	<b>Notice of Request for Proposal</b>		<b>AHCCCS</b>
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	<b>Healthcare /Financial Consultant Services RFP</b>	OF <b>48</b>	701 East Jefferson, MD 5700  Phoenix, Arizona 85034

**Procurement Officer:**

**Jennifer Roberts, CPPB**

Senior Procurement Specialist  
Contracts and Purchasing Section  
701 E. Jefferson, MD 5700  
Phoenix, Arizona 85034

Telephone: (602) 417-4629  
E-Mail: [jennifer.roberts@azahcccs.gov](mailto:jennifer.roberts@azahcccs.gov)  
Issue Date: Wednesday, October 9, 2013

**LOCATION: ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM ADMINISTRATION (AHCCCS)**  
Contracts and Purchasing Section (First Floor)  
701 E. Jefferson, MD5700  
Phoenix, Arizona 85034

DESCRIPTION: **HEALTHCARE / FINANCIAL CONSULTANT SERVICES**

PROPOSAL DUE DATE: **Tuesday, November 12, 2013** AT 3:00 P.M. ARIZONA TIME

Pre-Proposal Conference: A Pre-Proposal Conference has **not** been scheduled.

QUESTIONS CONCERNING THIS SOLICITATION SHALL BE SUBMITTED TO THE PROCUREMENT OFFICER NAMED ABOVE, IN WRITING, VIA E-MAIL BY **TUESDAY, OCTOBER 22, 2013, 3:00 P.M.** ARIZONA TIME ON THE PROVIDED QUESTIONS AND ANSWERS FORM PROVIDED WITH THIS RFP. ANSWERS TO ALL QUESTIONS WILL BE POSTED IN THE AHCCCS WEBSITE IN THE FORM OF A SOLICITATION AMENDMENT FOR THE BENEFIT OF ALL POTENTIAL OFFERORS.

In accordance with A.R.S. § 41-2534, which is incorporated herein by reference, competitive sealed proposals will be received at the above specified location, until the time and date cited. Proposals received by the correct time and date will be opened and the name of each Offeror will be publicly read.


Proposals must be in the actual possession of AHCCCS on or prior to the time and date and at the location indicated above.

**Late proposals shall not be considered.**


Proposals must be submitted in a sealed envelope or package with the Solicitation Number and the Offeror's name and address clearly indicated on the envelope or package. All proposals must be typewritten. Additional instructions for preparing a proposal are included in this solicitation document.

Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the person named above. Requests should be made as early as possible to allow time to arrange the accommodation.

**OFFERORS ARE STRONGLY ENCOURAGED TO CAREFULLY READ THE ENTIRE SOLICITATION.**

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	<b>Offer and Acceptance</b>		<b>AHCCCS</b>
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**OFFER**

The undersigned Offeror hereby agrees to provide all services in accordance with the terms and requirements stated herein, including all exhibits, amendments, and final proposal revisions (if any). Signature also certifies Small Business Status.

Arizona Transaction (Sales) Privilege Tax License No.:

For clarification of this offer, contact:

\_\_\_\_\_

Name: \_\_\_\_\_

Federal Employer Identification No.:

\_\_\_\_\_

Title: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Phone: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Company Name

Signature of Person Authorized to Sign Offer

\_\_\_\_\_

\_\_\_\_\_

Address

Printed Name

\_\_\_\_\_

\_\_\_\_\_

City

State

Zip

Title

**CERTIFICATION**

By signature in the Offer section above, the Offeror certifies:

1. The submission of the offer did not involve collusion or other anti-competitive practices.
2. The Offeror shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, State Executive Order 2009-09 or A.R.S. §§ 41-1461 through 1465.
3. The Offeror has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted offer. Failure to provide a valid signature affirming the stipulations required by this clause shall result in rejection of the offer. Signing the offer with a false statement shall void the offer, any resulting contract and may be subject to legal remedies provided by law.
4. The bidder certifies that the above referenced organization \_\_\_\_\_ is /\_\_\_\_\_ is not a small business with less than 100 employees or has gross revenues of \$4 million or less.

**ACCEPTANCE OF OFFER (to be completed by AHCCCS)**

Your offer, including all exhibits, amendments and final proposal revisions (if any), contained herein, is accepted. The Contractor is now bound to provide all services listed by the attached contract and based upon the solicitation, including all terms, conditions, specifications, amendments, etc., and the Contractor's Offer as accepted by AHCCCS.

The Contractor is cautioned not to commence any billable work or to provide any material or service under this contract until Contractor receives purchase order, contract release document or written notice to proceed.


This contract shall henceforth be referred to as

Contract No. \_\_\_\_\_.

CONTRACT SERVICE START DATE: \_\_\_\_\_.

AWARD DATE: \_\_\_\_\_

\_\_\_\_\_  
**MICHAEL VEIT, AHCCCS Chief Procurement Officer**

	<b>Scope of Work</b>		<b>AHCCCS</b>
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**1. AHCCCS OVERVIEW**

AHCCCS is the single state Medicaid agency for the State of Arizona. In that capacity it is responsible for operating the Title XIX and Title XXI programs through the State’s 1115 Research and Demonstration Waiver, which was granted by the Centers for Medicare and Medicaid Services (CMS), U.S. Department of Health and Human Services. As of September 1, 2013, AHCCCS provides coverage to approximately 1.3 million members.

Over 79% of the AHCCCS program’s expenditures in SFY 2013 were through managed care programs. AHCCCS contracts with Managed Care Organizations (MCO’s) that are responsible for providing Acute, Long Term Care, and Behavioral Health Services. A list of contracted plans can be found here: <http://www.azahcccs.gov/applicants/healthplans/available.aspx>

The program has a total fund budget for SFY 2014 of approximately \$6.6 billion. AHCCCS has over 54,000 active providers such as individual medical and behavioral health practitioners, therapy disciplines, institutions, durable medical equipment companies and transportation entities. Additional information may be found on the AHCCCS website reporting page: <http://www.azahcccs.gov/reporting>

**2. PURPOSE**


The purpose of this Request for Proposal (RFP) is to solicit proposals from experienced, responsible healthcare consultants. Contracts awarded from this solicitation will be used by AHCCCS. Permission to use awarded contracts may be given to other State Agencies with prior approval.

**3. LEGAL AUTHORITY**

This solicitation and any resultant contract is being entered into and administered pursuant to A.R.S. 41-2501 et. seq., and administrative rules and regulations A.A.C. R2-7-101 et. seq., that constitute the Arizona Procurement Code.

**4. GENERAL REQUIREMENTS**

- 4.1 The Contractor shall maintain in current status all federal, state, and local licenses, permits, and certifications required for the operation of its business or profession as applicable to this contract. The Contractor shall furnish evidence to AHCCCS and the State upon request.
- 4.2 The Contractor shall have available staff that is sufficient in number and qualifications to perform the contracted services.
- 4.3 The Contractor shall designate a contact person for each State-assigned project.
- 4.4 The Contractor shall meet with the user State agency, as needed, to discuss project related problems that require immediate attention.
- 4.5 The Contractor shall serve as an expert witness, if needed, in legal matters related to consulting services performed as part of this Contract.
- 4.6 The Contractor shall submit any subcontracts to be used in the performance of this contract for prior approval at least thirty (30) days prior to start of the subcontract.
- 4.7 The Contractor shall maintain all confidential materials in a secure area during the term of the contract and for a period of five (5) years following the expiration or termination of the contract or for five (5) years from the conclusion of litigation, investigation, or audit, whichever is later.

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**5. EXAMPLES OF PROJECT TASKS INCLUDE:**

- 5.1 Review and report on state and federal changes and national trends affecting Medicare/Medicaid waivers which may impact the services provided by AHCCCS and the promotion of a national health insurance program.
- 5.2 Review of rate setting.
- 5.3 Review and advice on disproportionate share hospital payments.
- 5.4 Development of cost estimates of existing or proposed programs and other program changes. Review for financial compliance with applicable federal law and CMS and other regulations.
- 5.5 Identification of ways to maximize federal funding that is consistent with federal law and CMS regulations.
- 5.6 Evaluation of policies which impact changes in eligibility and enrollment and/or changes in state programs.
- 5.7 Statistical support.
- 5.8 Litigation support.
- 5.9 Review draft RFP's.
- 5.10 Perform inter-rater reliability review.
- 5.11 General Accounting.
- 5.12 Support and provide expertise on AHCCCS Payment Modernization design and implementation, including value based care models, aligned incentives, and data analytics.

**6. POSITION DESCRIPTIONS**


Samples of the positions AHCCCS may require are listed below. The positions are listed in alphabetical order by title.

**6.1 Accountant**

- Ability to apply Generally Accepted Accounting Principles (GAAP), Generally Accepted Auditing Standards (GAAS), Financial Accounting Standards Board (FASB) theories and concepts to a statewide government environment.
- Knowledge of principles, concepts, practices, methods and techniques of government accounting, audit methodologies, internal control structures, accountability and fiscal management.
- Ability to use reference materials such as federal regulations (e.g., Office of Management and Budget (OMB) Circulars), Arizona Revised Statutes, applicable agency manuals including the Arizona Department of Administration, General Accounting Office (ADOA/GAO) Statewide manuals.
- Bachelor's degree with a major in accounting from an accredited college/university or a license as a Certified Public Accountant.

**6.2 Actuarial Administrator**

- Ability to plan and conduct complex actuarial studies, perform research and analysis to determine future risk, statistical analysis, compilation of studies and reporting of results.
- Comprehensive knowledge of higher mathematics related to actuarial work, advanced statistical principles and techniques, and rate making procedures.
- Understanding of Federal Regulations relating to Medicaid and Medicare as well as AHCCCS Rules and Regulation.

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- Must be an Associate or Fellow of the Society of Actuaries and be a Member of the American Academy of Actuaries.
- Managed care experience preferred. Experience with the Arizona marketplace desirable; however, experience with heavily managed care markets may be acceptable.

6.3 **Senior Analyst**

- Ability to assist AHCCCS leadership to plan, develop, and implement payment models which improve health outcomes, patients' experience, and control the per capita cost of care. Experience developing and implementing Medicaid and state wide health reform projects including grant preparation. Must have expertise with design and implementation of innovative care models in multi-payer settings, stakeholder engagement, and analytics.

6.4 **Bio-Statistician**


- Ability to perform statistical or analytical review of health care data as well as data-mining.
- Knowledge of managed care principles, Medicare and Medicaid regulations, and state and federal law relating to the AHCCCS program.
- Ability to design and develop complex computer models to monitor and evaluate data trends for intelligent decision making.
- Excellent analysis, research and problem-solving skills.
- Ability to analyze and synthesize health care data and complex payment issues.
- Bachelor's degree in statistics from an accredited college/university.

6.5 **Budget Analyst**

- Ability to maintain, track, summarize and report budget data and recommend budget item inclusions, alterations, transfers and addenda. Complete analysis on special projects for management concerning revenue and staffing trends, funding sources and related expenditures.
- Knowledgeable in the principles, concepts, practices, methods and techniques of government accounting, audit methodologies, internal control structures, accountability and fiscal management.
- Ability to use reference materials such as federal regulations (e.g., Office of Management and Budget (OMB) Circulars), Arizona Revised Statutes, applicable agency manuals including the Arizona Department of Administration, General Accounting Office (ADOA/GAO) Statewide manuals.
- Bachelor's degree with a major in accounting from an accredited college/university or a license as a Certified Public Accountant.

