

UNIVERSITY OF KENTUCKY GENERAL TERMS AND CONDITIONS

1. Definitions:

“University” means the University of Kentucky is a state agency and an independent body politic of the Commonwealth of Kentucky.

“Contractor” means a person, company, corporation, organization, or other legal entity with whom the University has executed a Contract.

“Contract” means the entire written agreement between the parties including, but not limited to, the Invitation for Bid (“IFB”) or Request for Proposal (“RFP”) and its specifications, terms, and conditions, solicitation instructions, solicitation addenda, Contractor’s offer, the Contract document, and Contract amendments if any, including, without limitations, these General Terms and Conditions and the resulting Purchase Order or Price Contract document, and excludes correspondence of any type unless specifically accepted by both parties in writing. For purposes of these General Terms and Conditions, Contract also includes those written agreements with the University that were not the result of an IFB or RFP (e.g., purchase orders, online agreements, one-time purchases, etc.).

“Authorized Employees” means the Contractor’s employees or workforce members (as defined by [45 C.F.R. 160.103](#)) who have a need to know or otherwise access University Data to enable the Contractor to perform its obligations under this Contract.

“Authorized Persons” means (i) Authorized Employees and (ii) the Contractor’s contractors, agents, outsourcers, and auditors who have a need to know or otherwise access University Data to enable the Contractor to perform its obligations under this Contract and who are bound in writing by confidentiality and data protection obligations, including, without limitation, those outlined in a business associate agreement (“BAA”), sufficient to protect University Data in accordance with the terms and conditions of this Contract.

“Affiliated Corporation” means any University affiliated corporation, including, but not limited to Ashland Hospital Corporation d/b/a UK King’s Daughters Medical Center, a Kentucky nonprofit corporation (“UK King’s Daughter”), St. Claire Medical Center, Inc., d/b/a UK St. Claire Healthcare, a Kentucky nonprofit corporation (“UK St. Claire”), Beyond Blue Corporation, a Kentucky limited liability corporation, and Champions Blue, LLC, a Kentucky limited liability corporation (“Champions Blue”), and any future affiliated corporation. When applicable, any Contract awarded through an IFB or RFP can be used by any University affiliated corporation.

“University Data” means any information, in an electronic, written, or oral form, that is made available to the Contractor by the University. University Data includes, but is not limited to, PII, trade secrets, sales and marketing plans, financial data, Contractor information, and intellectual property.

“Personally Identifiable Information (PII)” means any information about an individual, including (1) any information that can be used to distinguish or trace an individual’s identity, such as name, social security number, date and place of birth, mother’s maiden name, or biometric records; and (2) any other information that is linked or linkable to an individual, such as medical, educational, financial, and employment information. PII includes, but is not limited

to, Personal Information as defined by [KRS 61.931\(6\)](#) and Protected Health Information (PHI) as defined by [45 C.F.R. 160.103](#).

2. Applicability of General Terms and Conditions:

These terms and conditions are in addition to those set forth in any Solicitation document and/or Purchase Order and should be read in conjunction with the same unless the document indicates otherwise. To the extent that the Contractor's terms and conditions conflict with these University General Terms and Conditions, the latter shall control. Either party's failure to insist upon the performance of any provision of these General Terms and Conditions shall not be construed as a waiver of that party's present or future right to such performance, and each party's obligation in respect thereto shall continue in full force and effect.

3. Contract Provisions by Reference:

It is mutually agreed by and between the University and the Contractor that the University's acceptance of the Contractor's Offer by the issuance of a Purchase Order or Contract shall create an agreement between the parties thereto containing the following:

- a. All specifications, terms, and conditions in the Solicitation Document, except as amended in the Contract.
- b. The provision of the awarded Contract includes all terms, special conditions, specifications, and the Contractor's offer.
- c. The University's General Terms and Conditions.

Unless otherwise specified, in the event of any conflicts, the documents shall control in the following order:

- (1) The written Contract or Purchase Order* (if any);
- (2) The Contractor's exceptions, if expressly accepted by the University;
- (3) The RFP, IFB, or other Solicitation document;
- (4) The University's General Terms and Conditions; and
- (5) The Contractor's Offer.

* The University will only pay for the quantities and amounts set forth in the applicable Purchase Order.

4. Governing Law:

The Contractor shall conform to and observe all laws, ordinances, rules, and regulations of the United States of America, Commonwealth of Kentucky, and all other local governments, public authorities, boards, or offices relating to the property or the improvements upon same (or the use thereof) and will not permit the same to be used for any illegal or immoral purposes, business or occupation. The resulting Contract shall be governed by Kentucky law, and any claim relating to this Contract shall only be brought in the Franklin Circuit Court in accordance

with [KRS 45A.245](#).

5. Indemnification:

The Contractor shall indemnify, hold, and save harmless the University, its affiliates and subsidiaries, and their officers, agents, and employees from losses, claims, suits, actions, expenses, damages, costs (including attorney fees of attorneys of the University's choice and court costs) expenses, all liability of any nature or kind arising out of or relating to the Contractor's performance hereunder. This clause shall survive the termination of any contract for as long as necessary to protect the University.

6. Insurance:

The successful Contractor shall procure and maintain, at its expense, the following minimum insurance coverages insuring all services, work activities, and contractual obligations undertaken in the Contract. These insurance policies must be with insurers that are acceptable to the University. The University reserves the right to request additional coverage, including, but not limited to, increased limits or additional policies (e.g., Professional, Cyber, or Environmental Liability, or Crime Insurance). The University may modify the insurance requirements in the Special Conditions of any Solicitation document, but Campus Risk Management must approve such modifications. In such cases, the insurance requirements outlined in the Special Conditions shall prevail.

