Matt

DHHS Building Lease – 5220 South 16th Street
Email Correspondence on Panel Purchase

Attachment 2

Sent: Wednesday, November 06, 2013 10:58 AM
To: Azimi, Amir
Subject: South 16th

Amir,

The South 16th Street lease is signed. As soon as Thomas and Lindy are notified that it is signed the logical next step that we can anticipate is that you will begin getting questions on how you will begin the space design and moving process. Please prepare a basic outline that can be provided to folks that you and I can review.

Thanks.

Matt

Matthew G. Clough
Chief Operating Officer
Department of Health and Human Services
301 Centennial Mall South
Lincoln, NE 68509-5026
402-471-1877

DHHS Building Lease – 5220 South 16th Street
Knoll Invoice

Attachment 3

Please remit to:
Knoll, Inc.
P.O. Box 841366
Dallas, TX 75284-1366

Knoll

INVOICE Page 1

Federal Tax Id: 13-3873847

INVOICE NUMBER	INVOICE DATE	PAYMENT TERMS
3758198	05/06/14	NET 30 DAYS

SOLD TO

STATE OF NEBRASKA
HHS NSOB
301 CENTENNIAL MALL S 3RD FLR
LINCOLN NE 68508

CUSTOMER PURCHASE ORDER INFORMATION

Purchase Order Number: 520625 OG
Purchase Order Release: 41-39-33666
Purchase Order Date: 03/12/14

SHIP TO

OFFICE INNOVATIONS
1801 NORTH 1ST STREET
LINCOLN NE 68508

FINAL DESTINATION

HHSS DEPT OF FIN SUPPORT
301 CENTENNIAL MALL S
LINCOLN, NE 68508-2529

Freight Terms: FOB - SHIPPING POINT PREPAID

Knoll Sales Order Number: 3902054 SO
Knoll Customer Number: 1071971

All of the wood furniture-except Knoll Studio, Cascades tops and Antenna Workspaces Accent Laminates - listed on this document, that is made with domestic veneers cherry, maple, walnut, oak and laminate is FSC Mix 70% (RA-COC-004469)

SELLING POLICY:

Seller hereby gives notice of its objection to any different or additional terms and conditions. Purchaser acknowledges and agrees to be bound by the terms and conditions of the Knoll, Inc. Selling Policy attached hereto or previously sent to Purchaser, except where Purchaser and Seller have a fully executed agreement between them. This Selling Policy is also available at www.knoll.com.

DHHS Building Lease – 5220 South 16th Street
Knoll Invoice

Attachment 3

Page: 2

Sold To: STATE OF NEBRASKA
HHS NSOB
301 CENTENNIAL MALL S 3RD FLR
LINCOLN NE 68509

Knoll

Knoll, Inc.

Invoice Number	Invoice Date
3758198	05/06/14

Purchase Order No. 520625 OG
Purchase Order Release 41-39-33666

Line/ Ship Date	Pattern	Description	Qty	List Price	Discount	Unit Net Price	Extended Price
3.000	ED2SPA24C	6/6/12 SUSP WK HT 24" K LK PED Shipped Via: GTIF Shipped Date: 05/05/14 B.O.L.: 180425670010001	67.000	839.00	80.50	163.60 Per EA	10,961.20
4.000	ED3PTN	PENCIL TRAY BLACK Shipped Via: GTIF Shipped Date: 05/05/14 B.O.L.: 180425670010001	67.000	38.00	80.50	7.41 Per EA	496.47
5.000	EL4TSE49	TASK LIGHT EQUITY USE WITH 60" & WIDER OVERHEAD Shipped Via: GTIF Shipped Date: 05/05/14 B.O.L.: 180425670010001	67.000	280.00	80.50	54.60 Per EA	3,658.20
8.000	EP1DP6580	DUAL PANEL CONN. 65/80 R'WAYED Shipped Via: GTIF Shipped Date: 05/05/14 B.O.L.: 180425670010001	20.000	177.00	80.50	34.51 Per EA	690.20
11.000	EP1FA2440R	PANEL-FABRIC ACOUSTIC Shipped Via: GTIF Shipped Date: 05/05/14 B.O.L.: 180425670010001	52.000	690.00	80.50	134.55 Per EA	6,996.60
12.000	EP1FA2465R	PANEL-FABRIC ACOUSTIC Shipped Via: GTIF Shipped Date: 05/05/14 B.O.L.: 180425670010001 Shipped Via: GTIF Shipped Date: 05/04/14 B.O.L.: 180425670000001	176.000	821.00	80.50	160.09 Per EA	28,175.84

DHHS Building Lease – 5220 South 16th Street
Knoll Invoice

Attachment 3

Sold To: STATE OF NEBRASKA
HHS NSOB
301 CENTENNIAL MALL, S 3RD FLR
LINCOLN NE 68509

Knoll

Knoll, Inc.

Page: 3

Invoice Number	Invoice Date
3758198	05/06/14

Purchase Order No. 520625 OG
Purchase Order Release 41-39-33666

Line/ Ship Date	Pattern	Description	Qty	List Price	Discount	Unit Net Price	Extended Price
13.000	EP1FA2480R	PANEL-FABRIC ACOUSTIC Shipped Via: GTIF Shipped Date: 05/05/14 B.O.L.: 180425670010001	20.000	825.00	80.50	160.97 Per EA	3,217.40
14.000	EP1FA3040R	PANEL-FABRIC ACOUSTIC Shipped Via: GTIF Shipped Date: 05/05/14 B.O.L.: 180425670010001	2.000	711.00	80.50	138.64 Per EA	277.28
15.000	EP1FA3065R	PANEL-FABRIC ACOUSTIC Shipped Via: GTIF Shipped Date: 05/05/14 B.O.L.: 180425670010001	13.000	869.00	80.50	169.45 Per EA	2,202.85
16.000	EP1FA3080R	PANEL-FABRIC ACOUSTIC Shipped Via: GTIF Shipped Date: 05/05/14 B.O.L.: 180425670010001	2.000	927.00	80.50	180.76 Per EA	361.52
17.000	EP1FA3640R	PANEL-FABRIC ACOUSTIC Shipped Via: GTIF Shipped Date: 05/05/14 B.O.L.: 180425670010001	10.000	734.00	80.50	143.13 Per EA	1,431.30
18.000	EP1FA3665R	PANEL-FABRIC ACOUSTIC Shipped Via: GTIF Shipped Date: 05/05/14 B.O.L.: 180425670010001 Shipped Via: GTIF Shipped Date: 05/04/14 B.O.L.: 180425670000001	298.000	924.00	80.50	180.18 Per EA	53,693.64