6.6 **Economist**

- Ability to Compile, analyze, and report data to explain economic phenomena and forecast market trends, applying mathematical models and statistical techniques.
- Knowledge of methods and procedures for collecting and processing data, utilizing knowledge of available sources of data and various econometric and sampling techniques.
- Ability to formulate recommendations, policies, or plans to solve economic problems or to interpret healthcare markets.

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- Ability to Compile data relating to research area, such as employment, productivity, and wages and hours and organize data into report format and for preparation of graphic illustrations of research findings.
- Bachelor’s degree in economics, business, finance or statistics from an accredited college/university.

**6.7 Electronic Health Record (EHR) Incentive Program Auditor**


- Recommend process improvements.
- Produce a comprehensive audit strategy plan that meets CMS approval.
- Work with agency staff to perform audits and related evaluation of the payments.
- Provide comprehensive findings and supporting documentation for all audits conducted as well as: recommendations for process improvement, education or technical assistance needs for audited providers.
- Provide technical assistance and education to the State on the following topics, Arizona EHR Incentive Program Audit Strategy review, alignment with CMS or other identified Best Practices, Audit strategies (general), review of AHCCCS policies, procedures, and desktop processes related to pre-and post-payment audits, risk assessment, and payments for the Arizona EHR Incentive Program.
- Participate in state-level audits conducted by CMS or their designee and provide expertise and supporting documentation as needed and requested, assist with preparing Monthly, Quarterly and Annual Reports that support completion of all requirements outlined in §495.332 & §495.352.

**6.8 Financial Examiner**

- Ability to examine accounting records and methods of operation for compliance with laws and regulations, and prepare reports of examination. Assist with asset evaluation.
- Knowledge of principles and practices of auditing, accounting, and federal and state laws, rules and regulations as they pertain to financial institutions administration; personal computers, software applications and computerized products as they relate to auditing and accounting systems and processes; legal principles and practices appropriate to work assignment; evaluation procedures, techniques and reporting.
- Bachelor's degree with a major in accounting or finance from an accredited college/university or a license as a Certified Public Accountant.
- Ability to apply forensic accounting, principles, practices, and techniques that identify concealment and movement of financial assets in business related money laundering practices.
- Ability to create financial profiles by reviewing financial transactions and events to identify possible financial crime suspects and criminal organizations.
- Identify nominees who are used to conceal actual ownership and/or businesses.
- Prepare comprehensive reports used in criminal and civil actions relating money laundering and other illegal activities.

**6.9 Health Information Technology (HIT) / Health Information Exchange (HIE) Analyst**

- Create method to identify other payers and calculate CMS principal of Fair Share at the state level Health Information Exchange (HIE), assemble reports for the agency on the cumulative number and percent of total providers connected to the state level HIE, Medicaid providers,

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eligible hospitals and professionals, covered lives and the context for these numbers needed to understand the growth or lack thereof.

- Provide status update for AHCCCS onboarding goals. Provide information on the progress of the HIE in capturing clinical quality measures electronically and financial status.
- Look at the Electronic Health Records (EHRs) incentive to show how the AHCCCS strategic priorities are being enabled or slowed by the EHRS incentive payment program.
- Describe the state level HIE operational technology components over the next five years and summarize the plans to incorporate the Eligible Professional (EP) and Eligible Hospital (EH) HIE connectivity by timeframe.
- Coordinate and develop efforts with Public Health agency to verify Meaningful Use (MU) attestation information and document any instances of changes and workflow for MU definition.
- Using the agency’s strategic plan cross walk how the agency’s payment reform efforts are aligning with EHR adoption and HIT. Discuss challenges or opportunities with the EHR program and the state level.

**6.10 Project Management**

- Ability to plan, organize and direct resources to accomplish defined project objectives, while meeting or exceeding scheduled milestones and stakeholder expectations. Responsible for developing project management plans, project schedules, issue and change tracking processes and managing stakeholder expectations.
- Medicaid, AHCCCS or Health Care knowledge preferred.

**6.11 Statistician**

- Ability to perform statistical or analytical review of financial and healthcare data.
- Knowledge of managed care principles, Medicare and Medicaid regulations, and state and federal law relating to the AHCCCS program.
- Ability to design and development of complex computer models to monitor and evaluate data trends for intelligent decision making.
- Excellent analysis, research and problem-solving skills.
- Ability to analyze and synthesize financial and/or managerial data and complex payment issues.
- Ability to review data and evaluate if it statistically meets HIPAA standards.
- Ability to calculate a statistically valid sample sizes along with random selection options.
- Bachelor’s degree in statistics from an accredited college/university.


**6.12 Pass Through Consultant**

- AHCCCS occasionally has a need to pass an independent consultant through one of our existing vendors. If interested in working with us in this capacity, please submit the pass through fee you require in the form of a flat hourly fee.

**6.13 Optional Add-On Positions**

- The contractor may submit a catalog of job descriptions, especially for more experienced and technically competent consultants not included in this Scope of Work, with a minimum and maximum of experience and education. This catalog shall include an hourly billing rate for all positions the contractor wishes to be considered for optional accounting personnel. All personnel assigned by the contractor shall meet the minimum requirements indicated on the job




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descriptions provided. AHCCCS reserves the right to request a resume and/or interview prior to accepting any staff under this agreement.

**7. PROJECT ASSIGNMENT**

- 7.1 For each consulting project, AHCCCS shall issue to the Contractor a task order, which will provide a description of the work to be performed. The assignment shall specify all project deliverables, the deadlines for their submission and the person(s) to whom they are to be submitted. The task order will also include any other milestones deemed appropriate to the project.
- 7.2 Upon receiving notice of the task order, the Contractor shall provide a written response to AHCCCS containing the following information:
  - 1) A detailed project management plan which includes the name of the contact person and the names and qualifications of all staff, designated by position, to be assigned to the project
  - 2) An all-inclusive project price estimate detailing the estimated number of hours, by position and any other related project costs
- 7.3 For short term projects (less than 40 estimated hours), the Contractor shall provide the same response as described above, within five (5) working days of receipt of the task order.
- 7.4 AHCCCS will review the Contractor’s response to determine if, when and how to proceed with the project and will notify the Contractor as appropriate. AHCCCS reserves the right to accept and/or reject Contractor’s project plan, personnel, and/or project cost estimates.
- 7.5 The Contractor’s preparation and submission of a task order proposal is not a reimbursable service. The Contractor is cautioned not to begin work on any project until the Contractor has been notified by AHCCCS of the acceptance of the Contractor’s project plan.
- 7.6 Once a project proposal has been submitted by the Contractor and accepted by AHCCCS, the Contractor shall not exceed the approved timeline or approved costs without prior approval from AHCCCS. If prior approval is not received, the Contractor will not be paid in excess of the approved amount. If timelines are not met, and the Contractor does not advise AHCCCS of the delay prior to the due date and receive permission for the delay, AHCCCS may assess a penalty not to exceed 10% of the approved cost of the project.
- 7.7 In the event AHCCCS requires any change(s) to the scope of work to be performed under a specific project, the Contractor shall submit a revised project cost estimate to AHCCCS within a mutually agreed upon timeframe. The revised project proposal shall include: changes and/or adjustments to the scope of work, including adjustments to timeframes for completion of the project; and an all-inclusive project price estimate supported by a cost breakdown detailing the estimated number of hours by position and any other related costs required to complete the project as changed by AHCCCS.
- 7.8 For project proposals based on an hourly rate, the Contractor will not be reimbursed for internal consultation with other Contractor staff unless identified in the project proposal. In addition, AHCCCS

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shall not reimburse the Contractor for costs related to educating the Contractor’s staff to perform tasks required in this Contract.

7.9 When a response to a task order is accepted by AHCCCS, a unilateral amendment to the successful respondent’s contract will be added containing the response.

**8. PROJECT ACCEPTANCE**

8.1 All services are subject to review, evaluation and acceptance by AHCCCS. The AHCCCS department responsible for any given project shall be designated as the department responsible for accepting the Contractor’s work, but is not empowered to change any of the terms or conditions of the Contract. Any work performed by the Contractor that AHCCCS does not accept shall not be compensated by AHCCCS. At AHCCCS’ option, the Contractor may be required to correct, reconstruct or otherwise redo substandard work to bring it into conformance with acceptable standards.

8.2 Upon notice from AHCCCS, the Contractor shall take any recommended corrective action that results from monitoring findings. Such corrective action shall be commenced and completed within timeframes determined by AHCCCS.

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**1. PRICING**

- 1.1 **RATE BASED:** Offeror is required to propose pricing by rate or range of rates. The rate shall be inclusive of all costs associated with the delivery of the service and includes staff time, mileage, travel costs, insurance, and administrative cost. No additional fees will be paid by AHCCCS unless prior written approval is obtained by AHCCCS Administration.
- 1.2 Offeror shall propose pricing on EXHIBIT A: PRICING SCHEDULE.
- 1.3 Offerors are not required to submit rates for each position category in order to be considered for a contract award.


**2. INVOICES**

- 2.1 The contractor shall submit a monthly invoice to the address listed below for fees associated with this contract.
- 2.2 Each invoice shall provide the following information, as applicable:
  - 2.2.1 AHCCCS' assigned contract number
  - 2.2.2 Description of services performed for each fee
  - 2.2.3 Name of AHCCCS contact person (or program person) for this contract
  - 2.2.4 Date(s) services were performed
  - 2.2.5 Signature of authorized representative
- 2.3 Each invoice shall have adequate supporting documentation attached.
- 2.4 Unless otherwise described in this contract, all invoices shall be submitted to:

AHCCCS  
Accounts Payable, MD 5400  
701 E. Jefferson Street  
Phoenix, AZ 85034


**3. RATE ADJUSTMENT:**

- 3.1 **Rate Increase:** The original rate shall remain the same for the initial contract period. In the event AHCCCS exercises its sole option to renew the contract for additional periods, the AHCCCS procurement office may consider a request for rate increase. Rate increase requests shall be submitted to the procurement officer in writing no later than sixty (60) days prior to renewal or extension date. Any requested increase shall be based upon a documented cost increase to the Contractor. Failure to submit a request for rate increase within the stated timeframe and or failure to supply adequate information with the request may result in AHCCCS denying the request. Any approval of a rate increase will be at the sole option of AHCCCS and is contingent upon funding availability. Upon approval, rate increase amount will be negotiated between AHCCCS and the Contractor. Any approval of a rate increase will be effective upon the effective date of the contract renewal or extension, and shall only be considered complete upon written contract amendment signed by both parties.
- 3.2 **Rate Reduction:** Rate reductions may be submitted to the AHCCCS procurement officer for consideration at any time during the contract period.


