

**SIGNATURE DOCUMENT FOR
HEALTH AND HUMAN SERVICES COMMISSION CONTRACT NO.
HHS000085500001**

ARTICLE 1. PURPOSE

The Health and Human Services Commission (“System Agency”), an administrative agency within the executive department of the State of Texas and having its principal office at 4900 North Lamar Blvd., Austin, TX 78751, and Fairbanks, LLC (“Contractor”), having its principal office at 3880 Salem Lake Drive, Suite A, Long Grove, IL 60047 (each a “Party” and collectively “the Parties”) enter into the following contract for support and maintenance of web-based, automated applications for financial and statistical reporting services, Medicaid Administrative Claiming (“MAC”) services, and Random Moment Time Study (“RMTS”) services (the “Contract”).

ARTICLE 2. LEGAL AUTHORITY

This Contract is authorized by and in compliance with the provisions of Title 10, Subtitle D of the Texas Government Code.

ARTICLE 3. STATEMENT OF SERVICES TO BE PROVIDED

Contractor shall perform or cause to be performed the Random Moment Time Studies (RMTS) and administration and operation of the State of Texas Automated Information Reporting System (STAIRS) web-based toolset as further described in the Statement of Work, attached hereto and incorporated herein as **ATTACHMENT C, STATEMENT OF WORK**.

ARTICLE 4. DURATION

The Contract is effective on July 01, 2019 and terminates on June 30, 2020. System Agency, at its own discretion, may extend this Contract for up to four (4) one (1) year extensions, subject to terms and conditions mutually agreeable to the Parties.

ARTICLE 5. BUDGET

The total amount of this Contract will not exceed **SIX MILLION DOLLARS (\$6,000,000.00)]**. All expenditures under the Contract will be in accordance with **ATTACHMENT D, BUDGET**.

ARTICLE 6. NOTICE TO PROCEED

No expenses may be incurred, and no Work may begin, until the System Agency issues a written Notice to Proceed (NTP). The System Agency may send the NTP to the Contractor by regular mail, electronic mail or facsimile transmission. Any Work performed prior to the date on the NTP shall be at Contractor's sole risk.

ARTICLE 7. CONTRACT REPRESENTATIVES

The following will act as the Representative authorized to administer activities under this Contract on behalf of their respective Party.

System Agency

Health and Human Services Commission
4900 North Lamar Blvd.
Austin, TX 78751
Attention: Ed Michalik, Contract Manager

Contractor

Fairbanks, LLC
3880 Salem Lake Dr.
Suite A
Long Grove, IL 60047-5292
Attention: Andrew Joseph

Either Party may change its address or contract representative by written notice to the other Party.

ARTICLE 8. LEGAL NOTICES

Any legal notice required under this Contract shall be deemed delivered when deposited by the System Agency either in the United States mail, postage paid, certified, return receipt requested; or with a common carrier, overnight, signature required, to the appropriate address below:

System Agency

Health and Human Services Commission
4900 North Lamar Blvd.
Austin, TX 78751
Attention: Karen Ray, Chief Counsel

Contractor

Fairbanks, LLC
3880 Salem Lake Dr.
Suite A
Long Grove, IL 60047-5292
Attention: Andrew Joseph

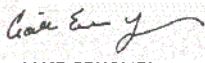
Legal notice given by Contractor shall be deemed effective when received by the System Agency. Either Party may change its address for notice by written notice to the other Party.

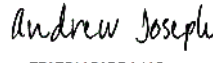
SIGNATURE PAGE FOLLOWS

SIGNATURE PAGE FOR SYSTEM AGENCY CONTRACT NO. HHS000085500001

SYSTEM AGENCY

CONTRACTOR***

DocuSigned by:

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Health and human services

DocuSigned by:

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Fairbanks, LLC

Commission

Name: Andrew Joseph

Name: Cecile Young

Title: Principal

Title: Chief Deputy Executive Commissioner

Date of execution: June 24, 2019

Date of execution: June 26, 2019

THE FOLLOWING ATTACHMENTS TO SYSTEM AGENCY CONTRACT NO. HHS000085500001 ARE HEREBY ATTACHED AND INCORPORATED BY REFERENCE:

- ATTACHMENT A – ORDER OF PRECEDENCE**
- ATTACHMENT B – SUPPLEMENTAL CONDITIONS**
- ATTACHMENT C – STATEMENT OF WORK**
- ATTACHMENT D – BUDGET**
- ATTACHMENT E – UNIFORM TERMS AND CONDITIONS**
- ATTACHMENT F – SPECIAL CONDITIONS**
- ATTACHMENT G – GENERAL AFFIRMATIONS**
- ATTACHMENT H – DATA USE AGREEMENT PART ONE AND PART TWO**
- ATTACHMENT I - SYSTEM AGENCY SOLICITATION RFP No. HHS0000855**
- ATTACHMENT J - CONTRACTOR’S SOLICITATION RESPONSE**
- EXHIBIT 1 - FAIRBANKS, LLC BILLING PLAN**
- EXHIBIT 2 - FAIRBANKS, LLC TURNOVER PLAN**
- EXHIBIT 3 - FAIRBANKS, LLC INSURANCE CERTIFICATE**

ATTACHMENTS FOLLOW

Attachment A – Order of Precedence

In the event of any conflict or contradiction between or among the Contract elements, the documents will control in the following order of precedence;

- (1) The final executed Contract and all amendments thereto;
- (2) The Parties Agreed Modifications to the CONTRACTOR’s Offer (attached hereto and incorporated by reference as **ATTACHMENT B – SUPPLEMENTAL CONDITIONS** to the Contract);
- (3) The Statement of Work (attached hereto and incorporated by reference as **ATTACHMENT C – STATEMENT OF WORK** to the Contract);
- (4) The Budget (attached hereto and incorporated by reference as **ATTACHMENT D – BUDGET** to the Contract);
- (5) HHSC’s Uniform Contract Terms and Conditions Version 2.15, (attached hereto and incorporated by reference as **ATTACHMENT E – UNIFORM TERMS AND CONDITIONS** to the Contract);
- (6) HHSC’s Special Conditions (attached hereto and incorporated by reference as **ATTACHMENT F – SPECIAL CONDITIONS** to the Contract);
- (7) General Affirmations (attached hereto and incorporated by reference as **ATTACHMENT G – GENERAL AFFIRMATIONS** to the Contract);
- (8) Data Use Agreement Part One and Part Two (attached hereto and incorporated by reference as **ATTACHMENT H – DATA USE AGREEMENT PART ONE AND PART TWO** to the Contract);
- (9) The RFP, including all addenda, and clarified by the vendor questions and HHSC’s official responses (attached hereto and incorporated by reference as **ATTACHMENT I – SYSTEM AGENCY SOLICITATION RFP No. HHS0000855** to this Contract); and,
- (10) The CONTRACTOR’s Offer (attached hereto and incorporated by reference as **ATTACHMENT J – CONTRACTOR’S SOLICITATION RESPONSE** to this Contract).

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Attachment B – Supplemental Conditions

These Supplemental Conditions replace the sections of the HHSC Uniform Terms and Conditions, Version 2.15 with the same numbers.

NEW: Add the following language after Article V of the HHSC Uniform Terms and Conditions, Version 2.15, Section 5.2 Intellectual Property as ‘Section 5.3 The Fairbanks Solution’:

The web-based solution offered by Fairbanks (“Fairbanks Solution”) exists as of the date of the Contract and will remain the sole and exclusive property of Fairbanks, as it is the same or substantially similar to the solution Fairbanks provides to all of its other customers. The Fairbanks Solution is the computerized, web-based toolset by which Fairbanks delivers Medicaid Administrative Claiming services and the SHARS cost report. Fairbanks anticipates that any software or modifications designed or developed by it under the Contract will have no functional purpose independent of the Fairbanks Solution. Fairbanks must ensure that it is in a position to enhance, modify and improve the Fairbanks Solution for all of its customers. Indeed, the HHSC will benefit from prior enhancements, modifications and improvements to the Fairbanks Solution made by Fairbanks in connection with work performed under contracts with its other customers. If Fairbanks did not retain ownership in those enhancements, modifications and improvements, the Fairbanks Solution would not improve over time and the technology would become stagnant relatively quickly. The Fairbanks Solution is different from the web-based toolset developed for HHSC’s “ACRES” work which Fairbanks developed for the HHSC pursuant to Contract 529- 11- 2000083887, between the parties dated as of November 1, 2010 (“Agreement”). That tool is now called “STAIRS” by HHSC, and continues to be operated and maintained by Fairbanks on behalf of HHSC under this contract. The "Fairbanks Solution" (mac.fairbanksllc.com) is owned by Fairbanks LLC. "STAIRS" (cr.fairbanksllc.com) is owned by HHSC, subject to a nonexclusive, irrevocable license by HHSC of all Deliverables produced under the Agreement for use by Fairbanks for its own business purposes. HHSC will limit information submitted to Fairbanks for processing under this Contract to its own data and shall not use STAIRS to process the data of any third party. Upon request by HHSC, Fairbanks will provide a copy of the STAIRS code to HHSC on a common format.

REPLACE: Replace the language in Article VIII Miscellaneous Provisions, Section 8.16 of the HHSC Uniform Terms and Conditions, Version 2.15 with the following:

Except with respect to the obligation of payments under this Contract, if either of the Parties, after a good faith effort, is prevented from complying with any express or implied covenant of this Contract by reason of war; terrorism; rebellion; riots; strikes; acts of God; any valid order, rule, or regulation of governmental authority; communication line failures, power failures, failure of communication channels, Internet service provider failures or delays, Internet denial of service or similar attack(s), or similar events that are beyond the control of the affected Party (collectively referred to as a “Force Majeure”), then, while so prevented, the affected Party’s obligation to comply with such covenant will be suspended, and the affected Party will not be liable for damages for failure to comply with such covenant. In any such event, the Party claiming Force Majeure will promptly notify the other Party of the Force Majeure event in writing and, if possible, such notice will set forth the extent and duration thereof.

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Attachment C - Statement of Work

Fairbanks, LLC. (“Fairbanks”) will deliver and meet all Random Moment Time Studies (RMTS), Medicaid Administrative Claiming (MAC), direct service and cost reporting/settlement timelines for the State of Texas, without interruption or disruption for end users. Fairbanks will continue to assist the Health and Human Services Commission (HHSC) and all stakeholders on a web-based toolset, and will continue to manage all tasks required to perform the time study and compile and submit administrative claims for reimbursement by Medicaid along with collecting cost report/settlement information. In partnership with HHSC, Fairbanks will complete all of the tasks outlined below:

Administer and operate the State of Texas Automated Information Reporting System (STAIRS) web-based toolset to collect financial and statistical cost reporting/cost settlement, including the annual cost report creation and collection, HHSC work flow engine and desk review process management toolset, reconciliation and settlement tracking via Adjustor, edit checks, training and client communications for appropriate Cost Report Years for the following programs (all acronyms are currently used by HHSC):

- Home and Community Services (HCS)
- Intermediate Care Facilities (ICF)
- Intermediate Care Facilities – State Supportive Living Centers (ICF-SSLC)
- Primary Home Care and Community Living Assistance and Supportive Services (CPC)
- School Health and Related Services (SHARS)
- Mental Health, Early Childhood Intervention and Individuals with Developmental Disabilities (MEI)
- Residential Care (RC)
- Day Activity Health Services (DAHS)
- Nursing Facilities (NF)
- 24 Hour Residential Child Care (24RCC)
- Deaf Blind Multiple Disabilities (DBMD)
- Accountability Reports for HCS, ICF, CPC, RC, DAHS, NF, 24RCC for Cost Report Year 2018 & Cost Report Year 2019
- STAR+PLUS only cost reports
- Medicaid Spending Requirement (MSR) closeout reports

Contractor will be responsible for adding cost reports to the STAIRS suite using the existing STAIRS architecture for the following two programs. These two additional cost reports must be released into production within one year of the contract effective date.

- School Health and Related Services (SHARS)
- Ambulance Services (AMS)

Contractor will provide a web-based data collection system for the purposes of MAC and claims processing for at least four programs. Current programs include:

- Early Childhood Intervention (“ECI”);
- Independent School Districts (“ISD”);
- Local Health Districts (“LHD”); and
- Mental Health/Individuals with an Intellectual and Developmental Disability (“MH/IDD”)

The MAC application must create a financial report that will:

- Be based on federal quarterly reporting and processing cycle;
- Collect data needed to generate the quarterly claim;
- Prepare the quarterly claim for HHSC and submit to HHSC in the specified format and timeframe; and
- Allow for amended claims to be submitted to HHSC after the submission and processing/adjudication of the original claim.

STAIRS provides the ability to not only serve as the collection and submission instrument for the above identified cost reports but is also used to:

- Notify the service providers of the request for submission;
- Serve as a portal for the service provider to prepare and submit their report;
- Allow the service provider to view their submitted report at any time;
- Allow the service provider to individually assign and control who they wish to have external access to their data;
- Serve as tracking system to identify the status of reports throughout the entire process;
- Serve as an assignment and workload monitoring system for HHSC staff;
- Perform verification of the submitted data through built-in edits and prompts;
- Quantifies and qualifies any adjustments made by HHSC staff;
- Electronically communicates with the service providers to notify them of adjustments made and any applicable settlement amount;
- Collect the service provider’s agreement or disagreement with the adjustment and settlement amounts;
- Process any appeal from the service provider for informal review and display any additional adjustments made;
- Notify the service provider of the final adjusted settlement;
- Store electronically all required supporting documentation submitted by the contracted provider or added by HHSC staff;

- Interface as needed with the State systems such as the Centralized Accounting and Payroll/Personnel System (“CAPPS”) Financials system and the Texas Medicaid Healthcare Partnership (“TMHP”);
- Create standard and ad-hoc reports; and
- Create databases used for analysis purposes;

Contractor will be responsible for the complete support of STAIRS. Support includes whatever is necessary to ensure the system is continually operable and fully functional as specified by HHSC. Contractor is responsible for STAIRS maintenance and support including all updates, upgrades, bug fixes, and patches necessary to ensure an up-to-date and efficient system.

Support includes but is limited to:

- Resolve all issues encountered within 36 hours of being identified and/or reported;
- Create each cost report identified above on at least an annual basis;
- Modify the content of each cost report as identified by HHSC on at least an annual basis;
- Allow for multiple levels of quality assurance measures to augment review and audit of the data at both the point of data entry and also during HHSC review;
- Add, modify, or delete the built-in edits and prompts as identified by HHSC on at least an annual basis;
- Allow for the capping of certain costs through a mechanism that HHSC can trigger manually as needed to run at will;
- Allow for configurable tolerance levels of the data edits and to be created and modified by HHSC staff as needed;
- Load data within each cost report type that individually identifies specific characteristics of each service provider requested to submit a cost and/or accountability report within the time periods specified by HHSC and required for timely request of cost reports;
- Add mechanisms such as notes and flags specified by HHSC as needed to aide in the tracking and processing of the individual reports;
- Communicate via email with service providers and end-users deemed as necessary by HHSC that is supported, distributed, and tracked by Contractor including the resolution of emails returned as undeliverable;
- Maintain and have readily available to HHSC staff and service providers their cost reports for prior years as long as deemed necessary by HHSC to be in accordance with retention policies;
- Provide reporting capabilities to include querying and filtering of data and generation of ad-hoc and standard reports as specified by HHSC;
- Provide regular lists of administrative user and system security statistics reports;
- Provide report generation capabilities at both the entity level and at the State administrator level in formats specified by HHSC; and
- Allow for the import of data into the cost reports as specified by HHSC through the use of standard templates the user may download at will.

Contractor is not required to perform desk reviews. The system will facilitate the calculation of cost settlements, provide notifications to providers of the settlement amounts along with a detailed report of adjustments made by HHSC to reported data as discussed above.

Contractor will provide to HHSC an irrevocable, perpetual license for all software required for HHSC and end-users to use and operate all applications. HHSC will be granted a license by the Contractor to have system access to all data reported by HHSC providers and processed by HHSC during the contract period. This license would extend perpetually beyond the end of the contract.

RMETS

Contractor will provide a web-based RMETS application for at least four programs including MAC. Current programs include:

- Early Childhood Intervention;
- Independent School Districts ;
- Local Health Districts; and
- Mental Health/Individuals with an Intellectual and Developmental Disability

The RMETS application will:

- Be based on federal quarterly reporting and processing cycle;
- Produce electronic RMETS moment notifications on HHSC specified intervals to notify participants of upcoming moments;
- Monitor compliance and issue follow-up notifications as specified by HHSC to ensure the sampled moment is completed;
- Employ a ‘Decision Tree’ methodology as specified by HHSC to assist sampled participants with entering their response;
- Provide an interactive online ability as specified by HHSC to be part of the system for HHSC to access and review moments and to identify/flag moments questioned for accuracy;
- Develop/Maintain a list of authorized persons each quarter from each provider type that participates in RMETS
- Provide regular lists of administrative user and system security statistics reports;
- Provide interactive coordination with Contractor’s coding team to discuss and resolve questioned moments; and
- Generate the time study results in a format and timeframe as specified by HHSC.

All hardware, software, ongoing maintenance, and hosting will be as provided as a service and included in the response to this RFP. The HHSC will retain ownership of all data records and information recorded within the system (“Data”), as well as necessary information security oversight through compliance inspections, reviews, or system security or vulnerability risk assessments. At the end of the Contract, the Data will be provided in a usable format as designated by the HHSC.

Contractor is responsible for ensuring the system and applications are in compliance with the *Texas TimeStudy Implementation Guide for Direct Services and Medicaid Administrative Claiming*,

Texas HHSC Time Study and Medicaid Administrative Claiming Guide, as well as all other pertinent Federal guidelines. The methodology and processes used must be consistent with the methodologies and approaches that have been approved for HHSC by the Centers for Medicare and Medicaid Services (“CMS”).