<u>COVERAGES</u>	<u>LIMITS</u>
Workers' Compensation	Statutory Requirements (Kentucky)
Employer's Liability	\$500,000/\$500,000/\$500,000
Commercial General Liability, including operations/ completed operations, products, and contractual liability (including defense and investigation costs), including this Contract.	\$1,000,000 each occurrence (BI & PD combined) \$2,000,000 Products and Completed Operations Aggregate
Business Automobile Liability, covering owned, leased, or non-owned autos	\$1,000,000 each occurrence (BI & PD combined)

The successful Contractor agrees to furnish Certificates of Insurance for the above-described coverages and limits to Procurement Services, and must include the University, its Board of Trustees, and employees as Additional Insureds on the Commercial General Liability policy regarding the scope of this RFP/contract. Any deductible or self-insured retention in the above-described policies must be paid and is the Contractor's sole responsibility. Coverage is to be primary and non-contributory, with any other coverage purchased by the University. All of these required policies must include a Waiver of Subrogation, except Workers' Compensation, in favor of the University, its Board of Trustees, and employees.

The Contractor shall maintain sufficient insurance or financial resources to cover any claims arising from the unauthorized use, disclosure, or breach of, and/or access to University Data, including, without limitation, cyber liability insurance of at least \$1,000,000 and such additional coverages and amounts as expressly agreed to by the Parties in the Contract. The final cyber liability insurance amount will be based on the UKIT Security assessment.

7. Termination for Convenience:

Procurement Services reserves the right to terminate the resulting Contract without cause with a thirty (30) day written notice. Upon receipt by the Contractor of a "notice of termination," the Contractor shall discontinue all services concerning the applicable Contract. The cost of any agreed-upon services provided by the Contractor will be calculated at the agreed-upon rate prior to a "notice of termination," and a fixed fee contract will be prorated (as appropriate).

8. Termination for Non-performance:

a. Default

The University may terminate the resulting Contract for non-performance, as determined by the University, for such causes as:

- (1) Failing to provide satisfactory quality of service, including failure to maintain adequate personnel, whether arising from labor disputes or otherwise, any substantial change in ownership or proprietorship of the Contractor, which, in the opinion of the University, is not in its best interest, or failure to comply with the terms of this Contract;
- (2) Failing to keep or perform within the period set forth herein or violating any of the covenants, conditions, provisions, or agreements contained herein.
- (3) Adjudicating as a voluntarily bankrupt, making a transfer in fraud of its creditors, filing a petition under any section from time to time, or any similar law or statute of the United States or any state thereof, or if an order for relief shall be entered against the Contractor in any proceeding filed by or against the Contractor thereunder. In the event of any such involuntary bankruptcy proceeding being instituted against the Contractor, the fact of such an involuntary petition being filed shall not be considered an event of default until sixty (60) days after the filing of said petition so that the Contractor might during that sixty (60) day period have the opportunity to seek dismissal of the involuntary petition or otherwise cure said potential default; or
- (4) Making a general assignment for the benefit of its creditors, taking the benefit of any insolvency act, or if a permanent receiver or trustee in bankruptcy shall be appointed for the Contractor.

b. Demand for Assurances

In the event the University has reason to believe the Contractor will be unable to perform under the Contract, it may make a demand for reasonable assurances that the Contractor will be able to perform all obligations under this Contract in a timely manner. If the Contractor cannot provide such adequate assurances, then such failure shall be an event of default and grounds for termination of the Contract.

c. Notification

The University will provide ten (10) calendar days' written notice of default. Unless the Contractor makes arrangements to correct the non-performance issues to the University's satisfaction within ten (10) calendar days, the University may terminate this Contract by

giving forty-five (45) days' notice, by registered or certified mail, of its intent to cancel it.

9. Attorney's Fees:

If either party deems it necessary to take legal action to enforce any provision of the Contract, and if the University prevails, the Contractor agrees to pay all expenses of such action, including attorney's fees and costs at all stages of litigation.

10. Breach of University Data:

The Contractor acknowledges and agrees that, during its engagement by the University, the Contractor may receive or have access to University Data. The Contractor shall comply with the terms and conditions outlined in this Contract and the Business Associate Agreement (if applicable) between the University and the Contractor in its collection, receipt, transmission, access, storage, disposal, use, and disclosure of such University Data and be responsible for the unauthorized collection, receipt, transmission, access, storage, disposal, use and disclosure of University Data under its control or in its possession by all Authorized Persons. The Contractor shall be responsible for, and remain liable to, the University for the actions and omissions of all Authorized Persons who are not Authorized Employees concerning the treatment of University Data as if they were the Contractor's own actions and omissions.

In recognition of the foregoing, Contractor agrees and covenants that it shall:

- a. Keep and maintain all University Data in strict confidence, using such degree of care as is appropriate to avoid unauthorized acquisition, access, use, or disclosure;
- b. Use and disclose University Data solely and exclusively for the purposes for which the University Data, or access to it, is provided pursuant to the terms and conditions of this Contract, and not use, sell, rent, transfer, distribute, or otherwise disclose or make available University Data for the Contractor's purposes or to the benefit of anyone other than the University, in each case, without the University's prior written consent;
- c. Not, directly or indirectly, disclose University Data to any person other than its Authorized Employees, including any subcontractors, agents, outsourcers, or auditors (an "Unauthorized Third Party"), without express written consent from the University unless and to the extent required by applicable law, in which case, Contractor shall (i) notify University before such disclosure or as soon thereafter as reasonably possible; (ii) be responsible for and remain liable to University for the actions and omissions of such Unauthorized Third Party concerning the treatment of such University Data as if they were the Contractor's own actions and omissions; and (iii) require the Unauthorized Third Party that has access to University Data to execute a written agreement agreeing to comply with the terms and conditions of this Contract, including, without limitation, executing a business associate agreement where applicable;
- d. Abide by all applicable federal and state laws, rules, and regulations regarding privacy and confidentiality, including PII and otherwise; and
- e. Limit the acquisition, access, use, and disclosure of University Data to Authorized Persons only in the amount minimally necessary for the Contractor to perform its obligations under this Contract.