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As used in this Solicitation and any resulting Contract, the terms listed below are defined as follows:

1. **AHCCCS:** The Arizona Health Care Cost Containment System – a managed health care program which pertains to health care services provided pursuant to A.R.S. 36-2903 et seq., and is also the name of the State agency.
2. **ATTACHMENT:** Any item the Solicitation requires an Offeror to submit as part of the Offer.
3. **CONTRACT:** The combination of the Solicitation, including the Instructions to Offerors, Contract Terms and Conditions, and Scope of Work; the Offer; any Final Proposal Revisions; any Solicitation Amendments or Contract Amendments; and any terms applied by law.
4. **CONTRACT AMENDMENT:** A written document signed by the Procurement officer that is issued for the purpose of making changes in the contract.
5. **CONTRACTOR:** A person who has a contract with AHCCCS.
6. **DAYS:** Calendar days unless otherwise specified.
7. **EXHIBIT:** Any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.
8. **GRATUITY:** A payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.
9. **HEALTH PLAN:** An organization which contracts with the AHCCCS Administration to administer the provision of a comprehensive package of AHCCCS covered acute and behavioral health care services to AHCCCS members enrolled with the health plan.
10. **MAY:** Indicates something that is not mandatory but permissible.
11. **MATERIALS:** All property, including equipment, supplies, printing, insurance and leases of property but does not include land, a permanent interest in land or real property or leasing space.
12. **OFFER:** A bid, proposal or quotation.
13. **OFFEROR:** A vendor who responds to a Solicitation.
14. **PROCUREMENT OFFICER:** The person, or his or her designee, duly authorized by the State and AHCCCS to enter into and administer Contracts and made written determinations with respect to the Contract.
15. **PROGRAM CONTRACTOR:** An organization which contracts with the AHCCCS Administration to execute the provision of a comprehensive package of ALTCS covered acute care, behavioral health services and long term care services to ALTCS members enrolled with the program contractor.
16. **SHALL, MUST:** Indicates a mandatory requirement. Failure to meet these mandatory requirements may result in the rejection of a proposal as non-responsive.

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17. **SHOULD:** Indicates something that is recommended but not mandatory. If the Offeror fails to provide recommended information, the State may, at its sole option, ask the Offeror to provide the information or evaluate the proposal without the information.
18. **SCOPE OF WORK:** Those provisions of this solicitation which specify the work and/or results to be achieved by the Contractor.
19. **SOLICITATION:** An Invitation for Bids (“IFB”), a Request for Proposals (“RFP”), or a Request for Quotations (“RFQ”).
20. **SOLICITATION AMENDMENT:** A written document that is authorized by the Procurement officer and issued for the purpose of making changes to the Solicitation.
21. **SUBCONTRACT:** Any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.
22. **STATE:** The State of Arizona.
23. **STATE FISCAL YEAR:** The period beginning with July 1 and ending June 30.

 <b>AHCCCS</b>	<b>Uniform Instructions to Offerors</b>		<b>AHCCCS</b> Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
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**1 Definitions** – all definitions listed in the definition of terms.


**2 Inquiries:**

- 2.1 **Duty to Examine:** It is the responsibility of each Offeror to examine the entire Solicitation, seek clarification in writing, and check its Offer for accuracy before submitting the Offer. Lack of care in preparing an Offer shall not be grounds for withdrawing the Offer after the Offer due date and time, nor shall it give rise to any Contract claim.
- 2.2 **Solicitation Contact Person / Procurement Officer:** Any inquiry related to a Solicitation, including any requests for or inquiries regarding standards referenced in the Solicitation shall be directed solely to the Solicitation Contact Person or “Procurement Officer”. The Offeror shall not contact or direct inquiries concerning this Solicitation to any other State employee unless the Solicitation specifically identifies a person other than the Solicitation Contact Person/ Procurement Officer as a contact.
- 2.3 **Submission of Inquiries:** The Procurement Officer may require that an inquiry, to include exceptions in the Scope of Work, be submitted in writing. Any inquiry related to a Solicitation shall refer to the appropriate Solicitation number, page and paragraph. Do not place the Solicitation number on the outside of the envelope containing that inquiry, since it may then be identified as an Offer and not be opened until after the Offer due date and time. The State shall consider the relevancy of the inquiry but is not required to respond in writing.
- 2.4 **Timeliness:** Any inquiry or exception to the Scope of Work shall be submitted as soon as possible and should be submitted no later than the date and time indicated on the Notice of Request for Proposal (RFP front page) for review and determination by AHCCCS. Failure to do so may result in the inquiry not being considered for a Solicitation Amendment. No exceptions to the terms and conditions or other parts of this solicitation will be considered.
- 2.5 **No Right to Rely on Verbal Responses:** Any inquiry that results in changes to the Solicitation shall be answered solely through a written Solicitation Amendment. An Offeror may not rely on verbal responses to its inquiries.
- 2.6 **Solicitation Amendments:** The Solicitation shall only be modified by a Solicitation Amendment.
- 2.7 **Pre-Offer Conference:** If a Pre-Offer Conference has been scheduled under this Solicitation, the date, time and location shall appear on the Solicitation cover sheet or elsewhere in the Solicitation. An Offeror should raise any questions they may have about the Solicitation or the procurement at that time. An Offeror may not rely on any verbal responses to questions at the conference. Material issues raised at the conference that result in changes to the Solicitation shall be answered solely through a written Solicitation Amendment.
- 2.8 **Persons with Disabilities:** Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the Solicitation Contact Person. Requests shall be made as early as possible to allow time to arrange the accommodation.

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### 3 Offer Preparation:

- 3.1 Forms: No Facsimile or Telegraphic Offers: An Offer shall be submitted either on the forms provided in this Solicitation or their substantial equivalent. Any substitute document for the forms provided in this Solicitation will be legible and contain the same information requested on the forms. A facsimile, telegraphic, mailgram or electronic mail Offer shall be rejected if submitted in response to requests for proposals or invitations for bids.
- 3.2 Typed Offer; Corrections: The Offer shall be typed. Erasures, interlineations or other modifications in the Offer shall be initialed in ink by the person signing the Offer. Modifications shall not be permitted after Offers have been opened except as otherwise provided under applicable law.
- 3.3 Evidence of Intent to be Bound: The Offer and Acceptance form within the Solicitation shall be submitted with the Offer and shall include a signature by a person authorized to sign the Offer. The signature shall signify the Offeror's intent to be bound by the Offer and the terms of the Solicitation and that the information provided is true, accurate and complete. Failure to submit verifiable evidence of intent to be bound, such as an original signature, may result in rejection of the Offer.
- 3.4 Exceptions to the Scope of Work:
  - 3.4.1 If Offerors take any exception to language in the Scope of Work, such exception shall be submitted to the Procurement Officer by the date and time indicated on the front of the RFP (Notice of Request for Proposal). This will allow the Procurement Officer to review all exceptions and, if applicable, afford any approved exceptions to all other potential Offerors.
  - 3.4.2 If an Offeror includes, in their proposal, exceptions, not covered by paragraph 3.4.1, above, such exceptions shall be null, void and without force and shall not be considered, and may negatively affect AHCCCS' proposal evaluation based on the published evaluation criteria or may result in rejection of the proposal.
  - 3.4.3 To the extent they are inconsistent with the terms of the Solicitation, the Offeror's preprinted or standard terms will not be considered by AHCCCS as a part of any resulting Contract. This includes separate license agreements.
- 3.5 Subcontracts: Offeror shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities in the Offer.
- 3.6 Cost of Offer Preparation: AHCCCS will not reimburse any Offeror the cost of responding to a Solicitation.
- 3.7 Solicitation Amendments: Each Solicitation Amendment shall be signed with an original signature by the person signing the Offer, and shall be submitted no later than the Offer due date and time. Failure to return a signed copy of a material Solicitation Amendment may result in rejection of the Offer.
- 3.8 Federal Excise Tax: The State of Arizona is exempt from certain Federal Excise Tax on manufactured goods. Exemption Certificates will be prepared upon request.

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- 3.9 Provision of Tax Identification Numbers: Offerors are required to provide their Arizona Transaction Privilege Tax Number and/or Federal Tax Identification number, if applicable, in the space provided on the Offer and Acceptance Form.
- 3.9.1 Employee Identification: Offeror agrees to provide an employee identification number or social security number to the State for the purposes of reporting to appropriate taxing authorities, monies paid by the Department under this contract. If the federal identifier of the Offeror is a social security number, this number is being requested solely for tax reporting purposes and will be shared with only appropriate state and federal officials. This submission is mandatory under 26 U.S.C. § 6041A.
- 3.10 Identification of Taxes in Offer. The State of Arizona is subject to all applicable state and local transaction privilege taxes. All applicable taxes shall be identified as a separate item offered in the solicitation. When applicable, the tax rate and amount shall be identified on the price sheet. At all times, payment of taxes and the determination of applicable taxes are the sole responsibility of the contractor.
- 3.11 Disclosure: If the firm, business or person submitting this Offer has been debarred, suspended or otherwise lawfully precluded from participating in any public procurement activity, including being disapproved as a subcontractor with any federal, state or local government, or if any such preclusion from participation from any public procurement activity is currently pending, the Offeror shall fully explain the circumstances relating to the preclusion or proposed preclusion in the Offer. The Offeror shall include a letter with its Offer setting forth the name and address of the governmental unit, the effective date of this suspension or debarment, the duration of the suspension or debarment, and the relevant circumstances relating to the suspension or debarment. If suspension or debarment is currently pending, a detailed description of all relevant circumstances including the details enumerated above shall be provided.
- 3.12 Solicitation Order of Precedence: In the event of a conflict in the provisions of this Solicitation, the following shall prevail in the order set forth below:
- 3.12.1 Special Terms and Conditions;
  - 3.12.2 Uniform Terms and Conditions;
  - 3.12.3 Statement or Scope of Work;
  - 3.12.4 Specifications;
  - 3.12.5 Attachments;
  - 3.12.6 Exhibits;
  - 3.12.7 Special Instructions to Offerors;
  - 3.12.8 Uniform Instructions to Offerors; and
  - 3.12.9 Other documents referenced or included in the Solicitation.
- 3.13 Delivery: Unless otherwise stated in the Contract, all prices shall be F.O.B. Destination and shall include all delivery and unloading at the destination.




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- 3.14 Federal Immigration and Nationality Act. By signing of the Offer, the Offeror warrants that both it and all proposed subcontractors are in compliance with federal immigration laws and regulations (FINA) relating to the immigration status of their employees. The Stat may, at its sole discretion required evidence of compliance during the evaluation process. Should the State request evidence of compliance, the Offeror shall have 5 days from receipt of the request to supply the adequate information. Failure to comply with this instruction or failure to supply requested information within the timeframe specified shall result in the offer not being considered for contract award.
- 3.15 Offshore Performance of Work Prohibited. Any service that are described in the specifications or scope of work that directly serve the State of Arizona or its clients involve access to secure or sensitive data or personal client data shall be performed within the defined territories of the United States. Unless specifically stated otherwise in the specifications, this paragraph does not apply to indirect or “overhead” services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers. Offerors shall declare all anticipated offshore services in the proposal.

#### **4 Submission of Offer:**

- 4.1 Sealed Envelope or Package: Each Offer shall be submitted to the submittal location identified in this Solicitation. Offerors should be submitted in a sealed envelope or container. The envelope or container should be clearly identified with name of the Offeror and Solicitation number. The State may open envelopes or containers to identify contents if the envelope or container is not clearly identified.
- 4.2 Offer Amendment or Withdrawal: An Offer may not be amended or withdrawn after the Offer due date and time except as otherwise provided under applicable law.
- 4.3 (reserved)
- 4.4 Non-collusion, Employment, and Services: By signing the Offer and Acceptance Form or other official contract form, the Offeror certifies that:
- 4.4.1 It did not engage in collusion or other anti-competitive practices in connection with the preparation or submission of its Offer; and
- 4.4.2 It does not discriminate against any employee or applicant for employment or person to whom it provides services because of race, color, religion, sex, national origin, or disability, and that it complies with all applicable federal, state and local laws and executive orders regarding employment.