Contractor must provide at least three central coding staff that are responsible to:

- Assign an activity code for all sample moments in accordance with the Texas CMS approved Guide;
- Complete coding within HHSC specified timelines;
- Coordinate with HHSC to resolve any coding issues identified by HHSC as a result of oversight monitoring;

Contractor will use a sampling process that is fully automated. The process must comply with the federal requirements for statistical validity and ensure its random moment sampling meets the federal reporting and documentation requirements and must be flexible enough to accommodate any sampling level required by CMS and selected by HHSC. In addition, the Contractor must be prepared to respond to and coordinate with any agency or external audit events and be responsible for rectifying any findings within a reasonable timeframe that meets the audit entities requirements.

Contractor will include in its sampling process a “seed” number which is needed to replicate the sampling process.

Although no program currently has more than two staff pools it is possible that more than two might be needed in future periods. Staff pool sizes vary by quarter with school districts being the largest with approximately 107,000 participants. The other three programs have approximately 5,000 or less.

The number of required moments for school districts must be constructed to achieve a confidence level of ninety-five percent (95%) with a precision level of +/- two percent (2%).

The number of required moments for the other three programs must be constructed to achieve a confidence level of ninety-five percent (95%) with a precision level of +/- two percent (2%).

The fee paid to the Contractor will not be based on the number of moments coded to any particular code nor on the federal revenue generated by the administrative claiming process or the direct medical services for the School Health and Related Services (“SHARS) program.

Contractor will provide to HHSC an irrevocable, perpetual license for all software required for HHSC and end-users to use and operate all RMTS and MAC applications. HHSC will be granted a license by the Contractor to have system access to all data reported by HHSC providers and processed by HHSC during the contract period. This license would extend perpetually beyond the end of the contract.

HHSC will work with the Contractor to develop a transition plan as needed to move from the current Contractor. HHSC will work with the selected Contractor to determine the best method and procedure for transitioning all aspects and requirements of the contract.

Training

Training will be provided to HHSC staff as requested on hosting and operating all applications.

Training will be provided to all end-users on at least a quarterly basis for the MAC and RMTS programs. The frequency, duration, and content will be specified by HHSC.

Training will be provided to all end-users on at least an annual basis for the STAIRS cost reporting programs. The frequency, duration, and content will be specified by HHSC.

HHSC will identify the individuals required to participate in the trainings. Trainings may be conducted both face-to-face and via Webinar. HHSC will provide host locations for Webinars, and will be responsible for acquiring facilities for any face-to-face trainings.

Contractor will be present on any web-based training and participate as specified by HHSC.

Contractor will be present at any face-to-face training and participate as specified by HHSC.

The trainings will be in compliance with the *Texas TimeStudy Implementation Guide for Direct Services and Medicaid Administrative Claiming*, *Texas HHSC Time Study and Medicaid Administrative Claiming Guide*, as well as all other pertinent State and Federal guidelines.

Contractor will provide to HHSC the unlimited use of a Webinar based training application such as GoToWebinar.

Training tracking will be incorporated within all applications that restricts access unless training requirements are met as specified by HHSC.

System will contain at a minimum a tracking of all training sessions provided, a list of all staff that attended and were given attendance credit, and a secure display viewable by each user that identifies the sessions they attended.

Telecommunications / Operations Decentralization and Redundancy

The Contractor will maintain a Customer Service Call Center (“Help Desk). The Help Desk must provide live customer service between the hours of 7:30 a.m. to 6:00 p.m. Central Time, Monday through Friday. The Contractor must have an ability to accept messages and emails 24 hours a day, 7 days a week.

The Contractor will establish a dedicated toll-free number for use by Texas stakeholders including HHSC and its contracted providers and participants. The Help Desk must utilize software that is supported by a redundant location that will remain in place in the case of telephone interruption. The Help Desk functions must be both decentralized and redundant to maintain business continuity in the event of system or communication outages. All telephonic communication with members of the Contractor’s team and inbound call center communication must be redirected to wireless communications as needed.

Help Desk staff must be cross-trained to answer all process and Contractor’s website questions.

Help Desk will use electronic call center software suite which allows it to manage and monitor call volume. The system must track inbound inquiries, including inbound phone number, date and time of call, if the call was picked up live, if the call entered the queue, if the call was abandoned.

The system must also measure duration of call and how long a call was in the queue. The system should incorporate International Organization for Standardization Customer Contract Center standards 18295-1 and 18295-2. All of this data must be analyzed regularly by the Contractor to appropriately staff the Help Desk on trends and seasonality of call volume.

Development of Plans, Guides, and Documentation

Contractor will assist HHSC in developing plans and guides such as State Plan Amendments and Implementation Guides. Assistance will include but not be limited to, documentation preparation, participation in meetings, and providing any necessary follow-up in a timely manner.

Contractor will develop a Turnover Plan at any time during the term of the Contract in System Agency's sole discretion. Contractor must submit the Turnover Plan to System Agency for review and approval. The Turnover Plan must describe Contractor's policies and procedures that will ensure:

- (a) The least disruption in the delivery the Work during Turnover to System Agency or its designee; and
- (b) Full cooperation with System Agency or its designee in transferring the Work and the obligations of the Contract.

See **EXHIBIT 2 – FAIRBANKS, LLC TURNOVER PLAN** for a proposed turnover plan.

All systems must be documented in a manner that is acceptable in form and substance to HHSC in its sole discretion and made available to HHSC as requested

Current System Requirements and Capacities

Contractor will be responsible for maintenance and support of all applications and programs. The contracted services must include web-based applications that combine an easy-to-use front end user interface with back-end data security, redundancy and integrity protocols. The required system's website must be password protected to ensure user authentication and proper authorization to access information. All systems must meet the security requirements identified in the Request for Proposal HHS0000855, Exhibit H: Texas Health and Human Services Information Security and Privacy Requirements

User password reset requests must employ online security measures that validate the identity of the user before password is reset.

Contractor will provide security reports to HHSC containing content identified by HHSC and on the frequency identified by HHSC.

Texas Government Code, Chapter 2054, Subchapter L, Statewide Technology Centers, established the foundation of a shared technology infrastructure and directed the Department of Information Resources ("DIR") to coordinate a statewide program to consolidate infrastructure services. Section 2054.391 requires state agencies included in the Data Center Services ("DCS") Program to use such services, unless otherwise approved by the Executive Director and Governor.

DIR, in its capacity as Manager of the DCS Program, works with state agencies to promote the use of the services, and where applicable, to determine if an exemption to any component of the program is warranted.

HHSC expects prospective bidders to meet the intent of Texas Government Code, Chapter 2054, Subchapter L, Statewide Technology Centers by offering responses that utilize the Texas Data Center Services program for managing their solutions' information technology infrastructure.

Responsibilities

Contractor resources are expected to perform validation work, including attending meetings and meeting onsite with project personnel at HHSC as needed, and must be available by phone and email during normal working hours.

The Contractor will designate a Contract Manager and Project Manager as the "Key Personnel" with which to communicate and coordinate with HHSC.

HHSC will designate a Contract Manager and Project Manager as the representatives for the contracted services. The HHSC Contract Manager will coordinate with the HHSC Project Manager, HHSC Legal and Procurement staff, administrative staff, and Security staff, as needed, to resolve contractual issues.

The HHSC Contract Manager will receive, review, and coordinate the approval of any contract change requests, including amendments.

The HHSC Project Manager will oversee the day-to-day operations of all systems and will be the key point of contact for all operational issues.

The HHSC Project Manager will receive, and review the Weekly and Monthly Status Reports and accept it as a pre-requisite for invoice approval and payment for monthly services. The HHSC Project Manager will work with the Contractor to develop Weekly and Monthly Status report templates and processes for delivering the reports including standards for evaluating the accuracy and timeliness of the status reports and provisions for submitting late and/or corrected status reports to ensure invoice and payment processing in a timely manner

The HHSC Contract Manager in coordination with the HHCS Project Manager will receive, review, approve and pay all approved invoices.

HHSC will provide up to two (2) dedicated cubicle spaces, at a mutually agreeable location, for Contractor to use when onsite.

HHSC will provide specified members of Contractor's team, facility parking, access to HHSC facilities to attend meetings related to the Contract, and access to conference rooms to set up meetings required under the Contract, or other meetings for the Contractor's staff.

Contractor will provide their own computer equipment.

Attachment D - Budget

Not to Exceed Budget for Contract Year plus Four Possible Extension Years	
Year 1	\$1,500,000
Year 2	\$1,125,000
Year 3	\$1,125,000
Year 4	\$1,125,000
Year 5	\$1,125,000
Total	\$6,000,000

Functionality to be Included in Cost Proposal - STAIRS

In addition to the sixteen (16) cost reports, previously developed and implemented by Fairbanks LLC in conjunction with HHSC, Fairbanks LLC will be responsible for adding two new cost reports - School Health and Related Services ("SHARS") and Ambulance Services ("AMS") - to the STAIRS suite using the existing STAIRS architecture within one year of the contract effective date. It is expected that the ongoing maintenance costs associated with these two programs will be less than the original development costs, which will result in a lower fee to HHSC in years 2-5, should the contract be extended.

Integration of RMTS and STAIRS

Fairbanks LLC will provide a web-based data collection system for the purposes of MAC and claims processing for at least four programs, including: 1) Early Child Intervention, 2) Independent School Districts, 3) Local Health Districts, and 4) Mental Health/Individuals with an Intellectual and Developmental Disability. This functionality is integrated with the RMTS system and comes at a reduced cost to HHSC. This includes all technical and administrative support associated with MAC programs. This is the same system that Fairbanks has implemented and maintained since 2010 and continues to train over 100,000 users on an annual basis.

Services included in Cost Proposal

Application Costs

Included in the costs of development and implementation, the RMTS application will:

- a. Be based on federal quarterly reporting and processing cycle;
- b. Produce electronic RMTS moment notifications on System Agency specified intervals to notify participants of upcoming moments;
- c. Monitor compliance and issue follow-up notifications as specified by System Agency to ensure the sampled moment is completed;

- d. Employ a 'Decision Tree' methodology as specified by System Agency to assist sampled participants with entering their response;
- e. Provide an interactive online ability as specified by System Agency to be part of the system for System Agency to access and review moments and to identify/flag moments questioned for accuracy;
- f. Develop/Maintain a list of authorized persons each quarter from each provider type that participates in RMTS;
- g. Provide regular lists of administrative user and system security statistics reports;
- h. Provide interactive coordination with Contractor's coding team to discuss and resolve questioned moments; and
- i. Generate the time study results in a format and timeframe as specified by System Agency.

Support Costs

Included in the costs of support for the RMTS application, are:

- a. Call center support;
- b. System development and support;
- c. Training of HHSC staff and Texas clients;
- d. Data collection and transfer to the MAC STAIRS system for claim calculation;

Billing Plan

The services detailed in Article II of the Request for Proposals (RFP) for STAIRS Maintenance and Support (RFP No. HHS0000855) include:

- Application maintenance and support including normal troubleshooting, modifying, maintaining, and enhancing of the current systems;
- Development of new SHARS and Ambulance Services programs cost reports;
- Hosting services;
- Training;
- Customer Service Call Center support;
- Random Moment Time Studies services;
- Development of Plans, Guides, and Documentation, and
- Project Management services.

These services lend themselves to different billing methods; some services are normally billed at a flat rate each month while other services like adding cost reports for the SHARS and Ambulance Services programs would normally be billed per accepted delivery of agreed-upon milestones.

System Agency is requesting Contractor propose a billing plan that identifies services which would be invoiced at a flat rate for each month of the contract period (for example, hosting services) and a proposed milestone billing plan for those services that are deliverables-based (for example, development of cost reports for the SHARS program). The billing plan should identify the monthly services and deliverables and their associated costs for the one (1) year term of the original contract. Contractor can also identify the monthly services and deliverables and their

associated costs for each of the potential four extensions of one (1) year each to the original contract. See **EXHIBIT 1 – FAIRBANKS, LLC BILLING PLAN** for the Contractor’s billing plan.

Invoicing

Contractor will provide an invoice to System Agency on a monthly basis. The invoice must be based on System Agency-accepted work completed during the preceding performance period, and at the agreed-upon price.

Each invoice submitted must identify the Purchase Order number and Contract number, and the time period that the invoiced work was performed. Payment shall be in accordance with the Texas Prompt Payment Act, Texas Govt. Code, Section 2251.

Invoices shall be sent to:

Health and Human Services Commission
Rate Analysis Department, H-400
4900 North Lamar Blvd.
Austin, TX 78751
Phone: 512-730-7401
Fax: 512-730-7475
Email: RateAnalysisDept@hhsc.state.tx.us

Prior to any payment being made, System Agency must verify that the services being invoiced have been received and accepted by System Agency. If System Agency has only received and accepted a portion of the services for which it has been invoiced, it will only be obligated to pay the invoiced amount less the cost of the services that have not been received and accepted.

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Attachment E – Uniform Terms and Conditions



**Health and Human Services Commission
HHSC Uniform Terms and Conditions - Vendor
Version 2.15**

Published and Effective September 1, 2017

Responsible Office: Chief Counsel

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ARTICLE I. DEFINITIONS AND INTERPRETATIONS

1.1 DEFINITIONS

As used in this Contract, unless the context clearly indicates otherwise, the following terms and conditions have the meanings assigned below:

“Amendment” means a written agreement, signed by the parties hereto, which documents changes to the Contract other than those permitted by Work Orders or Technical Guidance Letters, as herein defined.

“Attachment” means documents, terms, conditions, or additional information physically added to this Contract following the Signature Document or included by reference, as if physically, within the body of this Contract.

“Contract” means the Signature Document, these Uniform Terms and Conditions, along with any Attachments, and any Amendments, purchase orders, Work Orders, or Technical Guidance Letters that may be issued by the System Agency, to be incorporated by reference herein for all purposes if issued.

“Contractor” means the Party selected to provide the goods or services under this Contract, if any.

“Deliverable” means a work product prepared, developed, or procured by Contractor as part of the Services under the Contract for the use or benefit of the System Agency or the State of Texas.

“Effective Date” means the date agreed to by the Parties as the date on which the Contract takes effect.

“Federal Fiscal Year” means the period beginning October 1 and ending September 30 each year, which is the annual accounting period for the United States government.

“GAAP” means Generally Accepted Accounting Principles.

“GASB” means the Governmental Accounting Standards Board.

“Health and Human Services Commission” or “HHSC” means the administrative agency established under Chapter 531, Texas Government Code or its designee.

“HUB” means Historically Underutilized Business, as defined by Chapter 2161 of the Texas Government Code.

“Intellectual Property” means patents, rights to apply for patents, trademarks, trade names, service marks, domain names, copyrights and all applications and worldwide registration of such, schematics, industrial models, inventions, know-how, trade secrets, computer software programs, and other intangible proprietary information.

“Mentor Protégé” means the Comptroller of Public Accounts’ leadership program found at: <http://www.window.state.tx.us/procurement/prog/hub/mentorprotege/>.

“Parties” means the System Agency and Contractor, collectively.

“Party” means either the System Agency or Contractor, individually.

“Project” means the goods or Services described in the Signature Document or a Work Order of this Contract.

“Public Information Act” or “PIA” means Chapter 552 of the Texas Government Code.

“Scope of Work” means the description of Services and Deliverables specified in the Contract as may be amended.

“Services” means the tasks, functions, and responsibilities assigned and delegated to Contractor under the Contract.

“Signature Document” means the document executed by both Parties that specifically sets forth all of the documents that constitute the Contract.

“Solicitation” means the document issued by the System Agency under which the goods or services provided under the Contract were initially requested, which is incorporated herein by reference for all purposes in its entirety, including all Amendments and Attachments.

“Solicitation Response” means Contractor’s full and complete response to the Solicitation, which is incorporated herein by reference for all purposes in its entirety, including any Attachments and addenda.

“State Fiscal Year” means the period beginning September 1 and ending August 31 each year, which is the annual accounting period for the State of Texas.

“State of Texas Textravel” means Texas Administrative Code, Title 34, Part 1, Chapter 5, Subchapter C, Section 5.22, relative to travel reimbursements under this Contract, if any.

“Subcontract” means any written agreement between Contractor and a third party to fulfill the requirements of the Contract. All Subcontracts are required to be in writing.

“Subcontractor” means any individual or entity that enters a contract with the Contractor to perform part or all of the obligations of Contractor under this Contract.

“System Agency” means HHSC or any of the agencies of the State of Texas that are overseen by HHSC under authority granted under State law and the officers, employees, and designees of those agencies. These agencies include: HHSC and the Department of State Health Services.

“Technical Guidance Letter” or “TGL” means an instruction, clarification, or interpretation of the requirements of the Contract, issued by the System Agency to the Contractor.

“Work” means all Services to be performed, goods to be delivered, and any appurtenant actions performed and items produced, conceived, or developed, including Deliverables.

“Work Order” means an individually negotiated document that is executed by both Parties and which authorizes a Project, if any, in an indefinite quantity Contract.

1.2 INTERPRETIVE PROVISIONS

- a. The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms.

- b. The words “hereof,” “herein,” “hereunder,” and similar words refer to this Contract as a whole and not to any particular provision, section, Attachment, or schedule of this Contract unless otherwise specified.
- c. The term “including” is not limiting and means “including without limitation” and, unless otherwise expressly provided in this Contract, (i) references to contracts (including this Contract) and other contractual instruments shall be deemed to include all subsequent Amendments and other modifications thereto, but only to the extent that such Amendments and other modifications are not prohibited by the terms of this Contract, and (ii) references to any statute or regulation are to be construed as including all statutory and regulatory provisions consolidating, amending, replacing, supplementing, or interpreting the statute or regulation.
- d. Any references to “sections,” “appendices,” or “attachments” are references to sections, appendices, or attachments of the Contract.
- e. Any references to agreements, contracts, statutes, or administrative rules or regulations in the Contract are references to these documents as amended, modified, or supplemented from time to time during the term of the Contract.
- f. The captions and headings of this Contract are for convenience of reference only and do not affect the interpretation of this Contract.
- g. All Attachments within this Contract, including those incorporated by reference, and any Amendments are considered part of the terms of this Contract.
- h. This Contract may use several different limitations, regulations, or policies to regulate the same or similar matters. All such limitations, regulations, and policies are cumulative and each will be performed in accordance with its terms.
- i. Unless otherwise expressly provided, reference to any action of the System Agency or by the System Agency by way of consent, approval, or waiver will be deemed modified by the phrase “in its sole discretion.”
- j. Time is of the essence in this Contract.