11. Regulatory Requirements and General IT Controls:

The Contractor shall implement administrative, physical, and technical safeguards to protect data that are no less rigorous than accepted industry practices including the International Organization for Standardization's standards: ISO/IEC 27001:2013 (Information Security Management Systems – Requirements) and ISO-IEC 27002:2013 (Code of Practice for International Security Management) and shall ensure that all such safeguards, including how data is created, received, maintained, transmitted, collected, accessed, used, stored, processed, disposed of and disclosed, comply with applicable data protection and privacy laws, as well as the terms and conditions of this Contract.

12. Auditing of University Data:

The Contractor represents and warrants that it maintains adequate internal audit functions to assess internal controls in its environment annually and to protect the security and confidentiality of any University Data. The Contractor agrees to provide documentation regarding its internal controls to the University upon request. The Contractor will provide the University with all internal or external audit reports, certifications, information, documentation, electronic records, and data regarding the Contractor's internal controls, and if requested by the University, the Contractor will grant the University and its University agents or subcontractors, the right to audit the Contractor's operations, systems and software to confirm internal controls are present and operating.

If the information presented to the University regarding the Contractor's internal controls is not acceptable to the University in its reasonable discretion, the Contractor agrees that it will undertake, at its sole cost and expense, an independent SSAE 16 Type II audit or comparable independent attestation to confirm the Contractor's controls over its processes. The Contractor shall present an action plan acceptable to the University to correct any and all portions of the systems, software, products, documentation, or internal controls. The Contractor shall undertake all activities relating to its preparation of the action plan and its correction of any inadequate controls or mitigation of risks revealed by deficiencies in its internal controls at the Contractor's sole cost and expense and within a reasonable time period as agreed upon by the University. Should the Contractor fail to provide adequate internal controls as described in the Contract or to present an action plan acceptable to the University within the mutually agreed-upon time frame, the University shall be entitled, in its sole discretion, to terminate the Contract with no liability whatsoever to the Contractor upon written notice to the Contractor.

13. Contractor Personnel:

Upon the University's request, the Contractor shall be responsible, at its sole cost and expense, for conducting complete background checks on any and all employees, consultants, independent contractors, or workforce members (as defined by [45 C.F.R. 160.103](#)) that the Contractor intends to utilize in providing services to the University. Such background checks shall cover a period of not less than five (5) years before the date the background check is initiated and shall include, but are not limited to, the following: a comprehensive review of criminal history, drug test and screen, credit review, and a confidentiality agreement regarding access to University Data signed by the individual. At the University's sole and absolute discretion, if the results of the background check or drug screening are unsatisfactory to the University, the University can refuse to accept any such proposed Consultant or personnel, and the Contractor shall provide the University with another Consultant, or personnel that

passes the background screening and drug testing procedures to the University's satisfaction at no additional cost to the University.

14. Compensable Damages for Breach:

The Contractor agrees that the following items shall be included as compensable damages for any breach of a contract with the University.

- a. Replacement costs.
- b. Expenses incurred as a result of the delay in obtaining replacements.
- c. The costs of repeating the competitive bidding procedure.

The enumeration of compensable damage contained in this Section is not intended to be exclusive and will not operate to bar recovery by the University for any other damages occasioned by the Contractor's breach. However, in cases where the Contract provides for liquidated damages, said liquidated damages shall be in lieu of all other damages, including those enumerated herein.

15. Assignment and Subcontracting:

The Contractor(s) may not assign or delegate their rights and obligations under any contract in whole or in part without the prior written consent of the University. Any attempted assignment or subcontract shall be void.

16. Contractor's Responsibility in Performing Work:

The Contractor is solely responsible for fulfilling the Contract with the University.

The Contractor and its agents, subcontractors, and representatives shall be independent contractors and not act as agents of the University. All persons furnished or retained by the Contractor in connection with any contract shall be considered employees or agents of the Contractor.

The Contractor shall control all employee misconduct while on the University's premises. Any employee under the influence of alcohol or controlled substances, other than prescription medications, shall not be allowed on the University's premises and shall be permanently dismissed if found to be so.

Further, offensive language, sexual or other types of harassment of students, University employees, or visitors to the University campus could result in immediate and permanent dismissal of the offending person(s) from the University site.

The Contractor shall comply with the University's tobacco-free policy, which prohibits tobacco use in or around its facilities, including UK HealthCare. Additional information on this policy is available at <http://www.uky.edu/TobaccoFree/>.

The Contractor shall ensure its employees abide by any applicable University policies and regulations concerning behavior/conduct.

17. Contractor Cooperation in Related Efforts:

The University reserves the right to undertake or award other contracts for additional or related work to other entities. The Contractor shall fully cooperate with other contractors and University employees and carefully fit its work into such additional work. The Contractor shall not commit or permit any act that will interfere with the performance of the work by any other contractor or University employees. This clause shall be included in all contracts with the contractors with whom this Contractor will be required to cooperate. The University shall equitably enforce this clause against all contractors to prevent the imposition of unreasonable burdens on any contractor.