DHHS Building Lease – 5220 South 16th Street
Knoll Invoice

Attachment 3

Page: 4

Sold To: STATE OF NEBRASKA
HHS NSOB
301 CENTENNIAL MALL S 3RD FLR
LINCOLN NE 68509

Knoll

Knoll, Inc.

Invoice Number	Invoice Date
3758198	05/06/14

Purchase Order No. 520625 OG
Purchase Order Release 41-39-33666

Line/ Ship Date	Pattern	Description	Qty	List Price	Discount	Unit Net Price	Extended Price
19.000	EP1FA3680R	PANEL-FABRIC ACOUSTIC Shipped Via: GTIF Shipped Date: 05/05/14 B.O.L.: 180425670010001	33.000	1,035.00	80.50	201.82 Per EA	6,660.06
22.000	EP1P40E	BND CONNECTOR KIT Shipped Via: GTIF Shipped Date: 05/04/14 B.O.L.: 180425670000001	48.000	146.00	80.50	28.47 Per EA	1,366.56
23.000	EP1P40S	STRAIGHT CONN. (180) KIT Shipped Via: GTIF Shipped Date: 05/05/14 B.O.L.: 180425670010001	9.000	138.00	80.50	26.91 Per EA	242.19
24.000	EP1P40T	THREE WAY CONN. "T" KIT Shipped Via: GTIF Shipped Date: 05/04/14 B.O.L.: 180425670000001	3.000	133.00	80.50	25.93 Per EA	77.79
25.000	EP1P65E	END CONNECTOR KIT Shipped Via: GTIF Shipped Date: 05/05/14 B.O.L.: 180425670010001	76.000	151.00	80.50	29.44 Per EA	2,237.44

DHHS Building Lease – 5220 South 16th Street
Knoll Invoice

Attachment 3

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Knoll

Knoll, Inc.

Page: 5

Invoice Number	Invoice Date
3758198	05/06/14

Purchase Order No. 520625 OG
Purchase Order Release 41-39-33666

Line/ Ship Date	Pattern	Description	Qty	List Price	Discount	Unit Net Price	Extended Price
		Shipped Via: GTIF Shipped Date: 05/05/14 B.O.L.: 180425670010001					
26.000	EP1P65L	CORNER CONN (90) KIT	44.000	139.00	80.50	27.10 Per EA	1,192.40
		Shipped Via: GTIF Shipped Date: 05/04/14 B.O.L.: 180425670000001					
		Shipped Via: GTIF Shipped Date: 05/05/14 B.O.L.: 180425670010001					
27.000	EP1P65S	STRAIGHT CONN. (180) KIT	284.000	144.00	80.50	28.08 Per EA	7,974.72
		Shipped Via: GTIF Shipped Date: 05/05/14 B.O.L.: 180425670010001					
		Shipped Via: GTIF Shipped Date: 05/04/14 B.O.L.: 180425670000001					
28.000	EP1P65T	THREE WAY CONN. "T" KIT	34.000	139.00	80.50	27.10 Per EA	921.40
		Shipped Via: GTIF Shipped Date: 05/04/14 B.O.L.: 180425670000001					
		Shipped Via: GTIF Shipped Date: 05/05/14 B.O.L.: 180425670010001					
29.000	EP1P65X	FOUR WAY CONNECTOR "X"	18.000	121.00	80.50	23.59 Per EA	424.62
		Shipped Via: GTIF Shipped Date: 05/05/14 B.O.L.: 180425670010001					
		Shipped Via: GTIF Shipped Date: 05/04/14 B.O.L.: 180425670000001					

DHHS Building Lease – 5220 South 16th Street
Knoll Invoice

Attachment 3

Sold To: STATE OF NEBRASKA
HHS NSOB
301 CENTENNIAL MALL S 3RD FLR
LINCOLN NE 68509

Knoll

Knoll, Inc.

Page: 6

Invoice Number	Invoice Date
3758198	05/06/14

Purchase Order No. 520625 OG
Purchase Order Release 41-39-33666

Line/ Ship Date	Pattern	Description	Qty	List Price	Discount	Unit Net Price	Extended Price
30.000	EP1P80E	END CONNECTOR KIT Shipped Via: GTIF Shipped Date: 05/05/14 B.O.L.: 180425670010001	17.000	153.00	80.50	29.83 Per EA	507.11
31.000	EP1P80L	CORNER CONN (90) KIT Shipped Via: GTIF Shipped Date: 05/04/14 B.O.L.: 180425670000001	1.000	143.00	80.50	27.88 Per EA	27.88
32.000	EP1P80S	STRAIGHT CONN. (180) KIT Shipped Via: GTIF Shipped Date: 05/05/14 B.O.L.: 180425670010001	26.000	148.00	80.50	28.86 Per EA	750.36
34.000	EP1PWS65	WALL STARTER KIT RWAY PNL Shipped Via: GTIF Shipped Date: 05/05/14 B.O.L.: 180425670010001	2.000	48.00	80.50	9.36 Per EA	18.72
35.000	EP1PWS80	WALL STARTER KIT RWAY PNL Shipped Via: GTIF Shipped Date: 05/05/14 B.O.L.: 180425670010001	2.000	54.00	80.50	10.53 Per EA	21.06

DHHS Building Lease – 5220 South 16th Street
Knoll Invoice

Attachment 3

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Knoll

Knoll, Inc.