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**5 Evaluation:**


- 5.1 Unit Price Prevails: Where applicable, in the case of discrepancy between the unit price or rate and the extension of that unit price or rate, the unit price or rate shall govern.
- 5.2 Taxes: If the products and/or services specified require transaction privilege or use taxes, they shall be described and itemized separately on the offer. Arizona transaction privilege and use taxes shall not be considered for evaluation.
- 5.3 Late Offers: An Offer submitted after the exact Offer due date and time shall be rejected.
- 5.4 Disqualifications: An Offeror (including each of its principals) who is currently debarred, suspended or otherwise lawfully prohibited from any public procurement activity shall have its offer rejected.
- 5.5 Offer Acceptance Period: An Offeror submitting an Offer under this Solicitation shall hold its Offer open for the number of days from the Offer due date that is stated in the Solicitation. If the Solicitation does not specifically state a number of days for Offer acceptance, the number of days shall be one hundred and twenty (120). If a Final Proposal Revision is requested pursuant to a Request for Proposals, an Offeror shall hold its Offer open for one hundred and twenty (120) days from the Final Proposal Revision due date.
- 5.6 Waiver and Rejection Rights: Notwithstanding any other provision of the Solicitation, AHCCCS reserves the right to:
  - 5.6.1 Waive any minor informality;
  - 5.6.2 Reject any and all Offers or portions thereof; or
  - 5.6.3 Cancel a Solicitation.

**6 Award:**


- 6.1 Number or Types of Awards: Where applicable, AHCCCS reserves the right to make multiple awards or to award a Contract by individual line items or alternatives, by group of line items or alternatives, or to make an aggregate award, whichever is deemed most advantageous to AHCCCS. If the Procurement officer determines that an aggregate award to one Offeror is not in AHCCCS' best interest, "all or none" Offers shall be rejected.
- 6.2 Contract Inception: An Offer does not constitute a Contract nor does it confer any rights on the Offeror to the award of a Contract. A Contract is not created until the Offer is accepted in writing by the Procurement officer's signature on the Offer and Acceptance Form. A notice of award or of the intent to award shall not constitute acceptance of the Offer.
- 6.3 Effective Date: The effective date of this Contract shall be the date that the Procurement officer signs the Offer and Acceptance form or other official contract form, unless another date is specifically stated in the Contract.

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- 7 Protests:** A protest shall comply with and be resolved according to Arizona Revised Statutes Title 41, Chapter 23, Article 9 and rules adopted thereunder. Protests shall be in writing and be filed with the AHCCCS Procurement officer and with the State Procurement Administrator. A protest of a solicitation shall be received by the AHCCCS Procurement officer before the offer due date. A protest of a proposed award or of an award shall be filed within ten (10) days after the protester knows or should have known the basis of the protest. A protest shall include:
- 7.1 The name, address and telephone number of the protester;
  - 7.2 The signature of the protester or its representative;
  - 7.3 Identification of the purchasing agency and the solicitation or contract number;
  - 7.4 A detailed statement of the legal and factual grounds of the protest including copies of relevant documents; and
  - 7.5 The form of relief requested.

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1. **Questions:** All questions concerning this Request for Proposal, including technical specifications, proposal process, etc. shall be directed to the Procurement Officer identified on the first page of this solicitation document. Offerors may not contact other AHCCCS employees concerning this solicitation. **All questions shall be in writing and submitted via email using the AHCCCS Q&A form found on the AHCCCS website: <http://www.azahcccs.gov/commercial/Purchasing/open.aspx>**
  
2. **Evaluation Criteria:** Evaluation criteria are listed in the relative order of importance. The evaluation will be conducted in accordance with an established evaluation plan. The award(s) will be made to the responsible Offeror whose proposal is determined to be the most advantageous to AHCCCS, based on the following criteria:
  - 2.1 Experience and Expertise of Key Personnel
  - 2.2 Experience and Expertise of the Firm
  - 2.3 Cost
  
3. **Proposal Information:** Offeror shall submit their proposal as **one (1) original and three (3) copies (for a total of four (4) sets)** as well as **one (1) CD** with the same information. The proposals should be clearly labeled "**ORIGINAL**" or "**COPY.**" The material should be in the sequence dictated on Exhibit B, "Offeror's Checklist. AHCCCS will not provide any reimbursement for the cost of developing or presenting proposals in response to this RFP. Failure to include the requested information may have a negative impact on the evaluation of the Offeror's proposal. The proposal should include at least the following information:
  - 3.1 **Experience and Expertise of Key Personnel:**
    - 3.1.1 Offeror shall provide **a list of the names and titles for all key personnel**; administrative or clerical staff is not considered key personnel.
    - 3.1.2 The Offeror shall provide an **organizational chart** showing the staffing and lines of authority for the key personnel to be utilized.
    - 3.1.3 The Offeror shall provide **a resume** for each proposed key person, which substantiates that the key person possesses the experience and expertise to provide the assigned tasks and responsibilities. Each resume shall include a description of the type and years of experience, training and other pertinent qualifications. Resumes should be limited to four (4) pages.
  - 3.2 **Experience and Expertise of the Firm:**
    - 3.2.1 The Offeror's experience and past performance will be evaluated on the extent of its success in managing and integrating work relevant to that defined in the Scope of Work. Therefore, the Offeror is advised to submit any and all information which documents successful and reliable experience in past performances as related to this RFP.


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4. **Additional Information:** The Offeror may submit any other pertinent information which would substantiate the Offeror has the experience, expertise and capability to provide the required services.
5. **Intent to Provide Certificate of Insurance:** The Offeror shall provide a statement that, if notified of contract award, the Offeror will submit to AHCCCS for review and acceptance, the applicable certificate/s of insurance as required within this RFP document, within five (5) business days of such notification.
6. **Financial Stability** The Offeror must be financially stable and if requested shall be able to substantiate the financial stability of its company. Upon request, the Offeror shall submit to AHCCCS an annual financial statement for itself, and parent company (if applicable) within five (5) business days of request. The State reserves the right to request additional documentation from the Offeror and to request reports on financial stability from independent financial rating services. The State reserves the right to reject any Offeror who does not demonstrate financial stability sufficient for the scope of this contract award.
7. **Offeror's Responsibility:** The Offeror is cautioned that it is the Offeror's sole responsibility to submit information related to the evaluation categories and that the State of Arizona is under no obligation to solicit such information if it is not included with the Offeror's proposal. Failure of the Offeror to submit such information may cause an adverse impact on the evaluation of the Offeror's proposal.
8. **Additional Instructions for Submittal of Proposal:**
  - 8.1 It is the responsibility of each Offeror to ensure their proposal is delivered to AHCCCS by the due date and time. Allow for such contingencies as heavy traffic, weather, directions to submittal location, parking, common carriers not delivering as requested, etc. AHCCCS shall not accept late proposals past the due date and time.
  - 8.2 AHCCCS is not responsible for supplying boxes, envelopes, tape, etc. to Offerors at time of proposal delivery.
  - 8.3 When submitting your proposal to AHCCCS, ensure your company name and the Request for Proposal solicitation number is clearly marked on the outside of the envelope/package.
9. **Proposal Opening:** Proposals shall be opened on the date and time, and at the place designated on the cover page of this document, unless amended in writing by the state agency issuing the solicitation.
10. **Electronic Documents:** AHCCCS may provide an electronic version of this procurement document. Any unidentified alteration or modification to the original document (or to any Exhibit contained therein) issued by AHCCCS shall be null and void. In those instances where modifications are identified, the original document issued by the State shall take precedence.
11. **Clarifications:** Clarifications may be requested from Offerors at any time after receipt of offers. Clarifications may be requested orally or in writing. If clarifications are requested orally, the Offeror shall confirm the request in writing. A request for clarifications shall not be considered a determination that the Offeror is susceptible for award.
12. **Discussions:** In accordance with A.R.S. §41-2534, after the initial receipt of proposals, discussions are currently planned to be conducted with Offeror(s) who submit proposals determined to be reasonably

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susceptible of being selected for award. The discussions may include demonstrations (oral presentations). Award may be made without discussions; therefore, offers should be submitted complete and on most favorable terms.

13. **Final Proposal Revisions:** If discussions are conducted, they shall be conducted with all Offerors determined to be in the competitive range or reasonably susceptible for award. Written final proposal revisions will be requested from any Offeror with whom discussions have been conducted, unless the Offeror has been determined not susceptible for award or non-responsible.
  
14. **Request for Confidential/Proprietary Determination:**
  - 14.1 If an Offeror believes that a specific portion of its bid, proposal, offer, specification, or protest contains information that should be withheld from public inspection due to confidentiality, the Offeror shall submit to the Procurement officer a detailed legal analysis, prepared by legal counsel, which sets forth the bases for the requested non-disclosure and the specific harm or prejudice which may arise if disclosed. The analysis shall be presented to the Procurement Officer at the same time as the bid, proposal, offer, specification or protest.
  
  - 14.2 An entire bid, proposal, offer, specification, or protest shall **not** be identified as confidential; only those very limited and distinct portions which are considered by the Offeror as confidential may be identified as such. **Pricing shall not be considered as confidential.**
  
  - 14.3 In the event that AHCCCS receives a request for disclosure of the information, AHCCCS shall disclose the information in accordance with law. Prior to disclosure, AHCCCS will inform the Offeror of such request and provide the Offeror a period of time to take action it deems appropriate to support non-disclosure. The Offeror shall be responsible for any and all costs associated with the nondisclosure of the information.
  
  - 14.4 In addition to the detailed legal analysis required in 14.1, the Offeror shall summarize in their Submittal Letter the distinct portions, including exact page numbers, of their document is requested to be kept confidential.

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1. **DEFINITIONS** - All definitions listed in the definition of terms.

2. **Contract Interpretation**

- 2.1 Arizona Law. The Arizona law applies to this Contract including, where applicable, the Uniform Commercial Code as adopted by the State of Arizona and the Arizona Procurement Code, Arizona Revised Statutes (A.R.S.) Title 41, Chapter 23, and its implementing rules, Arizona Administrative Code (A.A.C.) Title 2, Chapter 7.
- 2.2 Implied Contract Terms. Each provision of law and any terms required by law to be in this Contract are a part of this Contract as if fully stated in it.
- 2.3 Contract Order of Precedence. In the event of a conflict in the provisions of the Contract, as accepted by the State and as they may be amended, the following shall prevail in the order set forth below:
  - 2.3.1 Special Terms and Conditions;
  - 2.3.2 Uniform Terms and Conditions;
  - 2.3.3 Statement or Scope of Work;
  - 2.3.4 Specifications;
  - 2.3.5 Attachments;
  - 2.3.6 Exhibits;
  - 2.3.7 Documents referenced or included in the Solicitation.
- 2.4 Relationship of Parties. The Contractor under this Contract is an independent Contractor. Neither party to this Contract shall be deemed to be the employee or agent of the other party to the Contract.
- 2.5 Severability. The provisions of this Contract are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition of the Contract.
- 2.6 No Parole Evidence. This Contract is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any terms used in this document and no other understanding either oral or in writing shall be binding.
- 2.7 No Waiver. Either party's failure to insist on strict performance of any term or condition of the Contract shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.

