



Notice of Request for Proposal

SOLICITATION # YH19-0028

AHCCCS Works Portal

Procurement Officer:

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Issue Date: January 9, 2019

LOCATION: ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM ADMINISTRATION (AHCCCS)
Procurement Office (First Floor)
701 E. Jefferson, MD 5700
Phoenix, AZ 85034

DESCRIPTION:

AHCCCS Works Portal

PROPOSAL DUE DATE:

February 19, 2019

**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 **JANUARY 29, 2019 AT 3:00 PM** ARIZONA TIME ON THE 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. § 36-2906, 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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OFFER AND ACCEPTANCE

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

AHCCCS

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, AHCCCS 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 Offeror _____ is / _____ is **not** a small business with less than 100 employees or has gross revenues of \$4 million or less.
5. The Offeror is in compliance with A.R.S. sec 18-132 when offering electronics or information technology products, services, or maintenance; and
6. The Offeror certifies that it is not debarred from, or otherwise prohibited from participating in any contract awarded by federal, AHCCCS, or local government.

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: _____.

MEGGAN LAPORTE, CPPO, MSW, AHCCCS Chief Procurement Officer

SCOPE OF WORK

1. **AHCCCS OVERVIEW**

Arizona Healthcare Cost Containment System (AHCCCS) is the single state agency for 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 June 1, 2017, AHCCCS provides coverage to approximately 1.9 million members in Arizona.

Over 82.43 % of the AHCCCS program's expenditures in SFY 2017 were through managed care programs. AHCCCS contracts with Managed Care Organizations (MCOs) that are responsible for providing Acute, Long Term Care, and Behavioral Health Services. A list of contracted plans can be found here:

<https://azweb.statemedicaid.us/HealthPlanLinksNet/HPLinks.aspx>

The program has a total fund budget for SFY 2018 of approximately \$13.5 billion. AHCCCS has over 70,000 active providers in Arizona, 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:

<https://www.azahcccs.gov/Resources/Reports/federal.html>

2. **PROJECT OR SERVICE OBJECTIVES**

Senate Bill 1092 was passed during the First Regular Session of 2015. The legislation requires the Arizona Health Care Cost Containment System (AHCCCS) to apply the Centers for Medicare and Medicaid Services (CMS) by March 30 of each year for a waiver or amendments to the current Section 1115 Waiver to allow the State to implement new eligibility requirements for "able-bodied adults".

Recognizing the direct effects of social and economic factors on health outcomes, the Arizona Health Care Cost Containment System (AHCCCS) has submitted a formal 1115 Waiver Amendment Request on December 19, 2017 to the Centers for Medicare and Medicaid Services (CMS) seeking authority to implement community engagement requirements and a five-year maximum lifetime benefit limit for a portion of the Medicaid population.

This waiver amendment request, titled "AHCCCS Works" is designed to provide low-income, able-bodied adults the tools needed to gain and maintain meaningful employment, job training, and education. Able-bodied adults between the ages of 19 and 49 who do not qualify for an exemption will be required to meet the following activities or combination of activities for at least 20 hours per week to qualify for AHCCCS coverage:

- Be employed or actively seek employment;
- Attend school; or
- Partake in Employment Support and Development program as defined in the waiver request.

This contract shall be awarded contingent upon CMS approval of the AHCCCS Works Waiver Amendment.

3. **PURPOSE OF THE RFP**

This Request for Proposal (RFP) seeks qualified organizations to develop and provide a system that AHCCCS Works (AW) participants will access to report community engagement activities, report exclusions, and notify the agency of a good cause for the participant to have not met the community engagement requirements in a given reporting month. The system must communicate via file transfer or web interfaces with the eligibility and enrollment system (currently, HEAplus) as well as connect to the AZTECS system to identify individuals with current Nutrition Assistance and/or Cash assistance eligibility.

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4. **LEGAL AUTHORITY**

This solicitation and any resultant contract is being entered into pursuant to A.R.S. § 36-2906, and any rules adopted thereunder.

5. **CONTRACTOR RESPONSIBILITIES:**

5.1 **GENERAL REQUIREMENTS FOR THE PORTAL:** The Contractor shall meet the following minimum requirements. The Contractor/solution shall:

- 5.1.1 Be available in English and Spanish
- 5.1.2 Be ADA compliant
 - 5.1.2.1 Meet the ACA mandated ADA and LEP requirements
- 5.1.3 Security shall follow MARSe V2 and provide associated documentation of compliance
- 5.1.4 60 days prior to implementation, the successful Contractor shall be required to submit an ISRA, PIA, and SSP to be approved by CMS.
- 5.1.5 Follow the Medicaid Information Technical Architecture (MITA) guidelines
- 5.1.6 Satisfy State of Arizona Security requirements (AZRAMP).
 - 5.1.6.1 Although not required, the ideal SaaS, IaaS, or PaaS Contractor shall offer a solution utilizing a FedRAMP approved environment. <https://marketplace.fedramp.gov>
- 5.1.7 Provide system availability projections and average page response time estimates.
- 5.1.8 Be mobile friendly.
- 5.1.9 All data and activity must be logged and saved to meet AZ and CMS data retention requirements.

5.2 **AW SPLASH PAGE:** The Contractor shall provide the customer:

- 5.2.1 Without login-access to:
 - 5.2.1.1 Access to Resources
 - 5.2.1.2 Access to Educational Materials
 - 5.2.1.3 How to access help related to AW
 - 5.2.1.4 Knowledge base of AW members FAQs
- 5.2.2 Access to account login
- 5.2.3 AW logo as supplied by AHCCCS
- 5.2.4 Welcome intro that gives brief explanation of what AW is.
- 5.2.5 Link to HEAplus
- 5.2.6 The Contractor shall:
 - 5.2.6.1 Conform to state website standards for branding and display
 - 5.2.6.2 Develop the design, approved by the state
 - 5.2.6.3 Provide the ability for the state to update information on this page
 - 5.2.6.3.1 Add, change, and delete links to resources, education materials, etc.
 - 5.2.6.3.2 Update static text

5.3 **LOGIN to CUSTOMER ACCOUNT in PORTAL:** The Contractor shall provide:

- 5.3.1 One account per AW participant
 - 5.3.1.1 Email address/confirm email (for messaging purposes)
 - 5.3.1.2 Cell phone for text messages (for messaging purposes)
 - 5.3.1.3 User name
 - 5.3.1.4 Password (that complies with CMS' strong password requirement)
 - 5.3.1.5 Multi-factor authentication
 - 5.3.1.6 Secret Questions

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- 5.3.2 Auto account creation – Portal must be able to receive the referral information listed below from HEAplus and create an AW account.
- 5.3.3 Customer is required to enter the following information to create their AW account:
 - 5.3.3.1 SSN
 - 5.3.3.2 DOB
- 5.3.4 Reset password and recover user name functionality by email or text.
- 5.4 **CUSTOMER DASHBOARD:** The Contractor shall enable the customer to do the following AFTER login:
 - 5.4.1 Report Community Engagement Activities.
 - 5.4.2 Request Good Cause.
 - 5.4.3 Request an Exemption.
 - 5.4.4 Upload or email documents.
 - 5.4.5 View Proof Documents for Good Cause, exemptions or community engagement activities.
 - 5.4.6 View current status (exempt, orientation, required to report, suspended etc.)
 - 5.4.7 View comparison of monthly community activity completion compared to goal in graphic format for those required to report.
 - 5.4.8 Access HEAplus via a link.
 - 5.4.9 Access to Help.
 - 5.4.9.1 Information on the regular AW log-in directing the customer to the appropriate site.
 - 5.4.9.2 Frequently Asked Questions
 - 5.4.10 Access to AW resources. (link to Arizona@Work system, etc.)
 - 5.4.11 Access to AW education.
 - 5.4.12 View Post Eligibility Verification (PEV) results.
- 5.5 **EDUCATION:**
 - 5.5.1 State must have ability to maintain information in multiple formats including videos, PowerPoints, written materials, links to other systems.
 - 5.5.2 Page design will be determined by vendor with state approval.
- 5.6 **RESOURCES:** The contractor’s solution shall include:
 - 5.6.1 Blanket statement where users can obtain free computer access. (i.e. You can access computers at Public Libraries and Community Colleges [maybe even 4-year colleges])
 - 5.6.2 Blanket statement providing information about the 2 main resources (ARIZONA@WORK and AZ211)
 - 5.6.3 Ability to post broadcast messages/information
 - 5.6.4 Ability for the State to make content updates directly and add resource links
 - 5.6.5 Customer access to a survey tool that helps direct members to community resources based on their responses
 - 5.6.6 Ability to collect data from the survey responses
 - 5.6.7 Provide information through an embedded widget for AZ211 (<https://211arizona.org/>) and the ability to search resources through the AZ211 widget by county
 - 5.6.8 Capability of embedding videos within a webpage
- 5.7 **ORIENTATION PERIOD:** The Contractor’s solution shall be able to track:
 - 5.7.1 The three (3) months after the month of approval; during which time AW participants are not required to meet the community engagement activity requirement.

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- 5.7.1.1 Community engagement activities may be reported during the orientation period on the portal. Failure to meet the eighty (80) hour requirement will have no effect during the orientation period.
 - 5.7.1.2 Exemptions may be entered during the orientation period on the portal.
- 5.8 **EXEMPTIONS:** The Contractor’s solution shall:
- 5.8.1 Provide information about all exemptions and changes on one page
 - 5.8.2 Provide for ability of addition of exemptions after identified at a later date
 - 5.8.3 Provide the ability for the State to add instructions about how to report an exemption
 - 5.8.4 Provide for ability of a customer to request all possible non-eligibility related exemptions
 - 5.8.5 Provide for ability to include description/details about exemptions that need to be reported in HEAplus
 - 5.8.5.1 Receiving disability benefits or determined disabled by SSA
 - 5.8.5.2 Homeless
 - 5.8.5.3 Receiving UI
 - 5.8.5.4 Age 50 or older (messaging that it will be handled automatically)
 - 5.8.6 Provide for the ability to direct customer to HEAplus when the exemption is also an eligibility factor (link to HEAplus)
 - 5.8.7 Provide for the ability to Request non eligibility-related exemptions directly in portal
 - 5.8.7.1 Receiving Nutrition or Cash Assistance
 - 5.8.7.1.1 Reuse AZTECS Look-up: Portal transmits requests directly AZTECS and receives response.
 - 5.8.7.1.2 Vendor must translate response to confirm or deny exemption request
 - 5.8.7.1.3 Should occur in real-time
 - 5.8.7.2 Main caretaker of a child in the home
 - 5.8.7.3 Full-time student
 - 5.8.7.4 Serious or complex medical condition
 - 5.8.7.5 Medical condition that significantly limits the ability to do daily activities
 - 5.8.7.6 Chronic abuser of drugs or alcohol
 - 5.8.7.7 Responsible for the care of a person with a disability
 - 5.8.7.8 Actively participating in a drug or alcohol treatment program
 - 5.8.7.9 Victim of domestic violence
 - 5.8.7.10 Temporary illness or injury
 - 5.8.8 Include a reminder message to report to HEAplus any changes in circumstances such as pregnancy or changes in income from employment.
 - 5.8.9 Ensure overall format to request exemptions shall include:
 - 5.8.9.1 Select an exemption (e.g., from a dropdown list)
 - 5.8.9.2 Enter details specific to each exemption, which could include dates
 - 5.8.9.3 Summary with ability to either return to details to edit or confirm and submit
 - 5.8.9.4 Confirmation
 - 5.8.10 Provide for the ability for a customer to enter multiple exemptions; the portal will apply the exemption according to the hierarchy identified in SR1.
 - 5.8.11 Ensure that when the customer qualifies for multiple exemptions and one exemption ends, automatically apply the next exemption in the hierarchy.
 - 5.8.11.1 System will display current exemption.
 - 5.8.11.2 System will display and store begin and end dates of the exemption
 - 5.8.12 Ensure that exemptions by attestation in the portal will be tied to the “reporting month”