ARTICLE II. CONSIDERATION

2.1 PROMPT PAYMENT

The System Agency will pay Contractor in accordance with the Prompt Payment Act, Texas Government Code, Chapter 2251.

2.2 EXPENSES

Except as otherwise provided in the Contract, no ancillary expenses incurred by the Contractor in connection with its provision of the Services or Deliverables will be reimbursed by the System Agency. Ancillary expenses include, but are not limited to costs associated with transportation, delivery, and insurance for each Deliverable.

When the reimbursement of travel expenses is authorized by the Contract, all such expenses will be reimbursed in accordance with the rates set by the State of Texas Texttravel.

2.3 WORK ORDERS

To the extent the Contract is for indefinite quantities of services, as specified in the Signature Document, all Work will be performed in accordance with Work Orders.

- a. Upon identification of a Project, the System Agency will request that Contractor submit a proposal, including pricing and a project plan, to System Agency.
- b. If Contractor is selected to carry out an individual Project, a Work Order will be issued. Multiple Work Orders may be issued during the term of this Contract, all of which will be in writing and signed by the Parties. Each Work Order will include a scope of services; a list of tasks required; a time schedule; a list of Deliverables, if any; a detailed Project budget; and such other information or special conditions as may be necessary for the work assigned.
- c. Nothing in this Contract expresses or guarantees that the System Agency will issue Work Orders to Contractor for any of the tasks set forth in the Signature Document. All work requested under this Contract will be required on an irregular and as needed basis throughout the Contract term, and the System Agency makes no guarantee of volume or usage under this Contract.

ARTICLE III. STATE AND FEDERAL FUNDING

3.1 FUNDING

This Contract is contingent upon the availability of sufficient and adequate funds. If funds become unavailable through lack of appropriations, budget cuts, transfer of funds between programs or agencies, amendment of the Texas General Appropriations Act, agency consolidation, or any other disruptions of current funding for this Contract, the System Agency may restrict, reduce, or terminate funding under this Contract. This Contract is also subject to immediate cancellation or termination, without penalty to the System Agency, if sufficient and adequate funds are not available. Contractor will have no right of action against the System Agency if the System Agency cannot perform its obligations under this Contract as a result of lack of funding for any activities or functions contained within the scope of this Contract. In the event of cancellation or termination under this Section, the System Agency will not be required to give notice and will not be liable for any damages or losses caused or associated with such termination or cancellation.

3.2 NO DEBT AGAINST THE STATE

The Contract will not be construed as creating any debt by or on behalf of the State of Texas.

3.3 DEBT TO STATE

If a payment law prohibits the Texas Comptroller of Public Accounts from making a payment, the Contractor acknowledges the System Agency's payments under the Contract will be applied toward eliminating the debt or delinquency. This requirement specifically applies to any debt or delinquency, regardless of when it arises.

3.4 RECAPTURE OF FUNDS

The System Agency may withhold all or part of any payments to Contractor to offset overpayments made to the Contractor. Overpayments as used in this Section include payments (i) made by the System Agency that exceed the maximum allowable rates; (ii) that are not allowed under applicable laws, rules, or regulations; or (iii) that are otherwise inconsistent with this Contract, including any unapproved expenditures. Contractor

understands and agrees that it will be liable to the System Agency for any costs disallowed pursuant to financial and compliance audit(s) of funds received under this Contract. Contractor further understands and agrees that reimbursement of such disallowed costs will be paid by Contractor from funds which were not provided or otherwise made available to Contractor under this Contract.

ARTICLE IV. WARRANTY, AFFIRMATIONS, ASSURANCES AND CERTIFICATIONS

4.1 WARRANTY

Contractor warrants that all Work under this Contract will be completed in a manner consistent with standards under the terms of this Contract, in the applicable trade, profession, or industry; will conform to or exceed the specifications set forth in the Contract; and will be fit for ordinary use, of good quality, and with no material defects. If Contractor fails to complete Work timely or to perform satisfactorily under conditions required by this Contract, the System Agency may require Contractor, at its sole expense, to:

- a. Repair or replace all defective or damaged Work;
- b. Refund any payment received for all defective or damaged Work and, in conjunction therewith, require Contractor to accept the return of such Work; and
- c. Take necessary action to ensure that future performance and Work conform to the Contract requirements.

4.2 GENERAL AFFIRMATIONS

Contractor further certifies that, to the extent General Affirmations are incorporated into the Contract under the Signature Document, the General Affirmations have been reviewed and that Contractor is in compliance with each of the requirements reflected therein.

4.3 FEDERAL ASSURANCES

Contractor further certifies that, to the extent Federal Assurances are incorporated into the Contract under the Signature Document, the Federal Assurances have been reviewed and that Contractor is in compliance with each of the requirements reflected therein.

4.4 FEDERAL CERTIFICATIONS

Contractor further certifies, to the extent Federal Certifications are incorporated into the Contract under the Signature Document, that the Federal Certifications have been reviewed, and that Contractor is in compliance with each of the requirements reflected therein. **In addition, Contractor certifies that it is in compliance with all applicable federal laws, rules, or regulations, as they may pertain to this Contract.**

ARTICLE V. OWNERSHIP AND INTELLECTUAL PROPERTY

5.1 OWNERSHIP

The System Agency will own, and Contractor hereby assigns to the System Agency, all right, title, and interest in all Work.

5.2 INTELLECTUAL PROPERTY

- a. To the extent any Work results in the creation of Intellectual Property, all right, title, and interest in and to such Intellectual Property will vest in the System Agency upon creation and will be deemed to be a “work made for hire” and made in the course of the services rendered pursuant to this Contract.
- b. To the extent that title to any such Intellectual Property may not by law vest in the System Agency, or such Intellectual Property may not be considered a “work made for hire,” all rights, title, and interest therein are hereby irrevocably assigned to the System Agency. The System Agency will have the right to obtain and to hold in its name any and all patents, copyrights, trademarks, service marks, registrations, or such other protection as may be appropriate to the subject matter, including extensions and renewals thereof.
- c. Contractor must give the System Agency and the State of Texas, as well as any person designated by the System Agency or the State of Texas, all assistance required to perfect the rights defined herein without any charge or expense beyond the stated amount payable to Contractor for the services authorized under this Contract.

ARTICLE VI. RECORDS, AUDIT, AND DISCLOSURE

6.1 BOOKS AND RECORDS

Contractor will keep and maintain under GAAP or GASB, as applicable, full, true, and complete records necessary to fully disclose to the System Agency, the Texas State Auditor’s Office, the United States Government, and their authorized representatives sufficient information to determine compliance with the terms and conditions of this Contract and all state and federal rules, regulations, and statutes. Unless otherwise specified in this Contract, Contractor will maintain legible copies of this Contract and all related documents for a minimum of seven (7) years after the termination of the contract period or seven (7) years after the completion of any litigation or dispute involving the Contract, whichever is later.

6.2 ACCESS TO RECORDS, BOOKS, AND DOCUMENTS

In addition to any right of access arising by operation of law, Contractor and any of Contractor’s affiliate or subsidiary organizations, or Subcontractors will permit the System Agency or any of its duly authorized representatives, as well as duly authorized federal, state or local authorities, unrestricted access to and the right to examine any site where business is conducted or Services are performed, and all records, which includes but is not limited to financial, client and patient records, books, papers or documents related to this Contract. If the Contract includes federal funds, federal agencies that will have a right of access to records as described in this section include: the federal agency providing the funds, the Comptroller General of the United States,

the General Accounting Office, the Office of the Inspector General, and any of their authorized representatives. In addition, agencies of the State of Texas that will have a right of access to records as described in this section include: the System Agency, HHSC, HHSC's contracted examiners, the State Auditor's Office, the Texas Attorney General's Office, and any successor agencies. Each of these entities may be a duly authorized authority. If deemed necessary by the System Agency or any duly authorized authority, for the purpose of investigation or hearing, Contractor will produce original documents related to this Contract. The System Agency and any duly authorized authority will have the right to audit billings both before and after payment, and all documentation that substantiates the billings. Contractor will include this provision concerning the right of access to, and examination of, sites and information related to this Contract in any Subcontract it awards.

6.3 RESPONSE/COMPLIANCE WITH AUDIT OR INSPECTION FINDINGS

- a. Contractor must act to ensure its and its Subcontractor's compliance with all corrections necessary to address any finding of noncompliance with any law, regulation, audit requirement, or generally accepted accounting principle, or any other deficiency identified in any audit, review, or inspection of the Contract and the goods or services provided hereunder. Any such correction will be at Contractor or its Subcontractor's sole expense. Whether Contractor's action corrects the noncompliance will be solely the decision of the System Agency.
- b. As part of the Services, Contractor must provide to HHSC upon request a copy of those portions of Contractor's and its Subcontractors' internal audit reports relating to the Services and Deliverables provided to the State under the Contract.

6.4 SAO AUDIT

Contractor understands that acceptance of funds directly under the Contract or indirectly through a Subcontract under the Contract acts as acceptance of the authority of the State Auditor's Office (SAO), or any successor agency, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, an entity that is the subject of an audit or investigation by the SAO must provide the SAO with access to any information the SAO considers relevant to the investigation or audit. Contractor agrees to cooperate fully with the SAO or its successor in the conduct of the audit or investigation, including providing all records requested. Contractor will ensure that this clause concerning the authority to audit funds received indirectly by Subcontractors through Contractor and the requirement to cooperate is included in any Subcontract it awards.

6.5 CONFIDENTIALITY

Any specific confidentiality agreement between the Parties takes precedent over the terms of this section. To the extent permitted by law, Contractor agrees to keep all information confidential, in whatever form produced, prepared, observed, or received by Contractor. The provisions of this section remain in full force and effect following termination or cessation of the services performed under this Contract.

6.6 PUBLIC INFORMATION ACT

Information related to the performance of this Contract may be subject to the PIA and will be withheld from public disclosure or released only in accordance therewith. Contractor must make all information not otherwise excepted from disclosure under the PIA available in portable document file (".pdf") format or any other format agreed between the Parties.

ARTICLE VII. CONTRACT MANAGEMENT AND EARLY TERMINATION

7.1 CONTRACT MANAGEMENT

To ensure full performance of the Contract and compliance with applicable law, the System Agency may take actions including:

- a. Suspending all or part of the Contract;
- b. Requiring the Contractor to take specific corrective actions in order to remain in compliance with term of the Contract;
- c. Recouping payments made to the Contractor found to be in error;
- d. Suspending, limiting, or placing conditions on the continued performance of Work;
- e. Imposing any other remedies authorized under this Contract; and
- f. Imposing any other remedies, sanctions or penalties permitted by federal or state statute, law, regulation, or rule.

7.2 TERMINATION FOR CONVENIENCE

The System Agency may terminate the Contract, in whole or in part, at any time when, in its sole discretion, the System Agency determines that termination is in the best interests of the State of Texas. The termination will be effective on the date specified in HHSC's notice of termination.

7.3 TERMINATION FOR CAUSE

Except as otherwise provided by the U.S. Bankruptcy Code, or any successor law, the System Agency may terminate the Contract, in whole or in part, upon either of the following conditions:

a. **Material Breach**

The System Agency will have the right to terminate the Contract in whole or in part if the System Agency determines, at its sole discretion, that Contractor has materially breached the Contract or has failed to adhere to any laws, ordinances, rules, regulations or orders of any public authority having jurisdiction and such violation prevents or substantially impairs performance of Contractor's duties under the Contract. Contractor's misrepresentation in any aspect of Contractor's Solicitation Response, if any, or Contractor's addition to the Excluded Parties List System (EPLS) will also constitute a material breach of the Contract.

b. **Failure to Maintain Financial Viability**

The System Agency may terminate the Contract if, in its sole discretion, the System Agency has a good faith belief that Contractor no longer maintains the financial

viability required to complete the Services and Deliverables, or otherwise fully perform its responsibilities under the Contract.

7.4 CONTRACTOR RESPONSIBILITY FOR ASSOCIATED COSTS.

If the System Agency terminates the Contract for Cause, the Contractor will be responsible to the System Agency for all costs incurred by the System Agency and the State of Texas to replace the Contractor. These costs include, but are not limited to, the costs of procuring a substitute vendor and the cost of any claim or litigation that is reasonably attributable to Contractor's failure to perform any Work in accordance with the terms of the Contract.

7.5 EQUITABLE SETTLEMENT

Any early termination under this Article will be subject to the equitable settlement of the respective interests of the Parties up to the date of termination.

ARTICLE VIII. MISCELLANEOUS PROVISIONS

8.1 AMENDMENT

The Contract may only be amended by an Amendment executed by both Parties.

8.2 INSURANCE

Unless otherwise specified in this Contract, Contractor will acquire and maintain, for the duration of this Contract, insurance coverage necessary to ensure proper fulfillment of this Contract and potential liabilities thereunder with financially sound and reputable insurers licensed by the Texas Department of Insurance, in the type and amount customarily carried within the industry as determined by the System Agency. Contractor will provide evidence of insurance as required under this Contract, including a schedule of coverage or underwriter's schedules establishing to the satisfaction of the System Agency the nature and extent of coverage granted by each such policy, upon request by the System Agency. In the event that any policy is determined by the System Agency to be deficient to comply with the terms of this Contract, Contractor will secure such additional policies or coverage as the System Agency may reasonably request or that are required by law or regulation. If coverage expires during the term of this Contract, Contractor must produce renewal certificates for each type of coverage.

These and all other insurance requirements under the Contract apply to both Contractor and its Subcontractors, if any. Contractor is responsible for ensuring its Subcontractors' compliance with all requirements.

8.3 DELEGATION OF AUTHORITY

Whenever, by any provision of the Contract, any right, power or duty is imposed or conferred on HHSC, the right power or duty so imposed or conferred is possessed and exercised by the System Agencies Executive Commissioner unless such is delegated to duly appointed agents or employees. The Executive Commissioner of the System Agency will reduce any delegation of authority to writing and provide a copy to Contractor on request. The authority delegated to Contractor by the System Agency is

limited to the terms of the Contract. Contractor may not rely upon implied authority and is not delegated authority under the Contract to:

- a. Make public policy;
- b. Promulgate, amend, or disregard administrative regulations or program policy decisions made by State and federal agencies responsible for administration of System Agency program; or
- c. Unilaterally communicate or negotiate with any federal or state agency or the Texas Legislature on behalf of the System Agency regarding the System Agency programs or the Contract. However, upon request and reasonable notice to the Contractor, Contract will assist the System Agency in communications and negotiations regarding the Work under the Contract with state and federal governments.

8.4 LEGAL OBLIGATIONS

Contractor will comply with all applicable federal, state, and local laws, ordinances, and regulations, including all federal and state accessibility laws relating to direct and indirect use of information and communication technology. Contractor will be deemed to have knowledge of all applicable laws and regulations and be deemed to understand them. In addition to any other act or omission that may constitute a material breach of the Contract, failure to comply with this Section may also be a material breach of the Contract.

8.5 E-VERIFY

By entering into this Contract, Contractor certifies and ensures that it utilizes and will continue to utilize, for the term of this Contract, the U.S. Department of Homeland Security's e-Verify system to determine the eligibility of:

- a. All persons employed during the contract term to perform duties within Texas; and
- b. All persons (including subcontractors) assigned by the contractor to perform Work pursuant to the Contract.

8.6 PERMITTING AND LICENSURE

At Contractor's sole expense, Contractor will procure and maintain for the duration of this Contract any state, county, city, or federal license, authorization, insurance, waiver, permit, qualification or certification required by statute, ordinance, law, or regulation to be held by Contractor to provide the goods or Services required by this Contract. Contractor will be responsible for payment of all taxes, assessments, fees, premiums, permits, and licenses required by law. Contractor agrees to be responsible for payment of any such government obligations not paid by its Subcontractors during performance of this Contract.

8.7 INDEMNITY

TO THE EXTENT ALLOWED BY LAW, CONTRACTOR WILL DEFEND, INDEMNIFY, AND HOLD HARMLESS THE STATE OF TEXAS AND ITS OFFICERS AND EMPLOYEES, AND THE SYSTEM AGENCY AND ITS OFFICERS AND EMPLOYEES, FROM AND AGAINST ALL CLAIMS, ACTIONS, SUITS, DEMANDS, PROCEEDINGS, COSTS, DAMAGES, AND

LIABILITIES, INCLUDING ATTORNEYS' FEES AND COURT COSTS ARISING OUT OF, OR CONNECTED WITH, OR RESULTING FROM:

- **CONTRACTOR'S PERFORMANCE OF THE CONTRACT, INCLUDING ANY NEGLIGENT ACTS OR OMISSIONS OF CONTRACTOR, OR ANY AGENT, EMPLOYEE, SUBCONTRACTOR, OR SUPPLIER OF CONTRACTOR, OR ANY THIRD PARTY UNDER THE CONTROL OR SUPERVISION OF CONTRACTOR, IN THE EXECUTION OR PERFORMANCE OF THIS CONTRACT; OR**
- **ANY BREACH OR VIOLATION OF A STATUTE, ORDINANCE, GOVERNMENTAL REGULATION, STANDARD, RULE, OR BREACH OF CONTRACT BY CONTRACTOR, ANY AGENT, EMPLOYEE, SUBCONTRACTOR, OR SUPPLIER OF CONTRACTOR, OR ANY THIRD PARTY UNDER THE CONTROL OR SUPERVISION OF CONTRACTOR, IN THE EXECUTION OR PERFORMANCE OF THIS CONTRACT; OR**
- **EMPLOYMENT OR ALLEGED EMPLOYMENT, INCLUDING CLAIMS OF DISCRIMINATION AGAINST CONTRACTOR, ITS OFFICERS, OR ITS AGENTS; OR**
- **WORK UNDER THIS CONTRACT THAT INFRINGES OR MISAPPROPRIATES ANY RIGHT OF ANY THIRD PERSON OR ENTITY BASED ON COPYRIGHT, PATENT, TRADE SECRET, OR OTHER INTELLECTUAL PROPERTY RIGHTS.**

CONTRACTOR WILL COORDINATE ITS DEFENSE WITH THE SYSTEM AGENCY AND ITS COUNSEL. THIS PARAGRAPH IS NOT INTENDED TO AND WILL NOT BE CONSTRUED TO REQUIRE CONTRACTOR TO INDEMNIFY OR HOLD HARMLESS THE STATE OR THE SYSTEM AGENCY FOR ANY CLAIMS OR LIABILITIES RESULTING SOLELY FROM THE GROSS NEGLIGENCE OF THE SYSTEM AGENCY OR ITS EMPLOYEES. THE PROVISIONS OF THIS SECTION WILL SURVIVE TERMINATION OF THIS CONTRACT.

