

KENTUCKY HOUSING CORPORATION

REQUEST FOR PROPOSALS (RFP)

Kentucky Housing Corporation (KHC) needs 10 water source heat pumps to replace its existing McQuay water source heat pumps. KHC will enter Competitive Negotiations with any Bidder that is deemed a Responsible and Responsive Bidder to this RFP.

KHC is the state housing finance agency and a political subdivision of the Commonwealth of Kentucky. Created by the General Assembly in 1972, KHC's mission is to invest in quality housing solutions for families and communities across Kentucky.

SERVICES REQUESTED

Scope of Work

- Remove ceiling tiles and grid.
 - Shut off power to unit.
 - Disconnect electric, loop piping, supply duct, and control wiring.
 - Remove existing water source heat pump.
 - Install new water source heat pump.
 - Connect existing electric, loop piping, supply duct, and control wiring.
 - Start and check operation.
- A. Services must be performed during evenings after 5:00pm ET/Weekends/Holidays.
- B. Services requested must be done so with minimal interruption to KHC staff during business hours of Monday-Friday 8:00am to 5:00pm Eastern Standard Time to maintain a comfortable working environment and avoid any interruptions to HVAC systems during the aforementioned business hours.
- C. Work performed to be completed by December 31, 2021.
- D. Water source heat pumps located on the Second Floor of the East Wing in Kentucky Housing Corporation's Main Building located at 1231 Louisville Road, Frankfort, KY 40601.

ADDITIONAL INFORMATION

- E. The contract will be for no longer than one year with the possibility of 2 one-year renewals, at the sole discretion of KHC.
- F. Each Bidder shall carefully examine the requirements and items requested.
- G. The failure of any Bidder to receive or examine any form, instrument, or document, or to acquaint themselves with this RFP or attend the pre-bid meeting discussed below will in no way relieve the Bidder from any obligation with respect to its Proposal.
- H. Bidder shall submit only one Proposal for Services. Multiple proposals will not be accepted.

REQUIREMENTS FOR SUBMITTAL

Failure to comply with the requirements of this RFP will result in the response not being evaluated. Each response to the RFP must include and address the items below. See Section 3 of Exhibit A regarding the Kentucky Open Records Act and exemptions thereto.

- A. Bidder must attend a mandatory pre-bid meeting at the site, followed by a walk-through of the project area to inspect the site and to satisfy themselves with all general and local conditions that may affect the cost of performance and make all evaluations and investigations necessary for a full understanding of any difficulties which may be encountered in performing the work and conduct all field measurements at the following date and time.

Date: Wednesday, September 29, 2021

Time: 10:00 a.m.

- B. Bidder must provide evidence of certification that the Bidder is qualified to do business in the Commonwealth of Kentucky, be registered as active and in good standing with Kentucky's Secretary of State, and be licensed to perform business in the Commonwealth of Kentucky and operate an office in the Commonwealth. See <http://www.sos.ky.gov>.
- C. A summary of the Bidder, how long it has been in business, its overall practice, names of principals, etc.
- D. Examples of applicable services provided in the last three (3) years similar to that described.
- E. A description of the proposed approach and timing for completion.
- E. An itemized cost proposal for the Services requested, including proposed rate, hourly rate, travel costs, etc. A cost-plus percentage approach or cost-plus fixed fee approach for bidding will not be accepted. KHC is exempt from state taxes and should not be factored into pricing. There are no applicable prevailing wage rates. Any amounts that are estimates of time or materials must be identified as such and state the amounts and rates that apply. Prices during the initial term must remain firm and not subject to change. Any proposed increase in pricing for renewal terms must be identified. If not identified, pricing shall not increase for renewal terms. Any qualifications or conditions to pricing submitted must be clearly stated in the Proposal. Any change after Proposal submission may be deemed a withdrawal of Proposal by KHC.