18. Additions, Deletions, or Contract Changes:

The University reserves the right to add, delete, or change related items or services to any contract. No modification or change of any contract provision shall be made unless such modification is mutually agreed to in writing by the Contractor and the University and incorporated as a written modification to the Contract. Memoranda of understanding and correspondence shall not be interpreted as a modification to or part of the Contract unless specifically agreed to in writing by both parties.

19. Permits, Licenses, and Taxes:

The Contractor shall procure all necessary permits and licenses and abide by all applicable laws, regulations, and ordinances of all federal, state, and local governments where work is performed under this Contract.

The Contractor must furnish certification of authority to conduct business in the Commonwealth of Kentucky as a condition of contract award. Such registration is obtained from the Kentucky Secretary of State, who will also provide certification. However, the Contractor need not be registered as a prerequisite for responding to the RFP.

The Contractor shall pay any sales, use, personal property, and other taxes arising from this Contract and the transaction contemplated hereby. The Contractor shall be responsible for any other taxes levied upon this Contract, the transaction, or the equipment or services delivered pursuant hereto.

The Contractor will be required to accept liability for payment of all payroll taxes or deductions required by local and federal law, including (but not limited to) old age pension, social security, or annuities.

The University is a tax-exempt organization and, upon request, will provide a copy of its tax-exemption certificate.

20. University Brand Standards:

The Contractor must adhere to all University of Kentucky Brand Standards. University Brand Standards are maintained by the University Public Relations Office (UKPR) and can be viewed at <https://brand.uky.edu/>. Non-adherence to the standards can have a penalty up to and including contract cancellation. Only the UKPR Director or designee can approve exceptions to the University standards.

Graphics standards for the UK HealthCare areas are governed by UK HealthCare Clinical Enterprise Graphic Standards, found at: <https://ukhealthcare.uky.edu/staff/brand-strategy>. Contractor warrants that its products or services provided hereunder will be in compliance with all applicable Federal disabilities laws and regulations, including without limitation the accessibility requirements of Section 255 of the Federal Telecommunications Act of 1996 (47 U.S.C. § 255) and Section 508 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794d), and its implementing regulations set forth at Title 36, Code of Federal Regulations, Part 1194, as may be amended from time to time. For purposes of clarity, updated regulations under Section 508 standards now incorporate WCAG 2.1 Level AA, and for purposes of this Agreement, WCAG 2.1 Level AA compliance is expressly included. The Contractor agrees to promptly respond to, resolve, and remediate any complaints regarding the accessibility of products or services in a timely manner and provide an updated version to the University at no additional cost. If deficiencies are identified, the University reserves the right to request from the Contractor a timeline by which accessibility standards will be incorporated into the products or services provided by the Contractor, and the Contractor shall provide such a timeline within a commercially reasonable duration of time. Failure to comply with these requirements shall constitute a material breach of this Agreement and shall be grounds for termination of this Agreement.

Where any customized web services are provided, the Contractor represents that it has reviewed the University's Web Policy and all products or services will comply with its published standards. The Contractor will provide the University with a current Voluntary Product Accessibility Template (VPAT) for any deliverable(s). If none is available, the Contractor will provide sufficient information to reasonably assure the University that the products or services are fully compliant with current requirements.

21. Royalties, Patents, Copyrights, and Trademarks:

The Contractor shall pay all applicable royalties and license fees. If a particular process, product, or device is specified in the Contract documents and is known to be subject to patent rights or copyrights, the existence of such rights shall be disclosed in the Contract documents, and the Contractor is responsible for payment of all associated royalties. To the fullest extent permitted by law, the Contractor shall indemnify, hold the University harmless, and defend all suits, claims, losses, damages, or liability resulting from any infringement of patent, copyright, and trademark rights resulting from the incorporation in the Work or device specified in the Contract Documents.

Unless provided otherwise in the Contract, the Contractor shall not use the University's name or any of its copyrights or trademarks. However, it may state that it has a Contract with the University.

22. Copyright Ownership and Title to Designs and Copy:

The Contractor and the University both consider the products and results of the services rendered by the Contractor to be works made for hire. The Contractor acknowledges and agrees that the work and all rights therein, including, without limitation, copyright, belong to and shall be the sole and exclusive property of the University. For any work not considered a work made for hire under applicable law, title, and copyright ownership shall be assigned to the University.

Title to all dies, type, cuts, artwork, negatives, positives, color separations, progressive proofs,

plates, copy, and any other requirement not stated herein required for completion of the finished product for use in connection with any University job shall be the property of and owned by the University. Such items shall be returned to the appropriate department upon completion and/or delivery of work unless otherwise authorized by the University. If the time of return is not specified, the Contractor shall return all such items to the appropriate University department within one (1) week of delivery.

23. Proprietary Information, Data Duplication, and Disclosure:

The Contractor agrees that any information disclosed by the University to the Contractor for the purpose of any contract shall be used only in the performance of this Contract. The Contractor will keep the information confidential, will not disclose it to any third party except as authorized by the University, and will only disclose it to those within its organization who need to use it to perform this Contract. Upon completion or termination of this Contract, the Contractor shall return all such information to the University or make such other disposition thereof as may be directed or approved by the University.

No item furnished under this Contract, or tools, plans, designs, or specifications for producing the same, which have been specifically designed for or by the University, shall be duplicated or used by the Contractor. Upon completion or termination of this Contract, the Contractor shall return all items, tools, plans, designs, or specifications to the University or make such other disposition thereof as may be directed by or approved by the University.

The Contractor agrees that it will not, without prior written approval of the University, publicize this Contract or disclose, confirm, or deny any details thereof to third parties or use the University's name in connection with the Contractor's sales promotion or publicity without prior written approval of the University.