8.8 ASSIGNMENTS

Contractor may not assign all or any portion of its rights under, interests in, or duties required under this Contract without prior written consent of the System Agency, which may be withheld or granted at the sole discretion of the System Agency. Except where otherwise agreed in writing by the System Agency, assignment will not release Contractor from its obligations under the Contract.

Contractor understands and agrees the System Agency may in one or more transactions assign, pledge, or transfer the Contract. This assignment will only be made to another State agency or a non-state agency that is contracted to perform agency support.

8.9 SUBCONTRACTS

Contractor will be responsible to the System Agency for any Subcontractor's performance under this Contract. Nothing in this Contract will be construed to relieve Contractor of the responsibility for ensuring that the goods delivered or services rendered by Contractor or any of its Subcontractors comply with all the terms and provisions of this Contract. Contractor will provide written notification to the System Agency of any Subcontractor receiving compensation of One hundred thousand dollars (\$100,000.00) or more of the Work under this Contract, including the name and taxpayer identification number of Subcontractor, the task(s) being performed, and the number of Subcontractor employees expected to perform Services. The System Agency reserves the right to:

- a. Reject the Subcontract or require changes to any provisions that do not comply with the requirements, duties, or responsibilities of the Contract or that create significant barriers for the System Agency to monitor compliance with the Contract;
- b. Object to the selection of the Subcontractor; or
- c. Object to the subcontracting of the Work proposed to be Subcontracted.

8.10 HUB/MENTOR PROTÉGÉ

In accordance with State law, it is the System Agency’s policy to assist HUBs whenever possible in providing goods and services to the System Agency. The System Agency encourages those parties with whom it contracts for the provision of goods and services to adhere to this same philosophy in selecting Subcontractors to assist in fulfilling their obligations with the System Agency. In addition to information required by this Contract, the contracting Party will provide the procurement department of the System Agency with pertinent details of any participation by a HUB in fulfilling the duties and obligations arising hereunder.

The System Agency encourages the Parties it contracts with to partner with certified HUBs that participate in the Texas Comptroller of Public Accounts' Mentor Protégé Program.

8.11 RELATIONSHIP OF THE PARTIES

Contractor is, and will be, an independent contractor and, subject only to the terms of this Contract, will have the sole right to supervise, manage, operate, control, and direct performance of the details incident to its duties under this Contract. Nothing contained in this Contract will be deemed or construed to create a partnership or joint venture, to create relationships of an employer-employee or principal-agent, or to otherwise create for the System Agency any liability whatsoever with respect to the indebtedness, liabilities, and obligations of Contractor or any other Party.

Contractor will be solely responsible for, and the System Agency will have no obligation with respect to:

- a. Payment of Contractor's employees for all Services performed;
- b. Ensuring each of its employees, agents, or Subcontractors who provide Services or Deliverables under the Contract are properly licensed, certified, or have proper permits to perform any activity related to the Work;
- c. Withholding of income taxes, FICA, or any other taxes or fees;
- d. Industrial or workers’ compensation insurance coverage;
- e. Participation in any group insurance plans available to employees of the State of Texas;
- f. Participation or contributions by the State to the State Employees Retirement System;
- g. Accumulation of vacation leave or sick leave; or
- h. Unemployment compensation coverage provided by the State.

8.12 TECHNICAL GUIDANCE LETTERS

In the sole discretion of the System Agency, and in conformance with federal and state law, the System Agency may issue instructions, clarifications, or interpretations as may be required during Work performance in the form of a Technical Guidance Letter. A TGL must be in writing, and may be delivered by regular mail, electronic mail, or facsimile transmission. Any TGL issued by the System Agency will be incorporated into the Contract by reference herein for all purposes when it is issued.

8.13 GOVERNING LAW AND VENUE

This Contract and the rights and obligations of the Parties hereto will be governed by, and construed according to, the laws of the State of Texas, exclusive of conflicts of law provisions. Venue of any suit brought under this Contract will be in a court of competent jurisdiction in Travis County, Texas unless otherwise elected by the System Agency. Contractor irrevocably waives any objection, including any objection to personal jurisdiction or the laying of venue or based on the grounds of forum non conveniens, which it may now or hereafter have to the bringing of any action or proceeding in such jurisdiction in respect of this Contract or any document related hereto.

8.14 SEVERABILITY

If any provision contained in this Contract is held to be unenforceable by a court of law or equity, this Contract will be construed as if such provision did not exist and the non-enforceability of such provision will not be held to render any other provision or provisions of this Contract unenforceable.

8.15 SURVIVABILITY

Termination or expiration of this Contract or a Contract for any reason will not release either party from any liabilities or obligations in this Contract that the parties have expressly agreed will survive any such termination or expiration, remain to be performed, or by their nature would be intended to be applicable following any such termination or expiration, including maintaining confidentiality of information and records retention.

8.16 FORCE MAJEURE

Except with respect to the obligation of payments under this Contract, if either of the Parties, after a good faith effort, is prevented from complying with any express or implied covenant of this Contract by reason of war; terrorism; rebellion; riots; strikes; acts of God; any valid order, rule, or regulation of governmental authority; or similar events that are beyond the control of the affected Party (collectively referred to as a "Force Majeure"), then, while so prevented, the affected Party's obligation to comply with such covenant will be suspended, and the affected Party will not be liable for damages for failure to comply with such covenant. In any such event, the Party claiming Force Majeure will promptly notify the other Party of the Force Majeure event in writing and, if possible, such notice will set forth the extent and duration thereof.

8.17 DISPUTE RESOLUTION

If a contract dispute arises that cannot be resolved to the satisfaction of the Parties, either Party may notify the other Party in writing of the dispute. If the Parties are unable to satisfactorily resolve the dispute within fourteen (14) days of the written notification, the Parties must use the dispute resolution process provided for in Chapter 2260 of the Texas Government Code to attempt to resolve the dispute. This provision will not apply to any matter with respect to which either Party may make a decision within its respective sole discretion.

8.18.2017 NO WAIVER OF PROVISIONS

Neither failure to enforce any provision of this Contract nor payment for services provided under it constitute waiver of any provision of the Contract.

8.19 PUBLICITY

Except as provided in the paragraph below, Contractor must not use the name of, or directly or indirectly refer to, the System Agency, the State of Texas, or any other State agency in any media release, public announcement, or public disclosure relating to the Contract or its subject matter, including in any promotional or marketing materials, customer lists, or business presentations.

Contractor may publish, at its sole expense, results of Contractor performance under the Contract with the System Agency's prior review and approval, which the System Agency may exercise at its sole discretion. Any publication (written, visual, or sound) will acknowledge the support received from the System Agency and any Federal agency, as appropriate.

8.20 PROHIBITION ON NON-COMPETE RESTRICTIONS

Contractor will not require any employees or Subcontractors to agree to any conditions, such as non-compete clauses or other contractual arrangements that would limit or restrict such persons or entities from employment or contracting with the State of Texas.

8.21 NO WAIVER OF SOVEREIGN IMMUNITY

Nothing in the Contract will be construed as a waiver of sovereign immunity by the System Agency.

8.22 ENTIRE CONTRACT AND MODIFICATION

The Contract constitutes the entire agreement of the Parties and is intended as a complete and exclusive statement of the promises, representations, negotiations, discussions, and other agreements that may have been made in connection with the subject matter hereof. Any additional or conflicting terms in any future document incorporated into the Contract will be harmonized with this Contract to the extent possible by the System Agency.

8.23 COUNTERPARTS

This Contract may be executed in any number of counterparts, each of which will be an original, and all such counterparts will together constitute but one and the same Contract.

8.24 PROPER AUTHORITY

Each Party hereto represents and warrants that the person executing this Contract on its behalf has full power and authority to enter into this Contract. Any Services or Work performed by Contractor before this Contract is effective or after it ceases to be effective are performed at the sole risk of Contractor with respect to compensation.

8.25 CIVIL RIGHTS

- a. Contractor agrees to comply with state and federal anti-discrimination laws, including:
 - (1) Title VI of the Civil Rights Act of 1964 (42 U.S.C. §2000d *et seq.*);
 - (2) Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. §794);
 - (3) Americans with Disabilities Act of 1990 (42 U.S.C. §12101 *et seq.*);
 - (4) Age Discrimination Act of 1975 (42 U.S.C. §§6101-6107);
 - (5) Title IX of the Education Amendments of 1972 (20 U.S.C. §§1681-1688);
 - (6) Food and Nutrition Act of 2008 (7 U.S.C. §2011 *et seq.*); and
 - (7) The System Agency's administrative rules, as set forth in the Texas Administrative Code, to the extent applicable to this Agreement.

Contractor agrees to comply with all amendments to these laws, and all requirements imposed by the regulations issued pursuant to these laws. These laws provide in part that no persons in the United States may, on the grounds of race, color, national origin, sex, age, disability, political beliefs, or religion, be excluded from participation in or denied any service or other benefit provided by Federal or State funding, or otherwise be subjected to discrimination.

- b. Contractor agrees to comply with Title VI of the Civil Rights Act of 1964, and its implementing regulations at 45 C.F.R. Part 80 or 7 C.F.R. Part 15, prohibiting a contractor from adopting and implementing policies and procedures that exclude or have the effect of excluding or limiting the participation of clients in its programs, benefits, or activities on the basis of national origin. Civil rights laws require contractors to provide alternative methods for ensuring access to services for applicants and recipients who cannot express themselves fluently in English. Contractor agrees to take reasonable steps to provide services and information, both orally and in writing and electronically, in appropriate languages other than English, to ensure that persons with limited English proficiency are effectively informed and can have meaningful access to programs, benefits, and activities.
- c. Contractor agrees to post applicable civil rights posters in areas open to the public informing clients of their civil rights and including contact information for

the HHS Civil Rights Office. The posters are available on the HHS website at: <http://hhscx.hhsc.texas.gov/system-support-services/civil-rights/publications>

- d. Contractor agrees to comply with Executive Orders 13279 and 13559, and their implementing regulations at 45 C.F.R. Part 87 or 7 C.F.R. Part 16. These provide in part that any organization that participates in programs funded by direct financial assistance from the United States Department of Agriculture or the United States Department of Health and Human Services shall not discriminate against a program beneficiary or prospective program beneficiary on the basis of religion or religious belief. Contractor must provide written notice to beneficiaries of their rights.
- e. Upon request, Contractor will provide HHSC Civil Rights Office with copies of the Contractor's civil rights policies and procedures.
- f. Contractor must notify HHSC's Civil Rights Office of any civil rights complaints received relating to its performance under this Agreement. This notice must be delivered no more than ten (10) calendar days after receipt of a complaint. This notice must be directed to:

HHSC Civil Rights Office
701 W. 51st Street, Mail Code W206
Austin, Texas 78751
Phone Toll Free: (888) 388-6332
Phone: (512) 438-4313
TTY Toll Free: (877) 432-7232
Fax: (512) 438-5885.

8.26 ENTERPRISE INFORMATION MANAGEMENT STANDARDS

Contractor agrees that it will conform to HHSC standards for data management as described by the policies of the HHSC Office of the Chief Data Officer (OCDO). These include, but are not limited to, standards for documentation and communication of data models, metadata, and other data definition methods that are required by the HHSC for ongoing data governance, strategic portfolio analysis, interoperability planning, and valuation of HHS System data assets.

8.27 NOTICE OF LEGAL MATTER OR LITIGATION

Contractor shall notify the contract manager assigned to this Contract of any litigation or legal matter related to or affecting this Contract within seven calendar days of becoming aware of the litigation or legal matter.

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ATTACHMENT F -- SPECIAL CONDITIONS



TEXAS
Health and Human Services

Health and Human Services Commission

Special Conditions

Version: 1.2

9.1.17

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HHSC SPECIAL CONDITIONS

The terms and conditions of these Special Conditions are incorporated into and made a part of the Contract. Capitalized items used in these Special Conditions and not otherwise defined have the meanings assigned to them in HHSC Uniform Terms and Conditions --Vendor- Version 2.14

ARTICLE I. SPECIAL DEFINITIONS

“Conflict of Interest” means a set of facts or circumstances, a relationship, or other situation under which Contractor, a Subcontractor, or individual has past, present, or currently planned personal or financial activities or interests that either directly or indirectly: (1) impairs or diminishes the Contractor's, or Subcontractor's ability to render impartial or objective assistance or advice to the System Agency; or (2) provides the Contractor or Subcontractor an unfair competitive advantage in future System Agency procurements.

“Contractor Agents” means Contractor's representatives, employees, officers, Subcontractors, as well as their employees, contractors, officers, and agents.

“Custom Software” means Software developed as a Deliverable or in connection with the Agreement.

“Data Use Agreement” means the agreement incorporated into the Contract to facilitate creation, receipt, maintenance, use, disclosure or access to Confidential Information.

“Federal Financial Participation” is a program that allows states to receive partial reimbursement for activities that meet certain objectives of the federal government. It is also commonly referred to as the Federal Medical Assistance Percentage (FMAP).

“Item of Noncompliance” means Contractor's acts or omissions that: (1) violate a provision of the Contract; (2) fail to ensure adequate performance of the Work; (3) represent a failure of Contractor to be responsive to a request of System Agency relating to the Work under the Contract.

“Minor Administrative Change” refers to a change to the Contract that does not increase the fees or term and done in accordance with Section 5.02 of these Special Conditions.

“Confidential System Information” means any communication or record (whether oral, written, electronically stored or transmitted, or in any other form) provided to or made available to Contractor; or

that Contractor may create, receive, maintain, use, disclose or have access to on behalf of System Agency or through performance of the Work, which is not designated as Confidential Information in a Data Use Agreement.

“**State**” means the State of Texas and, unless otherwise indicated or appropriate, will be interpreted to mean System Agency and other agencies of the State of Texas that may participate in the administration of System Agency Programs; provided, however, that no provision will be interpreted to include any entity other than System Agency as the contracting agency.

“**Software**” means all operating system and applications software used or created by Contractor to perform the Work under the Contract.

“**Third Party Software**” refers to software programs or plug-ins developed by companies or individuals other than Contractor which are used in performance of the Work. It does not include items which are ancillary to the performance of the Work, such as internal systems of Contractor which were deployed by Contractor prior to the Contract and not procured to perform the Work.

“**Turnover**” means the effort necessary to enable System Agency, or its designee, to effectively close out the Contract and move the Work to another vendor or to perform the Work by itself.

“**Turnover Plan**” means the written plan developed by Contractor, approved by System Agency, and to be employed when the Work described in the Contract transfers to System Agency, or its designee, from the Contractor.

“**UTC**” means HHSC's Uniform Terms and Conditions- Vendor --Version 2.15

ARTICLE II. GENERAL PROVISIONS

2.01 OTHER SYSTEM AGENCIES PARTICIPATION IN THE CONTRACT

In addition to providing the Work specified for System Agency, Contractor agrees to allow other System Agencies the option to participate in the Contract under the same terms and conditions. Each System Agency that elects to obtain Work under this section will issue a purchase or Work order to Contractor, referring to, and incorporating by reference, the terms and conditions specified in the Contract.

System Agencies have no authority to modify the terms of the Contract. However, additional System Agency terms and conditions that do not conflict with the Contract, and are acceptable to the Contractor, may be added in a purchase or Work order and given effect. No additional term or condition added in a purchase or Work order issued by a System Agency can conflict with or diminish a term or condition of the

Contract. In the event of a conflict between a System Agency's purchase or Work order and the Contract, the Contract terms control.

2.02 MOST FAVORED CUSTOMER

Contractor agrees that if during the term of the Contract, Contractor enters into any agreement with any other governmental customer, or any non-affiliated commercial customer by which it agrees to provide equivalent services at lower prices, or additional services at comparable prices, Contractor will notify System Agency within (10) business days from the date Contractor executes any such agreement. Contractor agrees, at System Agency's option, to amend the Contract to accord equivalent advantage to System Agency.

2.03 COOPERATION WITH SYSTEM AGENCY VENDORS

At System Agency's request, Contractor will allow parties interested in responding to other System Agency solicitations to have reasonable access during normal business hours to the Work, software, systems documentation, and site visits to the Contractor's facilities. Contractor may elect to have such parties inspecting the Work, facilities, software or systems documentation to agree to use the information so obtained only in the State of Texas and only for the purpose of responding to the relevant System Agency solicitation.