Page: 7

Invoice Number	Invoice Date
3758198	05/06/14

Purchase Order No. 520625 OG
Purchase Order Release 41-39-33666

Line/ Ship Date	Pattern	Description	Qty	List Price	Discount	Unit Net Price	Extended Price
36.000	EP1PCEP	PANEL CONNECTOR CAP END ROUND Shipped Via: GTIF Shipped Date: 05/05/14 B.O.L.: 180425670010001	26.000	33.00	80.50	6.43 Per EA	167.18
37.000	EP1PCS	PANEL CONNECTOR CAP STRAIGHT Shipped Via: GTIF Shipped Date: 05/05/14 B.O.L.: 180425670010001	29.000	28.00	80.50	5.46 Per EA	158.34
40.000	EW13624GC	WORKSURF. 36X24 CANT.MIC. Shipped Via: GTIF Shipped Date: 05/05/14 B.O.L.: 180425670010001	69.000	326.00	80.50	63.57 Per EA	4,386.33
41.000	EW14224GC	WORKSURF. 42X24 CANT.MIC. Shipped Via: GTIF Shipped Date: 05/04/14 B.O.L.: 180425670000001	2.000	395.00	80.50	77.02 Per EA	154.04
42.000	EW16024GC	WORKSURF. 60X24 CANT.MIC. Shipped Via: GTIF Shipped Date: 05/05/14 B.O.L.: 180425670010001	69.000	512.00	80.50	99.84 Per EA	6,888.96

DHHS Building Lease – 5220 South 16th Street
Knoll Invoice

Attachment 3

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HHS NSOB
301 CENTENNIAL MALL S 3RD FLR
LINCOLN NE 68509

Knoll

Knoll, Inc.

Page: 8

Invoice Number	Invoice Date
3758198	05/06/14

Purchase Order No. 520625 OG
Purchase Order Release 41-39-33666

Line/ Ship Date	Pattern	Description	Qty	List Price	Discount	Unit Net Price	Extended Price
43.000	EW1C3624GC	WORKSURF CANT MIC CORNER	69.000	614.00	80.50	119.73 Per EA	8,261.37
		Shipped Via: GTIF Shipped Date: 05/05/14 B.O.L.: 180425670010001					
		Shipped Via: GTIF Shipped Date: 05/04/14 B.O.L.: 180425670000001					
44.000	EW1D6030C	WORKSURF.CONF."D" MICARTA	20.000	696.00	80.50	135.72 Per EA	2,714.40
		Shipped Via: GTIF Shipped Date: 05/04/14 B.O.L.: 180425670000001					
		Shipped Via: GTIF Shipped Date: 05/05/14 B.O.L.: 180425670010001					
Merchandise Total:							157,315.43

Terms NET 30 DAYS	Net Due 06/05/14	Tax Rt	Sales Tax	Total Order
			Currency:	157,315.43 USD

Total to page 21.

DHHS Building Lease – 5220 South 16th Street
Knoll Invoice

Attachment 3

Knoll

INVOICE

Page 1

Please remit to:
Knoll, Inc.
P.O. Box 841366
Dallas, TX 75284-1366

Federal Tax Id: 13-3873847

INVOICE NUMBER	INVOICE DATE	PAYMENT TERMS
3756712	05/05/14	NET 30 DAYS

SOLD TO

STATE OF NEBRASKA
HHS NSOB
301 CENTENNIAL MALL S 3RD FLR
LINCOLN NE 68509

CUSTOMER PURCHASE ORDER INFORMATION

Purchase Order Number: 520625 OG
Purchase Order Release: 41-39-33666
Purchase Order Date: 03/12/14

SHIP TO

OFFICE INNOVATIONS
1801 NORTH 1ST STREET
LINCOLN NE 68508

FINAL DESTINATION

HHSS DEPT OF FIN SUPPORT
301 CENTENNIAL MALL S
LINCOLN, NE 68508-2529

Freight Terms: FOB - SHIPPING POINT PREPAID

Knoll Sales Order Number: 3902054 SO
Knoll Customer Number: 1071971

All of the wood furniture-except Knoll Studio, Cascades tops and Antenna Workspaces Accent Laminates - listed on this document, that is made with domestic veneers cherry, maple, walnut, oak and laminate is FSC Mix 70% (RA-COC-004469)

SELLING POLICY:

Seller hereby gives notice of its objection to any different or additional terms and conditions. Purchaser acknowledges and agrees to be bound by the terms and conditions of the Knoll, Inc. Selling Policy attached hereto or previously sent to Purchaser, except where Purchaser and Seller have a fully executed agreement between them. This Selling Policy is also available at www.knoll.com.

DHHS Building Lease – 5220 South 16th Street
Knoll Invoice

Attachment 3

Page: 2

Sold To: STATE OF NEBRASKA
HHS NSOB
301 CENTENNIAL MALL S 3RD FLR
LINCOLN NE 68509

Knoll

Knoll, Inc.

Invoice Number	Invoice Date
3756712	05/05/14

Purchase Order No. 520625 OG
Purchase Order Release 41-39-33666

Line/ Ship Date	Pattern	Description	Qty	List Price	Discount	Unit Net Price	Extended Price
1.000	EC2OP36C	36" CABINET OVERHEAD ASSY., STD POWDER COATED/K-SERIES, Shipped Via: GTIF Shipped Date: 05/04/14 B.O.L.: 180425670000001	67.000	625.00	80.50	121.87 Per EA	8,165.29
6.000	EP1DP4065	DUAL PANEL CONN. 40/65 R'WAYED Shipped Via: GTIF Shipped Date: 05/04/14 B.O.L.: 180425670000001	30.000	162.00	80.50	31.59 Per EA	947.70
7.000	EP1DP4080	DUAL PANEL CONN. 40/80 R'WAYED Shipped Via: GTIF Shipped Date: 05/04/14 B.O.L.: 180425670000001	5.000	177.00	80.50	34.51 Per EA	172.55
9.000	EP1FA1265R	PANEL-FABRIC ACOUSTIC Shipped Via: GTIF Shipped Date: 05/04/14 B.O.L.: 180425670000001	5.000	715.00	80.50	139.42 Per EA	697.10
10.000	EP1FA1865R	PANEL-FABRIC ACOUSTIC Shipped Via: GTIF Shipped Date: 05/04/14 B.O.L.: 180425670000001	2.000	733.00	80.50	142.93 Per EA	285.86
20.000	EP1FA4240R	PANEL-FABRIC ACOUSTIC Shipped Via: GTIF Shipped Date: 05/04/14 B.O.L.: 180425670000001	1.000	819.00	80.50	159.70 Per EA	159.70
21.000	EP1FA4265R	PANEL-FABRIC ACOUSTIC Shipped Via: GTIF Shipped Date: 05/04/14 B.O.L.: 180425670000001	3.000	1,007.00	80.50	196.36 Per EA	589.08