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- 5.8.13 Ensure that a customer can report or change exemption during report month or the month after.
- 5.8.14 Post Eligibility Verification (PEV): Ensure that a State Worker has the ability to indicate that during the PEV process, the validity of a non-eligibility related exemption previously requested by the customer could not be verified.
 - 5.8.14.1 Name of reviewer
 - 5.8.14.2 Need details of data needed related to PEV
- 5.9 **CUSTOMER REPORTING ACTIVITIES:** The Contractor shall develop a format for individual customers reporting their engagement activities:
 - 5.9.1 Define the concept of “Reporting Month” and how it is impacted by activity entry deadlines, access to good cause, etc.
 - 5.9.2 Overall format
 - 5.9.2.1 Select an activity month (limited to current month or to prior month during the first 10 days calendar days)
 - 5.9.2.2 Select an activity type (Dropdown List)
 - 5.9.2.3 Selecting from the dropdown displays details for the activity
 - 5.9.2.4 Submitting the page displays a summary of the activity entered with ability to either return to details to edit or confirm and submit
 - 5.9.2.5 Selecting confirm and submit displays a Confirmation page and adds to a cumulative activity summary for the current month and each calendar month
 - 5.9.3 Data elements required for reporting different types of activities. (The state shall have the ability to add, modify and subtract from this list.)
 - 5.9.3.1 Volunteer Activity
 - Name of organization (Required)
 - Type of organization
 - Address of organization
 - Contact Name
 - Phone number of organization
 - Date Activity Started (Required) (limited to dates within month selected; cannot enter future dates within month)
 - Date Activity ended (Required) (limited to dates within month selected; cannot enter future dates within month)
 - Number of activity hours during the dates listed (Required)
 - 5.9.3.2 Part-time school attendance (high school, trade or technical school, college or university)
 - Name of school (Required)
 - Type of school
 - Address of school
 - Phone number of school
 - Date Activity Started (Required)
 - Date Activity Ended (Required)
 - Number of activity hours during the dates listed (include class time and time required to complete assignments) (Required)
 - 5.9.3.3 Education classes (Including GED and ESL)
 - Name of organization (Required)
 - Address of organization

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- Phone number of organization
 - Type of class (dropdown : GED, ESL, Other with free form text box) (Required)
 - Date Activity Started (Required)
 - Date Activity Ended (Required)
 - Number of activity hours during the dates listed (Required)
- 5.9.3.4 Health education classes
- Name of organization (Required)
 - Address of organization
 - Contact Name
 - Phone number of organization
 - Name of class
 - Date Activity Started (Required)
 - Date Activity ended (Required)
 - Number of activity hours during the dates listed (Required)
- 5.9.3.5 Life Skills Classes (Parenting classes, money management, CPR and others)
- Name of organization (Required)
 - Address of organization
 - Contact Name
 - Phone number of organization
 - Name of class
 - Date Activity Started (Required)
 - Date Activity ended (Required)
 - Number of activity hours during the dates listed (Required)
- 5.9.3.6 Job Readiness Activities (Resume writing, interview skills training; skill assessments)
- Name of organization (Required)
 - Address of organization
 - Contact Name
 - Phone number of organization
 - Type of activity (dropdown list: Resume writing, interview skills training; skill assessments, other with free form text box)
 - Date Activity Started (Required)
 - Date Activity ended (Required)
 - Number of activity hours during the dates listed (Required)
- 5.9.3.7 Job Search Activities (Completing and submitting applications, attending job interviews, apply with temporary agencies)
- Total Hours for month (required)
 - “You must keep detailed records of your job search activities. Use the form available below. You are not required to provide proof at this time, but you may be required to provide a copy of the form later.”
 - Ability to print detailed job search form for proof (if requested)
- 5.9.4 Ability to receive and record information transferred from HEAplus to the Portal about part-time work that is less than the work threshold which reduces the 80 hour requirement.
- 5.9.4.1 Display a generic message on the dashboard that says your required number of activity hours for this month is reduced based on the income you reported for Medical Assistance eligibility. If your income changes you must report the change to HEAplus.
- 5.9.4.2 Number of hours required for the month starts with the reduced amount with explanation of remaining hours

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5.10 REPORTING REQUIREMENTS- The Contractor shall develop the system to support AHCCCS running the following reports on an as needed basis:

- 5.10.1 Ability to extract all data electronically from the Portal.
- 5.10.2 Business Reports - Portal
 - 5.10.2.1 Total customers Reporting community engagement activities per month
 - 5.10.2.1.1 Total of each activity type
 - 5.10.2.2 Total number of customers and percentage of request exemption
 - 5.10.2.2.1 Total Exemption in portal (total and by activity type)
 - 5.10.2.2.2 Exemption types
 - 5.10.2.3 Total Number and percentage of customers requesting good cause exemptions, for each exemption type.
 - 5.10.2.4 Detail report of the customers who requested good cause for 'x' period.
 - 5.10.2.5 Total number of customers who failed to report required community engagement activities and did not request good cause or exemption by month
 - 5.10.2.6 Number and percentage of customers who requested, and received reasonable accommodations (number of people who need assistance reporting in the portal)
 - 5.10.2.6.1 Number of people calling in to report
 - 5.10.2.6.2 Number of people going in to office report change
- 5.10.3 Monthly project implementation status reports
 - 5.10.3.1 Format to be determined between AHCCCS and selected vendor
- 5.10.4 System Reports
 - 5.10.4.1 Availability / Down time
 - 5.10.4.2 Summary report by user type
 - 5.10.4.3 Detail report for user activity who looked at what (similar to a critical audit).
 - 5.10.4.4 Transaction history
 - 5.10.4.4.1 an itemized list of transactions sent to HEAplus from the portal
 - 5.10.4.4.2 an itemized list of transactions received from HEAplus by the portal
 - 5.10.4.5 Recon Report for referrals to ensure same number sent from HEAplus are received by portal.
 - 5.10.4.6 Recon Report for non-compliance sent from portal to ensure the same number is processed in HEAplus.
 - 5.10.4.7 Recon Report of all AW customers and their AW Status in the portal

5.11 GOOD CAUSE: The Contractor's solution must:

- 5.11.1 Be tied to a "reporting month"
- 5.11.2 Can only be requested during the last five calendar days of the reporting month and anytime during the month following the reporting month
- 5.11.3 Customer must select a Reporting month on dashboard
- 5.11.4 Option to select Good Cause will only be enabled when the customer has not met the required number of activity hours for the reporting month
- 5.11.5 When good cause is enabled, the ability to:
 - 5.11.5.1 Display explanation of purpose and how to request good cause. Explain that proof is needed and must be retained for PEV purposes. Failure to provide proof upon request may impact enrollment for Medical Assistance.
 - 5.11.5.2 Display the list of good cause reasons (dropdown list) and ability to collect data for reason selected (the state should be able to add and modify the good cause reason list)

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- 5.11.5.2.1 Severe bad weather (including a natural disaster);
 - a.) Type of weather or natural disaster (dropdown list) (Required)
 - Earthquake
 - Forest Fire
 - Flooding
 - Mudslide/Landslide
 - Snow
 - Tornado
 - b.) Date began (Required)
 - c.) Date ended (Required)
 - d.) How did this weather or natural disaster prevent you from completing or reporting your activities? (free form text box) (Required)
 - e.) Statement of proof requirement
- 5.11.5.2.2 An emergency or life-changing event that affects you or your family (e.g. divorce, domestic violence, birth or adoption, death of a family or household member, victim of a crime, fire or flooding in home)
 - Type of event (Required)
 - Date began (Required)
 - Date ended (Required)
 - How did this event prevent you from completing or reporting your activities? (free form text box) (Required)
 - Statement of proof requirement
- 5.11.5.2.3 Sickness (self)
 - Date illness began (Required)
 - Date illness ended (Required)
 - How did this illness prevent you from completing or reporting your activities? (free form text box) (Required)
 - Statement of proof requirement
- 5.11.5.2.4 Care of a sick household or family member
 - Date began (Required)
 - Date ended (Required)
 - Name of household or family member
 - How did this family illness prevent you from completing or reporting your activities? (free form text box) (Required)
 - Statement of proof requirement
- 5.11.6 Overall format
 - 5.11.6.1 Display the introduction explanation of good cause
 - 5.11.6.2 Select a month to request good cause for
 - 5.11.6.3 Select Good Cause reason from dropdown
 - 5.11.6.4 Selecting from the dropdown displays details for the good cause reason
 - 5.11.6.5 Submitting the page displays a summary of the good cause information entered with ability to either return to details to edit or confirm and submit
 - 5.11.6.6 Selecting confirm and submit displays a Confirmation page and updates the status for the selected month on the monthly status history in the portal
 - 5.11.6.7 Send transaction to HEAplus changing status of month to Good Cause if non-compliance transaction has been sent to HEAplus.

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5.11.7 Post Eligibility Verification (PEV): State Worker must have the ability to indicate that during the PEV process, the validity of a good cause reason previously claimed by the customer could not be verified.

5.11.8 Portal must allow a PEV worker to generate a request to HEAplus for an RFI

5.11.8.1 Month (under review for PEV)

5.11.8.2 PID

5.11.8.3 The element that could not be verified

5.12 **DOCUMENT MANAGEMENT:** The Contractor solution shall:

5.12.1 Create a Dashboard to view all AW documents with ability to print/manage documents managed by security type or special permission

5.12.2 Types of documents to be stored:

5.12.2.1 Verification of Good Cause requests

5.12.2.2 Verification of community engagement activities

5.12.2.3 Verification of exemptions

5.12.3 Documents shall be retained based on the state/federal document retention schedule

5.12.4 Document viewing shall be based on security groups

5.12.5 Ability to create forms with a barcode that includes customer reference information for the purpose of automated indexing. This feature is needed if the Portal is going to provide the customer with forms, such as a job search log.