Unit/Location	Unit Price	Removal Costs	Installation Costs
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			

- F. Names, phone numbers, and email addresses of contacts for client references of the requested Services.
- G. Resumes and needed Licensure of the consultants(s) who would be assigned to provide Services.
- H. Include the name, telephone number, and email address of the individual who will be the principal contact for KHC.
- I. If awarded a contract, Bidder acknowledges that it must provide a warranty of at least one year from the date of Project Completion that warrants that the Work is free from defects and strictly conforms to the requirements of the contract. The Bidder must further warrant that if the Bidder should damage any facilities or property on the KHC campus, the Bidder will promptly and effectively repair the damages and provide KHC payment for any losses KHC incurs because of such damages.
- J. Bidder must provide a copy of the Certificate of Insurance that includes the name of professional and workers' compensation insurance carrier and amounts of coverage.
- K. Include copies, if relevant, of business certification status, in order to obtain bonus scoring points. KHC accepts minority-owned and woman-owned business enterprise (MBE/WBE) certification status from the Kentucky Finance and Administration Cabinet (<http://mwbe.ky.gov/Pages/default.aspx>); disadvantaged business enterprise (DBE) certification from the Kentucky Transportation Cabinet (<http://transportation.ky.gov/civil-rights-and-small-business-development/Pages/default.aspx>); and veteran-owned small business and service-disabled veteran-owned small business (VOSB/SDVOSB) from the U.S. Dept. of Veteran's Affairs (<http://www.va.gov/osdbu/verification/>). *National certifications will not be accepted.*
- L. Submit a completed "Bidder Acknowledgments and Certifications" form as provided in Exhibit A.
- M. Submit a completed "Certification of Independent Contractor" form as provided in Exhibit B.
- N. Submit a completed "Acknowledgement of Contract Provisions" form as provided in Exhibit C.
- O. Provide any contractual provisions Bidder requires in contract with KHC, in the event Bidder is selected.
- P. If the Bidder claims preference as a resident of the Commonwealth Bidder must provide evidence that the Bidder is authorized to transact business in the Commonwealth and has for one year prior to and through the date of this RFP advertisement period made payments to the unemployment insurance fund and maintained a Kentucky workers' compensation policy.
- Q. Bond equivalent to cash in a total amount equal to 5% of the amount of the Proposal, for contracts estimated to exceed \$40,000.
- R. Please price each unit individually as a complete installation.

QUESTIONS REGARDING THE RFP

Any questions posed by Bidders prior to the response deadline must be submitted in writing or by electronic mail to: Bradley McLennan, Kentucky Housing Corporation, bmclennan@kyhousing.org or 1231 Louisville Road, Frankfort, KY 40601 or via phone at 502-564-7630 ext.292. Bradley McLennan will determine whether the response could have a material effect on the Bidder's proposal. If so, both the question and response will be posted on KHC's website for all potential Bidders to view. If not, the response will be made only to the questioner. In either case, the file will be documented to reflect the result.

RESERVATION OF RIGHTS

KHC reserves the right to:

- A. Request necessary amendments to the RFP;
- B. Reject any proposal not meeting mandatory requirements;
- C. Award multiple contracts to different Bidders;
- D. Reject all proposals, seek new proposals, and cancel the RFP according to the best interests of KHC; and
- E. Make investigations regarding qualifications of any or all Bidders as KHC deems necessary, whether by conducting an independent review or contacting the Bidder for discussions.

In no event will any obligations of any kind be enforceable against KHC unless and until a written agreement is entered.

LIABILITY

KHC shall not be liable for:

- A. Any costs incurred by the Bidder in the preparation of any proposal;
- B. Any costs incurred by the Bidder for any interview or negotiation relating to this RFP (i.e., travel, accommodations, etc.); or
- C. Any disclosure, whether by negligence or otherwise, of any material or information in any form submitted by any Bidder in response to this RFP.

KHC is not bound by any terms until KHC executes a written agreement to memorialize the terms. KHC may choose to end negotiations at any point in its sole discretion.

SELECTION PROCESS

A review committee will be appointed to review and evaluate proposal submissions and assign a numerical evaluation to each proposal submitted. Based upon the outcome of the numerical evaluation, oral interviews may be conducted with Bidder(s) of the highest-ranking proposals. Review committee members and RFP Bidders shall not have contact, verbal or written, regarding the RFP prior to the interview phase of the process except as provided above.

KHC may allow the Chief Purchasing Officer to make the final determination of the most advantageous Proposal with or without discussions being held with Bidders or recommendations by the review committee. Discussions may be conducted with those Bidders that KHC deems are Responsible and Responsive Bidders, in KHC's sole discretion, via email, phone, or mail.