DHHS Building Lease – 5220 South 16th Street
Knoll Invoice

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Knoll

Knoll, Inc.

Page: 3

Invoice Number	Invoice Date
3756712	05/05/14

Purchase Order No. 520625 OG
Purchase Order Release 41-39-33666

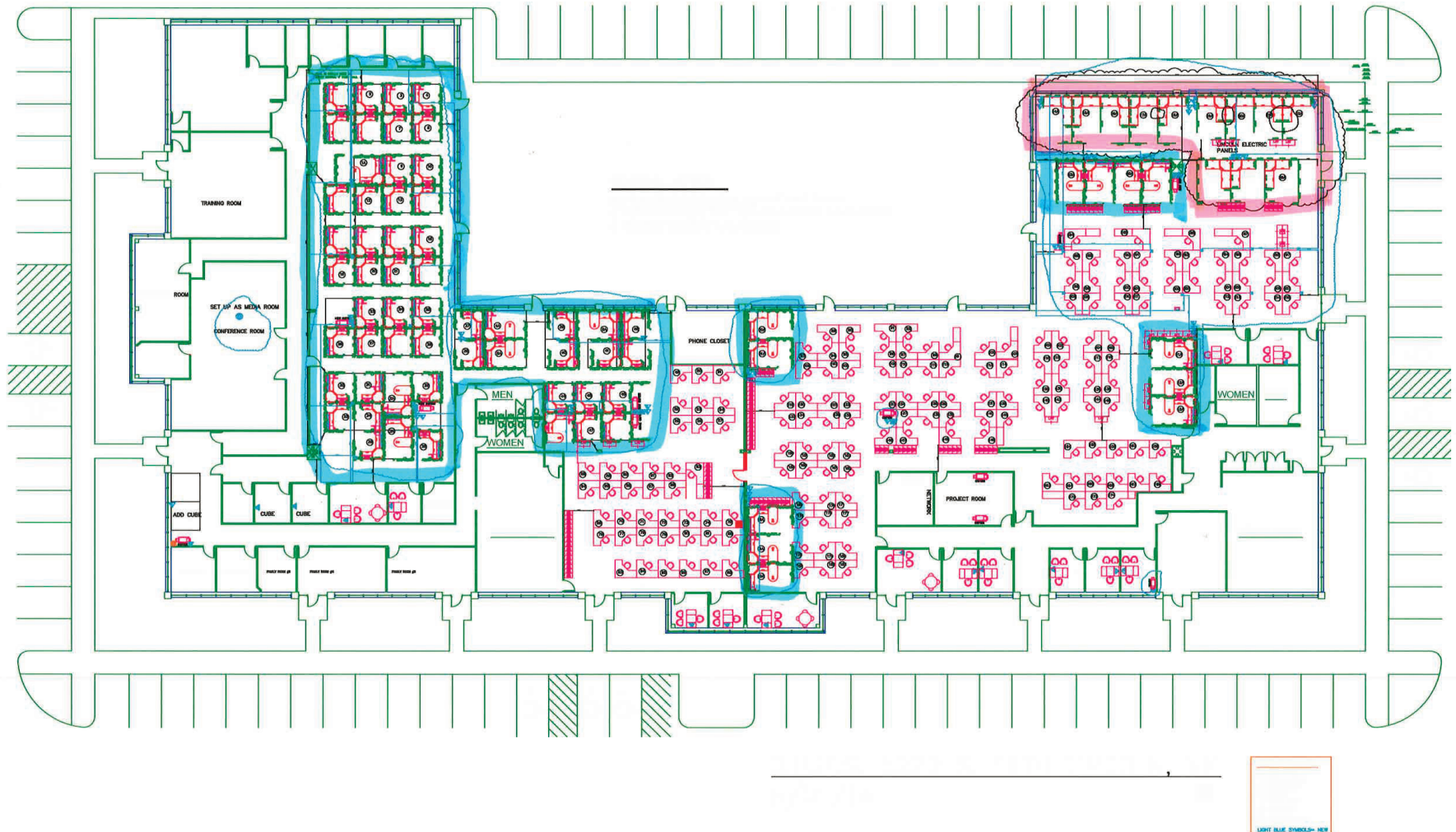
Line/ Ship Date	Pattern	Description	Qty	List Price	Discount	Unit Net Price	Extended Price
Shipped Via: GTIF Shipped Date: 05/04/14 B.O.L.: 180425670000001							
33.000	EP1PCMF	PANEL CONNECTOR CAP DUAL HEIGHT	75.000	24.00	80.50	4.68 Per EA	351.00
Shipped Via: GTIF Shipped Date: 05/04/14 B.O.L.: 180425670000001							
38.000	EP1SL	SHROUD 90 DEGREE BASE CORNER	22.000	33.00	80.50	6.43 Per EA	141.46
Shipped Via: GTIF Shipped Date: 05/04/14 B.O.L.: 180425670000001							
39.000	EP1SS	SHROUD STRAIGHT BASE	16.000	24.00	80.50	4.68 Per EA	74.88
Shipped Via: GTIF Shipped Date: 05/04/14 B.O.L.: 180425670000001							
Merchandise Total:							11,584.62

Terms NET 30 DAYS	Net Due 06/04/14	Tax Rt	Sales Tax	Total Order
			Currency:	11,584.62 USD

From page 18	\$157,315.43
Total above	<u>\$ 11,584.62</u>
Total Knoll Invoices	\$168,900.05

DHHS Building Lease – 5220 South 16th Street
Current Building Configuration

Attachment 4



Pink = panels from existing DHHS inventory
Blue = purchased cubicles

DHHS Building Lease – 5220 South 16th Street
Email Regarding Electrical Bid

Attachment 5

Hood, Greg

From: Leach-Sanna, April
Sent: Wednesday, May 28, 2014 3:59 PM
To: Hood, Greg
Subject: FW: S. 16th Electrical

Follow Up Flag: Follow up
Flag Status: Flagged

Thank you.