5.12.6 Price this component separately with two possible options:

5.12.6.1 Storage and management of documents within the portal

- Ability to upload or email documents
- Auto-insert a reference number in the subject or body of the email to link to the customer's record.
- Ability to accept documents sent from mobile phones, including .jpg format
- Ability to delete documents
- Ability to reclassify document
- Ability to move document to another customer's account
- Ability for customer to be able to view documents submitted
- Ability to print document
- Ability to relate the document to a reporting month
- Ability to relate document to a document type specified in
- Ability to relate the document type to role-based security

5.12.6.2 Interface with another system (HEAplus) for storage of the documents

5.12.6.2.1 Real-time interface

5.12.6.2.1.1 The portal will be able to notify and send a transaction/transmission to HEAplus of document(s) (proof for PEV) uploaded to the portal

5.12.6.2.2 Ability to pass the request to store a document directly to a document management system and not store in portal. The document management system already has the ability to do the following:

- Upload or email documents
- Accept documents sent from mobile phones, including .jpg format
- Delete documents
- Reclassify document
- Move document to another customer's account

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- For customer to be able to view documents submitted
- Print document
- Relate the document to a reporting month
- Relate document to a document type specified in 5.12.2
- Relate the document type to role-based security

5.13 EXCHANGE OF DATA with HEAplus eligibility record:

5.13.1 Types of transactions

- 5.13.1.1 Initial referral
- 5.13.1.2 Change referral
- 5.13.1.3 Non-Compliance job
- 5.13.1.4 Good cause approved after non-compliance job sent
- 5.13.1.5 Exemptions
- 5.13.1.6 Post Eligibility Verification Failure

5.13.2 Initial Referrals

- 5.13.2.1 Purpose: Create a customer account in the portal
- 5.13.2.2 Portal must receive initial referral records daily from HEAplus
- 5.13.2.3 Format of Initial Referral
 - First Name
 - Last Name
 - DOB
 - Gender
 - SSN
 - Referral ID
 - HEAplus Application ID
 - HEAplus PID
 - AHCCCS ID
 - DES Client ID
 - DES Case ID
 - Hour requirement (will be 80 hours unless customer has earned income that reduces the hour requirement)
 - Begin date of orientation period
 - End date of orientation period

5.13.3 Daily Change Referrals:

- 5.13.3.1 Portal must receive change referral records at least daily from HEAplus and send change referrals to HEAplus at least daily

5.13.3.2 FROM HEAplus

5.13.3.2.1 Types of Changes

- New exemption identified, including reason
- Exemption ended
- Orientation period if exemption lasted longer than one month
- Hour requirement changed (based on earned income)
- Eligibility changed to non-Group 8 (Excluded from AW)
- No longer meeting community engagement activities requirement through work
- Orientation period

5.13.3.2.2 Format of Change Referral

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- Referral ID
 - Exemption type
 - Exemption start
 - Exemption end
 - Hour requirement
 - Excluded for Group 8
 - Month
- 5.13.3.3 TO HEAplus
- 5.13.3.3.1 Types of Changes
- Good Cause Approved (daily after non-compliance sent)
 - Exemptions reported in portal (daily)
- 5.13.3.3.2 Format of Change Referral
- Referral ID
 - Exemption
 - Good cause
 - Month
- 5.13.4 Non-Compliance Job
- 5.13.4.1 Non-compliance(on the 10th day of each month at midnight Arizona time)
- 5.13.4.2 Before sending a non-compliance transaction for a customer the portal must do all of the following:
- 5.13.4.2.1 Identify that the customer did not meet the hour requirement
- 5.13.4.2.2 Exclude the customer if they reported good cause or exemption for the reporting month
- 5.13.4.3 If there has been no activity for the customer for 120 days without a new referral from HEAplus, do not send a record.
- 5.13.5 Post Eligibility Verification Failure: The Portal must send a transaction to HEAplus to initiate a 2-month suspension period for either of the following:
- 5.13.5.1 An unverified compliance with Community Engagement Activities; or
- 5.13.5.2 An unverified good cause claim; or
- 5.13.5.3 An unverified non-eligibility related AHCCCS Works exemption.
- 5.14 **Historical Monthly Status Summary** - Summary on portal.
- 5.14.1 Report Month
- 5.14.2 Exemption reported in portal –
- 5.14.2.1 Will show exemption that is currently being applied.
- 5.14.2.2 Expand to show all exemptions entered in hierarchy order.
- 5.14.3 Good Cause claimed
- 5.14.4 Activities reported
- 5.14.5 PEV Results
- 5.15 **Non Customer Permissions**
- 5.15.1.1 Persons with the following roles must be able to access and update information in the portal to complete the following:
- 5.15.1.1.1 Help with account creation
- 5.15.1.1.2 Password Reset
- 5.15.1.1.3 Update information at users request
- 5.15.1.2 Roles include:
- 5.15.1.2.1 Assistors

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- 5.15.1.2.2 Portal Customer Service
 - Link to call center Chat and Email customer service feature
- 5.15.1.2.3 State Workers
- 5.15.1.3 Internal Administrative Functions
 - 5.15.1.3.1 PEV workers at AHCCCS and DES
 - 5.15.1.3.2 Data Security Worker to manage PEV permissions
 - 5.15.1.3.3 System Administrator
 - 5.15.1.3.4 Manage page content where specified
- 5.15.1.4 System must support single sign on for non-customers

5.16 Testing Environment

- 5.16.1 The Contractor shall create, at a minimum three testing environments in order to test system prior to going live and testing changes.
- 5.16.2 Plan and execute testing for all inbound and outbound interfaces, ensure accurate and secure data transmission between the system and HEAplus and coordinate with external entities as appropriate. The Contractor shall ensure, in order to release code to UAT or production, it shall meet the minimum acceptable defect levels: Critical: 100% have been resolved. High: 100% have been resolved.
- 5.16.3 Identify and resolve interdependencies that restrict or impede required testing of the system, other enterprise modules, or module components from performing required testing. Unless otherwise identified by AHCCCS strategies to resolve interdependencies shall be reviewed and approved by AHCCCS prior to implementing the resolution strategy.
- 5.16.4 Perform testing and present the results for each of the following test levels: Performance Test results, System Test results, Parallel Test results, Regression Test results, Integration Test results. Test results shall be traced to the use case/user story and design documentation being tested.
- 5.16.5 AHCCCS plans to perform UAT on all software releases as part of the contract. The Contractor's approach to establishing testing environments shall not impact the AHCCCS ability to conduct continuous UAT in a separate, dedicated environment.
- 5.16.6 The Contractor shall facilitate UAT as follows:
 - 5.16.6.1 Provide test cases and scripts from previous test level.
 - 5.16.6.2 Assist AHCCCS in developing UAT test cases.
 - 5.16.6.3 Provide a dedicated UAT environment to AHCCCS and maintain the environment as needed to support continuous UAT throughout design, configure/build and testing.
 - 5.16.6.4 Refresh data, execute processes, and migrate releases or code fixes as requested or on an agreed-upon schedule.
 - 5.16.6.5 Provide test data.
 - 5.16.6.6 Provide a mechanism for AHCCCS to enter defects into the online defect-tracking.
 - 5.16.6.7 Provide a repository of all test documentation including test scenarios and results.
- 5.16.7 Provide AHCCCS resources or their designee access to test cases, test results and defect tracking via online tools. AHCCCS reserves the right to inspect artifacts and results at any time.
- 5.16.8 AHCCCS reserves the right to conduct independent testing of the system at any time. The Contractor shall cooperate with AHCCCS or its designee, and provide environments, data, and technical support for independent testing.
- 5.16.9 Work proactively with AHCCCS's designated testing resources to review all test results and provide the necessary system and functional information to create verification procedures and user acceptance test cases.
- 5.16.10 Coordinate with AHCCCS and specific subsystem owners to conduct integration testing.

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- 5.16.11 Develop test criteria and algorithms for expected outcomes prior to production of reports.
- 5.16.12 Ensure that the Project Work Plan allocates sufficient time to AHCCCS's user acceptance testing activities relative to the detailed scope of work, requirements and gaps, the number of manually executed test cases, and the complexity of module integration. The Contractor shall be responsible for extended user acceptance testing if the proposed testing duration is not sufficient for AHCCCS to validate the module.

5.17 Infrastructure Upgrades

This section is to clarify responsibility for payment of all hardware and software infrastructure upgrades for the AHCCCS Works Portal (excluding upgrades to the AHCCCS Works Portal application software code itself).

- 5.17.1 Upgrades shall be no later than current version minus 1. An upgrade is required to be implemented prior to it being 2 releases/upgrades old. This does not apply to maintenance/patch type releases.
- 5.17.2 The version cannot be out of support. An upgrade is required 9 months after the production version of software or hardware has been released. Exceptions may be made, to be as early as 6 months and as late as 12 months. All updates will be at the contractor's expense.

5.18 System Issues

The Contractor shall:

- 5.18.1 Create a process for reporting issues with the portal.
- 5.18.2 Create a process to track change requests.
- 5.18.3 Create a process to track system changes.

5.19 Customer Survey

The Contractor shall:

- 5.19.1 Create a survey that is randomly given to customers who are reporting community engagement activities.
- 5.19.2 Survey questions to be determined by state

5.20 Hosting Requirements

The Contractor's solution shall:

- 5.20.1 Be hosted and executed from a virtualized environment that is approved by the Arizona Strategic Enterprise Technology (ASET) Assurance group through their NIST 800-53 revision 4 based process. The entire system's virtual environments shall be capable of being re-hosted at an AHCCCS approved data center on request.

5.21 System Architecture Document

The Contractor shall:

- 5.21.1 Provide a System Architecture Document that includes:
 - 5.21.1.1 Technical explanation of all aspects of the system including detailed architectural diagrams, data flows, component specifications, SaaS, COTS products and hosting environment details.
 - 5.21.1.2 Details for all identified interfaces required for the proposed system to exchange data/information with the PMMIS/HPMMIS Provide Subsystems, documentation and imaging storage systems.

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5.22 Project Management

The Contractor shall:

- 5.22.1 Employ a project management approach that shall satisfy the scope of work and incorporate all activities described in the RFP.
- 5.22.2 Participate in the project initiation kick-off meeting with key stakeholders and the AHCCCS project team.
- 5.22.3 Assist with implementing procedures and tools for tracking project action items, decisions, issues, risks and defects.
- 5.22.4 Be responsible for the capture and dissemination to AHCCCS of agendas, meeting minutes and documentation necessary for successful execution of the project as determined by AHCCCS RACI (Responsible Accountable Consulted Informed) Matrix which is a responsibility assignment matrix (RAM).
- 5.22.5 Provide deliverables or documentation as defined in the Project Work Plan (PWP) and approved by the AHCCCS teams.
- 5.22.6 Participate in status meetings to discuss project tasks and activities (e.g., deliverables, milestones, issues, risks, and SLAs).
- 5.22.7 Participate in necessary meetings with the stakeholders and/or other Contractors.
- 5.22.8 Have the discretion to conduct meetings to discuss issues, risks, progress of current projects, system changes, resource changes, and other areas specific to the scope of work.
- 5.22.9 Use the AHCCCS agreed upon tool(s) that shall provide an electronic document repository for project documents and deliverables. The Contractor, AHCCCS staff and other Contractors with the appropriate security level shall upload/attach new or revised versions of documents. The repository shall perform version control and allow users to view all prior versions.
- 5.22.10 Establish and utilize a deliverable review and acceptance process agreed upon by the AHCCCS Team that incorporates the following:
 - 5.22.10.1 Review cycles, which shall be conducted and scaled to the size and complexity of the deliverables.
 - 5.22.10.2 Deliverables will need to reflect coordination with the overall modular program and shall follow agreed upon change control processes.
 - 5.22.10.3 Informal reviews and walkthroughs of draft and final deliverables are encouraged.
 - 5.22.10.4 Queuing up excessive deliverables for simultaneous review is unacceptable to AHCCCS.
- 5.22.11 Provide deliverables that at a minimum meet the following quality standards:
 - 5.22.11.1 Provide accurate and comprehensive content, reflecting the specific requirements for the deliverable.
 - 5.22.11.2 Ensure appropriate technical level for the audience.
 - 5.22.11.3 Utilize correct grammar, spelling, and versioning.
 - 5.22.11.4 Ensure diagrams are clear, concise, and value added.
 - 5.22.11.5 Follow industry-related standards.
 - 5.22.11.6 Appropriately define and reference information.
- 5.22.12 Develop within 30 days of final award and maintain throughout project, a Project Management Plan (PMP) to be integrated and coordinated with the AHCCCS PMP. The purpose of the Project Management Plan is to provide a comprehensive baseline of what needs to be achieved by the project, how it is to be achieved, who will be involved, how it will be reported and measured and how information will be communicated with the project. It shall serve as a reference for decision and clarifications. All relevant project plans including but not limited to the Communication Plan, Change Management Plan, Staffing Management Plan, Quality

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Management Plan, Risk Management Plan, Issue Management Plan and the Work Breakdown Structure are incorporated into the Project Management Plan. It shall be a living document that evolves as the project progresses and is updated with the latest relevant information as required. The Project Management Plan may be broken into separate documents, but all documents shall be considered sections of the Project Management Plan. The AHCCCS PMP shall be the governing document.