3. **Contract Administration and Operation**

- 3.1 Records. Under A.R.S. § 35-214 and § 35-215, the Contractor shall retain and shall contractually require each subcontractor to retain all data and other "records" relating to the acquisition and performance of the Contract for a period of five years after the completion of the Contract. All records shall be subject

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to inspection and audit by the State at reasonable times. Upon request, the Contractor shall produce a legible copy of any or all such records.

- 3.2 Non-Discrimination. The Contractor shall comply with State Executive Order No. 2009-09 and all other applicable Federal and State laws, rules and regulations, including the Americans with Disabilities Act.
- 3.3 Audit. Pursuant to ARS § 35-214, at any time during the term of this Contract and five (5) years thereafter, the Contractor's or any subcontractor's books and records shall be subject to audit by the State and, where applicable, the Federal Government, to the extent that the books and records relate to the performance of the Contract or Subcontract.
- 3.4 Facilities Inspection and Materials Testing. The Contractor agrees to permit access to its facilities, subcontractor facilities and the Contractor's processes or services, at reasonable times for inspection of the facilities or materials covered under this Contract.

The State shall also have the right to test, at its own cost, the materials to be supplied under this Contract. Neither inspection of the Contractor's facilities nor materials testing shall constitute final acceptance of the materials or services. If the State determines noncompliance of the materials, the Contractor shall be responsible for the payment of all costs incurred by the State for testing and inspection.

- 3.5 Notices. Notices to the Contractor required by this Contract shall be made by the State to the person indicated on the Offer and Acceptance form submitted by the Contractor unless otherwise stated in the Contract. Notices to the State required by the Contract shall be made by the Contractor to the Solicitation Contact Person indicated on the Solicitation cover sheet, unless otherwise stated in the Contract. An authorized Procurement Officer and an authorized Contractor representative may change their respective person to whom notice shall be given by written notice to the other and an amendment to the Contract shall not be necessary.
- 3.6 Advertising, Publishing and Promotion of Contract. The Contractor shall not use, advertise or promote information for commercial benefit concerning this Contract without the prior written approval of the Procurement Officer.
- 3.7 Property of the State. Any materials, including reports, computer programs and other deliverables, created under this Contract are the sole property of the State. The Contractor is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. The Contractor shall not use or release these materials without the prior written consent of the State.
- 3.8 Ownership of Intellectual Property. Any and all intellectual property, including but not limited to copyright, invention, trademark, trade name, service mark, and/or trade secrets created or conceived pursuant to or as a result of this contract and any related subcontract ("Intellectual Property"), shall be work made for hire and the State shall be considered the creator of such Intellectual Property. The agency, department, division, board or commission of the State of Arizona requesting the issuance of this contract shall own (for and on behalf of the State) the entire right, title and interest to the Intellectual Property throughout the world. Contractor shall notify the State, within thirty (30) days, of




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the creation of any Intellectual Property by it or its subcontractor(s). Contractor, on behalf of itself and any subcontractor(s), agrees to execute any and all document(s) necessary to assure ownership of the Intellectual Property vests in the State and shall take no affirmative actions that might have the effect of vesting all or part of the Intellectual Property in any entity other than the State. The Intellectual Property shall not be disclosed by contractor or its subcontractor(s) to any entity not the State without the express written authorization of the agency, department, division, board or commission of the State of Arizona requesting the issuance of this contract.

- 3.9 Federal Immigration and Nationality Act. The contractor shall comply with all federal, state and local immigration laws and regulations relating to the immigration status of their employees during the term of the contract. Further, the contractor shall flow down this requirement to all subcontractors utilized during the term of the contract. The State shall retain the right to perform random audits of contractor and subcontractor records or to inspect papers of any employee thereof to ensure compliance. Should the State determine that the contractor and/or any subcontractors be found noncompliant, the State may pursue all remedies allowed by law, including, but not limited to; suspension of work, termination of the contract for default and suspension and/or debarment of the contractor.
- 3.10 E-Verify Requirements. In accordance with A.R.S. § 41-4401, Contractor warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. § 23-214, Subsection A.
- 3.11 (reserved)
- 3.12 Offshore Performance of Work Prohibited. Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and involve access to secure or sensitive data or personal client data shall be performed within the defined territories of the United States. Unless specifically stated otherwise in the specifications, this paragraph does not apply to indirect or 'overhead' services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers.

#### 4. Costs and Payments

- 4.1 Payments. Payments shall comply with the requirements of A.R.S. Titles 35 and 41, Net 30 days. Upon receipt and acceptance of goods or services, the Contractor shall submit a complete and accurate invoice for payment from the State within thirty (30) days.
- 4.2 Delivery. Unless stated otherwise in the Contract, all prices shall be F.O.B. Destination and shall include all freight delivery and unloading at the destination.
- 4.3 Applicable Taxes.
- 4.3.1 Payment of Taxes. The Contractor shall be responsible for paying all applicable taxes.
- 4.3.2 State and Local Transaction Privilege Taxes. The State of Arizona is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sale and are


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the responsibility of the seller to remit. Failure to collect such taxes from the buyer does not relieve the seller from its obligation to remit taxes.

- 4.3.3 Tax Indemnification. Contractor and all subcontractors shall pay all Federal, state and local taxes applicable to its operation and any persons employed by the Contractor. Contractor shall, and require all subcontractors to hold the State harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under Federal, and/or state and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker’s Compensation.
- 4.3.4 IRS W9 Form. In order to receive payment the Contractor shall have a current I.R.S. W9 Form on file with the State of Arizona, unless not required by law.
- 4.4 Availability of Funds for the Next State fiscal year. Funds may not presently be available for performance under this Contract beyond the current state fiscal year. No legal liability on the part of the State for any payment may arise under this Contract beyond the current state fiscal year until funds are made available for performance of this Contract.
- 4.5 Availability of Funds for the current State fiscal year. Should the State Legislature enter back into session and reduce the appropriations or for any reason and these goods or services are not funded, the State may take any of the following actions:
  - 4.5.1 Accept a decrease in price offered by the contractor;
  - 4.5.2 Cancel the Contract; or
  - 4.5.3 Cancel the contract and re-solicit the requirements.

**5. Contract Changes**

- 5.1 Amendments. This Contract is issued under the authority of the Procurement Officer who signed this Contract. The Contract may be modified only through a Contract Amendment within the scope of the Contract. Changes to the Contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by a person who is not specifically authorized by the procurement officer in writing or made unilaterally by the Contractor are violations of the Contract and of applicable law. Such changes, including unauthorized written Contract Amendments shall be void and without effect, and the Contractor shall not be entitled to any claim under this Contract based on those changes.
- 5.2 Subcontracts. The Contractor shall not enter into any Subcontract under this Contract for the performance of this contract without the advance written approval of the Procurement Officer. The Contractor shall clearly list any proposed subcontractors and the subcontractor’s proposed responsibilities. The Subcontract shall incorporate by reference the terms and conditions of this Contract.

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5.3 Assignment and Delegation. The Contractor shall not assign any right nor delegate any duty under this Contract without the prior written approval of the Procurement Officer. The State shall not unreasonably withhold approval.

## 6. Risk and Liability

6.1 Risk of Loss. The Contractor shall bear all loss of conforming material covered under this Contract until received by authorized personnel at the location designated in the purchase order or Contract. Mere receipt does not constitute final acceptance. The risk of loss for nonconforming materials shall remain with the Contractor regardless of receipt.

6.2 Indemnification.

6.2.1 The parties to this contract agree that the State of Arizona, its departments, agencies, boards and commissions shall be indemnified and held harmless by the contractor for the vicarious liability of the State as a result of entering into this contract. However, the parties further agree that the State of Arizona, its departments, agencies, boards and commissions shall be responsible for its own negligence. Each party to this contract is responsible for its own negligence.

6.2.2 reserved


6.3 Indemnification - Patent and Copyright. The Contractor shall indemnify and hold harmless the State against any liability, including costs and expenses, for infringement of any patent, trademark or copyright arising out of Contract performance or use by the State of materials furnished or work performed under this Contract. The State shall reasonably notify the Contractor of any claim for which it may be liable under this paragraph. If the contractor is insured pursuant to A.R.S. § 41-621 and § 35-154, this section shall not apply.

6.4 Force Majeure.

6.4.1 Except for payment of sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of force majeure. The term "*force majeure*" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes acts of God; acts of the public enemy; war; riots; strikes; mobilization; labor disputes; civil disorders; fire; flood; lockouts; injunctions-intervention-acts; or failures or refusals to act by government authority; and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence.

6.4.2 Force Majeure shall not include the following occurrences:

6.4.2.1 Late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, or an oversold condition of the market;

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- 6.4.2.2 Late performance by a subcontractor unless the delay arises out of a force majeure occurrence in accordance with this force majeure term and condition; or
- 6.4.2.3 Inability of either the Contractor or any subcontractor to acquire or maintain any required insurance, bonds, licenses or permits.

6.4.3 If either party is delayed at any time in the progress of the work by force majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practicable and no later than the following working day, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be delivered or mailed certified-return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by Contract Amendment for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this Contract.

6.4.4 Any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure.

6.5 Third Party Antitrust Violations. The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor, toward fulfillment of this Contract.

## 7. Warranties


7.1 Liens. The Contractor warrants that the materials supplied under this Contract are free of liens and shall remain free of liens.

7.2 Quality. Unless otherwise modified elsewhere in these terms and conditions, the Contractor warrants that, for one year after acceptance by the State of the materials, they shall be:

- 7.2.1 Of a quality to pass without objection in the trade under the Contract description;
- 7.2.2 Fit for the intended purposes for which the materials are used;
- 7.2.3 Within the variations permitted by the Contract and are of even kind, quantity, and quality within each unit and among all units;
- 7.2.4 Adequately contained, packaged and marked as the Contract may require; and
- 7.2.5 Conform to the written promises or affirmations of fact made by the Contractor.

7.3 Fitness. The Contractor warrants that any material supplied to the State shall fully conform to all requirements of the Contract and all representations of the Contractor, and shall be fit for all purposes and uses required by the Contract.

7.4 Inspection/Testing. The warranties set forth in subparagraphs 7.1 through 7.3 of this paragraph are not affected by inspection or testing of or payment for the materials by the State.

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7.5 Compliance with Applicable Laws. The materials and services supplied under this Contract shall comply with all applicable Federal, state and local laws, and the Contractor shall maintain all applicable license and permit requirements.

7.6 Survival of Rights and Obligations after Contract Expiration or Termination.

7.6.1 Contractor's Representations and Warranties. All representations and warranties made by the Contractor under this Contract shall survive the expiration or termination hereof. In addition, the parties hereto acknowledge that pursuant to A.R.S. § 12-510, except as provided in A.R.S. § 12-529, the State is not subject to or barred by any limitations of actions prescribed in A.R.S., Title 12, Chapter 5.

7.6.2 Purchase Orders. The Contractor shall, in accordance with all terms and conditions of the Contract, fully perform and shall be obligated to comply with all purchase orders received by the Contractor prior to the expiration or termination hereof, unless otherwise directed in writing by the Procurement Officer, including, without limitation, all purchase orders received prior to but not fully performed and satisfied at the expiration or termination of this Contract.

## 8. State's Contractual Remedies


8.1 Right to Assurance. If the State in good faith has reason to believe that the Contractor does not intend to, or is unable to perform or continue performing under this Contract, the Procurement Officer may demand in writing that the Contractor give a written assurance of intent to perform. Failure by the Contractor to provide written assurance within the number of Days specified in the demand may, at the State's option, be the basis for terminating the Contract under the Uniform Terms and Conditions or other rights and remedies available by law or provided by the contract.