April Leach-Sanna, Project Manager
Support Services - Operations
Dept. of Nebraska Health & Human Services
301 Centennial Mall South (5th floor)
Lincoln, NE 68509
Phone: (402)471-1574 Fax (402)471-9455
April.Leach-Sanna@nebraska.gov

From: Azimi, Amir
Sent: Wednesday, May 28, 2014 1:15 PM
To: Leach-Sanna, April
Cc: Votava, Greg; Imlay, Rita
Subject: FW: S. 16th Electrical

FYI.
Please proceed with the process.

Thank you,

Amir Azimi, Administrator
Support Services - Operations
NE Dept of Health & Human Services
301 Centennial Mall South (5th floor)
Lincoln, NE 68509
(402)471-9309
Amir.Azimi@nebraska.gov

From: Clough, Matt
Sent: Wednesday, May 28, 2014 11:39 AM

DHHS Building Lease – 5220 South 16th Street
Email Regarding Electrical Bid

Attachment 5

To: Azimi, Amir
Subject: RE: S. 16th Electrical

Move forward on the electrical with the firm that quoted at DHHS expense.

Matthew G. Clough
Chief Operating Officer
Department of Health and Human Services
301 Centennial Mall South
Lincoln, NE 68509-5026
402-471-1877

From: Azimi, Amir
Sent: Wednesday, May 28, 2014 11:32 AM
To: Clough, Matt
Cc: Leach-Sanna, April; Hood, Greg
Subject: FW: S. 16th Electrical
Importance: High

FYI.
Mr. Sampson has requested to speak with you. Please let us know.

Thank you,

Amir Azimi, Administrator
Support Services - Operations
NE Dept of Health & Human Services
301 Centennial Mall South (5th floor)
Lincoln, NE 68509
(402)471-9309
| Amir.Azimi@nebraska.gov

From: Leach-Sanna, April
Sent: Wednesday, May 28, 2014 11:22 AM
To: Hood, Greg
Cc: Azimi, Amir
Subject: FW: S. 16th Electrical
Importance: High

A follow up call was placed to Mr. Sampson this morning. After introducing myself and letting Mr. Sampson know I was following up on the S. 16th property, he quickly said "Yes, Good Morning, I just wanted to talk to the Director, Matt about this. Please have him call me."
Please see below for bid information & floor plan previously attached to these emails.

Thank you.

DHHS Building Lease – 5220 South 16th Street
Email Regarding Electrical Bid

Attachment 5

April Leach-Sanna, Project Manager
Support Services - Operations
Dept. of Nebraska Health & Human Services
301 Centennial Mall South (5th floor)
Lincoln, NE 68509
Phone: (402)471-1574 Fax (402)471-9455
April.Leach-Sanna@nebraska.gov

From: Leach-Sanna, April
Sent: Thursday, May 22, 2014 9:19 AM
To: Hood, Greg
Cc: Azimi, Amir
Subject: FW: S. 16th Electrical
Importance: High

FYI

Thank you.

April Leach-Sanna, Project Manager
Support Services - Operations
Dept. of Nebraska Health & Human Services
301 Centennial Mall South (5th floor)
Lincoln, NE 68509
Phone: (402)471-1574 Fax (402)471-9455
April.Leach-Sanna@nebraska.gov

From: Leach-Sanna, April
Sent: Thursday, May 22, 2014 9:19 AM
To: 'john.sampson@sampson-construction.com'
Subject: FW: S. 16th Electrical
Importance: High

Good Morning,

Per our discussion, Gregg Electric has provided us with a breakdown which is attached.
We would appreciate any assistance you are willing to provide in obtaining the necessary power to the building at S. 16th.

<< Message: RE: S. 16th Electrical Project for Bid >>
Thank you.

April Leach-Sanna, Project Manager
Support Services - Operations
Dept. of Nebraska Health & Human Services
301 Centennial Mall South (5th floor)
Lincoln, NE 68509

DHHS Building Lease – 5220 South 16th Street
Email Regarding Electrical Bid

Attachment 5

Phone: (402)471-1574 Fax (402)471-9455
April.Leach-Sanna@nebraska.gov

From: Leach-Sanna, April
Sent: Friday, May 16, 2014 11:56 AM
To: 'john.sampson@sampson-construction.com'
Subject: S. 16th Electrical
Importance: High

Mr. Sampson,

I am the Project Manager for DHHS regarding all offices across the state. I am working on a final floor plan for the South 16th property. Based on the attached floor plan, electrical contractors have advised an additional transformer is needed.

Mr. Clough asked me to extend the courtesy of sharing this information with you and inquire if you have resources to assist us in this project.

<< File: South 16th 050114 Model (1).pdf >> << File: Gregg Bid S. 16th.pdf >>

Thank you.

April Leach-Sanna, Project Manager
Support Services - Operations
Dept. of Nebraska Health & Human Services
301 Centennial Mall South (5th floor)
Lincoln, NE 68509
Phone: (402)471-1574 Fax (402)471-9455
April.Leach-Sanna@nebraska.gov

61056-04
74633-03

CONTRACT
BETWEEN THE
NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES
OPERATIONS
AND
GREGG ELECTRIC

This contract is entered into by and between the Nebraska Department of Health and Human Services, **OPERATIONS** (hereinafter "DHHS"), and **GREGG ELECTRIC** (hereinafter "Contractor").