Nothing in this provision shall restrict the Contractor's right to use or disclose any information which is or becomes generally known to the public without breach of this provision by the Contractor or is rightfully obtained without restriction from other sources.

24. Contractor's Responsibility for Records, Audits, and Reports:

The Contractor shall retain all records and documents and shall provide unlimited access, at all reasonable times and upon reasonable notice, to all accounting records and supporting documentation relating to the goods and services furnished during any contract and for a period of five (5) years thereafter, unless required to be retained for a longer period by state or federal statute. Should such an audit disclose incorrect billings or improprieties, the University reserves the right to charge the Contractor for the cost of the audit and pursue appropriate reimbursement.

The Contractor will be responsible for providing line-item usage reports to the UK Procurement Services on a quarterly basis. Procurement Services reserves the right to request other pertinent reports.

25. Nondiscrimination:

The Contractor shall comply with the University's nondiscrimination policy as set out in University [Governing Regulation I](#), as well as all applicable federal and state nondiscrimination laws.

26. Contractor and Subcontractor Responsibility with Federally Funded Contracts:

The Contractor shall comply with “Contract Provisions for Non-Federal Entity Contracts Under Federal Awards.” The provisions may be viewed at this [link](#).

Contractors and subcontractors receiving payments from the University under federally awarded contracts shall comply with all applicable laws and regulations regarding equal opportunity and nondiscrimination.

The Contractor shall abide by the requirements of [41 C.F.R. §§ 60-1.4\(a\)](#). This regulation prohibits discrimination against qualified individuals based on race, color, religion, sex, sexual orientation, gender identity, or national origin (see specifics below).

The Contractor and subcontractor shall abide by the requirements of [41 C.F.R. 60-741.5\(a\)](#). This regulation prohibits discrimination against qualified individuals based on disability and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities.

The Contractor and subcontractor shall abide by the requirements of [41 C.F.R. 60-300.5\(a\)](#). This regulation prohibits discrimination against qualified protected veterans and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans.

During the performance of this Contract, the Contractor agrees as follows:

- (1) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The Contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. 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 compensation; 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 nondiscrimination clause.
- (2) The Contractor will, in all solicitation or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.
- (3) The Contractor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a

formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with Contractor's legal duty to furnish information.

- (4) The Contractor will send to each labor union or representative of workers with which he 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 [Section 202 of Executive Order No. 11246 of September 24, 1965](#), as amended, 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.
- (5) 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.
- (6) 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.
- (7) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this Contract or with any of the said rules, regulations, or orders, this Contract may be canceled, terminated, or suspended in whole or in part, 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, or such other sanctions may be imposed and remedies invoked as provided in said Executive Order or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- (8) The Contractor will include the provisions of paragraphs (1) through (8) 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 11246 of September 24, 1965](#), as amended, so that such provisions will be binding upon each subcontractor or Contractor. 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 the Contractor becomes involved in or is threatened with, litigation with a subcontractor or the Contractor as a result of such direction, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

27. Open Records:

Any contract with the University and all related information and documentation may be subject to public disclosure under the Kentucky Open Records Act, [KRS 61.870, et seq.](#) The Contractor is hereby notified that the University strictly adheres to this statute and the interpretations thereof rendered by the courts and the Kentucky Attorney General. The

Contractor shall be deemed to have knowledge of this law and the means of protecting the Contractor's legitimate interests.

28. Debarred, Suspended, and Ineligible Status:

The Contractor certifies that it has not been debarred, suspended, or declared ineligible as defined in the Federal Acquisition Regulation (FAR [48 C.F.R. Ch. 1 Subpart 9.4](#)) or been subject to a determination by the Attorney General to have knowingly caused or directed, or to be likely to knowingly cause or direct a violation of Executive Order 14117 of February 28, 2024 "Preventing Access to Americans' Bulk Sensitive Personal Data and United States Government-Related Data by Countries of Concern" ([28 C.F.R. Part 202](#)). The Contractor will immediately notify the University if the Contractor is placed on the Consolidated List of Debarred, Suspended, and Ineligible Contractors or if a determination has been made by the Attorney General of a violation under [28 C.F.R. Part 202](#).

29. Conflicts of Interest:

To the best of the Contractor's knowledge, the Contractor has no conflicts of interest between the Contractor and the University or its employees as defined by all applicable Kentucky Revised Statutes and the University's ethics and compliance policies and procedures.

In the event of a change in the Contractor's interests, the Contractor shall inform the University regarding any conflicts of interest that are likely to arise as a result of such change. The Contractor hereby represents that it has not participated in any illegal or unethical conduct concerning this Contract. If, at any time, the University determines the Contractor violated the foregoing representation, the University may cancel this Contract upon written notice to the Contractor, and the University shall have no further obligation to the Contractor.

30. General Warranties:

The Contractor warrants that all goods shall conform to the Contract's specifications and shall be merchantable, free from defects (including defects in design and fit), and suitable for the intended purposes. The Contractor further warrants that all services shall conform to the Contract's specifications and be performed professionally and in a workmanlike manner. These warranties shall remain in effect for at least one (1) year following the University's acceptance of the goods or services or for the duration of the Contractor's standard warranty period if such period exceeds one (1) year. The foregoing warranties are in addition to, and shall not limit, any other warranties or buyer protections that exist by operation of law.