8.2 Stop Work Order.

8.2.1 The State may, at any time, by written order to the Contractor, require the Contractor to stop all or any part, of the work called for by this Contract for period(s) of days indicated by the State after the order is delivered to the Contractor. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage.

8.2.2 If a stop work order issued under this clause is canceled or the period of the order or any extension expires, the Contractor shall resume work. The Procurement Officer shall make an equitable adjustment in the delivery schedule or Contract price, or both, and the Contract shall be amended in writing accordingly.


8.3 Non-exclusive Remedies. The rights and the remedies of the State under this Contract are not exclusive.

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- 8.4 Nonconforming Tender. Materials or services supplied under this Contract shall fully comply with the Contract. The delivery of materials or services or a portion of the materials or services that do not fully comply constitutes a breach of contract. On delivery of nonconforming materials or services, the State may terminate the Contract for default under applicable termination clauses in the Contract, exercise any of its rights and remedies under the Uniform Commercial Code, or pursue any other right or remedy available to it.
- 8.5 Right of Offset. The State shall be entitled to offset against any sums due the Contractor, any expenses or costs incurred by the State, or damages assessed by the State concerning the Contractor’s non-conforming performance or failure to perform the Contract, including expenses, costs and damages described in the Uniform Terms and Conditions.

**9. Contract Termination**

- 9.1 Cancellation for Conflict of Interest. Pursuant to A.R.S. § 38-511, the State may cancel this Contract within three (3) years after Contract execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the State is or becomes at any time while the Contract or an extension of the Contract is in effect an employee of or a consultant to any other party to this Contract with respect to the subject matter of the Contract. The cancellation shall be effective when the Contractor receives written notice of the cancellation unless the notice specifies a later time. If the Contractor is a political subdivision of the State, it may also cancel this Contract as provided in A.R.S. § 38-511.
- 9.2 Gratuities. The State may, by written notice, terminate this Contract, in whole or in part, if the State determines that employment or a Gratuity was offered or made by the Contractor or a representative of the Contractor to any officer or employee of the State for the purpose of influencing the outcome of the procurement or securing the Contract, an amendment to the Contract, or favorable treatment concerning the Contract, including the making of any determination or decision about contract performance. The State, in addition to any other rights or remedies, shall be entitled to recover exemplary damages in the amount of three times the value of the Gratuity offered by the Contractor.
- 9.3 Suspension or Debarment. The State may, by written notice to the Contractor, immediately terminate this Contract if the State determines that the Contractor has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body. Submittal of an offer or execution of a contract shall attest that the contractor is not currently suspended or debarred. If the contractor becomes suspended or debarred, the contractor shall immediately notify the State.
- 9.4 Termination for Convenience. The State reserves the right to terminate the Contract, in whole or in part at any time when in the best interest of the State, without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination and minimize all further costs to the State. In the event of termination under this paragraph, all documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State upon demand. The Contractor

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shall be entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination. The cost principles and procedures provided in A.A.C. R2-7-701 shall apply.

9.5 Termination for Default.

9.5.1 In addition to the rights reserved in the contract, the State may terminate the Contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the Contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory progress in performing the Contract. The Procurement Officer shall provide written notice of the termination and the reasons for it to the Contractor.

9.5.2 Upon termination under this paragraph, all goods, materials, documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State on demand.

9.5.3 The State may, upon termination of this Contract, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this Contract. The Contractor shall be liable to the State for any excess costs incurred by the State in procuring materials or services in substitution for those due from the Contractor.


9.6 Continuation of Performance through Termination. The Contractor shall continue to perform, in accordance with the requirements of the Contract, up to the date of termination, as directed in the termination notice.

**10. Contract Claims**

All contract claims or controversies under this Contract shall be resolved according to A.R.S. Title 41, Chapter 23, Article 9, and rules adopted thereunder.


**11. Arbitration**

The parties to this Contract agree to resolve all disputes arising out of or relating to this contract through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. § 12-1518, except as may be required by other applicable statutes (Title 41).


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1. **Assignment of Contract and Bankruptcy:** This contract is voidable and subject to immediate cancellation by the Procurement officer upon Contractor becoming insolvent or filing proceedings in bankruptcy or assigning rights or obligations under this contract without the prior written consent of the Procurement officer.
  
2. **Authority to Contract:** This contract is issued under the authority of the Procurement officer who signed this contract. Changes to the contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by an unauthorized state employee or made unilaterally by the Contractor are violations of the contract and of applicable law. Such changes, including unauthorized written contract amendments, shall be void and without effect, and the Contractor shall not be entitled to any claim under this contract based on those changes.
  
3. **Choice of Forum:** The parties agree that jurisdiction over any action arising out of or relating to this contract shall be brought or filed in a court of competent jurisdiction located in the State of Arizona.
  
4. **Conflict of Interest:** The Contractor shall not undertake any work that represents a potential conflict of interest, or which is not in the best interest of AHCCCS or the State without prior written approval by AHCCCS. The Contractor shall fully and completely disclose any situation that may present a conflict of interest. If the Contractor is now performing or elects to perform during the term of this contract any services for any AHCCCS health plan, provider or Contractor or an entity owning or controlling same, the Contractor shall disclose this relationship prior to accepting any assignment involving such party.
  
5. **Contract Cancellation (Immediate):** This contract is critical to AHCCCS and the agency reserves the right to immediately cancel the whole or any part of this contract due to failure of the contractor to carry out any material obligation, term or condition of the contract. The Procurement officer shall issue a written notice of default effective at once and not deferred by any interval of time. Default shall be for acting or failing to act in any of the following:
  - 5.1 The contractor provides material that does not meet the specifications of the contract;
  - 5.2 The contractor fails to adequately perform the services set forth in the specifications of the contract;
  - 5.3 The contractor fails to complete the work required or furnish the materials required within the time stipulated in the contract;
  - 5.4 The contractor fails to make progress in the performance of the contract and/or gives the Procurement officer reason to believe that the contractor will not or cannot perform to the requirements of the contract.
  - 5.5 The Procurement officer may resort to any single or combination of the following remedies:
    - 5.1.1 Cancel any contract;
    - 5.1.2 Reserve all rights or claims to damage for breach of any covenants of the contract;
    - 5.1.3 Perform any test or analysis on materials for compliance with the specifications of the contract. If the result of any test confirms a material non-compliance with the specifications, any reasonable expense of testing shall be borne by the contractor.
    - 5.1.4 In case of default, the Procurement officer reserves the right to purchase materials or to complete the required work in accordance with the Arizona Procurement Code. The Procurement officer may recover reasonable excess costs from the contractor by:
      - 5.1.4.1 Deduction from an unpaid balance;
      - 5.1.4.2 Collection against the bid and/or performance bond; or
      - 5.1.4.3 Any combinations of the above or any other remedies as provided by law.



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6. **Contract Cancellation (Minimum 10 Day):** The Procurement officer reserves the right to cancel the whole or any part of this contract due to failure by the contractor to carry out any material obligation, term or condition of the contract. The Procurement officer shall issue written notice to the contractor for acting or failing to act as in any of the following
- 6.1 The contractor provides material that does not meet the specifications of the contract;
  - 6.2 The contractor fails to adequately perform the services set forth in the specifications of the contract;
  - 6.3 The contractor fails to complete the work required or furnish the materials required within the time stipulated by the contract;
  - 6.4 The contractor fails to make progress in the performance of the contract and/or gives the Procurement officer reason to believe that the contractor will not or cannot perform to the requirements of the contract;
  - 6.5 Upon receipt of the written notice of concern, the contractor shall have a minimum of ten (10) days (Procurement officer may determine a longer period) to provide a satisfactory response to the Procurement officer. Failure on the part of the contractor to adequately address all issues of concern may result in the Procurement officer resorting to any single or combinations of the following remedies.
    - 6.5.1 Cancel any contract;
    - 6.5.2 Reserve all rights or claims to damage for breach of any covenant of the contract;
    - 6.5.3 Perform any test or analysis on materials for compliance with the specifications of the contract. If the result of any test confirms a material no-compliance with the specifications, any reasonable expense of testing shall be borne by the contractor;
    - 6.5.4 In case of default, the Procurement officer reserves the right to purchase materials, or to complete the required work in accordance with the Arizona Procurement Code. The Procurement officer may recover reasonable excess costs from the contractor by:
      - 6.5.4.1 Deduction from an unpaid balance;
      - 6.5.4.2 Collection against the bid and/or performance bond; or
      - 6.5.4.3 Any combination of the above or any other remedies as provided by law.
7. **Contract Disputes:** Contract disputes arising under A.R.S. § Title 36, Chapter 29 shall be adjudicated in accordance with AHCCCS Rules.
8. **Cooperation with other Contractors:** AHCCCS may award other contracts for additional or related work and the Contractor shall fully cooperate with such other contractors and AHCCCS employees or designated agents, and carefully fit its own work to such other contractors' work. Contractor shall not commit or permit any act which will interfere with the performance of work by any other contractor or by AHCCCS employees. AHCCCS shall equitably enforce this section to all contractors to prevent the imposition of unreasonable burdens on any contractor.
9. **Confidentiality of Records and Disclosure of Confidential Information:**
- 9.1 The Contractor shall not, without prior written approval from AHCCCS, either during or after the performance of the services required by this contract, use, other than for such performance, or disclose to any person other than AHCCCS personnel with a need to know, any information, data, material, or exhibits created, developed, produced, or otherwise obtained during the course of the

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work required by this contract. This nondisclosure requirement shall also pertain to any information contained in reports, documents, or other records furnished to the Contractor by AHCCCS.

9.2 The Contractor shall establish and maintain written policies procedures and controls, approved by AHCCCS, governing access to, duplication of, and dissemination of all such information for the purpose of assuring that no information contained in its records or obtained from AHCCCS or others carrying out its functions under the contract, is used or disclosed by it, its agents, officers or employees, except as required to efficiently perform duties under the contract. Persons requesting such information shall be referred to AHCCCS. The Contractor’s data safeguard program shall further conform to the data confidentiality and security requirements of AHCCCS policy and procedures, and all-relevant state and federal requirements, including HIPAA standards.

9.3 The disclosure of information in summary, statistical, or other form that does not identify particular individuals is permitted only with prior AHCCCS approval. The use or disclosure of information concerning Members will be limited to purposes directly connected with the scope of this contract.

9.4 The Contractor shall advise its employees, agents and subcontractors, if any, that they are subject to these confidentiality requirements. A signed confidentiality statement containing language approved by AHCCCS will be obtained from all employees, agents and subcontractors, if any, and maintained in the individual’s personnel file with a copy sent to AHCCCS upon request.

**10. Covenant against Contingent Fees:** The Contractor warrants that no person or agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee. For violation of this warranty, the Procurement officer shall have the right to annul this contract without liability.

**11. Contract:**


11.1 The contract between AHCCCS and the Contractor shall consist of (1) the Request for Proposal (RFP) including AHCCCS policies and procedures incorporated by reference as part of the RFP and (2) the proposal submitted by the Contractor in response to the RFP including any Best and Final Offers. In the event of a conflict in language between the proposal (including any Best and Final Offers) and the RFP (including AHCCCS policies and procedures incorporated by reference), the provisions and requirements set forth and/or referenced in the RFP(including AHCCCS policies and procedures incorporated by reference) shall govern.