2.04 RENEGOTIATION AND REPROCUREMENT RIGHTS

Notwithstanding anything in the Contract to the contrary, System Agency may at any time during the term of the Contract exercise the option to notify Contractor that System Agency has elected to renegotiate certain terms of the Contract. Upon Contractor's receipt of any notice under this section, Contractor and System Agency will undertake good faith negotiations of the subject terms of the Contract.

System Agency may at any time issue solicitation instruments to other potential contractors for performance of any portion of the Work covered by the Contract, including services similar or comparable to the Work, performed by Contractor under the Contract. If System Agency elects to procure the Work, or any portion thereof, from another vendor in accordance with this section, System Agency will have the termination rights set forth in the UTC.

ARTICLE III. CONTRACTORS PERSONNEL AND SUBCONTRACTORS

3.01 QUALIFICATIONS

Contractor agrees to maintain the organizational and administrative capacity and capabilities proposed in its response to the Solicitation, as modified, to carry out all duties and responsibilities under the Contract. Contractor Agents assigned to perform the duties and responsibilities under the Contract must be and remain properly trained and qualified for the functions they are to perform. Notwithstanding the transfer or turnover of personnel, Contractor remains obligated to perform all duties and responsibilities under the Contract without degradation and in strict accordance with the terms of the Contract.

3.02 CONDUCT AND REMOVAL

While performing the Work under the Contract, Contractor Agents must comply with applicable Contract terms, State and federal rules, regulations, System Agency's policies, and System Agency's requests

regarding personal and professional conduct; and otherwise conduct themselves in a businesslike and professional manner.

If System Agency determines in good faith that a particular Contractor Agent is not conducting himself or herself in accordance with the terms of the Contract, System Agency may provide Contractor with notice and documentation regarding its concerns. Upon receipt of such notice, Contractor must promptly investigate the matter and, at System Agency's election, take appropriate action that may include removing the Contractor Agent from performing any Work under the Contract and replacing the Contractor Agent with a similarly qualified individual acceptable to System Agency as soon as reasonably practicable or as otherwise agreed to by System Agency.

ARTICLE IV. PERFORMANCE

4.01 MEASUREMENT

Satisfactory performance of the Contract, unless otherwise specified in the Contract, will be measured by:

- (a) Compliance with Contract requirements, including all representations and warranties;
- (b) Compliance with the Work requested in the Solicitation and Work proposed by Contractor in its response to the Solicitation and approved by System Agency;
- (c) Delivery of Work in accordance with the service levels proposed by Contractor in the Solicitation Response as accepted by System Agency;
- (d) Results of audits, inspections, or quality checks performed by the System Agency or its designee;
- (e) Timeliness, completeness, and accuracy of Work; and
- (f) Achievement of specific performance measures and incentives as applicable.

ARTICLE V. AMENDMENTS AND MODIFICATIONS

5.01 FORMAL PROCEDURE

No different or additional Work or contractual obligations will be authorized or performed unless contemplated within the Scope of Work and memorialized in an amendment or modification of the Contract that is executed in compliance with this Article. No waiver of any term, covenant, or condition of the Contract will be valid unless executed in compliance with this Article. Contractor will not be entitled to payment for Work that is not authorized by a properly executed Contract amendment or modification, or through the express written authorization of System Agency.

Any changes to the Contract that results in a change to either the term, fees, or significantly impacting the obligations of the parties to the Contract must be effectuated by a formal Amendment to the Contract. Such Amendment must be signed by the appropriate and duly authorized representative of each party in order to have any effect.

5.02 MINOR ADMINISTRATIVE CHANGES

System Agency's designee, referred to as the Contract Manager, Project Sponsor, or other equivalent, in the Contract, is authorized to provide written approval of mutually agreed upon Minor Administrative Changes to the Work or the Contract that do not increase the fees or term. Changes that increase the fees or term must be accomplished through the formal amendment procedure, as set forth in Section 5.01 of these Special Conditions. Upon approval of a Minor Administrative Change, System Agency and Contractor will maintain written notice that the change has been accepted in their Contract files.

ARTICLE VI. PAYMENT

6.01 ENHANCED PAYMENT PROCEDURES

System Agency will be relieved of its obligation to make any payments to Contractor until such time as any and all set-off amounts have been credited to System Agency. If System Agency disputes payment of all or any portion of an invoice from Contractor, System Agency will notify the Contractor of the dispute and both Parties will attempt in good faith to resolve the dispute in accordance with these Special Conditions. System Agency will not be required to pay any disputed portion of a Contractor invoice unless, and until, the dispute is resolved. Notwithstanding any such dispute, Contractor will continue to perform the Work in compliance with the terms of the Contract pending resolution of such dispute so long as all undisputed amounts continue to be paid to Contractor.

ARTICLE VII. CONFIDENTIALITY

7.01 CONSULTANT DISCLOSURE

Contractor agrees that any consultant reports received by System Agency in connection with the Contract may be distributed by System Agency, in its discretion, to any other state agency and the Texas legislature. Any distribution may include posting on System Agency's website or the website of a standing committee of the Texas Legislature.

7.02 CONFIDENTIAL SYSTEM INFORMATION

System Agency prohibits the unauthorized disclosure of Other Confidential Information. Contractor and all Contractor Agents will not disclose or use any Other Confidential Information in any manner except as is necessary for the Work or the proper discharge of obligations and securing of rights under the Contract. Contractor will have a system in effect to protect Other Confidential Information. Any disclosure or transfer of Other Confidential Information by Contractor, including information requested to do so by System Agency, will be in accordance with the Contract. If Contractor receives a request for Other Confidential Information, Contractor will immediately notify System Agency of the request, and will make reasonable efforts to protect the Other Confidential Information from disclosure until further instructed by the System Agency.

Contractor will notify System Agency promptly of any unauthorized possession, use, knowledge, or attempt thereof, of any Other Confidential Information by any person or entity that may become known to Contractor. Contractor will furnish to System Agency all known details of the unauthorized possession, use, or knowledge, or attempt thereof, and use reasonable efforts to assist System Agency in investigating or preventing the reoccurrence of any unauthorized possession, use, or knowledge, or attempt thereof, of Other Confidential Information.

System Agency will have the right to recover from Contractor all damages and liabilities caused by or arising from Contractor or Contractor Agents' failure to protect System Agency's Confidential Information as required by this section.

IN COORDINATION WITH THE INDEMNITY PROVISIONS CONTAINED IN THE UTC, CONTRACTOR WILL INDEMNIFY AND HOLD HARMLESS SYSTEM AGENCY FROM ALL DAMAGES, COSTS, LIABILITIES, AND EXPENSES (INCLUDING WITHOUT LIMITATION REASONABLE ATTORNEYS' FEES AND COSTS) CAUSED BY OR ARISING FROM CONTRACTOR OR CONTRACTOR AGENTS FAILURE TO PROTECT OTHER CONFIDENTIAL INFORMATION. CONTRACTOR WILL FULFILL THIS PROVISION WITH COUNSEL APPROVED BY SYSTEM AGENCY.

ARTICLE VIII. DISPUTES AND REMEDIES

8.01 AGREEMENT OF THE PARTIES

The Parties agree that the interests of fairness, efficiency, and good business practices are best served when the Parties employ all reasonable and informal means to resolve any dispute under the Contract before resorting to formal dispute resolution processes otherwise provided in the Contract. The Parties will use all reasonable and informal means of resolving disputes prior to invoking a remedy provided elsewhere in the Contract, unless System Agency immediately terminates the Contract in accordance with the terms and conditions of the Contract.

Any dispute, that in the judgment of any Party to the Agreement, may materially affect the performance of any Party will be reduced to writing and delivered to the other Party within 10 business days after the dispute arises. The Parties must then negotiate in good faith and use every reasonable effort to resolve the dispute at the managerial or executive levels prior to initiating formal proceedings pursuant to the UTC and Texas Government Code §2260, unless a Party has reasonably determined that a negotiated resolution is not possible and has so notified the other Party. The resolution of any dispute disposed of by agreement between the Parties will be reduced to writing and delivered to all Parties within 10 business days of such resolution.

8.02 OPERATIONAL REMEDIES

The remedies described in this section may be used or pursued by System Agency in the context of the routine operation of the Contract and are directed to Contractor's timely and responsive performance of the Work as well as the creation of a flexible and responsive relationship between the Parties. Contractor agrees that System Agency may pursue operational remedies for Items of Noncompliance with the Contract. At any time, and at its sole discretion, System Agency may impose or pursue one or more said remedies for each Item of Noncompliance. System Agency will determine operational remedies on a case-by-case basis which include, but are not, limited to:

- (a) Requesting a detailed Corrective Action Plan, subject to System Agency approval, to correct and resolve a deficiency or breach of the Contract;
- (b) Require additional or different corrective action(s) of System Agency's choice;
- (c) Suspension of all or part of the Contract or Work;
- (d) Prohibit Contractor from incurring additional obligations under the Contract;
- (e) Issue Notice to stop Work Orders;
- (f) Assessment of liquidated damages as provided in the Contract;
- (g) Accelerated or additional monitoring;
- (h) Withholding of payments; and
- (i) Additional and more detailed programmatic and financial reporting.

System Agency's pursuit or non-pursuit of an operational remedy does not constitute a waiver of any other remedy that System Agency may have at law or equity; excuse Contractor's prior substandard performance, relieve Contractor of its duty to comply with performance standards, or prohibit System Agency from assessing additional operational remedies or pursuing other appropriate remedies for continued substandard performance.

System Agency will provide notice to Contractor of the imposition of an operational remedy in accordance with this section, with the exception of accelerated monitoring, which may be unannounced. System Agency may require Contractor to file a written response as part of the operational remedy approach.

8.03 EQUITABLE REMEDIES

Contractor acknowledges that if, Contractor breaches, attempts, or threatens to breach, any obligation under the Contract, the State will be irreparably harmed. In such a circumstance, the State may proceed directly

to court notwithstanding any other provision of the Contract. If a court of competent jurisdiction finds that Contractor breached, attempted, or threatened to breach any such obligations, Contractor will not oppose the entry of an order compelling performance by Contractor and restraining it from any further breaches, attempts, or threats of breach without a further finding of irreparable injury or other conditions to injunctive relief.

8.04 CONTINUING DUTY TO PERFORM

Neither the occurrence of an event constituting an alleged breach of contract, the pending status of any claim for breach of contract, nor the application of an operational remedy, is grounds for the suspension of performance, in whole or in part, by Contractor of the Work or any duty or obligation with respect to the Contract.

ARTICLE IX. DAMAGES

9.01 AVAILABILITY AND ASSESSMENT

System Agency will be entitled to actual, direct, indirect, incidental, special, and consequential damages resulting from Contractor's failure to comply with any of the terms of the Contract. In some cases, the actual damage to System Agency as a result of Contractor's failure to meet the responsibilities or performance standards of the Contract are difficult or impossible to determine with precise accuracy. Therefore, if provided in the Contract, liquidated damages may be assessed against Contractor for failure to meet any aspect of the Work or responsibilities of the Contractor. System Agency may elect to collect liquidated damages:

- (a) Through direct assessment and demand for payment to Contractor; or
- (b) By deducting the amounts assessed as liquidated damages against payments owed to Contractor for Work performed. In its sole discretion, System Agency may deduct amounts assessed as liquidated damages as a single lump sum payment or as multiple payments until the full amount payable by the Contractor is received by the System Agency.

9.02 SPECIFIC ITEMS OF LIABILITY

Contractor bears all risk of loss or damage due to defects in the Work, unfitness or obsolescence of the Work, or the negligence or intentional misconduct of Contractor or Contractor Agents. Contractor will ship all equipment and Software purchased and Third Party Software licensed under the Contract, freight prepaid, FOB System Agency's destination. The method of shipment will be consistent with the nature of the items shipped and applicable hazards of transportation to such items. Regardless of FOB point, Contractor bears all risks of loss, damage, or destruction of the Work, in whole or in part, under the Contract that occurs prior to acceptance by System Agency. After acceptance by System Agency, the risk of loss or damage will be borne by System Agency; however, Contractor remains liable for loss or damage attributable to Contractor's fault or negligence.

Contractor will protect System Agency's real and personal property from damage arising from Contractor or Contractor Agents performance of the Contract, and Contractor will be responsible for any loss, destruction, or damage to System Agency's property that results from or is caused by Contractor or Contractor Agents' negligent or wrongful acts or omissions. Upon the loss of, destruction of, or damage to any property of System Agency, Contractor will notify System Agency thereof and, subject to direction from System Agency or its designee, will take all reasonable steps to protect that property from further damage. Contractor agrees, and will require Contractor Agents, to observe safety measures and proper operating procedures at System Agency sites at all times. Contractor will immediately report to the System Agency any special defect or an unsafe condition it encounters or otherwise learns about.

IN COORDINATION WITH THE INDEMNITY PROVISIONS CONTAINED IN THE UTC, CONTRACTOR WILL BE SOLELY RESPONSIBLE FOR ALL COSTS INCURRED THAT ARE ASSOCIATED WITH INDEMNIFYING THE STATE OF TEXAS OR SYSTEM AGENCY WITH RESPECT TO INTELLECTUAL, REAL AND PERSONAL PROPERTY. ADDITIONALLY, SYSTEM AGENCY RESERVES THE RIGHT TO APPROVE COUNSEL SELECTED BY CONTRACTOR TO DEFEND SYSTEM AGENCY OR THE STATE OF TEXAS AS REQUIRED UNDER THIS SECTION.

ARTICLE X. TURNOVER

10.01 TURNOVER PLAN

System Agency may require Contractor to develop a Turnover Plan at any time during the term of the Contract in System Agency's sole discretion. Contractor must submit the Turnover Plan to System Agency for review and approval. The Turnover Plan must describes Contractor's policies and procedures that will ensure:

- (a) The least disruption in the delivery the Work during Turnover to System Agency or its designee; and
- (b) Full cooperation with System Agency or its designee in transferring the Work and the obligations of the Contract.

10.02 TURNOVER ASSISTANCE

Contractor will provide any assistance and actions reasonably necessary to enable System Agency or its designee to effectively close out the Contract and transfer the Work and the obligations of the Contract to another vendor or to perform the Work by itself. Contractor agrees that this obligation survives the termination, regardless of whether for cause or convenience, or the expiration of the Contract and remains in effect until completed to the satisfaction of System Agency.

ARTICLE XI. ADDITIONAL LICENSE AND OWNERSHIP PROVISIONS

11.01 SYSTEM AGENCY ADDITIONAL RIGHTS

System Agency will have ownership and unlimited rights to use, disclose, duplicate, or publish all information and data developed, derived, documented, or furnished by Contractor under or resulting from the Contract. Such data will include all results, technical information, and materials developed for or obtained by System Agency from Contractor in the performance of the Work. If applicable, Contractor will reproduce and include System Agency's copyright, proprietary notice, or any product identifications provided by Contractor.

11.02 THIRD-PARTY SOFTWARE

Contractor grants System Agency a non-exclusive, perpetual, license for System Agency to use Third-Party Software and its associated documentation for its internal business purposes. System Agency will be entitled to use Third-Party Software on the equipment or any replacement equipment used by System Agency, and with any replacement Third-Party Software chosen by System Agency, without additional expense.

Terms in any licenses for Third-Party Software will be consistent with the requirements of this section. Prior to utilizing any Third-Party Software product not identified in the Solicitation Response, Contractor will provide System Agency copies of the license agreement from the licensor of the Third-Party Software to allow System Agency to, in its discretion, object to the license agreement that must, at a minimum, provide System Agency with necessary rights consistent with the short and long-term goals of the Contract. Contractor will assign to System Agency all licenses for the Third-Party Software as necessary to carry out the intent of this section.

Contractor will, during the Contract, maintain any and all Third Party Software at their most current version or no more than one version back from the most current version. However, Contractor will not maintain any Third-Party Software versions, including one version back, if notified by System Agency that any such version would prevent System Agency from using any functions, in whole or in part, of System Agency systems or would cause deficiencies in System Agency systems.

11.03 SOFTWARE AND OWNERSHIP RIGHTS

In accordance with 45 C.F.R. Part 95.617, all appropriate federal agencies will have a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, translate, or otherwise use, and to authorize others to use for government purposes all Work, materials, Custom Software and modifications thereof, source code, associated documentation designed, developed, or installed with Federal Financial Participation under the Contract, including but not limited to those materials covered by copyright.

ARTICLE XII. UNIFORM ICT ACCESSIBILITY CLAUSE

12.01 APPLICABILITY

This Section applies to the procurement or development of Information and Communication Technology (ICT) for System Agency, or any changes to System Agency's ICT. This Section also applies if the Contract requires Contractor to perform a service or supply a goods that include ICT that: (i) System Agency employees are required or permitted to access; or (ii) members of the public are required or permitted to access. This Section does not apply to incidental uses of ICT in the performance of a contract, unless the parties agree that the ICT will become property of the state or will be used by System Agency's Client/Recipient after completion of the Contract.

Nothing in this section is intended to prescribe the use of particular designs or technologies or to prevent the use of alternative technologies, provided they result in substantially equivalent or greater access to and use of a product / service.

12.02 DEFINITIONS

The legacy term “Electronic and Information Resources” (EIR) and the term “Information and Communication Technology” (ICT) are considered equivalent in meaning for the purpose of applicability of System Agency Uniform Terms and Conditions, policies, accessibility checklists, style guides, contract specifications, and other contract management documents. To the extent that any other of the following definitions conflict with definitions elsewhere in this Contract, the following definitions are applicable to this Section only.