PURPOSE. The purpose of this contract is to install power poles and dedicated outlets to existing building at 5220 S 16th St. Lincoln, NE

I. TERM AND TERMINATION

- A. **TERM.** This contract is in effect from May 1, 2014 until October 31, 2014.
- B. **TERMINATION.** This contract may be terminated at any time upon mutual written consent or by either party for any reason upon submission of written notice to the other party at least Thirty (30) days prior to the effective date of termination. DHHS may also terminate this contract in accord with the provisions designated "FUNDING AVAILABILITY" and "BREACH OF CONTRACT." In the event either party terminates this contract, the Contractor shall provide to DHHS all work in progress, work completed, and materials provided to it by DHHS in connection with this contract immediately.

II. CONSIDERATION

- A. **TOTAL PAYMENT.** DHHS shall pay the Contractor a total amount not to exceed \$32,077.00 (Thirty two thousand, seventy seven dollars) for the services specified herein.
- B. **PAYMENT STRUCTURE.** Payment shall be structured as follows: Payment shall be made upon completion of the project for an amount not to exceed \$32,077.00 (Thirty two thousand, seventy seven dollars) and upon receipt of invoice from Contractor.
- C. **PROMPT PAYMENT AND DISCOUNT.**
1. Payment shall be made in compliance with the Nebraska Prompt Payment Act, NEB. REV. STAT. §81-2401 through 81-2408 with a discount for early payment as provided in this section. Unless otherwise provided herein, payment shall be made by electronic means.
 2. DHHS shall be entitled to a two percent (2%) discount of the amount requested in a

- bill if payment for delivered and accepted goods and/or services is made within ten (10) days after receipt of the bill.
3. For purposes of determining whether payment was made in accordance with this section, payment by DHHS shall be considered to be made on the date the warrant or check for such payment was mailed or payment was otherwise transmitted.
 4. Bill shall mean a proper billing, invoice, report or other written document which requests a payment and which is supplemented by all necessary verification and forms required to process payments pursuant to this contract and agency regulations.
 5. The ten (10) day discount period will be computed from the date of receipt of a properly executed bill or the date of completion of delivery of all goods and services in a satisfactory condition, whichever is later. When the last day of the discount period falls on a Saturday, Sunday, or legal state holiday, payment may be made on the following business day.
- D. Automated Clearing House (ACH) Enrollment Form Requirements for Payment.
The vendor shall complete and sign the State of Nebraska ACH Enrollment Form and obtain the necessary information and signatures from their financial institution. The completed form must be submitted before payments to the vendor can be made. Download ACH Form:
http://www.das.state.ne.us/accounting/nis/address_book_info.htm

III. SCOPE OF SERVICES

- A. The Contractor shall do the following:
1. Furnish & install 30 ea. 2 compartment Power Poles
 2. Install 2 – 20 amp circuits to each Pole
 3. Furnish and install 6 ea. 30 amp 208 volt circuits to the locations shown on plans.
 4. Furnish and install a 75 KVA 480 volt to 120/208 Transformer.
 5. Furnish and install a 60 circuit 120/208 volt Panel. (200 amp Main)
 6. Furnish and install a 100 amp 3-phase I-Line Breaker to feed Transformer.
 7. *WARRANTY LABEL, MATERIALS AND EQUIPMENT PER ATTACHMENTS.*
- B. DHHS shall do the following: Provide access to necessary areas and a point of contact.

IV. GENERAL PROVISIONS

- A. ACCESS TO RECORDS AND AUDIT RESPONSIBILITIES.
1. All Contractor books, records, and documents regardless of physical form, including data maintained in computer files or on magnetic, optical or other media, relating to work performed or monies received under this contract shall be subject to audit at any reasonable time upon the provision of reasonable notice by DHHS. Contractor shall maintain all records for five (5) years from the date of final payment, except that records that fall under the provisions of Health Insurance Portability and

Accountability Act (HIPAA) shall be maintained for six (6) full years from the date of final payment. In addition to the foregoing retention periods, all records shall be maintained until all issues related to an audit, litigation or other action are resolved to the satisfaction of DHHS. All records shall be maintained in accordance with generally accepted business practices.

2. The Contractor shall provide DHHS any and all written communications received by the Contractor from an auditor related to Contractor's internal control over financial reporting requirements and communication with those charged with governance including those in compliance with or related to Statement of Auditing Standards (SAS) 112 *Communicating Internal Control related Matters Identified in an Audit* and SAS 114 *The Auditor's Communication with Those Charged With Governance*. The Contractor agrees to provide DHHS with a copy of all such written communications immediately upon receipt or instruct any auditor it employs to deliver copies of such written communications to DHHS at the same time copies are delivered to the Contractor, in which case the Contractor agrees to verify that DHHS has received a copy.
 3. The Contractor shall immediately correct any material weakness or condition reported to DHHS in the course of an audit and notify DHHS that the corrections have been made.
 4. In addition to, and in no way in limitation of any obligation in this contract, the Contractor shall be liable for audit exceptions, and shall return to DHHS all payments made under this contract for which an exception has been taken or which has been disallowed because of such an exception, upon demand from DHHS.
 5. The above provisions shall survive termination of the contract.
- B. AMENDMENT. This contract may be modified only by written amendment, executed by both parties. No alteration or variation of the terms and conditions of this contract shall be valid unless made in writing and signed by the parties.
- C. ANTI-DISCRIMINATION. The Contractor shall comply with all applicable local, state and federal statutes and regulations regarding civil rights and equal opportunity employment, including Title VI of the Civil Rights Act of 1964; the Rehabilitation Act of 1973, Public Law 93-112; the Americans With Disabilities Act of 1990, Public Law 101-336; and the Nebraska Fair Employment Practice Act, NEB. REV. STAT. §§ 48-1101 to 48-1125. Violation of said statutes and regulations will constitute a material breach of contract. The Contractor shall insert this provision in all subcontracts.
- D. ASSIGNMENT. The Contractor shall not assign or transfer any interest, rights, or duties under this contract to any person, firm, or corporation without prior written consent of DHHS. In the absence of such written consent, any assignment or attempt to assign shall constitute a breach of this contract.