- 5.22.13 Develop within 30 days of final award and maintain throughout project, a detailed Project Work Plan (PWP) and a Gantt Chart that is aligned with the scope of the work outlined in this RFP to be integrated and coordinated with the AHCCCS PWP. The PWP shall identify realistic person hours of effort for each task and identify planned completion dates for all deliverables and milestones. Additionally the PWP shall include the elements necessary for the IMS include: start and end dates of major phases, key project milestones, integration points, cross module dependencies, and sufficient information to support the AHCCCS reporting requirements. The PWP shall be continually refined and updated as the project progresses and shall retain the baseline for comparative reporting.
- 5.22.14 Coordinate module deliverable and milestone walkthroughs as required by the AHCCCS.
- 5.22.15 Submit a monthly System Enhancement Pool report that details tickets invoiced to the hourly pool and shall include hours used and hours remaining for the AHCCCS's approval.
- 5.22.16 Participate with the AHCCCS Project Management Team and the IV&V Contractor to give an accurate, honest reporting of the project status.
- 5.22.17 Contribute to the AHCCCS and/or the Systems Integration Services collaboration site, technical and non-technical project artifacts for the Contractor's module or module components including requirements, use cases, user stories, storyboards, system design documents, supplemental specifications, test cases, test scripts, test results, user, system and training documentation at the teams direction.
- 5.22.18 Transfer system and services documentation and all data requested by AHCCCS to AHCCCS.
- 5.22.19 Deliver a Turnover Results Report that documents completion of each step of the Turnover Plan
- 5.22.20 Project Responsibilities
 - 5.22.20.1 Meet the due date for Acceptance of each Deliverable, as indicated in the Work Plan.
 - 5.22.20.2 Distribute meeting agendas to invitees at least 24 hours before the start of a scheduled meeting involving project stakeholders. Scheduled meetings include any reoccurring project meetings, meetings identified in the Work Plan or any meeting requested by the AHCCCS with at least 48 hours' notice. The Contractor shall distribute meeting minutes to meeting attendees within two business days of the scheduled meeting.
 - 5.22.20.3 The Contractor's Key Personnel positions may not be vacant for more than ten (10) Business Days without a qualified substitute (temporary replacement). A qualified substitute shall be in place no more than ten (10) Business Days after the separation date of the vacating resource. The definition of a qualified substitute is someone meeting the requirements of the RFP
 - 5.22.20.4 Ensure that 100% of all critical Priority tickets, (Enhancements, Deficiencies, Maintenance, Research, Configuration and Mass Adjustments) are completed and Implemented by the Required Implementation Date.
 - 5.22.20.5 Maintain environments as mutually agreed upon to perform System validation, integration testing, and Data migration to determine overall production readiness. Each environment shall include all of the components to support the intended purpose of that environment. Any component not replicated in a designated

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environment shall be disclosed to the AHCCCS and a written explanation as to why this shall not affect the inherent use of the environment for its intended purpose.

- 5.22.20.6 Document all business rules applicable to the functioning of the Module and document any new or changed business rules within ten (10) Business Days of the implementation of a change.
- 5.22.20.7 Document all Configuration items applicable to the System and update Documentation within ten (10) Business Days of the Implementation of a change.

5.23 Security Assessment

The Contractor shall:

- 5.23.1 Submit to the State of Arizona Baseline Infrastructure Security Controls requiring submission of either of the following prior to final contract award:
 - 5.23.1.1 FedRAMP System Security Plan (SSP) for the respondent's system and, where applicable, its hosting vendor
 - 5.23.1.2 Completed State of Arizona Baseline Infrastructure Security Controls 2017 (https://aset.az.gov/sites/default/files/Arizona%20Baseline%20Security%20Controls%202017_v2.xls).
- 5.23.2 Provide an Annual Security Assessment in compliance with the most current version of MARS-E. An annual security assessment covering vulnerability testing, penetration testing, and process and procedures shall be conducted.
 - 5.23.2.1 This assessment shall be conducted by an independent, third party contractor, approved by AHCCCS, who is qualified by the Federal government to perform assessments on computers that access Federal information and has experience performing security assessments with other government agencies.
 - 5.23.2.2 This and any other security assessment related to the systems hosting or environment shall be provided to AHCCCS.
 - 5.23.2.3 Annual assessments shall not be conducted by the same vendor two consecutive years.

5.24 Maintenance

5.24.1 Performance

- 5.24.1.1 Have a Performance monitoring dashboard that shall have Availability 99% of the time, twenty-four (24) hours a day, seven days a week, excluding AHCCCS approved planned Downtime. Availability is calculated as follows: Availability percentage = unplanned Downtime (Total Downtime-approved Downtime) divided by Total time (24X7).
- 5.24.1.2 With the exception of approved maintenance, the system shall be available 99.5% of the time, twenty-four (24) hours a day; seven days a week, excluding AHCCCS approved planned Downtime. Availability is calculated as follows: Availability percentage = unplanned Downtime (Total Downtime-approved Downtime) divided by Total time (24X7).
- 5.24.1.3 Perform routine monitoring using software tools to measure the efficiency of online storage access, retrieval and updating and take corrective action as needed to facilitate maximum availability and efficiency (including performance adjustments to equipment and software, or file placement as required).
- 5.24.1.4 Response time for user-initiated functionality related to the data store including simple queries shall not exceed three (3) seconds and for queries whose output is greater than 10,000 rows shall not exceed thirty (30) seconds.

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Performance is measured by a predefined sample measuring from the user initiating query until return of output.

- 5.24.1.5 Response time for adding, updating, or deleting data from operational components shall not exceed three seconds per action. Performance is measured by a predefined sample measuring individually the adding, editing and deleting of data. Measure from action to completion of process.
 - 5.24.1.6 Ensure all of the required Interfaces for the module operate in accordance with the specifications, without degradation in performance.
 - 5.24.1.7 Request any planned downtime due to scheduled upgrades or maintenance, outside the normal maintenance window, a minimum of five (5) business days prior to downtime. All down time shall be approved by AHCCCS.
 - 5.24.1.8 Use an automated application and network performance measuring tools for proactive system monitoring, tuning mechanisms, reporting, and trend analysis. Performance monitoring alerts shall be configurable and tuning mechanisms, reporting, and trend analysis. Performance monitoring alerts shall be configurable and allow for user notification using multiple communication methods.
- 5.24.2 Operations
- 5.24.2.1 Ensure that the use of acronyms and codes are consistent with windows, screens, reports and databases or data dictionary.
 - 5.24.2.2 Provide read-only access to system job and maintenance schedule, submission, and processing statistics, and system performance tools for designated staff.
 - 5.24.2.3 Provide the ability to terminate, reverse or back-out a software update in the event it is discovered the update is erroneous or corrupted. Provide the ability to restore the data to the state prior to the update.
 - 5.24.2.4 Be able to accommodate varying retention periods for data, images, documents, etc.
 - 5.24.2.5 Provide a flexible framework to support exporting and importing of data using MARS-E V2 acceptable file transmission
 - 5.24.2.6 Provide automatic program checks for controlling data files, verifying correct processing, and ensuring data integrity. Available program checks include record counts, totals, limit checks.
 - 5.24.2.7 Provide the ability to import/export data.
 - 5.24.2.8 The Contractor shall notify AHCCCS at least two weeks in advance of any changes to key personnel assigned to the project.
 - 5.24.2.9 No less than three (3) months prior to the scheduled go live, the Contractor shall provide a one year calendar showing all scheduled maintenance activities, including but not limited to release schedule, and infrastructure and system changes. The Contractor shall provide quarterly updates to this calendar with the first update due no later than one month following go live.
 - 5.24.2.10 At no time shall the Contractor release any updates, enhancement, modifications or other changes to the system without prior written consent of AHCCCS.
 - 5.24.2.11 Annually perform a Security Assessment Review (SAR) to meet MARS-E v2 standards. This annual security assessment shall cover vulnerability testing, penetration testing, and process and procedures.

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- 5.24.2.11.1 The SAR shall be conducted by an independent, third party vendor, approved by the State of Arizona – AHCCCS. The third party shall not be the same in two consecutive years.
 - 5.24.2.11.2 Assessment results shall be provided to AHCCCS within 24 hours of receipt of report by the contractor.
 - 5.24.2.11.3 A mitigation plan for all 'High' findings shall be presented to AHCCCS within five (5) business days.
 - 5.24.2.11.4 A mitigation plan for the Medium and Low finding shall be presented to AHCCCS within one month of the completion of the assessment.
 - 5.24.2.11.5 Unless otherwise approved in writing by AHCCCS, the contractor shall resolve high and medium vulnerabilities identified. Low vulnerabilities will be resolved based on a mutually agreed on timeline. Vulnerabilities will be resolved at Contractor's expense.
- 5.24.3 Incidents
- 5.24.3.1 Resolve all errors within the following timeframes:
 - 5.24.3.1.1 Priority 0 Errors (system unavailable) — notification to AHCCCS within thirty (30) minutes, status of error every thirty (30) minutes until the corrective action plan is approved, corrective action plan within two (2) hours;
 - 5.24.3.1.2 Priority 1 Errors (serious production issues) — notification to AHCCCS within thirty (30) minutes, status of error every thirty (30) minutes until the corrective action plan is approved, corrective action plan within two (2) hours;
 - 5.24.3.1.3 Priority 2 Errors (significant production issue where work around is available) — notification to AHCCCS within thirty (30) minutes, status of error every two (2) hours until the corrective action plan is approved, corrective action plan within twenty four (24) hours;
 - 5.24.3.1.4 Priority 3 Errors (all others) — notification to AHCCCS within thirty (30) minutes if during scheduled business hours otherwise beginning of next business day. All Priority 3 Errors will be worked and due based on mutually agreed upon schedule.
 - 5.24.3.2 All priority levels definitions shall be subject to AHCCCS review and approval
 - 5.24.3.3 At no given time can the open ticket volume be greater than 0.1% of total applicable population. Of those open tickets, no more than 10% can be greater than 45 days old.
 - 5.24.3.4 Upon contract award or shortly thereafter, AHCCCS shall supply contact information to the Contractor for reporting incidences
 - 5.24.3.5 For all Priority 0 and Priority 1 Errors, the Contractor shall within 24 hours of conclusion of the incident, provide an incident report. The format for the incident report will be provided by AHCCCS within 30 days of contract award.