1. **“Accessibility Standards”** refers to the Information and Communication Technology Accessibility Standards and the Web Accessibility Standards/Specifications under the Web Content Accessibility Guidelines version 2.0 Level AA, (WCAG 2.0).
2. **“Information and Communication Technology (ICT)”** is any information technology, equipment, or interconnected system or subsystem of equipment for which the principal function is the creation, conversion, duplication, automatic acquisition, storage, analysis, evaluation, manipulation, management, movement, control, display, switching, interchange, transmission, reception, or broadcast of data or information. Examples of ICT are electronic content, telecommunications products, computers and ancillary equipment, software, information kiosks and transaction machines, videos, IT services, and multifunction office machines which copy, scan, and fax documents.
3. **“Information and Communication Technology Accessibility Standards”** refers to the accessibility standards for information and communication technology contained in the Web Content Accessibility Guidelines version 2.0 Level AA.
4. **“Web Accessibility Standards/Specifications”** refers to the web standards contained in WCAG 2.0 Level AA.
5. **“Products”** means information resources technologies that are, or are related to, ICT.

6. **“Service”** means the act of delivering information or performing a task for employees, clients, or members of the public through a method of access or delivery that uses ICT.

12.03 ACCESSIBILITY REQUIREMENTS

Under Texas Government Code Chapter 2054, Subchapter M, and implementing rules of the Texas Department of Information Resources, System Agency must procure Products or Services that comply with the Accessibility Standards when such Products or Services are available in the commercial marketplace or when such Products or Services are developed in response to a procurement solicitation. Accordingly, Contractor must provide ICT and associated Product and/or Service documentation and technical support that comply with the Accessibility Standards.

12.04 EVALUATION, TESTING AND MONITORING

1. System Agency may review, test, evaluate and monitor Contractor's Products, Services and associated documentation and technical support for compliance with the Accessibility Standards. Review, testing, evaluation and monitoring may be conducted before and after the award of a contract. Testing and monitoring may include user acceptance testing.
1. Neither (1) the review, testing (including acceptance testing), evaluation or monitoring of any Product or Service, nor (2) the absence of such review, testing, evaluation or monitoring, will result in a waiver of the State's right to contest the Contractor's assertion of compliance with the Accessibility Standards.
2. Contractor agrees to cooperate fully and provide System Agency and its representatives timely access to Products, Services, documentation, and other items and information needed to conduct such review, evaluation, testing and monitoring.

12.05 REPRESENTATIONS AND WARRANTIES

1. Contractor represents and warrants that: (i) as of the effective date of the contract, the Products, Services and associated documentation and technical support comply with the Accessibility Standards as they exist at the time of entering the contract, unless and to the extent the Parties otherwise expressly agree in writing; and (ii) if the Products will be in the custody of the state or an HHS agency's client or recipient after the contract expiration or termination, the Products will continue to comply with such Accessibility Standards after the expiration or termination of the contract term, unless System Agency and/or Client/Recipient, as applicable uses the Products in a manner that renders it noncompliant.
2. In the event Contractor should have known, becomes aware, or is notified that the Product and associated documentation and technical support do not comply with the Accessibility Standards, Contractor represents and warrants that it will, in a timely manner and at no cost to System Agency, perform all necessary steps to satisfy the Accessibility Standards, including

but not limited to remediation, repair, replacement, and upgrading of the Product, or providing a suitable substitute.

3. Contractor acknowledges and agrees that these representations and warranties are essential inducements on which System Agency relies in awarding this contract.
4. Contractor's representations and warranties under this subsection will survive the termination or expiration of the contract and will remain in full force and effect throughout the useful life of the Product.

12.06 REMEDIES

1. Pursuant to Texas Government Code Sec. 2054.465, neither Contractor nor any other person has cause of action against System Agency for a claim of a failure to comply with Texas Government Code Chapter 2054, Subchapter M, and rules of the Department of Information Resources.
2. In the event of a breach of Contractor's representations and warranties, Contractor will be liable for direct and consequential damages and any other remedies to which System Agency may be entitled. This remedy is cumulative of any and all other remedies to which System Agency may be entitled under this contract and other applicable law.

ARTICLE XIII. MISCELLANEOUS PROVISIONS

13.01 CONFLICTS OF INTEREST

Contractor warrants to the best of its knowledge and belief, except to the extent already disclosed to System Agency, there are no facts or circumstances that could give rise to a Conflict of Interest and further that Contractor or Contractor Agents have no interest and will not acquire any direct or indirect interest that would conflict in any manner or degree with their performance under the Contract. Contractor will, and require Contractor Agents, to establish safeguards to prohibit Contract Agents from using their positions for a purpose that constitutes or presents the appearance of personal or organizational Conflict of Interest, or for personal gain. Contractor and Contractor Agents will operate with complete independence and objectivity without actual, potential or apparent Conflict of Interest with respect to the activities conducted under the Contract.

Contractor agrees that, if after Contractor's execution of the Contract, Contractor discovers or is made aware of a Conflict of Interest, Contractor will immediately and fully disclose such interest in writing to System Agency. In addition, Contractor will promptly and fully disclose any relationship that might be perceived or represented as a conflict after its discovery by Contractor or by System Agency as a potential conflict.

System Agency reserves the right to make a final determination regarding the existence of Conflicts of Interest, and Contractor agrees to abide by System Agency's decision.

If System Agency determines that Contractor was aware of a Conflict of Interest and did not disclose the conflict to System Agency, such nondisclosure will be considered a material breach of the Contract. Furthermore, such breach may be submitted to the Office of the Attorney General, Texas Ethics Commission, or appropriate State or federal law enforcement officials for further action.

13.02 FLOW DOWN PROVISIONS

Contractor must include any applicable provisions of the Contract in all subcontracts based on the scope and magnitude of Work to be performed by such Subcontractor. Any necessary terms will be modified appropriately to preserve the State's rights under the Contract.

13.03 MANUFACTURER'S WARRANTIES

Contractor assigns to System Agency all of the manufacturers' warranties and indemnities relating to the Work, including without limitation, Third Party Software, to the extent Contractor is permitted by the manufacturers to make such assignments to System Agency.

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ATTACHMENT G -- GENERAL AFFIRMATIONS

By entering into this Contract, Contractor affirms, without exception, as follows:

1. Contractor represents and warrants that these General Affirmations apply to Contractor and all of Contractor's principals, officers, directors, shareholders, partners, owners, agents, employees, Subcontractors, independent contractors, and any other representatives who may provide services under, who have a financial interest in, or otherwise are interested in this Contract.
2. Contractor represents and warrants that all statements and information provided to the System Agency are current, complete, and accurate. This includes all statements and information relating in any manner to this Contract and any solicitation resulting in this Contract.
3. Contractor has not given, has not offered to give, and does not intend 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 this Contract.
4. Under Section 2155.004, Texas Government Code (relating to financial participation in preparing solicitations), Contractor certifies that it is not ineligible to receive this Contract and acknowledges that this Contract may be terminated and payment withheld if this certification is inaccurate.
5. Under Section 2155.006, Texas Government Code (relating to convictions and penalties regarding Hurricane Rita, Hurricane Katrina, and other disasters), Contractor certifies that it is not ineligible to receive this Contract and acknowledges that this Contract may be terminated and payment withheld if this certification is inaccurate.
6. Under Section 2261.053, Texas Government Code (relating to convictions and penalties regarding Hurricane Rita, Hurricane Katrina, and other disasters), Contractor certifies that it is not ineligible to receive this Contract and acknowledges that this Contract may be terminated and payment withheld if this certification is inaccurate.
7. Under Section 231.006, Texas Family Code (relating to delinquent child support), Contractor certifies that it is not ineligible to receive the specified grant, loan, or payment and acknowledges that this Contract may be terminated and payment may be withheld if this certification is inaccurate.
8. Contractor certifies that: (a) the entity executing this Contract; (b) its principals; (c) its Subcontractors; and (d) any personnel designated to perform services related to this Contract are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal Department or Agency. This certification is made pursuant to the regulations implementing Executive Order 12549 and Executive Order 12689, Debarment and Suspension, 2 C.F.R. Part 376, and any relevant regulations promulgated by the Department or Agency funding this project. This provision shall be included in its entirety in Contractor's Subcontracts if payment in whole or in part is from federal funds.
9. Contractor certifies that it, its principals, its Subcontractors, and any personnel designated to perform services related to this Contract are eligible to participate in this transaction and have not been subjected to suspension, debarment, or similar ineligibility determined by any federal, state, or local governmental entity.
10. Contractor certifies it is in compliance with all State of Texas statutes and rules relating to procurement; and that (a) the entity executing this Contract; (b) its principals; (c) its Subcontractors; and (d) any personnel designated to perform services related to this Contract are

not listed on the federal government's terrorism watch list described in Executive Order 13224. Entities ineligible for federal procurement are listed at <https://www.sam.gov/portal/public/SAM/>, which Contractor may review in making this certification. Contractor acknowledges that this Contract may be terminated and payment withheld if this certification is inaccurate. This provision shall be included in its entirety in Contractor's Subcontracts if payment in whole or in part is from federal funds.

11. In accordance with Texas Government Code Section 669.003 (relating to contracting with the executive head of a state agency), Contractor certifies that it (1) is not the executive head of the System Agency; (2) was not at any time during the past four years the executive head of the System Agency; and (3) does not employ a current or former executive head of the System Agency.
12. Contractor represents and warrants that it is not currently delinquent in the payment of any franchise taxes owed the State of Texas under Chapter 171 of the Texas Tax Code.
13. Contractor represents and warrants that payments to Contractor and Contractor's receipt of appropriated or other funds under this Contract are not prohibited by Sections 556.005, 556.0055, or 556.008 of the Texas Government Code (relating to use of appropriated money or state funds to employ or pay lobbyists, lobbying expenses, or influence legislation).
14. Contractor represents and warrants that it will comply with Texas Government Code Section 2155.4441, relating to the purchase of products produced in the State of Texas under service contracts.
15. Pursuant to Section 2252.901, Texas Government Code (relating to prohibitions regarding contracts with and involving former and retired state agency employees), Contractor will not allow any former employee of the System Agency to perform services under this Contract during the twelve (12) month period immediately following the employee's last date of employment at the System Agency.
16. Contractor acknowledges that, pursuant to Section 572.069 of the Texas Government Code, a former state officer or employee of the System Agency who during the period of state service or employment participated on behalf of the System Agency in a procurement or contract negotiation involving Contractor may not accept employment from Contractor before the second anniversary of the date the officer's or employee's service or employment with the System Agency ceased.
17. Contractor understands that the System Agency does not tolerate any type of fraud. The System Agency's policy is to promote consistent, legal, and ethical organizational behavior by assigning responsibilities and providing guidelines to enforce controls. Violations of law, agency policies, or standards of ethical conduct will be investigated, and appropriate actions will be taken. All employees or contractors who suspect fraud, waste or abuse (including employee misconduct that would constitute fraud, waste, or abuse) are required to immediately report the questionable activity to both the Health and Human Services Commission's Office of the Inspector General at 1-800-436-6184 and the State Auditor's Office. Contractor agrees to comply with all applicable laws, rules, regulations, and System Agency policies regarding fraud including, but not limited to, HHS Circular C-027.
18. Contractor represents and warrants that it has not violated state or federal antitrust laws and has not communicated its bid for this Contract directly or indirectly to any competitor or any other person engaged in such line of business. Contractor hereby assigns to System Agency any claims for overcharges associated with this Contract under 15 U.S.C. § 1, *et seq.*, and Texas Business and Commerce Code § 15.01, *et seq.*

19. Contractor represents and warrants that it is not aware of and has received no notice of any court or governmental agency proceeding, investigation, or other action pending or threatened against Contractor or any of the individuals or entities included numbered paragraph 1 of these General Affirmations within the five (5) calendar years immediately preceding the execution of this Contract that would or could impair Contractor's performance under this Contract, relate to the contracted or similar goods or services, or otherwise be relevant to the System Agency's consideration of entering into this Contract. If Contractor is unable to make the preceding representation and warranty, then Contractor instead represents and warrants that it has provided to the System Agency a complete, detailed disclosure of any such court or governmental agency proceeding, investigation, or other action that would or could impair Contractor's performance under this Contract, relate to the contracted or similar goods or services, or otherwise be relevant to the System Agency's consideration of entering into this Contract. In addition, Contractor represents and warrants that it shall notify the System Agency in writing within five (5) business days of any changes to the representations or warranties in this clause and understands that failure to so timely update the System Agency shall constitute breach of contract and may result in immediate termination of this Contract.
20. Contractor understands, acknowledges, and agrees that any false representation or any failure to comply with a representation, warranty, or certification made by Contractor is subject to all civil and criminal consequences provided at law or in equity including, but not limited to, immediate termination of this Contract.
21. Contractor represents and warrants that it will comply with all applicable laws and maintain all permits and licenses required by applicable city, county, state, and federal rules, regulations, statues, codes, and other laws that pertain to this Contract.
22. Contractor represents and warrants that the individual signing this Contract is authorized to sign on behalf of Contractor and to bind Contractor.

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Dr. Courtney N. Phillips, Executive Commissioner

**Request for Proposals (RFP)
For STAIRS Maintenance and Support
RFP No. HHS0000855
Date of Release: November 12, 2018
Responses Due: December 12, 2018 @ 2:00 P.M.**

NIGP Class/Item: 920/40 DATA Processing, Computer, Programming, and Software Services/Programming Services, Computer, Including Mobile Device Applications

NIGP Class/Item: 915/20 Communications and Media Related Services/ Call Center Services

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ARTICLE 1. EXECUTIVE SUMMARY, DEFINITIONS, AND AUTHORITY

1.1 EXECUTIVE SUMMARY

The Health and Human Services Commission (“System Agency”) collects cost and statistical information from service providers contracted to provide various long-term and acute care services. This data is used for purposes that include cost determination, rate setting, accountability, cost settlement and random moment time study.

System Agency processes approximately 8,400 financial reports each year with some being submitted annually and others submitted quarterly and comprises reports for 26 different programs. System Agency also conducts quarterly time studies for 4 programs.

System Agency has developed the State of Texas Automated Information Reporting System (“STAIRS”) to facilitate the collection and processing of the financial and statistical data via an online system. STAIRS provides efficiencies that has significantly reduced time and effort for both the service provider and System Agency staff. System Agency has been able to realize a greater quality product and substantially reduce project times through collaboration and coordination between service providers and System Agency. STAIRS now also serves as a repository for the secure storage of data and the supporting documentation and allows for easy retrieval as needed.

STAIRS is comprised of two major components: STAIRS Financial and Statistical Reporting Services and Random Moment Time Studies (“RMTS”). Traditionally, System Agency has managed STAIRS through one contract with a single vendor because we recognized that it offered advantages related to contract management, vendor management, system integration, and other efficiencies. This Solicitation will also allow Respondents to bid solutions for both major components; however, System Agency also believes there are opportunities to offer the agency better overall value if we allow prospective vendors to bid on the STAIRS Financial and Statistical Reporting Services or the RMTS by themselves. More information about this approach and how to structure the Solicitation Response based on the Respondent’s decision to bid on the STAIRS Financial and Statistical Reporting Services, the RMTS, or both is outlined in Articles 2. Scope of Work/Specifications, 4. Solicitation Response Evaluation and Award Process, 5. Narrative/Technical Proposal, 7. Cost Proposal, and 9. Submission Checklist.

To be considered for award, Respondents must execute **Exhibit A, Affirmations and Solicitation Acceptance and Exhibit F, Federal Assurances and Certifications**, of this Solicitation and provide all other required information and documentation as set forth in this Solicitation.

1.2 DEFINITIONS

Refer to **Exhibit B, HHSC Uniform Terms and Conditions**, and **Exhibit C, the HHSC Special Conditions**, for additional definitions.

Additionally, as used in this Solicitation, unless the context clearly indicates otherwise, the following terms and conditions have the meanings assigned below:

“Addendum” means a written clarification or revision to this Solicitation issued by the System Agency.

“Contractor” means an entity selected to perform the services described in this Solicitation.

“CPA” means the Comptroller of Public Accounts, a Texas State Agency.

“ESBD” means the Electronic State Business Daily, the electronic marketplace where State of Texas bid opportunities over \$25,000 are posted. The ESBD may currently be accessed at <http://www.txsmartbuy.com/sp>.

“Health and Human Services Commission” or “HHSC” means the administrative agency established under Chapter 531, Texas Government Code or its designee.

“HUB” means Historically Underutilized Business, as defined by Chapter 2161 of the Texas Government Code.

“HUB subcontracting plan” or “HSP” means written documentation regarding the use of subcontractors, which is required to be submitted with all responses to state agency Contracts with an expected value of \$100,000 or more where subcontracting opportunities have been determined by the state agency to be probable. The HUB subcontracting plan subsequently becomes a provision of the awarded Contract, and shall be monitored for compliance by the state agency during the term of the Contract.

“Respondent” means the entity responding to this Solicitation.

“Solicitation” means this request for proposals including any exhibits and addenda, if any.

“State” means the State of Texas and its instrumentalities, including HHSC, the System Agency and any other state agency, its officers, employees, or authorized agents.

“System Agency” means Health and Human Services Commission, its officers, employees or authorized agents.

1.3 AUTHORITY

The System Agency is soliciting the services listed herein under Title 10, Subtitle D of the Texas Government Code.

ARTICLE 2. SCOPE OF WORK/SPECIFICATIONS

2.1 DESCRIPTION OF SERVICES/STATEMENT OF WORK/SPECIFICATIONS

The State of Texas, by and through System Agency, seeks to continue provision and maintenance of web-based, automated applications for financial and statistical reporting services, Medicaid Administrative Claiming (“MAC”) services, and Random Moment Time Study (“RMTS”) services.

The current contract is structured so that one Contractor is responsible for the providing the support required for the financial and statistical reporting services, MAC services, and RMTS services listed above.

In an effort to allow more flexibility for prospective Contractors and greater value to the State of Texas, the System Agency will allow Respondents, for this solicitation, to bid on the financial and statistical reporting services portion (including the related MAC services) or the RMTS services portion (including the related MAC services) or both portions. *See* Articles 5. Narrative/Technical Proposal, 7. Cost Proposal, and 9. Submission Checklist for instructions about bidding on one or both parts of this Solicitation.