31. Price Warranty:

The Contractor warrants that the price(s) for the articles or services sold to the University hereunder are not less favorable than those extended to any other customer (whether government or commercial) for the same or similar articles or services in similar quantities. In the event the Contractor reduces its price(s) for such articles or services during the term of this Contract, the Contractor agrees to reduce the prices hereof accordingly. The Contractor warrants that prices shown on this Contract shall be complete, and no additional charges of any type shall be added without the University's express written consent. Such additional charges include but are not limited to shipping, packaging, labeling, customs, duties, tariffs, taxes, storage, insurance, boxing, and crating.

32. Final Inspection and Acceptance:

When applicable, the University reserves the right to perform inspection and/or expediting of the materials and fabrication thereof at the facility of the Contractor or its suppliers at any reasonable time. All materials and services are subject to final inspection and acceptance by the University at the destination, notwithstanding any prior payments or inspection at the source. Such final inspection shall occur within thirty (30) days from the date of delivery, installation, or completion of services, whichever is the latest.

In addition to other remedies that may be available under law or in equity when products or services are not delivered on the date agreed upon by the Contractor and the University or if inferior or incomplete work is found, Procurement Services (in concurrence with the department) reserves the right to reject such products or services and at its option (1) request replacement as stated above or authorize the Contractor to issue a credit based on the University's cost for all material found unacceptable the University, (2) return any nonconforming or defective item(s) to the Contractor at no cost to the University, (3) require correction or replacement of the item(s), or (4) authorize the Contractor issue a refund for the inferior or nonconforming service in an amount as is equitable under the circumstances. If the University does not require correction or replacement of nonconforming or defective item(s), the Contractor shall repay such portion of the contract price or such additional amount as is equitable under the circumstances. The rights of the University are in addition to and shall not be limited by the Contractor's standard warranties.

33. Delivery, Transportation, and Packaging:

The Contractor covenants that, if awarded a Contract, the Contractor shall:

Adequately pack all commodities and equipment according to accepted commercial practice and according to the packing and marking instructions stated in the contract documents or purchase order.

Make deliveries as stated in the Contract; the Contractor understands that all deliveries shall be made by the end of the University's fiscal year (June 30) in the year the Contract is awarded unless otherwise specified in the Contract.

Make deliveries during normal working day hours to the point or points specified in the Contract Documents or Purchase Order unless otherwise noted.

34. Price Redetermination:

Prices quoted shall be firm and fixed unless otherwise stipulated in the Special Conditions of the Invitation for Bid. For multiple-year contracts, prices shall remain firm and fixed during the initial term of the Contract. The Contractor may request a price adjustment at the end of the initial contract term and the end of each contract term thereafter. Such requests should be submitted in writing at least sixty (60) calendar days before the end of the Contract term and shall include the cause for the adjustment, the amount of change requested, and documentation to support the requested adjustment.

Only pass-through price adjustments will be considered, and any proposed price increase must be proven to be general throughout the industry. Requests for price increases must be accompanied by sufficient documentation to justify the request, including, for example,

certified letters from a manufacturer or published price indices such as the Producer Price Index (“PPI”) that substantiate a price increase. As published by the U.S. Bureau of Labor Statistics, the adjusted price shall not exceed a three percent (3%) increase based on the Consumer Price Index (“CPI”) for the prior year.

The University Procurement Officer must agree to and approve any proposed price adjustment before its effective date. The adjusted price(s) become effective starting with the term beginning after the approval and shall be firm and fixed for the next Contract term.

35. Procurement Card:

The University utilizes a procurement card program as a method of payment. The University assumes that all successful bidders will accept the University’s procurement card as a payment method unless a specific exception is stated in the Bidder’s response to the IFB. No additional charges may be added to accept the procurement card.

36. Freight:

The University’s freight terms are free on board (“FOB”) destination, prepaid, and allowed. If the shipment is indicated on the Purchase Order as freight prepaid and added, the Contractor will prepay the freight charges and, if mutually agreed, add them to the invoice. Separate freight invoices will not be accepted. Collect shipments will be returned at the Contractor’s expense unless otherwise instructed by the University.

37. Damaged or Inferior Material:

The University will reject all damaged shipments or shipments containing inferior material and will immediately notify the Contractor. The Contractor must replace delivery rejection by the University for damaged or inferior materials within ten (10) working days.

When services are not delivered on the date agreed on by the Contractor and the University, or if inferior or incomplete work is found, Procurement Services (in concurrence with the department) reserves the right to reject such materials and request replacement as stated above or authorize the Contractor to issue a credit based on the University’s cost for all material found unacceptable.

38. University of Kentucky HealthCare Enterprise:

The University includes a clinical enterprise, UK HealthCare, which consists of the Colleges of Medicine, Dentistry, Pharmacy, Nursing, Health Sciences, and Public Health, the University Hospital Ambulatory Surgery Center, a multi-site physician group practice known as the Kentucky Clinic, and such other facilities as may be added from time to time which provide education, research, and an array of clinical programs. When providing goods or services to the UK HealthCare enterprise, the Contractor understands and agrees to abide by any and all regulatory requirements unique to a clinical enterprise, including, but not limited to, the following:

The Contractor represents and warrants that UK HealthCare operates in accordance with a corporate compliance program, and the Contractor agrees to adhere to the UK HealthCare compliance standards. The Contractor is hereby notified that a copy of the compliance plan is available from the UK HealthCare Office of Corporate Compliance. The Contractor

acknowledges that any compliance plan violation can, at the University's sole discretion, result in the immediate termination of this Contract upon written notice to the Contractor. The Contractor recognizes that it is under an affirmative obligation to immediately report to UK HealthCare's Corporate Compliance Officer any actions by an agent or employee of UK HealthCare that the Contractor believes, in good faith, violate any ethical, professional, or legal standard.