The award of contract will be made by written notice to the Responsible and Responsive Bidder whose proposal offers the Best Value to KHC. The Best Value is based on objective and quantifiable criteria of the scoring completed. KHC has no liability under such award until KHC executes a written agreement to memorialize the terms, and KHC may elect not to enter a contract at any point, in its sole discretion.

EVALUATION CRITERIA AND SCORING

Proposals will be evaluated pursuant to the following evaluation criteria:

Proposed Services	≤ 10 points
Overall Qualifications, Relevant Experience, and Expertise	≤ 30 points
Ability to Perform Services	≤ 20 points
Proposed Fee	≤ 40 points
MBE/WBE/DBE/VOSB/SDVOSB Certification	5 Bonus Pts

Resident Bidders are given preference over non-resident Bidders (KRS 45A.494) and the Department of Corrections, the Kentucky Industry for the Blind, Incorporated or any nonprofit agency for the blind, deaf, or hard at hearing, or agencies of individuals with severe disabilities are given preference over other Bidders.

SUBMISSION OF PROPOSALS

- A. Proposals must be submitted electronically, preferably in a single PDF document, via email, no later than the time indicated below. See Section 3 of Exhibit A regarding the Kentucky Open Records Act and exemptions thereto.

To: Bradley McLennan
bmclennan@kyhousing.org
Business Logistics
Kentucky Housing Corporation
Subject line to read: **Water Source Heat Pump RFP**

- B. Proposals received after the deadline will not be accepted or reviewed for selection, unless the Bidder can provide evidence that the cause of the delay was beyond the Bidder's control. The Purchasing Officer will make a final determination as to whether to consider the Proposal.
- C. Proposals must be received by **5:00 p.m., ET, on Thursday October 15th, 2021.**

EXHIBIT A

**KENTUCKY HOUSING CORPORATION
BIDDER ACKNOWLEDGEMENTS AND CERTIFICATIONS**

I hereby acknowledge and certify that the information contained in these statements below are true and correct and may be viewed as an accurate representation of this organization. I acknowledge that I have read and understood the requirements and provisions of the RFP.

I _____ am the _____ of
(Printed name of signatory authority) *(Title or position)*

the corporation, partnership, association, sole proprietor, or other entity named as company and Bidder herein, and I am legally authorized to sign this and submit it to Kentucky Housing Corporation on behalf of said organization.

Signed: _____ Date: _____

Name: _____ Title: _____

Firm name: _____

1. Campaign finance laws:

Bidder certifies that it complies with the Commonwealth of Kentucky's campaign finance laws and will not violate the campaign finance laws if awarded a Contract.

2. Personal Information and Security and Breach Investigation Procedures and Practices Act:

Bidder shall comply with the Personal Information and Security and Breach Investigation Procedures and Practices Act (KRS 61.931-61.933), if applicable.

3. Open Records Act:

Bidder acknowledges i) that it is aware that its response and all materials submitted constitute public records within the meaning of the Kentucky Open Records Act (KRS 61.870 to 61.884); ii) that unless such material is segregated and clearly designated by Bidder in its response as eligible for an exemption pursuant to KRS 61.878, KHC will comply with valid open record requests and make the response material available for inspection and copying; and iii) that even material which is so segregated and designated by the Bidder may become subject to release by KHC upon a successful challenge by a member of the public or determination by KHC that such material is not subject to an exemption. Bidder acknowledges any books, documents, papers, records, or other evidence, received by KHC will be subject to KRS 61.870 to 61.884.

4. Cost and Pricing:

Bidder certifies that to the best of its knowledge and belief, the cost or pricing data is accurate, complete, and current as of the date specified.

5. Residency:

Bidder certifies that it is a resident of the Commonwealth, meaning that the Bidder is authorized to transact business in the Commonwealth and will make payments to the unemployment insurance fund and maintain a workers' compensation policy through the date of this RFP.

EXHIBIT B

**KENTUCKY HOUSING CORPORATION
CERTIFICATION OF INDEPENDENT CONTRACTOR**

I hereby certify that the information contained in these qualifications and any attachments is true and correct and may be viewed as an accurate representation of proposed services to be provided by this organization. I acknowledge that I have read and understand the requirements and provisions of the RFP.

I _____ am the _____ of
(Type name of signatory authority) (Title or position)

The corporation, partnership, association, sole proprietor, or other entity named as company and Bidder herein (Contractor), and I am legally authorized to sign this and submit it to Kentucky Housing Corporation on behalf of said organization.