- E. ASSURANCE. If DHHS, in good faith, has reason to believe that the Contractor does not intend to, is unable to, or has refused to perform or continue to perform all material obligations under this contract, DHHS may demand in writing that the Contractor give a written assurance of intent to perform. Failure by the Contractor to provide written assurance within the number of days specified in the demand may, at DHHS's option, be the basis for terminating this contract.
- F. BREACH OF CONTRACT. DHHS may terminate the contract, in whole or in part, if the Contractor fails to perform its obligations under the contract in a timely and proper manner. DHHS may, by providing a written notice of default to the Contractor, allow the Contractor to cure a failure or breach of contract within a period of thirty (30) days or longer at DHHS's discretion considering the gravity and nature of the default. Said notice shall be delivered by Certified Mail, Return Receipt Requested or in person with proof of delivery. Allowing the Contractor time to cure a failure or breach of contract does not waive DHHS's right to immediately terminate the contract for the same or different contract breach which may occur at a different time. DHHS may, at its discretion, contract for any services required to complete this contract and hold the Contractor liable for any excess cost caused by Contractor's default. This provision shall not preclude the pursuit of other remedies for breach of contract as allowed by law.
- G. CONFIDENTIALITY. Any and all information gathered in the performance of this contract, either independently or through DHHS, shall be held in the strictest confidence and shall be released to no one other than DHHS without the prior written authorization of DHHS, provided, that contrary contract provisions set forth herein shall be deemed to be authorized exceptions to this general confidentiality provision. This provision shall survive termination of this contract.
- H. CONFLICTS OF INTEREST. In the performance of this contract, the Contractor shall avoid all conflicts of interest and all appearances of conflicts of interest. The Contractor shall immediately notify DHHS of any such instances encountered so that other arrangements can be made to complete the work.
- I. DATA OWNERSHIP AND COPYRIGHT. All data collected as a result of this project shall be the property of DHHS. The Contractor shall not copyright any of the copyrightable material produced in conjunction with the performance required under this contract without written consent from DHHS. DHHS hereby reserves a royalty-free, nonexclusive, and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use the copyrightable material for state government purposes. This provision shall survive termination of this contract.
- J. DEBARMENT, SUSPENSION OR DECLARED INELIGIBLE. The Contractor certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.

- K. DOCUMENTS INCORPORATED BY REFERENCE. All references in this contract to laws, rules, regulations, guidelines, directives, and attachments which set forth standards and procedures to be followed by the Contractor in discharging its obligations under this contract shall be deemed incorporated by reference and made a part of this contract with the same force and effect as if set forth in full text, herein.
- L. DRUG-FREE WORKPLACE. Contractor certifies that it maintains a drug-free workplace environment to ensure worker safety and workplace integrity. Contractor shall provide a copy of its drug-free workplace policy at any time upon request by DHHS.
- M. FEDERAL FINANCIAL ASSISTANCE. The Contractor will comply with all applicable provisions of 45 C.F.R. §§ 87.1-87.2. The Contractor shall not use direct federal financial assistance to engage in inherently religious activities, such as worship, religious instruction, and/or proselytization.
- N. FORCE MAJEURE. Neither party shall be liable for any costs or damages resulting from its inability to perform any of its obligations under this contract due to a natural disaster, or other similar event outside the control and not the fault of the affected party ("Force Majeure Event"). A Force Majeure Event shall not constitute a breach of this contract. The party so affected shall immediately give notice to the other party of the Force Majeure Event. Upon such notice, all obligations of the affected party under this contract which are reasonably related to the Force Majeure Event shall be suspended, and the affected party shall do everything reasonably necessary to resume performance as soon as possible. Labor disputes with the impacted party's own employees will not be considered a Force Majeure Event and will not suspend performance requirements under this contract.
- O. FUNDING AVAILABILITY. DHHS may terminate the contract, in whole or in part, in the event funding is no longer available. Should funds not be appropriated, DHHS may terminate the contract with respect to those payments for the fiscal years for which such funds are not appropriated. DHHS shall give the Contractor written notice thirty (30) days prior to the effective date of any termination. The Contractor shall be entitled to receive just and equitable compensation for any authorized work which has been satisfactorily completed as of the termination date. In no event shall the Contractor be paid for a loss of anticipated profit.
- P. GOVERNING LAW. The contract shall be governed in all respects by the laws and statutes of the State of Nebraska. Any legal proceedings against DHHS or the State of Nebraska regarding this contract shall be brought in Nebraska administrative or judicial forums as defined by Nebraska State law. The Contractor shall comply with all Nebraska statutory and regulatory law.
- Q. HOLD HARMLESS.
1. The Contractor shall defend, indemnify, hold, and save harmless the State of Nebraska and its employees, volunteers, agents, and its elected and appointed

officials ("the indemnified parties") from and against any and all claims, liens, demands, damages, liability, actions, causes of action, losses, judgments, costs, and expenses of every nature, including investigation costs and expenses, settlement costs, and attorney fees and expenses ("the claims"), sustained or asserted against the State of Nebraska, arising out of, resulting from, or attributable to the willful misconduct, negligence, error, or omission of the Contractor, its employees, subcontractors, consultants, representatives, and agents, except to the extent such Contractor liability is attenuated by any action of the State of Nebraska which directly and proximately contributed to the claims.

2. DHHS's liability is limited to the extent provided by the Nebraska Tort Claims Act, the Nebraska Contract Claims Act, the Nebraska Miscellaneous Claims Act, and any other applicable provisions of law. DHHS does not assume liability for the action of its Contractors.
3. The above provisions shall survive termination of the contract.