The Contractor must comply with the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"). As a precondition of entering into a contract with the University, the Contractor will be required, as applicable, to complete a Business Associate Agreement to comply with the Administrative Simplification provisions of HIPAA and regulations issued pursuant thereto. A Business Associate Agreement ("BAA") shall be incorporated herein by reference, where applicable.

The Contractor shall comply with any and all applicable accreditation standards promulgated by The Joint Commission ("TJC") or such other accrediting organization as UK HealthCare is applicable, as the same now exist or are subsequently promulgated, and said standards are hereby incorporated by reference.

In the event that the Contractor provides any patient care services as part of its duties under this Contract, the Contractor shall require any employee or subcontractor to meet and maintain any credentialing standards determined by UK HealthCare in its reasonable discretion to be applicable.

In the event that the Contractor provides any patient care services as part of its duties under this Contract, the Contractor shall maintain professional liability insurance in a minimum amount of \$1,000,000 per person and \$3,000,000 per occurrence on its employees providing said services and require any subcontractor providing said services to maintain such coverage.

39. Payment Card Industry – Data Security Standard Requirements (PCI-DSS):

The Contractor shall comply with the [Gramm-Leach-Bliley Act](#) ("GLBA"). To the extent any purchase includes services, including support, such that the provider of the service (defined in the GLBA as "Service Provider") may receive, maintain, process, or otherwise be permitted access to "customer information" through the course of contracted activities with the University, the Service Provider agrees to the following additional terms and conditions:

- a. Throughout the term of this Contract, the Service Provider shall implement and maintain "appropriate safeguards," as that term is used in [§ 314.4\(d\)](#) of the FTC Safeguard Rule, [16 C.F.R. § 314](#), for all "customer information," as that term is defined in [16 C.F.R. § 314.2\(b\)](#), received by Service Provider pursuant to this Contract.
- b. The Service Provider shall promptly notify the University, in writing, of each instance of (i) unauthorized access to or use of any customer information that could result in substantial harm or inconvenience to a customer of the University or (ii) unauthorized disclosure, misuse, alteration, destruction, or other compromise of any customer information. Within thirty (30) days of the termination or expiration of this Contract, the Service Provider shall destroy all records, electronic or otherwise, in its or its agents' possession that contain such customer information and shall deliver a written certification of the destruction to the University.

- c. The Service Provider consents, upon reasonable advance notice, to the University's right to conduct an on-site audit of the Service Provider's security program.
- d. Notwithstanding any other provisions of this Contract, the University may terminate this Contract for cause if the Service Provider has allowed a material breach of its security program, if the Service Provider has lost or materially altered customer information, or if the University reasonably determines that the Service Provider's security program is inadequate.
- e. The Service Provider shall defend, indemnify, and hold harmless the University, its agents, officers, board members, and employees from and against any and all claims, damages, losses, and expenses, including reasonable attorney's fees, for any claims arising out of or in any way relating to any allegations of security breaches, violations of the Safeguard Rule caused by the Service Provider's negligence, intentional acts or omissions, or any loss or material alteration of customer information.
- f. The Service Provider shall reimburse the University for any damages, including but not limited to any costs required to reconstruct lost or altered information resulting from any security breach, loss, or alteration of customer information.

The Contractor hereby agrees as follows:

- a. The Contractor shall be responsible for the security of cardholder data that it possesses, even temporarily, including any functions relating to storing, processing, and transmitting cardholder data on behalf of the University. In the case of a payment processing system and/or equipment purchased from the Contractor that is covered by PA DSS (Payment Application Data Security Standard), the Contractor warrants and represents that its software and/or equipment shall not impede the University's PCI DSS (Payment Card Industry Data Security Standard) compliance efforts. In the event that the Contractor's software and/or equipment impedes such efforts, the University may, in its sole discretion, upon thirty (30) days' notice and opportunity to cure, terminate this Contract, with any prepaid amounts refunded to the University on a pro-rata basis.
- b. The Contractor warrants and represents that, as of the effective date of this Contract, it has complied with all applicable requirements for validation and compliance with the PCI DSS (Payment Card Industry Data Security Standard) as appropriate for its Service Provider level. The Contractor agrees to supply the current status of its PCI DSS compliance and evidence of its most recent validation of compliance upon execution of this Contract. Further, the Contractor must supply the University with a new status report and proof of verification of compliance at least annually and upon request by the University. The Contractor will immediately notify the University if it learns that it is no longer PCI DSS compliant and will immediately report to the University the steps being taken to remediate the noncompliant status. In no event should the Contractor's notification to the University be later than seven (7) calendar days after the Contractor learns it is no longer PCI DSS compliant. Failure to maintain PCI DSS compliance shall be a breach of Contract, and the University may, at its sole discretion, terminate this Contract if the Contractor does not become compliant within thirty (30) days, with any prepaid amounts refunded to the University on a pro-rata basis.
- c. The Contractor warrants and represents that, as of the effective date of this Contract, it

has complied with all applicable requirements for validation with the PA DSS (Payment Application Data Security Standard) for its payment processing system. The Contractor agrees to supply evidence of its most recent validation upon executing this Contract. Further, the Contractor agrees to maintain PA DSS validation for the installed payment processing system version throughout the term of any maintenance Contract with the University. If the PA DSS validation deadline for the payment system lapses, the Contractor acknowledges that it shall be in breach of this Contract, and the University may, at its sole discretion, terminate this Contract if the Contractor does not become compliant within thirty (30) days, with any prepaid amounts refunded to the University on a pro-rata basis.

- d. While doing business in University facilities or on its property, if credit card payments will be processed over the Internet via the Contractor's own system and/or equipment and through its own merchant account, the Contractor will provide its own Internet connection to process such payments and will not be permitted to use the University's network and equipment.