11.2 The contract shall be construed according to the laws of the State of Arizona. The State of Arizona is not obligated for the expenditures under the contract until funds have been encumbered.

**12. Employees of the Contractor:** All employees of the Contractor employed or in performance of work under this Contract shall be employees of the Contractor at all times and not of AHCCCS. The Contractor shall comply with the Social Security Act, Workers' Compensation laws and unemployment laws of the State of Arizona as well as federal, state and local legislation relevant to the Contractor's business.

**13. Fraud and Abuse:**

13.1 It shall be the responsibility of the Contractor to report all cases of suspected fraud and abuse by subcontractors, members or employees. The Contractor shall provide written notification of all such incidents to the Procurement officer.

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13.2 As stated in A.R.S. § 13-2310, incorporated herein by reference, any person who knowingly obtains any benefit by means of false or fraudulent pretenses, representations, promises or material omissions is guilty of a class 2 felony.

13.3 Contractors are required to research potential overpayments identified by a fraud and abuse investigation or audit conducted by AHCCCS. After conducting a cost benefit analysis to determine if such action is warranted, the Contractor should attempt to recover any overpayments identified due to erroneous, false or fraudulent billings.

14. **Independent Contractor:** The contractor represents himself/herself to be an independent contractor offering such services to the general public and shall not represent himself/herself or his/her employees to be an employee of the State of Arizona and/or AHCCCS. Therefore, the contractor shall assume all legal and financial responsibility for taxes, FICA, employee fringe benefits, workers compensation, employee insurance, etc.

15. **No Guaranteed Quantities:** AHCCCS does not guarantee the Contractor any minimum or maximum quantity of services or goods to be provided under this contract.


16. **Non-exclusive Contract:** Any contract resulting from this solicitation shall be awarded with the understanding and agreement that it is for the sole convenience of AHCCCS. The state reserves the right to obtain like goods or services from another source when necessary.

17. **Ownership of Information and Data:**

17.1 Any data or information system, including all software, documentation and manuals, developed by Contractor pursuant to this contract, shall be deemed to be owned by AHCCCS. The federal government reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, or otherwise use and to authorize others to use for federal government purposes, such data or information system, software, documentation and manuals. Proprietary software which is provided at established catalog or market prices and sold or leased to the general public shall not be subject to the ownership or licensing provisions of this section.

17.2 Data, information and reports collected or prepared by Contractor in the course of performing its duties and obligations under this contract shall be deemed to be owned by AHCCCS. The ownership provision is in consideration of Contractor's use of public funds in collecting or preparing such data, information and reports. These items shall not be used by Contractor for any independent project of Contractor or publicized by Contractor without the prior written permission of the Procurement officer. Subject to applicable state and federal laws and regulations, AHCCCS shall have full and complete rights to reproduce, duplicate, disclose and otherwise use all such information. At the termination of the contract, Contractor shall make available all such data to the Procurement officer within thirty (30) days following termination of the contract or such longer period as approved by the Procurement officer. For purposes of this subsection, the term "data" shall not include member medical records.

17.3 Except as otherwise provided in this section, if any copyrightable or patentable material is developed by Contractor in the course of performance of this contract, the federal government, AHCCCS and the State of Arizona shall have a royalty-free, nonexclusive, and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use, the work for state or federal government purposes.

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Contractor shall additionally be subject to the applicable provisions of 45 CFR Part 74 and 45 CFR Parts 6 and 8.


**18. Records:**

- 18.1 In addition to the requirements set forth in this contract under the Uniform Terms and Conditions, all books and records shall be maintained to the extent and in such detail as required by AHCCCS Rules and Policies. The AHCCCS records management guidelines are located at: <http://www.azahcccs.gov>. Records shall include, but not be limited to, financial statements, case files (both hard copy and stored data), and other records specified by AHCCCS.
- 18.2 The Contractor shall make available at its office at all reasonable times during the term of this contract and the period set forth in in this section, any of its records for inspection, audit or reproduction by any authorized representative of AHCCCS, State or Federal government.
- 18.3 The Contractor shall preserve and make available all records for a period of five (5) years from the date of final payment under this contract except as provided below:
  - 18.3.1 If this contract is completely or partially terminated, the records relating to the work terminated shall be preserved and made available for a period of five years from the date of any such termination.
  - 18.3.2 Records that relate to grievances, disputes, litigation or the settlement of claims arising out of the performance of this contract, or costs and expenses of this contract to which exception has been taken by AHCCCS, shall be retained by the Contractor for a period of five years after the date of final disposition or resolution thereof.
  - 18.3.3 Completed case files shall be scheduled for archive shipment to AHCCCS, as defined by AHCCCS Policy and Procedures.

**19. Responsibility for Payments Indemnification:** The contractor shall be responsible for issuing payment for services performed by the contractor's employees and will indemnify and save AHCCCS harmless for all claims whatsoever growing out of the lawful demands of employees, subcontractors, suppliers or any other third party incurred in the furtherance of the performance of the contract. The contractor shall, at AHCCCS' request, furnish satisfactory evidence that all obligations of the nature hereinabove designated have been paid, discharged or waived.

**20. Term of Contract and Option to Renew:**


- 20.1 The initial term of this contract shall be for one (1) initial year with four (4) one-year options to extend, not to exceed a total contracting period of five (5) years. The terms and conditions of any such contract extension shall remain the same as the original contract, as amended. All contract extensions shall be through contract amendment, and shall be at the sole option of AHCCCS.
- 20.2 When the Procurement officer issues an amendment to extend the contract, the provisions of such extension will be deemed to have been accepted 60 days after the date of mailing by the Procurement officer, even if the extension amendment has not been signed by the Contractor, unless within that

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time the Contractor notifies the Procurement officer in writing that it refuses to sign the extension amendment. If the Contractor provides such notification, the Procurement officer will initiate contract termination proceedings.

20.3 If the Contractor chooses not to renew this contract, the Contractor may be liable for certain costs associated with the transition of its members to a different Contractor. If the Contractor provides the Procurement officer written notice of its intent not to renew this contract at least 180 days before its expiration, this liability for transition costs may be waived by the Procurement officer.

21. **Warranty of Services:** The Contractor warrants that all services provided under this contract will conform to the requirements stated herein. AHCCCS' acceptance of services provided by the Contractor shall not relieve the Contractor from its obligations under this warranty. In addition to its other remedies, the Procurement officer may, at the Contractor's expense, require prompt correction of any services failing to meet the Contractor's warranty herein. Services corrected by the Contractor shall be subject to all of the provisions of this contract in the manner and to the same extent as the services originally furnished.

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**INDEMNIFICATION AND INSURANCE TERMS** – Professional Service Contracts

**1. INDEMNIFICATION CLAUSE:**

Contractor shall indemnify, defend, save and hold harmless the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees (hereinafter referred to as “Indemnatee”) from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys’ fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as “Claims”) for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers’ Compensation Law or arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnatee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the State of Arizona, its officers, officials, agents and employees for losses arising from the work performed by the Contractor for the State of Arizona.

*This indemnity shall not apply if the contractor or sub-contractor(s) is/are an agency, board, commission or university of the State of Arizona.*

**2. INSURANCE REQUIREMENTS:**

Contractor and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract, are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

The *insurance requirements* herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that might arise out of the performance of the work under this contract by the Contractor, its agents, representatives, employees or subcontractors, and Contractor is free to purchase additional insurance.

**2.1 MINIMUM SCOPE AND LIMITS OF INSURANCE:** Contractor shall provide coverage with limits of liability not less than those stated below.

**A. Commercial General Liability – Occurrence Form**

Policy shall include bodily injury, property damage, personal injury and broad form contractual liability coverage.

- General Aggregate \$ 2,000,000
- Products – Completed Operations Aggregate \$ 1,000,000
- Personal and Advertising Injury \$ 1,000,000



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- Blanket Contractual Liability – Written and Oral \$ 1,000,000
- Fire Legal Liability \$ 50,000
- Each Occurrence \$ 1,000,000

- The policy shall be endorsed to include the following additional insured language: *“The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor”.*
- Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

**B. Business Automobile Liability**

Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this Contract.

- Combined Single Limit (CSL) \$ 1,000,000

- The policy shall be endorsed to include the following additional insured language: *“The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor, involving automobiles owned, leased, hired or borrowed by the Contractor”.*
- Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

**C. Worker's Compensation and Employers' Liability**


- Workers' Compensation Statutory
- Employers' Liability
  - Each Accident \$ 500,000
  - Disease – Each Employee \$ 500,000
  - Disease – Policy Limit \$ 1,000,000

- Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.
- This requirement shall not apply to: Separately, EACH contractor or subcontractor exempt under A.R.S. 23-901, AND when such contractor or subcontractor executes the appropriate waiver (Sole Proprietor/Independent Contractor) form.

**D. Professional Liability (Errors and Omissions Liability)**

- Each Claim \$ 1,000,000
- Annual Aggregate \$ 2,000,000

- In the event that the professional liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy

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shall precede the effective date of this Contract; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.

- b. The policy shall cover professional misconduct or lack of ordinary skill for those positions defined in the Scope of Work of this contract.

**3. ADDITIONAL INSURANCE REQUIREMENTS:** The policies shall include, or be endorsed to include, the following provisions:

- 3.1 The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees wherever additional insured status is required. Such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract.
- 3.2 The Contractor's insurance coverage shall be primary insurance with respect to all other available sources.
- 3.3 Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.


**4. NOTICE OF CANCELLATION:** With the exception of (10) day notice of cancellation for non-payment of premium, any changes material to compliance with this contract in the insurance policies above shall require (30) days written notice to the State of Arizona. Such notice shall be sent directly to AHCCCS and shall be sent by certified mail, return receipt requested.

**5. ACCEPTABILITY OF INSURERS:** Insurance is to be placed with duly licensed or approved non-admitted insurers in the state of Arizona with an "A.M. Best" rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

**6. VERIFICATION OF COVERAGE:**


- 6.1 Contractor shall furnish the State of Arizona with certificates of insurance (ACORD form or equivalent approved by the State of Arizona) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.
- 6.2 All certificates and endorsements are to be received and approved by the State of Arizona before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work under this Contract and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.
- 6.3 All certificates required by this Contract shall be sent directly to the AHCCCS Procurement Officer. The AHCCCS contract number and project description shall be noted on the certificate of insurance. The State of Arizona and AHCCCS reserves the right to require complete, certified copies of all insurance policies



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required by this Contract at any time. DO NOT SEND CERTIFICATES OF INSURANCE TO THE STATE OF ARIZONA'S RISK MANAGEMENT DIVISION.

7. **SUBCONTRACTORS:** Contractors' certificate(s) shall include all subcontractors as insureds under its policies **or** Contractor shall furnish to the State of Arizona/AHCCCS separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.
8. **APPROVAL:** Any modification or variation from the *insurance requirements* in this Contract shall be made by the AHCCCS in consultation with the ADOA. Such action will not require a formal Contract amendment, but may be made by administrative action.
9. **EXCEPTIONS:** In the event the Contractor or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self-Insurance. If the contractor or sub-contractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.

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## **BUSINESS ASSOCIATE ADDENDUM**

Amended 2013

This Addendum is made part of this Contract between the Arizona Health Care Cost Containment System ("AHCCCS") and the Contractor, referred to as "Business Associate" in this Addendum.