R. INDEPENDENT CONTRACTOR. The Contractor is an Independent Contractor and neither it nor any of its employees shall for any purpose be deemed employees of DHHS. The Contractor shall employ and direct such personnel as it requires to perform its obligations under this contract, exercise full authority over its personnel, and comply with all workers' compensation, employer's liability and other federal, state, county, and municipal laws, ordinances, rules and regulations required of an employer providing services as contemplated by this contract.

S. INVOICES: Invoices for payments submitted by the Contractor shall contain sufficient detail to support payment. Any terms and conditions included in the Contractor's invoice shall be deemed to be solely for the convenience of the parties.

T. INTEGRATION. This written contract represents the entire agreement between the parties, and any prior or contemporaneous representations, promises, or statements by the parties, that are not incorporated herein, shall not serve to vary or contradict the terms set forth in this contract.

U. LOBBYING.

1. No Federal appropriated funds shall be paid, by or on behalf of the Contractor, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this contract or (a) the awarding of any Federal agreement; (b) the making of any Federal grant; (c) the entering into of any cooperative agreement; and (d) the extension, continuation, renewal, amendment, or modification of any Federal agreement, grant, loan, or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any

agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this contract, the Contractor shall complete and submit Federal Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

- V. NEBRASKA NONRESIDENT INCOME TAX WITHHOLDING. Contractor acknowledges that Nebraska law requires DHHS to withhold Nebraska income tax if payments for personal services are made in excess of six hundred dollars (\$600) to any contractor who is not domiciled in Nebraska or has not maintained a permanent place of business or residence in Nebraska for a period of at least six months. This provision applies to individuals, to a corporation if 80% or more of the voting stock of the corporation is held by the shareholders who are performing personal services, and to a partnership or limited liability company if 80% or more of the capital interest or profits interest of the partnership or limited liability company is held by the partners or members who are performing personal services.

The parties agree, when applicable, to properly complete the Nebraska Department of Revenue Nebraska Withholding Certificate for Nonresident Individuals Form W-4NA or its successor. The form is available at:

http://www.revenue.ne.gov/tax/current/f_w-4na.pdf or
http://www.revenue.ne.gov/tax/current/fill-in/f_w-4na.pdf

- W. NEBRASKA TECHNOLOGY ACCESS STANDARDS.

The Contractor shall review the Nebraska Technology Access Standards, found at <http://www.nitc.ne.gov/standards/accessibility/tacfinal.html> and ensure that products and/or services provided under the Contract comply with the applicable standards. In the event such standards change during the Contractor's performance, the State may create an amendment to the Contract to request that Contract comply with the changed standard at a cost mutually acceptable to the parties.

- X. NEW EMPLOYEE WORK ELIGIBILITY STATUS. The Contractor shall use a federal immigration verification system to determine the work eligibility status of new employees physically performing services within the State of Nebraska. A federal immigration verification system means the electronic verification of the work authorization program authorized by the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, 8 U.S.C. § 1324a, known as the E-Verify Program, or an equivalent federal program designated by the United States Department of Homeland Security or other federal agency authorized to verify the work eligibility status of a newly hired employee.

If the Contractor is an individual or sole proprietorship, the following applies:

1. The Contractor must complete the United States Citizenship Attestation Form, available on the Department of Administrative Services website at www.das.state.ne.us.

2. If the Contractor indicates on such attestation form that he or she is a qualified alien, the Contractor agrees to provide the US Citizenship and Immigration Services documentation required to verify the Contractor's lawful presence in the United States using the Systematic Alien Verification for Entitlements (SAVE) Program.
 3. The Contractor understands and agrees that lawful presence in the United States is required and the Contractor may be disqualified or the contract terminated if such lawful presence cannot be verified as required by NEB. REV. STAT. § 4-108.
- Y. PUBLIC COUNSEL. In the event Contractor provides health and human services to individuals on behalf of DHHS under the terms of this contract, Contractor shall submit to the jurisdiction of the Public Counsel under NEB. REV. STAT. §§ 81-8,240 through 81-8,254 with respect to the provision of services under this contract. This provision shall not apply to contracts between DHHS and long-term care facilities subject to the jurisdiction of the state long-term care ombudsman pursuant to the Long-Term Care Ombudsman Act. This provision shall survive termination of the contract.
- Z. RESEARCH. The Contractor shall not engage in research utilizing the information obtained through the performance of this contract without the express written consent of DHHS. The term "research" shall mean the investigation, analysis, or review of information, other than aggregate statistical information, which is used for purposes unconnected with this contract. This provision shall survive termination of the contract.
- AA. SEVERABILITY. If any term or condition of this contract is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and conditions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if this contract did not contain the particular provision held to be invalid.
- BB. SUBCONTRACTORS. The Contractor shall not subcontract any portion of this contract without prior written consent of DHHS. The Contractor shall ensure that all subcontractors comply with all requirements of this contract and applicable federal, state, county and municipal laws, ordinances, rules and regulations.
- CC. TIME IS OF THE ESSENCE. Time is of the essence in this contract. The acceptance of late performance with or without objection or reservation by DHHS shall not waive any rights of DHHS nor constitute a waiver of the requirement of timely performance of any obligations on the part of the Contractor remaining to be performed.

NOTICES. Notices shall be in writing and shall be effective upon receipt. Written notices, including all reports and other written communications required by this contract shall be sent to the following addresses:

FOR DHHS:

FOR CONTRACTOR:

DHHS Building Lease – 5220 South 16th Street
Gregg Electric Contract

Attachment 6

April Leach-Sanna
DHHS-Operations
PO Box 95026
Lincoln, NE 68509-0526
402-840-3361

Frank Dush
Gregg Electric
3521 N 22nd St
Lincoln, NE 68521
402-476-6463

IN WITNESS THEREOF, the parties have duly executed this contract hereto, and each party acknowledges the receipt of a duly executed copy of this contract with original signatures.

FOR DHHS:



Matthew G. Clough
Chief Operating Officer
Department of Health and Human Services

FOR CONTRACTOR:



Frank Dush
Gregg Electric

DATE: 6-6-14

DATE: 5-30-14