Signed: _____ Date: _____

Name: _____ Title: _____

Firm name: _____

Violation of tax and employment laws:

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

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

KRS 45A.485 also provides that, for the duration of any contract, the Contractor shall be in continuous compliance with the provisions of those statutes which apply to the Contractor's operations, and that the Contractor's failure to reveal a final determination as described above or failure to comply with the above statutes for the duration of the contract, shall be grounds for the Kentucky Housing Corporation cancelling of the contract.

Contractor must check one:

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

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

EXHIBIT C

**KENTUCKY HOUSING CORPORATION
ACKNOWLEDGEMENT OF CONTRACT PROVISIONS**

I hereby acknowledge and accept the following contract provisions, without revision, if this organization is awarded a contract with Kentucky Housing Corporation. I acknowledge that I have read and understand the requirements and provisions of the RFP and the contract provisions included in this Acknowledgement of Contract Provisions.

I _____ am the _____ of
(Type name of signatory authority) (Title or position)

The corporation, partnership, association, sole proprietor, or other entity named as company and Bidder herein (Contractor), and I am legally authorized to sign this and submit it to Kentucky Housing Corporation on behalf of said organization.

Signed: _____ Date: _____

Name: _____ Title: _____

Firm name: _____

1. Renewals and Extensions of Term

At the expiration of its initial term, the Contract may, at the option of the parties hereto, be renewed upon the same terms and conditions as set forth herein and under the guidelines in the RFP. The terms of any Contract renewal must be consistent with the terms provided in the original proposal. All Contracts may be subject to the advance approval of KHC's Board of Directors and the Legislative Research Commission's Government Contract Review Committee. Contractor may be subject to the recertification process as an appropriate service provider under KHC's Vendor Management Policy and Procedures.

2. Access to Records

The Contractor agrees that KHC, the Finance and Administration Cabinet, the Auditor of Public Accounts, FNMA, FHA, VA, RHS, HUD, CFPB, and the Legislative Research Commission, or their duly authorized representatives, shall have access to any books, documents, papers, records, or other evidence, which are directly pertinent to this Contract for the purpose of financial audit or program review. Records and other prequalification information confidentially disclosed as part of the bid process will not be deemed as directly pertinent to the Contract and will be exempt from disclosure if exempt as provided in KRS 61.878(1)(c). The Contractor also recognizes that any books, documents, papers, records, or other evidence, received during a financial audit or program review will be subject to the Kentucky Open Records Act, KRS 61.870 to 61.884. If any deficiencies are identified in the financial audit or program review, KHC may request that the Contractor remedy their policies and procedures to comply with financial consumer laws and audit or program review recommendations. Failure of the Contractor to provide access to books, documents, papers, records, or other evidence for audit or program review, or to remedy deficiencies with compliance of consumer financial laws and audit or program recommendations will be considered an Event of Default and KHC may terminate the Contract.

3. **Compliance with Federal, State, and Municipal Requirements**

The Contractor shall obtain any required permits and comply with applicable federal, state, and municipal laws, codes, and regulations for Services performed pursuant to this Contract. This includes, but is not limited to, compliance with the enumerated financial consumer laws listed in 12 U.S.C. 5481(12), the Dodd-Frank Wall Street Reform and Consumer Protection Act, Gramm-Leach-Bliley Act (GLBA), Bank Secrecy Act (BSA), Fair Housing Act (FHA), Equal Credit Opportunity Act (ECOA), and rules and regulations set forth by the Office of Foreign Assets Control (OFAC), and Consumer Financial Protection Bureau (CFPB). The Contractor may be subject to CFPB supervision by entering into this Contract. The Contractor shall have an accounting system that permits the timely development of necessary cost data and is in accordance with generally accepted accounting principles. Every entity formed or doing business in Kentucky is required by law to maintain a registered agent and a registered office in Kentucky upon whom process (such as summons and subpoenas) may be served. The Contractor shall be registered with the Secretary of State of Kentucky prior to entering into the Contract. The Contractor shall maintain an active status and good standing with the Secretary of State of Kentucky during the Contract period. Contractor shall notify KHC of any violation or failure to comply with federal, state, and municipal requirements within twenty-four (24) hours of learning of the violation or failure to comply. KHC may monitor the Contractor's compliance with this Section and require remediation if issues are identified. Failure of the Contractor to obtain any required permits, notify KHC of violations, or comply with federal, state, and municipal requirements will be considered an Event of Default and KHC may terminate the Contract.