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- 5.24.3.6 For all Priority 2 and Priority 3 Errors, the Contractor shall provide an error report for use in UAT that includes a description of the error, remediation, and test plan, along with any data corrective actions taken.
- 5.24.4 Disaster Recovery/Data Retention
 - 5.24.4.1 Provide and support non-disruptive rules-based data archival and subsequent retrieval. The system must not be unavailable for extended periods of time during the archival process as defined by AHCCCS.
 - 5.24.4.2 Provide and support non-disruptive rules-based data purging. The system must not be unavailable for extended periods of time during the purge process as defined by AHCCCS.
 - 5.24.4.3 Provide and support non-disruptive rules-based data restoration. The system must not be unavailable for extended periods of time during the purge restore process as defined by AHCCCS.
 - 5.24.4.4 In the event of an unscheduled downtime, restore availability, using procedures approved in the State approved Business Continuity and Disaster Recovery Plan within four (4) hours from the start of the unscheduled downtime.
 - 5.24.4.5 Provide an alternate business site if the Contractor's primary business site becomes unsafe or inoperable. The alternate business site shall be fully operational and that meets security and privacy standards required by MARS-E V2 within two (2) business days of the primary business site becoming unsafe or inoperable.
 - 5.24.4.6 Annually conduct a failover Disaster Recovery Test and provide detailed Disaster Recovery Plan test results and a remediation plan to AHCCCS within thirty (30) days of test completion.
 - 5.24.4.7 Provide file restoration within six (6) hours of an incident where file corruption loss is detected.
 - 5.24.4.8 Provide secure third-party off-site storage of system and data backups.
 - 5.24.4.9 Backups must be tested every 6 months using the most recent backup as the test material.
 - 5.24.4.10 Have an acceptable documented risk mitigation plan submitted to AHCCCS within five (5) business days of risk identification for all high and critical risks as determined by AHCCCS.
 - 5.24.4.11 The Contractor shall maintain data and records relating to the services provided under this Contract. Records shall include, but are not limited to, financial statements, reports, and any other documents, data or records that are produced by the Contractor under this Contract or received from the client (public)
 - 5.24.4.12 The Contractor shall make available, at all reasonable times during the term of this Contract, data and records for inspection, audit or reproduction by any authorized representative of AHCCCS. The Contractor shall be responsible for any costs associated with the reproduction of requested information.
 - 5.24.4.13 The Contractor shall preserve and make available all data and records for a period of ten years from the latter of the complete termination of the Contract, the partial termination of the Contract or the date of final payment under this Contract, unless a longer period of time is required by law.
 - 5.24.4.14 All data, records, materials, documents, data and reports prepared by the Contractor or received from users of the system under the Contract is, and shall remain, the property of AHCCCS.

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5.25 System Enhancements

System enhancements are to be quoted as an all inclusive fixed cost and not time and materials. All requests for enhancements must be presented in writing from AHCCCS. Any cost incurred by vendor for changes not requested or authorized by AHCCCS shall not be reimbursed. Changes shall follow the process outlined below:

- Requirements developed by AHCCCS and submitted to vendor for quote.
- Quote shall be approved in writing by AHCCCS. Work shall not begin prior to AHCCCS written approval.
- After approval, contractor shall develop enhancements to requirements as outlined by AHCCCS and shall include creation of a design document.
- Enhancements to be tested and approved in writing by ACCCHS prior to production release.

5.26 Software Licensing Agreement

Upon award, the contractor will be required to sign a mutually agreed upon Software Licensing Agreement.

6 **PRICING and DELIVERABLES**

The Contractor must complete **Attachment A** labeled "Pricing and Deliverables Schedule" provided with the RFP. Additional details are listed on the attachment.

7 **ACCEPTANCE OF WORK:**

All services, materials, and deliverables are subject to inspection, review, evaluation and acceptance by AHCCCS. Any work performed by the Contractor that AHCCCS does not accept shall not be compensated by AHCCCS. At AHCCCS's option, the Contractor may be required to re-accomplish substandard work to bring it into conformance with acceptable standards.

8 **NOTICES SECTION**

8.1 For all notices of breach or HIPAA security incidences, report to:

Privacy Officer
AHCCCS Office of Administrative Legal Services (OALS)
801 E Jefferson Street, MD 6200
Phoenix, AZ 85034
(602) 417-4076 Privacy@azahcccs.gov

8.2 For Programmatic notices to AHCCCS, report to:

AHCCCS
Marshall Wilmot
801 E Jefferson, MD 2500
Phoenix, AZ 85034
602-417-4241
Marshall.Wilmot@azahcccs.gov

8.3 For Contractual and or Legal Notices, report to Procurement Office:

AHCCCS
Michael Kowren, Senior Procurement Specialist
701 E. Jefferson Street, MD 5700

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Phoenix, AZ 85034
(602) 417-4250
procurement@azahcccs.gov

9 **PAYMENT DELIVERABLES and INVOICES**

The Contractor shall submit an invoice upon completion of the deliverable to the address listed below for fees associated with this contract.

9.1 Implementation Payment Schedule

As indicated on the payment schedule, total cost for implementation shall be proposed by the Contractor then paid as follows:

- 10% of the total Implementation price will be paid to the Contractor for:
Implementation Deliverable #1- Requirements and design documentation
- 20% of the total Implementation price will be paid to the Contractor for –
Implementation Deliverable #2-Solution is available for UAT in test environment
- 30% of the total Implementation price will be paid to the Contractor for –
Implementation Deliverable #3-Approval for code to promote to production (user approval)
- 30% of the total Implementation price will be paid to the Contractor for –
Implementation Deliverable #4-Solution in use in live environment
- 10% of the total Implementation price will be paid to the Contractor for –
Implementation Deliverable #5-Post implementation acceptance
 - Payment will be post resolution of all P0 and P1 found throughout the first 6 months of implementation (priority as defined in 5.24.3)

9.2 Software costs will be invoiced on a quarterly basis unless otherwise agreed upon by the parties.

9.3 Maintenance costs will be invoiced on a quarterly basis unless otherwise agreed upon by the parties.

9.4 All invoices shall clearly distinguish invoiced amounts by Implementation, Software and/or Maintenance.

9.5 Each invoice shall provide the following information, as applicable:

- AHCCCS' assigned contract number
- Description of services performed for each fee
- Name of AHCCCS contact person (or program person) for this contract
- Date(s) services were performed
- Signature and title of authorized representative

9.6 Each invoice shall have adequate supporting documentation attached.

9.7 Unless otherwise described in this contract, all invoices shall be submitted to:

AHCCCS
Accounts Payable, MD 5400
701 E. Jefferson Street
Phoenix, AZ 85034
AHCCCSDBFAdminPayables@azahcccs.gov

DEFINITIONS

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

1. **AAC:** Arizona Administrative Code.
2. **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 AHCCCS agency.
3. **AW:** AHCCCS Works
4. **ATTACHMENT:** Any item the Solicitation requires an Offeror to submit as part of the Offer.
5. **BEST AND FINAL OFFER:** A revision to an Offer submitted after negotiations are completed that contains the Offeror's most favorable terms for price, service and products to be delivered. Sometimes referred to as a Final Proposal Revision.
6. **CMS:** Centers for Medicare and Medicaid Services, an organization within the U.S. AHCCCS of Health and Human Services, which administers the Medicare and Medicaid programs and AHCCCS Children's Health Insurance Program.
7. **CONTRACT:** The combination of the Solicitation, including the Instructions to Offerors, Contract Terms and Conditions, and Scope of Work; the Offer; any Best and Final Offers; any Solicitation Amendments or Contract Amendments; and any terms applied by law.
8. **CONTRACT AMENDMENT:** A written document signed by the Procurement officer that is issued for the purpose of making changes in the contract.
9. **CONTRACTOR:** A person or company who has a contract with AHCCCS.
10. **DAYS:** Calendar days unless otherwise specified.
11. **EXHIBIT:** Any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.
12. **MATERIAL OMISSION:** A fact, data or other information excluded from a report, contract, etc. the absence of which could lead to erroneous conclusions following reasonable review of such report, contract, etc.
13. **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.
14. **MAY:** Indicates something that is not mandatory but permissible.
15. **OFFER:** A response to a solicitation.
16. **OFFEROR:** A Contractor or person who responds to a Solicitation.
17. **PERSON:** Any corporation, business, individual, union, committee, club or other organization or group of individuals.

DEFINITIONS

18. **PROCUREMENT OFFICER:** The person, or his or her designee, duly authorized by AHCCCS and AHCCCS to enter into and administer Contracts and made written determinations with respect to the Contract.
19. **RELATED PARTY:** A party that has, or may have, the ability to control or significantly influence a Contractor, or a party that is, or may be, controlled or significantly influenced by a Contractor. "Related parties" include, but are not limited to, agents, managing employees, persons with an ownership or controlling interest in the disclosing entity, and their immediate families, subcontractors, wholly-owned subsidiaries or suppliers, parent companies, sister companies, holding companies, and other entities controlled or managed by any such entities or persons.
20. **RFP:** Request For Proposal; document prepared by AHCCCS which describes the services required and which instructs a prospective Offeror how to prepare a response (proposal).
21. **SCOPE OF WORK:** Those provisions of this solicitation which specify the work and/or results to be achieved by the Contractor.
22. **SHALL:** Indicates a mandatory requirement. Failure to meet these mandatory requirements may result in the rejection of a proposal as non-responsive.
23. **SOLICITATION:** An Invitation for Bids ("IFB"), a Request for Proposals ("RFP"), or a Request for Quotations ("RFQ").
24. **SOLICITATION AMENDMENT:** A written document that is authorized by the Procurement officer and issued for the purpose of making changes to the Solicitation.
25. **STATE FISCAL YEAR:** The period beginning with July 1 and ending June 30.
26. **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.
27. **TITLE XIX:** Title XIX of the Social Security Act means Medicaid as defined in 42 U.S.C. 7.19.

UNIFORM INSTRUCTIONS TO OFFERORS

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 (inquiries), and examine its Offer for accuracy before submitting an Offer. Lack of care in preparing an Offer shall not be grounds for modifying or withdrawing the Offer after the Offer due date and time.
- 2.2 **Solicitation Contact Person:** Any inquiry related to a Solicitation, including any requests for or inquiries regarding standards referenced in the Solicitation shall be directed solely to the Procurement Officer.
- 2.3 **Submission of Inquiries:** All inquiries related to the Solicitation are required to be submitted via email to the Procurement Officer listed on the front page of this solicitation and on the AHCCCS Q and A form. All responses to inquiries will be answered in the form of a solicitation amendment. Any inquiry related to a Solicitation shall refer to the appropriate Solicitation number, page and paragraph. Offerors are prohibited from contacting any AHCCCS employee other than the Procurement Officer concerning the procurement while the solicitation and evaluation are in process.
- 2.4 **Timeliness:** Any inquiry or exception to the Solicitation 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.
- 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. Offerors should raise any questions they may have about the Solicitation 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.

3 **Offer Preparation:**

- 3.1 **Electronic Documents:** The Solicitation is provided in an electronic format. Offerors are responsible for clearly identifying any and all changes or modifications to any Solicitation documents upon submission. Any unidentified alteration or modification to any Solicitation, attachments, exhibits, forms, charts or illustrations contained herein shall be null and void. Offeror's electronic files shall be submitted in a format acceptable to AHCCCS. Acceptable formats include .doc and .docx (Microsoft Word), .xls and .xlsx (Microsoft Excel), .ppt and .pptx (Microsoft PowerPoint) and .pdf (Adobe Acrobat). Offerors wishing to submit files in any other format shall submit an inquiry to the Procurement Officer.
- 3.2 **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 an intent to be bound, such as an original signature, may result in rejection of the Offer.