2.1.1 Exclusive Property

STAIRS is owned by and is the exclusive property of the State of Texas. Except as otherwise provided in this RFP or the resulting Contract, all products produced, all plans, designs, software, and other Contract deliverables, become the sole property of System Agency.

The Contractor will be responsible for supporting STAIRS which will be used for the collection of the financial and statistical reports identified below.

2.1.2 STAIRS Financial and Statistical Reporting Services

STAIRS will be used to collect annual and other financial and statistical data needed for cost determination, rate setting, settlement, accountability, and other purposes. Providers are required to submit all information related to these cost reports annually by April 30th. STAIRS currently includes the following 16 cost reports.

- a. 24-Hour Residential Child Care (“24RCC”);
- b. Community Living Assistance & Support Services - Case Management Agency (“CLASS-CMA”), CLASS - Direct Services Agency (“CLASS-DSA”), and Primary Home Care (“PHC”). All three programs combined onto a single cost report known as CPC;
- c. CPC Accountability Report (“CPC-AR”);
- d. Day Activity & Health Services (“DAHS”);
- e. DAHS Accountability Report (“DAHS-AR”);
- f. Deaf-blind Multiple Disabilities Waiver Accountability Report (“DBMD-AR”);
- g. Home and Community-based Services and Texas Home Living (“HCS/TxHmL”);
- h. HCS/TxHmL Accountability Report (“HCS/TxHmL-AR”);
- i. Intermediate Care Facilities for Individuals with an Intellectual Disability or Related Condition (“ICF/ID”);
- j. ICF/ID Accountability Report (“ICF/ID-AR”);
- k. ICF/ID State Supported Living Center (“ICF/ID-SSLC”);
- l. Early Childhood Intervention - Case Management (“ECI-CM”), ECI - Specialized Rehabilitation Services (“ECI-SRS”), Rehabilitation Services - Mental Health (“RS-MH”), Services Coordination - ICF/ID (“SC-ICF/ID”), and Targeted Case Management - Mental Health (“TCM-MH”). All five programs combined onto a single cost report known as MEI;
- m. Nursing Facility (“NF”);
- n. NF - Accountability Report (“NF-AR”);

- o. Residential Care (“RC”); and
- p. RC - Accountability Report (“RC-AR”).

Contractor will be responsible for adding cost reports to the STAIRS suite using the existing STAIRS architecture for the following two programs. These two additional cost reports must be released into production within one year of the contract effective date.

- a. School Health and Related Services (“SHARS”); and
- b. Ambulance Services (“AMS”).

Contractor will provide a web-based data collection system for the purposes of MAC and claims processing for at least four programs. Current programs include:

- a. Early Childhood Intervention (“ECI”);
- b. Independent School Districts (“ISD”);
- c. Local Health Districts (“LHD”); and
- d. Mental Health/Individuals with an Intellectual and Developmental Disability (“MH/IDD”).

System Agency currently collects approximately 415 MAC financial reports per quarter. This number could grow to as many as 700 or more per quarter in the future. The MAC application must create a financial report that will:

- a. Be based on federal quarterly reporting and processing cycle;
- b. Collect data needed to generate the quarterly claim;
- c. Prepare the quarterly claim for System Agency and submit to System Agency in the specified format and timeframe; and
- d. Allow for amended claims to be submitted to System Agency after the submission and processing/adjudication of the original claim.

STAIRS provides the ability to not only serve as the collection and submission instrument for the above identified cost reports but is also used to:

- a. Notify the service providers of the request for submission;
- b. Serve as a portal for the service provider to prepare and submit their report;
- c. Allow the service provider to view their submitted report at any time;
- d. Allow the service provider to individually assign and control who they wish to have external access to their data;
- e. Serve as tracking system to identify the status of reports throughout the entire process;
- f. Serve as an assignment and workload monitoring system for System Agency staff;
- g. Perform verification of the submitted data through built-in edits and prompts;
- h. Quantifies and qualifies any adjustments made by System Agency staff;
- i. Electronically communicates with the service providers to notify them of adjustments made and any applicable settlement amount;
- j. Collect the service provider’s agreement or disagreement with the adjustment and settlement amounts;
- k. Process any appeal from the service provider for informal review and display any additional adjustments made;
- l. Notify the service provider of the final adjusted settlement;

- m. Store electronically all required supporting documentation submitted by the contracted provider or added by System Agency staff;
- n. Interface as needed with the State systems such as the Centralized Accounting and Payroll/Personnel System (“CAPPS”) Financials system and the Texas Medicaid Healthcare Partnership (“TMHP”);
- o. Create standard and ad-hoc reports; and
- p. Create databases used for analysis purposes.

Contractor will be responsible for the complete support of STAIRS. Support includes whatever is necessary to ensure the system is continually operable and fully functional as specified by System Agency. Contractor is responsible for STAIRS maintenance and support including all updates, upgrades, bug fixes, and patches necessary to ensure an up-to-date and efficient system.

Support includes but is not limited to:

- a. Resolve all issues encountered within 36 hours of being identified and/or reported;
- b. Create each cost report identified above on at least an annual basis;
- c. Modify the content of each cost report as identified by System Agency on at least an annual basis;
- d. Allow for multiple levels of quality assurance measures to augment review and audit of the data at both the point of data entry and also during System Agency review;
- e. Add, modify, or delete the built-in edits and prompts as identified by System Agency on at least an annual basis;
- f. Allow for the capping of certain costs through a mechanism that System Agency can trigger manually as needed to run at will;
- g. Allow for configurable tolerance levels of the data edits and to be created and modified by System Agency staff as needed;
- h. Load data within each cost report type that individually identifies specific characteristics of each service provider requested to submit a cost and/or accountability report within the time periods specified by System Agency and required for timely request of cost reports;
- i. Add mechanisms such as notes and flags specified by System Agency as needed to aide in the tracking and processing of the individual reports;
- j. Communicate via email with service providers and end-users deemed as necessary by System Agency that is supported, distributed, and tracked by Contractor including the resolution of emails returned as undeliverable;
- k. Maintain and have readily available to System Agency staff and service providers their cost reports for prior years as long as deemed necessary by System Agency to be in accordance with retention policies;
- l. Provide reporting capabilities to include querying and filtering of data and generation of ad-hoc and standard reports as specified by System Agency;
- m. Provide regular lists of administrative user and system security statistics reports;
- n. Provide report generation capabilities at both the entity level and at the State administrator level in formats specified by System Agency; and
- o. Allow for the import of data into the cost reports as specified by System Agency through the use of standard templates the user may download at will.

Contractor is not required to perform desk reviews. STAIRS will facilitate the calculation of cost settlements, provide notifications to providers of the settlement amounts along with a detailed report of adjustments made by System Agency to reported data as discussed above.

Contractor will provide to System Agency an irrevocable, perpetual license for all software required for System Agency and end-users to use and operate all applications. System Agency will be granted a license by the Contractor to have system access to all data reported by System Agency providers and processed by System Agency during the contract period. This license would extend perpetually beyond the end of the contract.

2.1.3 RMTS

Contractor will provide a web-based RMTS application for at least four programs including MAC. Current programs include:

- a. Early Childhood Intervention;
- b. Independent School Districts;
- c. Local Health Districts; and
- d. Mental Health/Individuals with an Intellectual and Developmental Disability.

The RMTS application will:

- a. Be based on federal quarterly reporting and processing cycle;
- b. Produce electronic RMTS moment notifications on System Agency specified intervals to notify participants of upcoming moments;
- c. Monitor compliance and issue follow-up notifications as specified by System Agency to ensure the sampled moment is completed;
- d. Employ a ‘Decision Tree’ methodology as specified by System Agency to assist sampled participants with entering their response;
- e. Provide an interactive online ability as specified by System Agency to be part of the system for System Agency to access and review moments and to identify/flag moments questioned for accuracy;
- f. Develop/Maintain a list of authorized persons each quarter from each provider type that participates in RMTS;
- g. Provide regular lists of administrative user and system security statistics reports;
- h. Provide interactive coordination with Contractor’s coding team to discuss and resolve questioned moments; and
- i. Generate the time study results in a format and timeframe as specified by System Agency.

All hardware, software, ongoing maintenance, and hosting will be as provided as a service and included in the response to this RFP. The System Agency will retain ownership of all data records and information recorded within the system (“Data”), as well as necessary information security oversight through compliance inspections, reviews, or system security or vulnerability risk assessments. At the end of the Contract, the Data will be provided in a usable format as designated by the System Agency.

Contractor is responsible for ensuring the system and applications are in compliance with the *Texas Time Study Implementation Guide for Direct Services and Medicaid Administrative Claiming*, *Texas System Agency Time Study and Medicaid Administrative Claiming Guide*, as well as all other pertinent Federal guidelines. The methodology and processes used must be consistent with the methodologies and approaches that have been approved for System Agency by the Centers for Medicare and Medicaid Services (“CMS”).

Contractor must provide at least three central coding staff that are responsible to:

- Assign an activity code for all sample moments in accordance with the Texas CMS approved Guide;
- Complete coding within System Agency specified timelines; and
- Coordinate with System Agency to resolve any coding issues identified by System Agency as a result of oversight monitoring.

Contractor must use a sampling process that is fully automated. The process must comply with the federal requirements for statistical validity and ensure its random moment sampling meets the federal reporting and documentation requirements and must be flexible enough to accommodate any sampling level required by CMS and selected by System Agency. In addition, the Contractor must be prepared to respond to and coordinate with any agency or external audit events and be responsible for rectifying any findings within a reasonable timeframe that meets the audit entities requirements.

Contractor must include in its sampling process a “seed” number which is needed to replicate the sampling process.

Although no program currently has more than two staff pools it is possible that more than two might be needed in future periods. Staff pool sizes vary by quarter with school districts being the largest with approximately 107,000 participants. The other three programs have approximately 5,000 or less.

The number of required moments for school districts must be constructed to achieve a confidence level of ninety-five percent (95%) with a precision level of +/- two percent (2%).

The number of required moments for the other three programs must be constructed to achieve a confidence level of ninety-five percent (95%) with a precision level of +/- two percent (2%).

The fee paid to the Contractor will not be based on the number of moments coded to any particular code nor on the federal revenue generated by the administrative claiming process or the direct medical services for the School Health and Related Services (“SHARS”) program.

Contractor will provide to System Agency an irrevocable, perpetual license for all software required for System Agency and end-users to use and operate all RMTS and MAC applications. System Agency will be granted a license by the Contractor to have system access to all data reported by System Agency providers and processed by System Agency during the contract period. This license would extend perpetually beyond the end of the contract.

System Agency will work with the Contractor to develop a transition plan as needed to move from the current Contractor. System Agency will work with the selected Contractor to determine the best method and procedure for transitioning all aspects and requirements of the contract.

2.1.4 Training

Training must be provided to System Agency staff as requested on hosting and operating all applications.

Training must be provided to all end-users on at least a quarterly basis for the MAC and RMTS programs. The frequency, duration, and content will be specified by System Agency.

Training must be provided to all end-users on at least an annual basis for the STAIRS cost reporting programs. The frequency, duration, and content will be specified by System Agency.

System Agency will identify the individuals required to participate in the trainings. Trainings may be conducted both face-to-face and via Webinar. System Agency will provide host locations for Webinars, and will be responsible for acquiring facilities for any face-to-face trainings.

There are approximately 175 trainings held annually. The training sessions are primarily conducted via Webinar. The total number of training hours provided is approximately 560 annually.

Contractor will be present on any web-based training and participate as specified by System Agency.

Contractor will be present at any face-to-face training and participate as specified by System Agency.

The trainings must be in compliance with the *Texas Time Study Implementation Guide for Direct Services and Medicaid Administrative Claiming*, *Texas HHSC Time Study and Medicaid Administrative Claiming Guide*, as well as all other pertinent State and Federal guidelines.

Contractor will provide to System Agency the unlimited use of a Webinar based training application such as GoToWebinar.

Training tracking must be incorporated within all applications that restricts access unless training requirements are met as specified by System Agency.

System must contain at a minimum a tracking of all training sessions provided, a list of all staff that attended and were given attendance credit, and a secure display viewable by each user that identifies the sessions they attended.

2.1.5 Telecommunications / Operations Decentralization and Redundancy

The Contractor must maintain a Customer Service Call Center (“Help Desk”). The Help Desk must provide live customer service between the hours of 7:30 a.m. to 6:00 p.m.

Central Time, Monday through Friday. The Contractor must have an ability to accept messages and emails 24 hours a day, 7 days a week.

The Contractor must establish a dedicated toll-free number for use by Texas stakeholders including System Agency and its contracted providers and participants. The Help Desk must utilize software that is supported by a redundant location that will remain in place in the case of telephone interruption. The Help Desk functions must be both decentralized and redundant to maintain business continuity in the event of system or communication outages. All telephonic communication with members of the Contractor's team and inbound call center communication must be redirected to wireless communications as needed.

Help Desk staff must be cross-trained to answer all process and Contractor's website questions.

Help Desk must use electronic call center software suite which allows it to manage and monitor call volume. The system must track inbound inquiries, including inbound phone number, date and time of call, if the call was picked up live, if the call entered the queue, if the call was abandoned. The system must also measure duration of call and how long a call was in the queue. The system should incorporate International Organization for Standardization Customer Contract Center standards 18295-1 and 18295-2. All of this data must be analyzed regularly by the Contractor to appropriately staff the Help Desk on trends and seasonality of call volume.

The current volume of support for all programs is approximately:

- Calls and emails at approximately 100 daily;
- Average call duration of approximately 5 to 10 minutes; and
- Approximately 85 percent of the calls occur between the hours of 6:00 a.m. and 6:00 p.m.

2.1.6 Development of Plans, Guides, and Documentation

Contractor will assist System Agency in developing plans and guides such as State Plan Amendments and Implementation Guides. Assistance will include but not be limited to, documentation preparation, participation in meetings, and providing any necessary follow-up in a timely manner.

All systems must be documented in a manner that is acceptable in form and substance to System Agency in its sole discretion and made available to System Agency as requested

2.1.7 Current System Requirements and Capacities

Contractor will be responsible for maintenance and support of all applications and programs. The contracted services must include web-based applications that combine an easy-to-use front-end user interface with back-end data security, redundancy and integrity protocols. The required system's website must be password protected to ensure user authentication and proper authorization to access information. All systems must meet the security requirements identified in **Exhibit H, Texas Health and Human Services Information Security and Privacy Requirements**.

User password reset requests must employ online security measures that validate the identity of the user before password is reset.

Contractor will provide security reports to System Agency containing content identified by System Agency and on the frequency identified by System Agency.

2.1.8 Overview:

The current System consists of three separate environments for shared usage. These are “production,” “staging,” and “development.” Each environment requires a web server, data server and file store. Environments also include a load balancer and/or a request proxy server. Deployments are mostly automated and controlled by a service on the system shared by the development environment.

Servers

- The system is designed with Linux.

Virtual Servers Required:

- During non-peak time, the entire system operates on three Amazon m4.xlarge and three m4.large servers. To handle the peak, the system is scaled up with nine more Amazon m4.xlarge servers. Due to system architecture and to handle volume, the servers require a spread of server architecture, as opposed to simply scaling up to fewer, larger servers.

Database Used:

- The system is designed using MongoDB.

Storage:

- For the production database and file servers, the amount of storage in use is currently over ½ terabyte;
- For the entire production system architecture support, the overall storage is over a terabyte;
- Database storage is currently 341 gigabytes (104 GB replicated across 3 servers plus 29 GB of local backups);
- Amazon S3 storage - 74.5 GB with unlimited capacity;
- Webserver storage - 98 GB (33 GB per server, 3 servers);
- Webserver capacity - 300 GB (100 GB, 3 servers); and
- Staging/training system requires 2 web servers and 3 database servers.

Data Storage:

- Currently consists of approximately 32,000 cost reports;
- Increases approximately 30% annually;
- After 93 percent compression, the back-ups use approximately 5 gigabytes.

Active Accounts:

- RMTS/MAC - 16,000; and
- STAIRS - 15,000.

Participants:

- RMTS/MAC - 112,000; and
- RMTS moments captured - 24,000 per year.

Web Sessions:

- RMTS/MAC - Supports 340,000 sessions per year; and
- STAIRS - 91,000 sessions per year.

Page Views:

- RMTS/MAC - 3,300,000 per year; and
- STAIRS - 2,100,000 per year.

Peak Support:

- RMTS/MAC - 1,600 users generate 2,500 web sessions per day with 37,000 page views; and
- STAIRS - 1,000 users generate 2,100 web sessions per day with 86,000 page views.

Infrastructure Support and Data Center Operations:

Texas Government Code, Chapter 2054, Subchapter L, Statewide Technology Centers, established the foundation of a shared technology infrastructure and directed the Department of Information Resources (“DIR”) to coordinate a statewide program to consolidate infrastructure services. Section 2054.391 requires state agencies included in the Data Center Services (“DCS”) Program to use such services, unless otherwise approved by the Executive Director and Governor.

DIR, in its capacity as Manager of the DCS Program, works with state agencies to promote the use of the services, and where applicable, to determine if an exemption to any component of the program is warranted.

System Agency expects prospective bidders to meet the intent of Texas Government Code, Chapter 2054, Subchapter L, Statewide Technology Centers by offering responses that utilize the Texas Data Center Services program for managing their solutions’ information technology infrastructure.

2.1.9 Responsibilities

Contractor resources are expected to perform validation work, including attending meetings and meeting onsite with project personnel at System Agency as needed, and must be available by phone and email during normal working hours.

The Contractor will designate a Contract Manager and Project Manager as the “Key Personnel” with which to communicate and coordinate with System Agency.

System Agency will designate a Contract Manager and Project Manager as the representatives for the contracted services. The System Agency Contract Manager will

coordinate with the System Agency Project Manager, System Agency Legal and Procurement staff, administrative staff, and Security staff, as needed, to resolve contractual issues.

The System Agency Contract Manager will receive, review, and coordinate the approval of any contract change requests, including amendments.