4. **Confidentiality**

The parties shall comply with the provisions of the Privacy Act of 1974 and instruct its employees to use the same degree of care as it uses with its own data to keep confidential information concerning client data, the business of the Contractor, KHC, its financial affairs, its relations with its consumers and its employees, as well as any other information which may be specifically classified as confidential by either party in writing to the other. Contractor shall have an appropriate agreement extending these confidentiality requirements to Contractors' employees. Contractor shall maintain as confidential any information acquired from or provided by KHC consistent with the requirements of KRS 205.175 and KRS 205.177. Contractor shall not release such information to any person, partnership, corporation, or association without the written approval of KHC. Written approval by KHC is not required for release by Contractor to state and federal investigatory authorities. Failure of the Contractor to keep required information confidential will be considered an Event of Default and KHC may terminate the Contract. Each party's confidential information is and will remain the property of the disclosing party, and this Contract does not grant nor imply any license or other rights to a disclosing party's confidential information except as expressly set forth in this Contract. Within five (5) business days after a disclosing party's request, the receiving party shall promptly, at the disclosing party's election, destroy or deliver to the disclosing party all confidential information and materials furnished to the receiving party, and provide a company officer's written certification of compliance with said destruction or delivery.

5. **Non-Public Personal Information**

The Contractor shall use consumer non-public personal information (NPPI) as is only necessary for the purposes of this Contract. Contractor shall comply with KRS 61.931-61.934 in regards to "personal information" and follow its internal policies and procedures to maintain the confidentiality of NPPI. Failure of the Contractor to keep NPPI confidential will be considered an Event of Default and KHC may terminate the Contract.

6. **Data Breach**

Contractor shall comply with all provisions of KRS 61.932, including that Contractor shall implement, maintain, and update security and breach investigation procedures which are appropriate to the nature of the information disclosed, at least as stringent as the security and breach investigations, procedures, and practices disclosed in KRS 61.932(1), and reasonably designed to protect the data from unauthorized access, use, modification, disclosure, manipulation, or destruction. Contractor shall ensure that all of Contractor's subcontractors that handle NPPI adhere to the same standard. In the event of a data breach, Contractor shall notify KHC in the most expedient manner possible, and without unreasonable delay but in no event later than seventy-two (72) hours from the determination of a security breach relating to the data in Contractor's possession. Contractor's breach notification must address the effects of the breach on KHC and its consumers and corrective actions to be taken. In the event of an unauthorized disclosure of data listed in KRS 61.931(1)(a) through (f), Contractor shall provide to KHC a copy of any and all reports and investigations relating to such investigations or notifications that are required by federal law or regulation. Contractor shall be responsible for all costs related to a failure to comply with this Section and to comply with the provisions of KRS 61.931 through 61.934.

7. **Conflict of Interest Laws and Principles**

The Contractor hereby certifies by its signature hereinafter that it is legally entitled to enter into this Contract with KHC and certifies that it is not and will not violate any conflict of interest statute (KRS 45A.330-45A.340, 45A.990, 164.390, or any other applicable statute) or principle by the performance of this Contract. Failure of the Contractor to be legally entitled to enter into this Contract and adhere to the provisions of this Section will be considered an Event of Default and KHC may terminate the Contract.

8. **Non-Discrimination**

During the performance of this Contract, the Contractor agrees as follows: The Contractor shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, sex, age, veteran status, disability, familial status, marital status, actual or perceived sexual orientation, and actual or perceived gender identity. The Contractor further agrees to comply with the provisions of the Americans with Disabilities Act (ADA) and its amendments, Public Law 101-336, and applicable federal regulations relating thereto prohibiting discrimination against otherwise qualified disabled individuals under any program or activity. The Contractor agrees to provide, upon request, needed reasonable accommodations. The Contractor shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, religion, color, national origin, sex, age, veteran status, disability, familial status, marital status, actual or perceived sexual orientation, and actual or perceived gender identity. Such action will 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 the non-discrimination clause. The Contractor shall, in all solicitations 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, religion, color, national origin, sex, age, veteran status, disability, familial status, marital status, actual or perceived sexual orientation, and actual or perceived gender identity. In the event of the Contractor's noncompliance with the non-discrimination clauses of this Contract or with any of the said rules, regulations, or orders, this Contract may be terminated or suspended in whole or in part and the Contractor may be declared ineligible for further government

contracts or federally-assisted construction contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, as amended, and such other sanctions may be imposed and remedies invoked as provided in or as otherwise provided by law.