UNIFORM INSTRUCTIONS TO OFFERORS

- 3.3 Subcontracts: Offeror shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities in the Offer.
- 3.4 Cost of Offer Preparation: AHCCCS will not reimburse any Offeror the cost of responding to a Solicitation.
- 3.5 Federal Excise Tax: AHCCCS is exempt from certain Federal Excise Tax on manufactured goods. Exemption Certificates will be provided by AHCCCS.
- 3.6 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.
- 3.6.1 Employee Identification: Offeror agrees to provide an employee identification number or social security number to AHCCCS for the purposes of reporting to appropriate taxing authorities, monies paid by the AHCCCS 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 AHCCCS and federal officials. This submission is mandatory under 26 U.S.C. § 6041A.
- 3.7 Identification of Taxes in Offer. AHCCCS is subject to all applicable AHCCCS 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.
- 3.8 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, AHCCCS 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.
- 3.9 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.
- 3.10 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. AHCCCS may, at its sole discretion, require evidence of compliance during the evaluation process. Should AHCCCS 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.
- 3.11 Offshore Performance of Work Prohibited: Any service that are described in the specifications or scope of work that directly serve AHCCCS 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 Offer.

4 Submission of Offer:

- 4.1 Sealed Envelope or Package: Each Offer shall be submitted to the submittal location identified in this Solicitation. Offers should be submitted in a sealed envelope or container. The envelope or container should be clearly

UNIFORM INSTRUCTIONS TO OFFERORS

identified with name of the Offeror and Solicitation number. AHCCCS may open envelopes or containers to identify contents if the envelope or container is not clearly identified.

- 4.2 Offer and Acceptance: Offers shall include a signed Offer and Acceptance form. The Offer and Acceptance form shall be signed with a signature by the person authorized to sign the Offer, and shall be submitted no later than the Solicitation due date and time. Failure to return an Offer and Acceptance form may result in rejection of the Offer.
- 4.3 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.
- 4.4 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.
- 4.5 (reserved)
- 4.6 Public Record: All Offers submitted and opened are public records and must be retained by AHCCCS for six (6) years. Offers shall be open and available to public inspection after Contract award, except for such Offers deemed to be confidential by AHCCCS.
- 4.7 Non-collusion, Employment, and Services: By signing the Offer and Acceptance Form or other official contract form, the Offeror certifies that:
 - 4.7.1 The Offeror did not engage in collusion or other anti-competitive practices in connection with the preparation or submission of its Offer; and
 - 4.7.2 The Offeror 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, AHCCCS and local laws and executive orders regarding employment.

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 stated a number of days for Offer acceptance, the number of days shall be one hundred and twenty (120). If a Best and Final Offer is requested pursuant to a Request for Proposals, an Offeror shall hold its Offer open for one hundred and twenty (120) days from the Best and Final Offer 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;

UNIFORM INSTRUCTIONS TO OFFERORS

- 5.6.2 Reject any and all Offers or portions thereof; or
- 5.6.3 Cancel the Solicitation.

6 **Award:**

- 6.1 **Number or Types of Awards:** 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, or regional awards, whichever is deemed most advantageous to AHCCCS.
- 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.

7 **Protests:** Any protest shall comply with and be resolved according to A.R.S. § 36-2906 and rules adopted thereunder. Protests shall be in writing and be filed with the AHCCCS Procurement officer. Any protest of a solicitation shall be filed at least fourteen (14) days before the due date of receipt of proposals. Any protest of an award shall be filed no later than ten (10) days after the procurement officer makes the procurement file available for public inspection. A protest shall include:

- 7.1 The name, email address and telephone number of the interested party;
- 7.2 The signature of the interested party 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.

SPECIAL INSTRUCTIONS TO OFFERORS

1. **Questions:** All questions related to the Solicitation are required to be submitted via email to the Procurement Officer listed on the front page of this solicitation on the AHCCCS Q and A form. All responses will be answered in the form of a solicitation amendment. Any question related to a Solicitation shall refer to the appropriate Solicitation number, page and paragraph. Offerors are prohibited from contacting any AHCCCS employee other than the Procurement Officer concerning the procurement while the solicitation and evaluation are in process.
2. **Evaluation Criteria:** In accordance with the A.R.S. 36-2903 et seq., awards shall be made to the responsible Offeror(s) whose proposal is determined in writing to be the most advantageous to AHCCCS based upon the evaluation criteria listed below. The evaluation factors are listed in their relative order of importance. Exceptions to the Terms and Conditions, as stated in the Uniform Instructions, will impact an Offeror's susceptibility for award.
 - 2.1 Evaluation Criteria 1: Experience and Expertise of the Firm and Key Personnel
 - 2.2 Evaluation Criteria 2: Method of Approach
 - 2.3 Evaluation Criteria 3: Cost
3. **Proposal Information:** Offeror shall submit their proposal as **one (1) hard copy original and (2) hard copies**, as well as **one (1) CD, thumb drive or other secure electronic device** with the same information. The proposal shall include the following:
 - 3.1 **Proposed Method of Approach:**
 - 3.1.1 Proposals will be evaluated based on the Offeror's distinctive plan for providing the system. The Offeror shall utilize a written narrative or other printed technique to demonstrate the ability to satisfy the Scope of Work. When appropriate, the narrative should describe a logical progression of tasks and efforts starting with the initial steps or tasks to be accomplished and continuing until all proposed tasks are fully described. The Offeror should respond to all of the Sections outlined in the Scope of Work explaining how they would accomplish each task listed.
 - 3.1.2 In addition to describing how the Offeror will provide all requirements listed in the scope of work (Section 5), the method of approach shall describe in detail the tools, i.e., software, licensing agreements, sub contracts, used to complete the tasks.
 - 3.1.3 Since the evaluators have already read the Scope of Work for the services described, it is not necessary for the Offeror to repeat the exact language, nor to present a paraphrased version, as an original idea for a technical approach. The language of the narrative should be straightforward and limited to facts, solutions to problems, and plans of proposed action. The usage of technical language should be used to describe a technical process.
 - 3.1.4 The Offeror shall include a proposed timeline and description for standard implementation and other proposed major milestones.
 - 3.1.5 The Offeror shall limit its written response in this section to **twenty five (25) pages**. The method of approach shall be limited to twenty (20) pages and the timeline shall be limited to five (5) pages.
 - 3.2 **Experience and Expertise of the Firm and Key Personnel:**

Offeror shall submit information documenting successful and reliable experience in past performances as related to the services in this RFP. 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. The Offeror shall describe if is an EQRO currently in operation in at least one other State

SPECIAL INSTRUCTIONS TO OFFERORS

Medicaid Agency. AHCCCS intends to give preference to Offerors who have an EQRO contract with another State Medicaid Agency. Submit Attachment C.

3.2.1 The qualifications of the key personnel proposed by the Offeror to perform the requirements of this solicitation will be considered in the evaluation. Therefore, the Offeror should submit detailed information related to the experience, technical expertise and qualifications for each key personnel proposed. Offeror should provide the names, titles and a resume for all proposed key personnel; clerical staff is not considered key personnel.

3.2.2 The Offeror may submit any other pertinent information which would substantiate each proposed key person possesses the experience, expertise and capability to provide the assigned services.

3.2.3 The Offeror should provide an organizational chart which clearly shows the reporting and lines of authority; to include all proposed key personnel and any proposed subcontractors. The organizational chart should identify the prime point of contact between the offeror and the AHCCCS Project Manager.

3.3 **Cost**

The evaluation of the category of Cost shall be based on the prices, as indicated on the **Attachment A: Pricing Schedule** submitted with Offeror's proposal.

4. **Intent to Provide Certificate of Insurance:** The Offeror shall provide a brief 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.

5. **Additional Information (OPTIONAL):** The Offeror may submit any other pertinent information which would substantiate the Offeror has the experience, expertise and capability to provide the required services.

6. **Additional Instructions for Submittal of Proposal:**

The material should be arranged and submitted in the sequence dictated on the "Offeror's Checklist" for this solicitation. 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.

When submitting your proposal, ensure your company name and AHCCCS solicitation number is clearly marked on the outside of the package. AHCCCS is not responsible for supplying boxes, envelopes, tape, etc. to Offerors at time of proposal delivery.

7. **Presentations and Demonstrations:** AHCCCS may request Offerors who are determined to be reasonably susceptible for award to give a presentation or show a demonstration of the product or service to the evaluation committee.

8. **Financial Stability** The Offeror must be financially stable and if requested shall be able to substantiate the financial stability of its company. Upon written request from AHCCCS, the Offeror shall submit an annual financial statement for itself, and parent company (if applicable) within five (5) business days of request. AHCCCS reserves the right to request additional documentation from the Offeror and to request reports on financial stability from independent

SPECIAL INSTRUCTIONS TO OFFERORS

financial rating services. AHCCCS reserves the right to reject any Offeror who does not demonstrate financial stability sufficient for the scope of this contract award.

9. **Clarification of Offers:** AHCCCS may request clarification of an offer any time after receipt. 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.
10. **Negotiations:** Negotiations may be conducted orally or in writing at the discretion of AHCCCS. Negotiations may be conducted in order to improve offers in such areas of cost, price, specifications performance, or terms, to achieve best value for AHCCCS. Negotiations may include demonstrations (oral presentations). Award(s) may be made without negotiations; therefore, offers should be submitted on most favorable terms.
11. **Final Proposal Revisions / Best and Final Offers:** Written Final Proposal Revisions, or Best and Final Offers, will be requested from any Offeror with whom negotiations have been conducted, unless the Offeror has been determined not within the competitive range, not susceptible for award or non-responsible.
12. **Request for Confidential/Proprietary Determination:**
 - 12.1 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.
 - 12.2 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.**
 - 12.3 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.
 - 12.4 In addition to the required detailed legal analysis, the Offeror shall summarize in their Submittal Letter the distinct portions, including exact page numbers, of their document is requested to be kept confidential.
 - 12.5 If any pieces of your proposal are being requested to be kept confidential, and withheld from public viewing, please submit an additional redacted copy of the proposal **ON A SEPARATE CD, thumb drive or electronic device**. Our office does not require a hard copy of the redacted proposal, only an electronic copy. This will ensure that our office is crystal clear on which version of your proposal is acceptable for public viewing.
13. **Responsibility, Responsiveness and susceptibility**

In accordance with A.R.S. 41-2534(G), A.A.C. R2-7-C311, A.A.C. R2-7-C312, and A.A.C. R2-7-C316, AHCCCS shall consider, at a minimum the following criteria when determining and Offeror's responsibility, as well as the proposal's responsiveness and susceptibility for contract award.