AHCCCS and Business Associate agree that the underlying Contract shall comply with the Administrative Simplification requirements of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), as set forth in Title 45, Parts 160 and 164 of the Code of Federal Regulations (the "CFR"), as amended. In the event of conflicting terms or conditions, this Addendum shall supersede the underlying Contract.


### **1. DEFINITIONS**

The following terms used in this Addendum shall have the same meaning as those terms in the HIPAA rules set forth in Title 45, Parts 160 and 164 of the CFR: Breach, Data Aggregation, Designated Record Set, Disclosure, Health Care Operations, Individual, Minimum Necessary, Notice of Privacy Practices, Protected Health Information, Required by Law, Secretary, Security Incident, Subcontractor, Unsecured Protected Health Information, and Use.

### **2. OBLIGATIONS AND ACTIVITIES OF BUSINESS ASSOCIATE**

Business Associate agrees to:

- 2.1. Not use or disclose protected health information, hereafter referred to as "PHI", other than as permitted or required by this Addendum or as required by law;
- 2.2. Use appropriate safeguards, and comply with Subpart C of 45 CFR Part 164 with respect to electronic PHI, to prevent use or disclosure of PHI other than as provided for by this Addendum;
- 2.3. Report to AHCCCS any use or disclosure of PHI not provided for by this Addendum of which it becomes aware, including breaches of unsecured PHI as required at 45 CFR §164.410, and any security incident of which it becomes aware in the following manner;
  - 2.3.1. Reporting. Business Associate shall report to AHCCCS any use or disclosure of PHI not authorized by the Contract, by law, or in writing by AHCCCS. Business Associate shall make the report to AHCCCS's Privacy Official not less than twenty-four (24) hours after Business Associate learns of such unauthorized use or disclosure. Business Associate's report shall at least:
    - A. Identify the nature of the unauthorized use or disclosure;
    - B. Identify the PHI used or disclosed;

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- C. Identify who made the unauthorized use or received the unauthorized disclosure;
- D. Identify what Business Associate has done or shall do to mitigate any deleterious effect of the unauthorized use or disclosure;
- E. Identify what corrective action Business Associate has taken or shall take to prevent future similar unauthorized use or disclosure; and
- F. Provide such other information, including a written report, as reasonably requested by AHCCCS's Privacy Official.

2.3.2. Mitigation. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of the requirements of the Contract.

2.3.3. Sanctions. Business Associate shall have and apply appropriate sanctions against any employee, subcontractor or agent who uses or discloses AHCCCS PHI in violation of this Addendum or applicable law.

2.4. In accordance with 45 CFR §164.502(e)(1)(ii) and §164.308(b)(2), if applicable, ensure that any subcontractors that create, receive, maintain or transmit PHI on behalf of the Business Associate agree to the same restrictions, conditions and requirements that apply to the Business Associate with respect to such information;

2.5. Make available PHI in a designated record set to AHCCCS as necessary to satisfy AHCCCS' obligations under 45 CFR §164.524;

2.6. Make any amendment(s) to PHI in a designated record set as directed or agreed to by AHCCCS pursuant to 45 CFR §164.526, or take other measures as necessary to satisfy AHCCCS' obligations under 45 CFR §164.526;

2.7. Maintain and make available the information required to provide an Accounting of Disclosures to AHCCCS as necessary to satisfy AHCCCS' obligations under 45 CFR §164.528;


2.8. To the extent Business Associate is to carry out one of more of AHCCCS' obligations under Subpart E of 45 CFR Part 164, comply with the requirements of Subpart E that apply to AHCCCS in the performance of such obligation(s); and

2.9. Make its internal practices, books and records available to AHCCCS and the Secretary for purposes of determining compliance with the HIPAA rules.

### **3. PERMITTED USES AND DISLOSURES BY BUSINESS ASSOCIATE**

3.1. Business Associate may only use or disclosure PHI as necessary to perform the services and obligations set forth in the underlying Contract;

3.2. Business Associate may use or disclose PHI as required by law;

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- 3.3. Business Associate agrees to make uses and disclosures and requests for PHI consistent with AHCCCS' Minimum Necessary Policy, located at [www.azahcccs.gov](http://www.azahcccs.gov) ;
- 3.4. Business Associate may not use or disclose PHI in a manner that would violate Subpart E of 45 CFR Part 164 if done by AHCCCS, except for the specific uses and disclosures set forth below in (e) and (f);
- 3.5. Business Associate may use PHI for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate; and
- 3.6. Business Associate may provide data aggregation services relating to the health care operations of AHCCCS.

**4. PROVISIONS FOR AHCCCS TO INFORM BUSINESS ASSOCIATE OF PRIVACY PRACTICES AND RESTRICTIONS**

- 4.1. AHCCCS shall notify Business Associate of any limitation(s) in the AHCCCS Notice of Privacy Practices (found at [www.azahcccs.gov](http://www.azahcccs.gov)) under 45 CFR §164.520, to the extent that such limitation may affect Business Associate's use or disclosure of PHI;
- 4.2. AHCCCS shall notify Business Associate of any changes in, or revocation of, the permission by an individual to use or disclose his or her PHI, to the extent that such changes may affect Business Associate's use or disclosure of PHI; and
- 4.3. AHCCCS shall notify Business Associate of any restriction on the use or disclosure of PHI that AHCCCS has agreed to or is required to abide by under 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

**5. TERM AND TERMINATION**

- 5.1. Term: This Addendum is effective upon the effective date of the underlying Contract and shall terminate on the date AHCCCS terminates the contract for cause as authorized in paragraph 5.2 of this Section, or for any other reason permitted under the contract, whichever is sooner.
- 5.2. Termination for Cause: Business Associate authorizes termination of the Contract by AHCCCS if AHCCCS determines that Business Associate has breached a material term of this Addendum and Business Associate has not cured the breach or ended the violation within the time specified by AHCCCS.
- 5.3. Obligations of Business Associate Upon Termination: Upon termination, cancellation, expiration or other conclusion of the Contract, Business Associate, with respect to PHI received from AHCCCS, or created, maintained, or received by Business Associate on behalf of AHCCCS, shall:


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- 5.3.1. Retain only that PHI which is necessary for Business Associate to continue its proper management and administration or to carry out its legal and/or contractual responsibilities;
- 5.3.2. Destroy or return to AHCCCS all remaining PHI that the Business Associate still maintains in any form;
- 5.3.3. Continue to use appropriate safeguards and comply with Subpart C of 45 CFR Part 164 with respect to electronic PHI to prevent use or disclosure of the PHI, other than as provided for in this Section, for as long as Business Associate retains the PHI;
- 5.3.4. Not use or disclose the PHI retained by Business Associate other than for the purposes for which such PHI was retained and subject to the same conditions set out in this Addendum that applied prior to termination; and
- 5.3.5. Destroy or return to AHCCCS the PHI retained by Business Associate when it is no longer needed by Business Associate for its proper management and administration or to carry out its legal and/or contractual responsibilities.

5.4. Survival: The obligations of Business Associate under this Section shall survive the termination of the underlying Contract.

## 6. INDEMNIFICATION AND MISCELLANEOUS

- 6.1. Indemnification: Business Associate shall indemnify, hold harmless and defend AHCCCS from and against any and all claims, losses, liabilities, costs, civil and criminal penalties, and other expenses resulting from, or relating to, the acts or omissions of Business Associate, its employees, agents, and sub-contractors in connection with the representations, duties and obligations of Business Associate under this Addendum. The parties' respective rights and obligations under this Section shall survive termination of the underlying Contract.
- 6.2. Regulatory References: A reference in this Addendum to a section in the HIPAA rules means the section as in effect or as amended.
- 6.3. Amendment: The parties agree to take such action as is necessary to amend this Addendum from time to time as is necessary for compliance with the requirements of the HIPAA rules or any other applicable law.
- 6.4. Interpretation: Any ambiguity in this Addendum shall be interpreted to permit compliance with the HIPAA rules.

	<b>Exhibit A: PRICING SCHEDULE</b>		<b>AHCCCS</b>
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Offeror shall complete the following Pricing Schedule Matrix.

RATE BASED: Offeror is required to propose pricing for their proposed method of approach by rate. The rate shall be inclusive of all costs associated with the delivery of the service and includes staff time, mileage, travel costs, insurance, and administrative cost. No additional fees will be paid by AHCCCS unless prior written approval is obtained by AHCCCS.

<i><b>Position</b></i>	<i><b>Hourly Rate (a range of rates is acceptable)</b></i>
<i>Accountant</i>	
<i>Actuarial Administrator</i>	
<i>Senior Analyst</i>	
<i>Bio-Statistician</i>	
<i>Budget Analyst</i>	
<i>Economist</i>	
<i>EHR Incentive Program Auditor</i>	
<i>Financial Examiner</i>	
<i>HIT/HIE Analyst</i>	
<i>Project Management</i>	
<i>Statistician</i>	
<i>Pass Through Consultant Fee</i>	
<i>Optional Add-on Positions (List below):</i>	


**RATE ADJUSTMENT:**

- Rate Increase:** The original rate shall remain the same for the initial contract period. In the event AHCCCS exercises its sole option to renew the contract for additional periods, the AHCCCS procurement office may consider a request for rate increase. Rate increase requests shall be submitted to the procurement officer in writing no later than sixty (60) days prior to renewal or extension date. Any requested increase shall be based upon a documented cost increase to the Contractor. Failure to submit a request for rate increase within the stated timeframe and or failure to supply adequate information with the request may result in AHCCCS denying the request. Any approval of a rate increase will be at the sole option of AHCCCS and is contingent upon funding availability. Upon approval, rate increase amount will be negotiated between AHCCCS and the Contractor. Any approval of a rate increase will be effective upon the effective date of the contract renewal or extension, and shall only be considered complete upon written contract amendment signed by both parties.
- Rate Reduction:** Rate reductions may be submitted to the AHCCCS procurement officer for consideration at any time during the contract period.

	<b>Exhibit B: Offerors Checklist</b>		<b>AHCCCS</b>
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**Note to Prospective Offerors:** This page is added to the RFP as a convenience to Offerors. It is believed to be a complete listing of all submission requirements pursuant to this RFP. However, if a requirement is stated anywhere in the RFP text, yet does not appear in the Offeror's Checklist, the text statement takes precedence over the omission of that requirement in the Offeror's Checklist. **Provide the page number where this item is located within your proposal, in the right hand column. All items must be included and in this order.**

Requirement #	Description	Offeror's Page #
1	Four (4) Copies of the proposal - one (1) marked "Original" and three (3) marked "Copy". One (1) CD of entire proposal.	na
2	Submittal Letter	
3	Offeror's Checklist (this page)	
4	Completed and Signed Offer and Acceptance page	
5	Signed Solicitation Amendments, if any (signature page only)	
6	Experience and Expertise of Key Personnel A. List of Key Personnel B. Organization Chart C. Resumes	
7	Experience and Expertise of the Firm A. Documentation Demonstrating Experience	
8	Exceptions to the Scope of Work (If any)	
9	Pricing Schedule (see exhibit A)	
10	Detailed Legal Analysis (If any portions are requested to be kept confidential or proprietary)	
11	Statement of Intent to provide Certificate of Insurance	

	<b>End of Solicitation</b>		<b>AHCCCS</b> Arizona Health Care Cost Containment System 701 East Jefferson, MD 5700  Phoenix, Arizona 85034
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