9. **Campaign Finance**

Contractor certifies that it has not contributed more than the amount specified in KRS 121.056(2) to the campaign of the gubernatorial candidate elected at the election last preceding the date of this Contract. Contractor further swears under the penalty of perjury, as provided by KRS 523.020, that neither Contractor nor the company which Contractor represents, has knowingly violated any provisions of the campaign finance laws of the Commonwealth, and that the award of a Contract to Contractor or the company which Contractor represents will not violate any provisions of the campaign finance laws of the Commonwealth. Failure of the Contractor to comply with Kentucky campaign finance laws will be considered an Event of Default and KHC may terminate the Contract.

10. **Intellectual Property and Data**

Contractor may use KHC and consumer data, technology, and intellectual property only as is necessary to provide the Services of this Contract. Contractor shall not use the name, logo, or any other trademarks of KHC without KHC's prior written authorization. Failure of the Contractor to adhere to the provisions of this Section will be considered an Event of Default and KHC may terminate the Contract.

11. **Ownership of Materials Related to Services**

The Parties agree that any materials prepared and delivered by Consultant in the course of providing the Services are considered works made for hire. All rights, title, and interests of such materials are assigned to KHC and are its sole and exclusive property. Contractor agrees to execute a separate document evidencing such assignment upon request by KHC.

12. **Cancellation**

Any violation of a provision of this Contract will be considered an Event of Default. Upon an Event of Default, KHC may terminate this Contract immediately with written notice served on the Contractor by registered or certified mail. Also, KHC shall have the right to terminate and cancel this Contract at any time upon thirty (30) days written notice served on the Contractor by registered or certified mail, without penalty. If KHC terminates the Contract for any reason, KHC shall only pay for Services performed up to the time of notice of cancellation of the Contract.

13. **Funding Out Provision**

KHC may terminate this Contract if funds are not available for the purpose of making payments without incurring any obligation for payment after the date of termination, regardless of the terms of the Contract. KHC shall provide the Contractor thirty (30) calendar days written notice of termination of the Contract.

14. **Suspension of Payments and Debarment**

KHC shall have the right to immediately suspend payments pursuant to this Contract or any other grant or program under which the Contractor receives KHC funding, upon evidence that in KHC's discretion appears to indicate that the Contractor has committed fraud, is guilty of non-compliance, or has committed any other crime or wrong-doing. Any Contractor that is determined to have committed any act prohibited in 200 KAR5:315 or KHC's Suspension and Debarment Policy may, in KHC's sole discretion, be placed on probation, suspended from future bidding or contracting with KHC, or a combination of

both in accordance with KHC's Suspension and Debarment Policy. If Contractor becomes debarred or suspended from doing business with any federal or other state agency during the term of this Contract, Contractor shall notify KHC within seventy-two (72) hours of the determination. Failure of the Contractor to adhere to the provisions of this Section will be considered an Event of Default and KHC may terminate the Contract.

15. **Reduction in Contract Worker Hours**

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

16. **Subcontracting**

If the Contractor intends to subcontract any part of this Service, the Contractor shall provide full disclosure of the subcontractor's name and a description of the relationship. Before any subcontractor may begin work in relation to this Contract, KHC, in its sole discretion, shall approve any contract of subcontracting services related to this Contract. The Contractor remains fully liable for all work performed by its subcontractors pursuant to this Contract.

17. **Dispute Resolution; Choice of Law and Forum Provision**

The Parties shall use their best efforts to settle amicably all disputes arising out of or in connection with this Contract or its interpretation. All questions as to the execution, validity, interpretation, construction, and performance of this Contract will be governed by the laws of the Commonwealth of Kentucky. Furthermore, the parties hereto agree that any legal action which is brought on the basis of this Contract must be filed in the Franklin County Circuit Court of the Commonwealth of Kentucky or the United States District Court for the Eastern District of Kentucky, Frankfort Division. Any legal action brought under this Contract must be tried by the court sitting without a jury.