SPECIAL INSTRUCTIONS TO OFFERORS

- 13.1. Whether the Offeror has had a contract within the last five (5) years that was terminated for cause due to breach or similar failure to comply with the terms of the contract;
- 13.2. Whether the Offeror's record of performance includes factual evidence of failure to satisfy the terms of the Offeror's agreements with any party to a contract. Factual evidence may consist of documented Contractor performance reports, customer complaints, and/or negative references;
- 13.3. Whether the Offeror is legally qualified to contract with AHCCCS and the Offeror's financial, business, personnel, or other resources, including subcontractors;
 - 13.3.1. Legally qualified includes if the Contractor or if key personnel have 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.
- 13.4. Whether the Offeror promptly supplied all requested information concerning its responsibility;
- 13.5. Whether the Offer was sufficient to permit evaluation by AHCCCS, in accordance with the evaluation criteria identified in this Solicitation or other necessary offer components. Necessary offer components include: attachments, documents or forms to be submitted with the offer, an indication of the intent to be bound, reasonable or acceptable approach to perform the Scope of Work, acknowledged Solicitation Amendments, references to include experience verification, adequacy of financial/business/personal or other resources to include a performance bond and stability including subcontractors and any other data specifically requested in the Solicitation;
- 13.6. Whether the Offer was in conformance with the requirements contained in the Scope of Work, Terms and Conditions, and Instructions for the Solicitation including its Amendments and all documents incorporated by reference;
- 13.7. Whether the Offer limits the rights of AHCCCS;
- 13.8. Whether the Offer includes or is subject to unreasonable conditions, to include conditions upon AHCCCS necessary for successful Contract performance. AHCCCS shall be the sole determiner as to the reasonableness of a condition;
- 13.9. Whether the Offer materially changes the contents set forth in the Solicitation, which includes the Scope of Work, Terms and Conditions, or Instructions; and,
- 13.10. Whether the Offeror provides misleading or inaccurate information.

UNIFORM TERMS AND CONDITIONS

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, A.R.S. § 36-2906 and its implementing rules.
- 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 HIPAA Business Associates Addendum
 - 2.3.2 Special Terms and Conditions;
 - 2.3.3 Uniform Terms and Conditions;
 - 2.3.4 Statement or Scope of Work;
 - 2.3.5 Specifications;
 - 2.3.6 Attachments;
 - 2.3.7 Exhibits;
 - 2.3.8 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 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.

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- 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 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.

Notwithstanding the foregoing, if the State elects, in its sole and absolute discretion, to relinquish its ownership interest in any or all of the Intellectual Property, the State shall have the rights to use, modify,

UNIFORM TERMS AND CONDITIONS

reproduce, release, perform, display, sublicense or disclose such Intellectual Property within State government and operations without restriction for any activity in which the State is a party (collectively, "Government Purpose Rights").

- 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 A.R.S. § 23-214, Subsection A.
- 3.11 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 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.

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- 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.
- 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 - 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.

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6.3 Force Majeure.

6.3.1 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.

6.3.2 Force Majeure shall not include the following occurrences:

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

6.3.2.2 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

6.3.2.3 Inability of either the Contractor or any subcontractor to acquire or maintain any required insurance, bonds, licenses or permits.

6.3.3 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.

6.3.4 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.

6.4 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;

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- 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.
- 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.

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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.

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

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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 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. 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. **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.
3. **Clean Air Act (42 U.S.C. 7401- 7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251- 1387), as amended:**

Contracts and sub-grants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401- 7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251- 1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).
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 (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
 - 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 by 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 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.
 - 5.5.1 Cancel any contract;
 - 5.5.2 Reserve all rights or claims to damage for breach of any covenant of the contract;
 - 5.5.3 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;
 - 5.5.4 In case of default, the Procurement officer reserves the right to purchase materials, or to complete the required work in accordance with the law. The Procurement officer may recover reasonable excess costs from the Contractor by;
 - 5.5.4.1 Deduction from an unpaid balance;
 - 5.5.4.2 Collection against the bid and/or performance bond; or
 - 5.5.4.3 Any combination of the above or any other remedies as provided by law.

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6. **Contract Disputes:** Contract claims and disputes shall be adjudicated in accordance with State Law, AHCCCS Rules and this contract. Except as provided by 9 A.A.C. Chapter 22, Article 6, the exclusive manner for the Contractor to assert any dispute against AHCCCS shall be in accordance with the process outlined in 9 A.A.C. Chapter 34 and A.R.S. §36-2932.
- 6.1 All disputes except as provided under 9 A.A.C. Chapter 22, Article 6 shall be filed in writing and be received by AHCCCS no later than 60 days from the date of the disputed notice. All disputes shall state the factual and legal basis for the dispute.
- 6.2 Pending the final resolution of any disputes involving this contract, the Contractor shall proceed with performance of this contract in accordance with AHCCCS' instructions, unless AHCCCS specifically, in writing, requests termination or a temporary suspension of performance.
7. **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.
8. **Confidentiality of Records and Disclosure of Confidential Information:**
- 8.1 The Contractor shall not, without prior written approval from AHCCCS and/or Med-QUEST, 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 and/or Med-QUEST personnel with a need to know, any information, data, material, or exhibits created, developed, produced, or otherwise obtained during the course of the 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 and/or Med-QUEST.
- 8.2 The Contractor shall establish and maintain written policies procedures and controls, approved by AHCCCS and/or Med-QUEST, 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 and/or Med-QUEST 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 and/or Med-QUEST. The Contractor's data safeguard program shall further conform to the data confidentiality and security requirements of AHCCCS and/or Med-QUEST policy and procedures, and all-relevant state and federal requirements, including HIPAA standards.
- 8.3 The disclosure of information in summary, statistical, or other form that does not identify particular individuals is permitted only with prior AHCCCS and/or Med-QUEST approval. The use or disclosure of information concerning Members will be limited to purposes directly connected with the scope of this contract.
- 8.4 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

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AHCCCS and/or Med-QUEST 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 and/or Med-QUEST upon request.

9. **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.

10. **Contract:**
 - 10.1 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.
 - 10.2 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.

11. **Equal Employment Opportunity.** Except as otherwise provided under 41 CFR part 60, all contracts that meet the definition of "federally assisted construction contract" in 41 CFR part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, Equal Employment Opportunity (30 FR 12319, 12935, 3 CFR 1964- 1965 Comp., p. 339) as amended by Executive Order 11375 amending Executive Order 11246 Relating to Equal Employment Opportunity, and implementing regulations at 41 CFR part 60.

12. **Fraud and Abuse:**
 - 12.1 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.
 - 12.2 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.
 - 12.3 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.

13. **Independent Contractor and Employees of 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. 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.

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14. **Licenses:** Contractor shall maintain in current status all federal, state and local licenses and permits required for the operation of the business conducted by the Contractor.
15. **Lobbying:** No funds paid to the Contractor by AHCCCS, or interest earned thereon, shall be used for the purpose of influencing or attempting to influence an officer or employee of any federal or State agency, a member of the United States Congress or State Legislature, an officer or employee of a member of the United States Congress or State Legislature in connection with awarding of any federal or State contract, the making of any federal or State grant, the making of any federal or State loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any federal or State contract, grant, loan, or cooperative agreement. The Contractor shall disclose if any funds other than those paid to the Contractor by AHCCCS have been used or will be used to influence the persons and entities indicated above and will assist AHCCCS in making such disclosures to CMS. Byrd Anti-Lobbying Amendment. If the contract value is in excess of \$100,000, the contract requires that the entity file the required certification that each tier has not and will not use Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352.
16. **No Guaranteed Quantities:** AHCCCS does not guarantee the Contractor any minimum or maximum quantity of services or goods to be provided under this contract.
17. **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.
18. **Ownership of Information and Data:**
 - 18.1 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.
 - 18.2 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.
 - 18.3 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

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otherwise use, and to authorize others to use, the work for state or federal government purposes. Contractor shall additionally be subject to the applicable provisions of 45 CFR Part 74 and 45 CFR Parts 6 and 8.

19. Records:

- 19.1 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.
- 19.2 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.
- 19.3 The Contractor shall preserve and make available all records for a period of seven (7) years from the date of final payment under this contract except as provided below:
 - 19.3.1 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 seven (7) years from the date of any such termination.
 - 19.3.2 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 seven (7) years after the date of final disposition or resolution thereof.
 - 19.3.3 Completed case files shall be scheduled for archive shipment to AHCCCS, as defined by AHCCCS Policy and Procedures.

20. 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.

21. Term of Contract and Option to Renew:

- 21.1 The initial term of this contract shall be for **three (3) initial years with two (2) 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.
- 21.2 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 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.

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21.3 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.

22. Warranty:

Unless otherwise modified elsewhere in the terms and conditions, the Contractor warrants that, for one year after acceptance by the State, the Materials shall be fully compatible with the State's computer hardware and software environment.

Contractor represents and warrants to the State that Contractor has the skill and knowledge possessed by members of its trade or profession and Contractor will apply that skill and knowledge with care and diligence so Contractor and Contractor's employees and any authorized subcontractors shall perform the Services described in this Contract in accordance with the Scope of Work.

Contractor represents and warrants that the Materials provided through this Contract and Scope of Work shall be free of viruses, backdoors, worms, spyware, malware and other malicious code that will hamper performance of the Materials, collect unlawful personally identifiable information on users or prevent the Materials from performing as required under the terms and conditions of this Contract.

23. Indemnification

Contractor shall indemnify, defend with counsel reasonably approved by the State, and hold harmless, the State, its departments, agencies, boards, commissions, universities, officers, agents and employees (collectively, the "Indemnitee") from and against any and all claims, actions, damages, costs (including attorneys' fees), and losses arising under this Contract, including, but not limited to, bodily injury or personal injury (including death) or loss or damage to tangible or intangible property, but excluding damages arising solely from the gross negligence or willful misconduct of the Indemnitee. This indemnification obligation includes any claim or amount arising out of, or recovered under, the Workers' Compensation Law or arising out of the failure of the Contractor to comply with any federal, state or local law, statute, ordinance, rule, regulation or court decree. Contractor shall have control, subject to the reasonable approval of the State, of the defense of any action on such claim and all negotiations for its settlement or compromise, provided, however, that when substantial principles of government of public law are involved, or when involvement of the State is otherwise mandated by law, the State may elect, in its sole and absolute discretion, to participate in such action at its own expense with respect to attorneys' fees and costs, but not liability and the State shall have the right to approve or disapprove any settlement which approval shall not be unreasonably withheld or delayed. The State shall reasonably cooperate in its defense and any related settlement negotiations.

24. Limitation Of Liability

First Party Limitation of Liability:

Contractor's liability for first party damages to the State arising from this Contract shall be limited to two (2) time(s) the maximum not-to-exceed amount of this Contract. The foregoing limitation of liability shall not apply to: (i) liability, including indemnification obligations, for third party claims, including but not limited to, infringement of third party intellectual property rights; (ii) claims covered by any specific provision of the Contract calling for liquidated damages or other amounts, including but not limited to performance requirements; or (iii) costs or attorneys' fees that the State is entitled to recover as a prevailing party in any action.

25. Intellectual Property Indemnification

With respect solely to Materials provided or proposed by Contractor or Contractor's agents, employees, or subcontractors (each a "Contractor Party") for the performance of this Contract, Contractor shall indemnify,

SPECIAL TERMS AND CONDITIONS

defend and hold harmless the State its departments, agencies, boards, commissions, universities, officers, agents and employees (collectively, the "Indemnitee"), against any third-party claims for liability including but not limited to, reasonable costs and expenses, including attorneys' fees, for infringement or violation of any patent, trademark, copyright or trade security, by such Materials or the State's use thereof.

In addition, with respect to claims arising from computer hardware or software manufactured or developed solely by a third party, Contractor shall pass through to the State such indemnity rights as it receives from such third party (the "Third Party Obligation") and will cooperate in enforcing then; provided, however, that (i) if the third party manufacturer fails to honor the Third Party Obligation, or (ii) the Third Party Obligation is insufficient to fully indemnify the State, Contractor shall indemnify, defend and hold harmless the State against such claims in their entirety or for the balance of any liability not fully covered by the Third Party Obligation.