40. Kentucky's Personal Information Security and Breach Investigation Procedures and Practices Act:

To the extent Company receives Personal Information as defined by and in accordance with Kentucky's Personal Information Security and Breach Investigation Procedures and Practices Act, KRS 61.931, 61.932 and 61.933 (the "Act"), Company shall secure and protect the Personal Information by, without limitation: (i) complying with all requirements applicable to non-affiliated third parties set forth in the Act; (ii) utilizing security and breach investigation procedures that are appropriate to the nature of the Personal Information disclosed, at least as stringent as University's and reasonably designed to protect the Personal Information from unauthorized access, use, modification, disclosure, manipulation, or destruction; (iii) notifying University of a security breach relating to Personal Information in the possession of Company or its agents or subcontractors within seventy-two (72) hours of discovery of an actual or suspected breach unless the exception set forth in KRS 61.932(2)(b)2 applies and Company abides by the requirements set forth in that exception; (iv) cooperating with University in complying with the response, mitigation, correction, investigation, and notification requirements of the Act, (v) paying all costs of notification, investigation and mitigation in the event of a security breach of Personal Information suffered by Company; and (vi) at University's discretion and direction, handling all administrative functions associated with notification, investigation and mitigation.

41. Disaster Recovery:

At the University's request, the Contractor shall prepare and submit to the University for its acceptance and approval a comprehensive disaster recovery and business resumption plan detailing the Contractor's in-place procedures for daily backup of data and systems, storage and protection of backup media, and contingency plans and other details regarding the Contractor's disaster recovery and business resumption plan.

At least as often as once per year and at the Contractor's sole cost and expense, the Contractor will undertake a comprehensive test of its disaster recovery and business resumption plans. The Contractor will share all records, reports, internal or external audits, documentation, and all other materials regarding such testing with the University.

a. Source Code Escrow

The Contractor agrees that if the Contractor is licensing, selling, renting, leasing, or otherwise providing any software to the University or creating, modifying, customizing, or developing any software for the University under this Contract, the Contractor will at all times during the Term of this Contract, at its sole cost and expense, maintain the source code (and any and all updates, enhancements, changes or additions thereto) for such software in escrow, with a third party escrow agent acceptable to the University.

The Contractor agrees that the source code shall be placed in escrow and released to the University in the event that the Contractor fails to meet its obligations to the University under this Contract, fails to support the software as required under this Contract, materially breaches the Contract, or suffers an event of bankruptcy (collectively "Release Events").

b. Encryption

The Contractor agrees to ensure the confidentiality and integrity of University Data in storage and transit through the implementation of strong encryption controls acceptable to the University. If the Contractor determines that strong encryption of University Data is not appropriate, the Contractor must apply compensating controls approved by the University to ensure the confidentiality and integrity of University Data and document the rationale for the approach taken.

c. Retention

Immediately upon the termination, cancellation, or expiration of the Contract for any reason, unless the Contractor is otherwise instructed by the University, or upon the University's written request at any time, the Contractor shall return or remove and destroy any and all University Data in whatever form or medium in Contractor's possession or control of Contractor or its agents or subcontractors, and certify such complete and full return or removal and destruction of all University Data in writing.

The Contractor agrees to retain University Data for the appropriate statutory requirements. The Contractor further agrees to extend to the retained data any and all protections, limitations, and restrictions contained in the Contract and any addenda or exhibits thereto and the Business Associate Agreement ("BAA") (if applicable) between the University and the Contractor and to limit any further uses and disclosures of the retained data to the purposes of the appropriate statutory requirements for so long as Contractor retains University Data. The Contractor agrees that any retained data will be destroyed at the expiration of such period according to the University's direction.

The Contractor's obligations under this Section shall survive the expiration or termination of this Contract for any reason.

d. Offshoring

The Contractor shall not transmit, export, download, store, or maintain any University Data beyond the borders of the United States of America.

42. Payment Terms:

The University adheres to a strategic approach regarding payables management based on risk minimization, processing costs, and industry best practices. As such, suppliers and individuals doing business with the University will be paid based on the following protocol:

- a. The University utilizes Payment Plus (e-payables) as its primary default form of payment. By enrolling in Payment Plus, Contractors can receive payments immediately (all invoices will be paid immediately upon confirmation of receipt of the goods and invoice). The process is electronic, and the Contractor receives real-time payment notices. All Payment Plus inquiries are handled by Accounts Payable (APPOinvoices@uky.edu).
- b. Payments by check. Payment terms for check payments are Net-30.
- c. Individuals receiving payments from the University that require ACH direct payments will only be processed under special circumstances, as approved by the Controller's office. Payment terms for ACH are Net-15.

43. Requirement To Perform Contractor Onboarding and Registration:

As a condition of purchase order issue and/or to issue any payable, Contractors engaged with any University procurement or payable transaction agree to register their company, organization, entity, etc., with PaymentWorks, Inc., the University's Contractor onboarding application. Procurement Services can provide registration information as part of the Purchase Order or invoicing process. Further, should any company, organization, entity, or other information on the Contractor's original registration change while the Contractor has an active PaymentWorks registration with the University, the Contractor agrees to update this information in PaymentWorks, as applicable. The Contractor agrees to and should be responsible for all updates to their PaymentWorks account as they relate to submitting new remit-to addresses or other required Contractor profile information. PaymentWorks supports all suppliers transacting with the University on the platform. The Contractor agrees to and should be responsible for engaging PaymentWorks Support for any issues related to updates or other matters to ensure their Contractor account remains current and connected to the University.