The State shall reasonably notify Contractor of any claim for which the Contractor may be liable under this section. If the Contractor is insured pursuant to ARS 41-621 and 35-154, this section shall not apply. Contractor shall have control, subject to the reasonable approval of the State, of the defense of any action on such claim and all negotiation for its settlement or compromise, provided, however, that when substantial principles of government or public law are involved or when involvement of the State is otherwise mandated by law, the State may elect, in its sole and absolute discretion, to participate in such action at its own expense with respect to attorneys' fees and costs, but not liability, and the State shall have the right to approve or disapprove any settlement, which approval shall not be unreasonably withheld or delayed. The State shall reasonably cooperate in the defense and any related settlement negotiations.

If Contractor believes at any time that any Materials provided or in the use pursuant to this Contract infringe a third party's intellectual property rights, Contractor shall, at Contractor's sole cost and expense, and upon receipt of the state's prior written consent, which shall not be unreasonably withheld, (i) replace in infringing Material with a non-infringing Material; (ii) obtain for the State the right to continue to use the infringing Material; or (iii) modify the infringing Material to be non-infringing, provided that following any replacement or modification made pursuant to the foregoing, the Material continues to function in accordance with the Contract. Contractor's failure or inability to accomplish any of the foregoing shall be deemed a material breach of this Contract.

Notwithstanding the foregoing, Contractor shall not be liable for infringement based solely on any Indemnitee's:

- (i) Modification of Materials provided by Contractor other than as contemplated by the Contract or the specifications of such Materials or as otherwise authorized or proposed in any way by Contractor or a Contractor Party;
- (ii) Use of the Materials in a manner other than as contemplated by this Contract or the specifications of such Materials, or as otherwise authorized or proposed in any way by Contractor or a Contractor Party; or
- (iii) Use of the Materials in combination, operation, or use with other products in a manner not contemplated by the Contract, or, the specifications of such Materials, or as otherwise authorized or proposed in any way by Contractor or a Contractor Party.

Contractor certifies, represents and warrants to the State that it has appropriate systems and controls in place to ensure that State funds will not be used in the performance of the Contractor for the acquisition, operation or maintenance of Materials in violation of intellectual property laws.

SPECIAL TERMS AND CONDITIONS

INSURANCE REQUIREMENTS

Network Security (Cyber) and Privacy Liability Insurance

1.0 Insurance Requirements

- 1.1 Contractor and subcontractors shall procure and maintain, until all of their obligations have been discharged, including any warranty periods under this Contract, insurance against claims for injury to persons or damage to property arising from, or in connection with, the performance of the work hereunder by the Contractor, its agents, representatives, employees or subcontractors.
- 1.2 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 arise out of the performance of the work under this Contract by the Contractor, its agents, representatives, employees or subcontractors, and the Contractor is free to purchase additional insurance.

2.0 Minimum Scope and Limits of Insurance

Contractor shall provide coverage with limits of liability not less than those stated below.

1.3 Commercial General Liability (CGL) – Occurrence Form

Policy shall include bodily injury, property damage, 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
Damage to Rented Premises	\$50,000
Each Occurrence	\$1,000,000

- a. The policy shall be endorsed, as required by this written agreement, to include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor.
- b. Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

1.4 Business Automobile Liability

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

Combined Single Limit (CSL)	\$1,000,000
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- a. Policy shall be endorsed, as required by this written agreement, to include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by, or on behalf of, the Contractor involving automobiles owned, hired and/or non-owned by the Contractor.
- b. Policy shall contain a waiver of subrogation endorsement as required by this written agreement in favor of the State of Arizona, and its departments, agencies, boards,

SPECIAL TERMS AND CONDITIONS

INSURANCE REQUIREMENTS

commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

1.5 Workers' Compensation and Employers' Liability

Workers' Compensation Statutory

Employers' Liability

Each Accident	\$1,000,000
Disease – Each Employee	\$1,000,000
Disease – Policy Limit	\$1,000,000

- a. Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.
- b. This requirement shall not apply to each Contractor or subcontractor that is exempt under A.R.S. § 23-901, and when such Contractor or subcontractor executes the appropriate waiver form (Sole Proprietor or Independent Contractor).

1.6 Network Security (Cyber) and Privacy Liability

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

- a. Such insurance shall include, but not be limited to, coverage for third party claims and losses with respect to network risks (such as data breaches, unauthorized access or use, ID theft, theft of data) and invasion of privacy regardless of the type of media involved in the loss of private information, crisis management and identity theft response costs. This should also include breach notification costs, credit remediation and credit monitoring, defense and claims expenses, regulatory defense costs plus fines and penalties, cyber extortion, computer program and electronic data restoration expenses coverage (data asset protection), network business interruption, computer fraud coverage, and funds transfer loss.
- b. In the event that the Network Security and Privacy Liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract and, 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.
- c. The policy shall be endorsed, as required by this written agreement, to include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to vicarious liability of the insured arising out of the activities performed by or on behalf of the Contractor.
- d. Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

2. Additional Insurance Requirements

INSURANCE REQUIREMENTS

The policies shall include, or be endorsed to include, as required by this written agreement, the following provisions:

- 2.1 The Contractor's policies, as applicable, shall stipulate that the insurance afforded the Contractor shall be primary and that any insurance carried by the Department, its agents, officials, employees or the State of Arizona shall be excess and not contributory insurance, as provided by A.R.S. § 41-621 (E).
- 2.2 Insurance provided by the Contractor shall not limit the Contractor's liability assumed under the indemnification provisions of this Contract.

3. **Notice of Cancellation**

Applicable to all insurance policies required within the Insurance Requirements of this Contract, Contractor's insurance shall not be permitted to expire, be suspended, be canceled, or be materially changed for any reason without thirty (30) days prior written notice to the State of Arizona. Within two (2) business days of receipt, Contractor must provide notice to the State of Arizona if they receive notice of a policy that has been or will be suspended, canceled, materially changed for any reason, has expired, or will be expiring. Such notice shall be sent directly to AHCCCS and shall be mailed, emailed, hand delivered or sent by facsimile transmission to the AHCCCS Procurement Officer listed on the front page of this solicitation.

4. **Acceptability of Insurers**

Contractor's insurance shall be placed with companies licensed in the State of Arizona or hold approved non-admitted status on the Arizona Department of Insurance List of Qualified Unauthorized Insurers. Insurers shall have 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.

5. **Verification of Coverage**

Contractor shall furnish the State of Arizona with certificates of insurance (valid ACORD form or equivalent approved by the State of Arizona) evidencing that Contractor has the insurance as required by this Contract. An authorized representative of the insurer shall sign the certificates.

- 5.1 All such certificates of insurance and policy endorsements must be received by the State before work commences. The State's receipt of any certificates of insurance or policy endorsements that do not comply with this written agreement shall not waive or otherwise affect the requirements of this agreement.
- 5.2 Each insurance policy required by this Contract must be in effect at, or prior to, commencement of work under this Contract. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.
- 5.3 All certificates required by this Contract shall be sent directly to the Department. The State of Arizona project/contract number and project description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete copies of all insurance policies required by this Contract at any time.

6. **Subcontractors**

Contractor's certificate(s) shall include all subcontractors as insureds under its policies or Contractor shall be responsible for ensuring and/or verifying that all subcontractors have valid and collectable insurance as evidenced by the certificates of insurance and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum Insurance Requirements identified above. The Department reserves the right to require, at any time throughout the life of this contract, proof from the Contractor that its subcontractors have the required coverage.

INSURANCE REQUIREMENTS

7. Approval and Modifications

The Contracting Agency, in consultation with State Risk, reserves the right to review or make modifications to the insurance limits, required coverages, or endorsements throughout the life of this contract, as deemed necessary. Such action will not require a formal Contract amendment but may be made by administrative action.

HIPAA BUSINESS ASSOCIATES ADDENDUM

Amended 2016

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 ("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 protected health information 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 protected health information 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 that is not authorized by the Contract, by law, or in writing by AHCCCS. Business Associate shall make an initial report to the AHCCCS Privacy Official not more than twenty-four (24) hours after Business Associate learns of such unauthorized use or disclosure. The initial report shall include all of the following information to the extent known to the Business Associate at the time of the initial report:

- A. A description of the nature of the unauthorized use or disclosure, including the number of individuals affected by the unauthorized use or disclosure;
- B. A description of the PHI used or disclosed;
- C. The date(s) on which the unauthorized use or disclosure occurred;
- D. The date(s) on which the unauthorized use or disclosure was discovered;
- E. Identify the person(s) who used or disclosed the PHI in an unauthorized manner;
- F. Identify the person(s) who received PHI disclosed in an unauthorized manner;
- G. A description of actions, efforts, or plans undertaken by the Business associate to mitigate the harm of the unauthorized disclosure;

HIPAA BUSINESS ASSOCIATES ADDENDUM

- H. A description of corrective actions undertaken or planned to prevent future similar unauthorized use or disclosure;
- I. An assessment of whether a breach, as defined in 45 CFR 164.402, including, if necessary, an assessment of the probability of harm, and
- J. Such other information, as may be reasonably requested by the AHCCCS Privacy Official.

Business Associate shall provide AHCCCS with supplemental reports promptly as new information becomes available, as assessments and action plans are developed, and as action plans are implemented. In any event, Business Associate shall provide a comprehensive written report including all of the information listed above no later than twenty (20) days after discovery of the unauthorized use or disclosure.

- 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 or 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 DISCLOSURES 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 protected health information as required by law;

HIPAA BUSINESS ASSOCIATES ADDENDUM

- 3.3. Business Associate agrees to make uses and disclosures and requests for protected health information consistent with AHCCCS' Minimum Necessary Policy, located at www.azahcccs.gov ;
- 3.4. Business Associate may not use or disclose protected health information 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 (3.5 and 3.6);
- 3.5. Business Associate may use protected health information 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) 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 (b) 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:
 - 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 responsibilities;
 - 5.3.2. Destroy or return to AHCCCS all remaining PHI that the Business Associate still maintains in any form;

HIPAA BUSINESS ASSOCIATES ADDENDUM

- 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 protected health information 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 contractual responsibilities.

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

ATTACHMENT A

Pricing Schedule

ATTACHMENT A: Pricing Schedule

The Pricing Schedule spreadsheet is provided separately on the AHCCCS website under Open Solicitations. The Offeror shall complete this Attachment and submit with its Proposal.

ATTACHMENT B: OFFEROR'S CHECKLIST

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.**

	SUBMISSION REQUIREMENTS	OFFEROR'S PROPOSAL Page #
1	One (1) Original and (2) Hard Copies of Proposal, 1 Electronic Copy	na
2	Submittal Cover Letter	
3	Offeror's Checklist (see ATTACHMENT B - this page)	
4	Completed and Signed Offer and Acceptance page	
5	Signed Solicitation Amendments, if any (signature page only)	
6	Method of Approach - Written narrative in response to requirements with reference to requirement paragraph number.	
7	Experience and Expertise of the Firm and Key Personnel – Written Narrative <ul style="list-style-type: none"> • Successful and reliable experience in related past performance • Detailed related information and resumes of Key Personnel • Organizational Chart 	
8	Pricing Schedule (see ATTACHMENT A)	
9	Statement of Intent to provide Certificate of Insurance	
10	Detailed Legal Analysis (If any portions are requested to be kept confidential or proprietary) If any pieces of your proposal are being requested to be kept confidential, and withheld from public viewing , please submit an additional redacted copy of the proposal ON A SEPARATE CD. Our office does not require a hard copy of the redacted proposal, only an electronic copy. This will ensure that our office is crystal clear on which version of your proposal is acceptable for public viewing.	

END OF SOLICITATION

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