The System Agency Project Manager will oversee the day-to-day operations of all systems and will be the key point of contact for all operational issues.

The System Agency Project Manager will receive, and review the Weekly and Monthly Status Reports and accept it as a pre-requisite for invoice approval and payment for monthly services. The System Agency Project Manager will work with the Contractor to develop Weekly and Monthly Status report templates and processes for delivering the reports including standards for evaluating the accuracy and timeliness of the status reports and provisions for submitting late and/or corrected status reports to ensure invoice and payment processing in a timely manner

The System Agency Contract Manager in coordination with the HHCS Project Manager will receive, review, approve and pay all approved invoices.

System Agency will provide up to two (2) dedicated cubicle spaces, at a mutually agreeable location, for Contractor to use when onsite.

System Agency will provide specified members of Contractor's team, facility parking, access to System Agency facilities to attend meetings related to the Contract, and access to conference rooms to set up meetings required under the Contract, or other meetings for the Contractor's staff.

Contractor will provide their own computer equipment.

2.2 CONTRACT AWARD, TERM AND AMOUNT

2.2.1 Contract Award and Execution

The System Agency intends to award contracts for the STAIRS Financial and Statistical Reporting Services and the RMTS services to one or multiple Contractors as a result of this Solicitation. Any award is contingent upon approval of the Executive Commissioner or their designee.

If, for any reason, a final Contract cannot be executed with a Respondent selected for award within ninety (90) days of the System Agency's determination to seek to contract with that Respondent, the System Agency may negotiate a contract with the next highest scoring Respondent or may withdraw, modify, or partially award this Solicitation.

2.2.2 Contract Term

The System Agency anticipates that the initial duration of any Contract resulting from this Solicitation shall be for a period of one (1) year. The System Agency, at its sole option, may extend any Contract awarded pursuant to this Solicitation for up to four (4) additional years.

Following the base term and any allowable extensions, The System Agency may extend any resulting Contract for the purpose of completing a new procurement, and/or to transition to a new Contractor if necessary to avoid interruption in System Agency services.

2.3 NO GUARANTEE OF VOLUME, USAGE OR COMPENSATION

The System Agency makes no guarantee of volume, usage, or total compensation to be paid to any Respondent under any awarded Contract, if any, resulting from this Solicitation. Any awarded Contract is subject to appropriations and the continuing availability of funds.

The System Agency reserves the right to cancel, make partial award, or decline to award a Contract under this Solicitation at any time at its sole discretion.

ARTICLE 3. ADMINISTRATIVE INFORMATION

3.1 SCHEDULE OF EVENTS

EVENT	DATE/TIME
Solicitation Release Date	November 12, 2018
Pre-proposal Conference	November 29, 2018 @ 10:00 a.m.
Deadline for Submitting Questions	November 27, 2018 @ 5:00 PM Central Time
Deadline for submission of Solicitation Responses [NOTE: Responses must be <u>RECEIVED</u> by HHSC by the deadline.]	DECEMBER 12, 2018 AT 2:00 PM Central Time
Evaluation Period	JANUARY 4-18, 2019
Anticipated Notice of Award	MARCH 13, 2019
Anticipated Contract Start Date	JUNE 30, 2019

Note: These dates are a tentative schedule of events. The System Agency reserves the right to modify these dates at any time upon notice posted to the ESBD. Any dates listed after the Solicitation Response deadline will occur at the discretion of the System Agency and may occur earlier or later than scheduled without notification on the ESBD.

3.2 CHANGES, AMENDMENT OR MODIFICATION TO SOLICITATION

The System Agency reserves the right to change, amend or modify any provision of this Solicitation, or to withdraw this Solicitation at any time prior to award if it is in the best interest of the System Agency. Any such revisions will be posted such on the ESBD. It is

the responsibility of Respondent to periodically check the ESBD to ensure full compliance with the requirements of this Solicitation.

3.3 IRREGULARITIES

Any irregularities or lack of clarity in this Solicitation should be brought to the attention of the Point of Contact listed in Section 3.5.1 as soon as possible so corrective addenda may be furnished to prospective Respondents.

3.4 INFORMALITIES

The System Agency reserves the right to waive minor informalities in a Solicitation Response if it is in the best interest of the System Agency. A "minor informality" is an omission or error that, in the System Agency's determination if waived or modified when evaluating Solicitation Responses, would not give a Respondent an unfair advantage over other Respondents or result in a material change in the Solicitation Response or Solicitation requirements.

3.5 INQUIRIES

3.5.1 Point of Contact

All requests, questions or other communication about this Solicitation shall be made in writing to the System Agency's Purchasing Department, addressed to the person listed below. All communications between Respondents and other System Agency staff members concerning the Solicitation are strictly prohibited. **Failure to comply with these requirements may result in disqualification of Respondent's Solicitation Response.**

Name: Valerie Griffin
Title: Procurement Project Manager
Address: 1100 West 49th Street, Austin, TX 78756
Phone: 512-406-2458
Email: valerie.griffin@hhsc.state.tx.us

3.5.2 Prohibited Communication

On issuance of this Solicitation, except for the written inquiries described in Section 3.5.4 and 3.5.5 below, the System Agency, its representative(s), or partners will not answer any questions or otherwise discuss the contents of this Solicitation with any potential Respondent or their representative(s). Attempts to ask questions by phone or in person will not be allowed or recognized as valid. Respondent shall rely only on written statements issued by or through the System Agency's designated staff as provided by this section. This restriction does not preclude discussions between affected parties for the purposes of conducting business unrelated to this Solicitation. **Failure to comply with these requirements may result in disqualification of Respondent's Solicitation Response.**

3.5.3 Exception to the Point of Contact

The only exception to the single point of contact is the HUB Coordinator. Should Respondents have questions regarding proper completion of the HUB Subcontracting Plan, the HUB coordinator may be contacted at Cheryl.bradley@hhsc.state.tx.us.

3.5.4 Questions

The System Agency will allow written questions and requests for clarification of this Solicitation. Questions must be submitted in writing and sent by U.S. First class mail or email to the Point of Contact listed in section 3.5.1 above. Respondents' names will be removed from questions in any responses released. Questions shall be submitted in the following format. Submissions that deviate from this format may not be accepted:

- a. Identifying Solicitation number;
- b. Section number;
- c. Paragraph number;
- d. Page number;
- e. Text of passage being questioned; and
- f. Question.

Note: Questions or other written requests for clarification must be received by the Point of Contact by the deadline set forth in Section 3.5.1 above. Please provide company name, address, phone number; fax number, e-mail address, and name of contact person when submitting questions.

3.5.5 Clarification

Respondents must notify the Point of Contact of any ambiguity, conflict, discrepancy, exclusionary specifications, omission or other error in the Solicitation in the manner and by the deadline for submitting questions. If a Respondent fails to properly and timely notify the Point of Contact of such issues, the Respondent submits its Solicitation at its own risk, and if awarded a Contract: (i) shall have waived any claim of error or ambiguity in the Solicitation and any resulting Contract, (ii) shall not contest the interpretation by any System Agency of such provision(s), and (iii) shall not be entitled to additional compensation, relief, or time by reason of ambiguity, error, or later correction.

3.5.6 Responses

Responses to questions or other written requests for clarification will be posted on the ESBD. The System Agency reserves the right to amend answers prior to the deadline for submission of Solicitation Responses. Amended answers will be posted on the ESBD. It is Respondent's responsibility to check the ESBD. The System Agency also reserves the right to provide a single consolidated response of all similar questions in any manner at the System Agencies sole discretion.

3.5.7 Pre-proposal Conference

The System Agency will conduct an optional pre-proposal webinar conference on November 29 @ 10:00 a.m. Participants may attend the conference by either logging in or dialing in. The link, telephone number and Access Code are below:

Link: <https://global.gotowebinar.com/ojoin/5531177201176611329/394836118922520838>

+1 (631) 992-3221

Access Code: 798-590-267

Audio PIN: Shown after joining the webinar

3.6 SOLICITATION RESPONSE COMPOSITION

3.6.1 Response Submission

Respondent shall submit an original Proposal and Respondent Information and an original Cost Proposal marked "Original" on paper and one (1) digital copy of the Proposal and Respondent Information document in searchable portable document format PDF) on USB flash drives, compatible with Microsoft Office 2013. Respondent must also submit one (1) electronic copy of the Cost Proposal in Excel format with active formulas on a USB flash drive. The Original hard copy must include all required documents. Failure to submit all required documents in required format(s) may result in disqualification of the Solicitation Response without further consideration. A Respondent shall prepare a Solicitation Response that clearly and concisely represents its qualifications and capabilities under this Solicitation. Expensive bindings, colored displays, promotional materials, etc. are not necessary or desired. Respondent should focus on the instructions and requirements of the Solicitation.

The System Agency, in its sole discretion, may reject any and all proposals or portions thereof.

3.6.2 Submission in Separate Parts

Solicitation Responses must be submitted in separate parts:

- Proposal and Respondent Information;
- Cost Proposal; and
- HSP.

Paper documents (i.e. the original and all hard copies) must be separated by binding or separate packaging. Electronic submissions must be separated by electronic medium used for submission (i.e. flash drive).

The entire Solicitation Response—all separated paper documents and electronic copies—must then be submitted in one package to HHSC at the address listed in Section 3.7.

3.6.3 Page Limit and Supporting Documentation

The Narrative/ Technical Proposal should be formatted as follows: 8 1/2" x 11" paper, 12 pitch font size, and single-sided. If complete responses cannot be provided without referencing supporting documentation, such documentation must be provided with the Solicitation Response, with specific reference made to the tab, page, section, and/or paragraph where the supporting information can be found. The electronic copy must be organized with a file format that corresponds with the checklist provided in this RFP. The Narrative/Technical Proposal should not exceed fifty (50) pages.

3.6.4 Discrepancies

Discrepancies or disparities between the contents of original Solicitation Responses and copies will be interpreted in favor of the System Agency. If Respondent fails to designate

an "ORIGINAL," the System Agency may reject the Solicitation Response or select a copy to be used as the original.

3.6.5 Exceptions

System Agency will more favorably evaluate responses that offer no or few exceptions, reservations, or limitations to the terms and conditions of the Solicitation.

Respondents are highly encouraged, in lieu of including exceptions in their Solicitation Responses, to address all issues that might be advanced by way of exception by submitting such issues pursuant to Section 3.5.4. Any exception included in a Solicitation Response may result in a Respondent not being awarded a Contract. If a Respondent includes exceptions in its Solicitation Response, Respondent is required to use the Exceptions Form, **Exhibit E**, included and provide all information requested on the form (Solicitation Section Number, Solicitation Section Title, Language to which Exception is Taken, Proposed Language, and Statement as to whether or not, by indicating only "yes" or "no," Respondent still wants to be considered for a Contract award if the exception is denied). Any exception that does not provide all required information without qualification in the format set forth may be rejected without consideration.

No exception, nor any other term, condition, or provision in a Solicitation response that differs, varies from or contradicts this solicitation will be considered to be part of any Contract resulting from this Solicitation unless expressly made a part of the Contract in writing by the System Agency.

A Solicitation Response should be responsive to the Solicitation as worded, not with any assumption that any or all terms, conditions, or provisions of the Solicitation will be negotiated. Furthermore, all Solicitation Responses constitute binding offers. **Any Solicitation Response to this Solicitation that includes any type of disclaimer or other statement indicating that the response does not constitute a binding offer may be disqualified.**

3.6.6 Assumptions

Respondent must identify on the Exceptions Form, **Exhibit E**, any business, economic, legal, programmatic, or practical assumptions that underlie the Respondent's response to the Solicitation. The System Agency reserves the right to accept or reject any assumptions. All assumptions not expressly identified and incorporated into any Contract resulting from this RFP are deemed rejected by the System Agency.

3.7 SOLICITATION RESPONSE SUBMISSION AND DELIVERY

3.7.1 Deadline

Solicitation Responses must be received at the address in Section 3.7.3 time-stamped by the System Agency no later than the date and time specified in Section 3.1

3.7.2 Labeling

Solicitation Responses shall be placed in a sealed box and clearly labeled as follows:

SOLICITATION NO: RFP No. HHS0000855

SOLICITATION NAME: RFP Name: STAIRS
 SOLICITATION RESPONSE DEADLINE: December 12, 2018
 RESPONDENT'S NAME:
 PURCHASER'S NAME: Valerie Griffin

The System Agency will not be held responsible for any Solicitation Response that is mishandled prior to receipt by the System Agency. It is Respondent's responsibility to mark appropriately and deliver the Solicitation Response to the System Agency by the specified date and time.

3.7.3 Delivery

Respondent must deliver Solicitation Responses by one of the methods below. Solicitation Responses submitted by any other method (e.g. facsimile, telephone, email) will NOT be considered.

U.S. Postal Service	Overnight/Express Mail	Hand Delivery
Health & Human Services PCS Services Building Attn: Valerie Griffin 1100 W 49 th St., MC:2020 Austin, TX 78756	Health & Human Services PCS Services Building Attn: Valerie Griffin 1100 W 49 th St., MC:2020 Austin, TX 78756	Health & Human Services PCS Services Building Attn: Valerie Griffin 1100 W 49 th St., MC:2020 Austin, TX 78756

NOTE: All Solicitation Responses become the property of System Agency after submission and will not be returned to Respondent.

3.7.4 Alterations, Modifications, and Withdrawals

Prior to the Solicitation Response submission deadline, a Respondent may: (i) withdraw its Solicitation Response by submitting a written request to the Point of Contact identified in Section 3.5.1; or (ii) modify its Solicitation Response by submitting a written amendment to the Point of Contact identified in Section 3.5.1. The System Agency may request Solicitation Response Modifications at any time.

ARTICLE 4. SOLICITATION RESPONSE EVALUATION AND AWARD PROCESS

4.1 EVALUATION CRITERIA

4.1.1 Conformance with State Law

Solicitation Responses shall be evaluated in accordance with Subsection 2155.144(d) of the Texas Government Code. The System Agency shall not be obligated to accept the lowest priced Solicitation Response, but shall make an award to the Respondent that provides the best value to the State of Texas.

4.1.2 Minimum Qualifications

Respondents must meet the minimum qualifications listed below. Furthermore, Solicitation Responses that appear unrealistic in terms of technical commitment, that show a lack of technical competence, or that indicate a failure to comprehend the risk and complexity of a potential Contract may be rejected, in the sole discretion of the System Agency.

4.1.2.1 Minimum Qualifications - STAIRS Financial and Statistical Reporting Services

- a. Respondents shall have a minimum of five (5) years demonstrated experience in the services identified and described in Sections 2.1 and 2.1.2 of this RFP;
- b. Respondents must have recently been in business for a minimum of ten (10) years, or the principals/owners must have had ten (10) years of ownership/executive management experience in a previous company that provided services identified and described in Sections 2.1 and 2.1.2 of this RFP;
- c. Respondents must be financially solvent and adequately capitalized; and
- d. Respondents must be authorized to do business in the State of Texas.

4.1.2.2 Minimum Qualifications - RMTS

- a. Respondents shall have a minimum of five (5) years demonstrated experience in the services identified and described in Sections 2.1 and 2.1.3 of this RFP;
- b. Respondents must have recently been in business for a minimum of ten (10) years, or the principals/owners must have had ten (10) years of ownership/executive management experience in a previous company that provided services identified and described in Sections 2.1 and 2.1.3 of this RFP;
- c. Respondents must be financially solvent and adequately capitalized; and
- d. Respondents must be authorized to do business in the State of Texas.

4.1.3 Specific Criteria

Solicitation Responses for either the STAIRS Statistical and Financial Reporting Services (Section 2.1.2) or RMTS Services (Section 2.1.3) or both shall be consistently evaluated and scored in accordance with the following criteria. *See also **Exhibit I, Evaluation Tool.***

- A. Narrative Proposal (Section 5.1) - 20% - The extent to which the goods and services meet or exceed HHSC's needs, including:
 1. How well does the respondent demonstrate an understanding of the System Agency's goals and objectives for the solicitation with their high-level overview of their approach to meeting the requirements contained in Article 2;
 2. The extent to which the Respondent has experience working on State of Texas projects or projects similar to this solicitation;
 3. The quality of the Respondent's processes and methodologies proposed to provide all components of the Scope of Work described in Article 2;
 4. How completely the Respondent identifies all tasks to be performed, including project activities, materials, and other products services and

reports to be generated during the contract period and relates them to the purposes and specifications described in the solicitation;

5. How well the project plan addresses the Respondent's approach to integration between the STAIRS Financial and Statistical Reporting Services and RMTS components;
6. The quality, skills, and experience of the key staffing profiles and resumes for staff provided by the Respondent and how well they address the skills and experience required in the performance of the services requested in the solicitation;
7. The extent to which the Respondent provides staff with experience working on State of Texas projects or projects similar to this solicitation.

B. Technical Proposal (Section 5.2) - 40% - The extent to which the goods and services meet or exceed HHSC's needs, including:

1. How well the detailed description of the proposed technology architecture provided by the Respondent addresses the requirements of this solicitation including providing such deliverables like diagrams or schematics that detail the relationship between key technical components;
2. The extent to which the Respondent has developed architecture deliverables for similar projects;
3. How well the Respondent's approach to providing a highly available system addresses the delivery of a cost-effective, high-availability environment that minimizes the frequency and impact of system failures while reducing downtime and minimizing recovery time from catastrophic failures;
4. How comprehensive is the Respondent's approach to monitoring system performance and use and planning, sizing and controlling the system as capacity needs change and has the Respondent developed highly available systems for similar projects;
5. How well the Respondent's proposed server topology, specifications for hardware components, and data storage components address the requirements of the solicitation;
6. The extent to which the Respondent demonstrates the capability to integrate complex systems in previous service engagements;
7. How well the Respondent exhibits the ability to provide system support including any experience providing these services for State of Texas clients or for systems that are similar in scope and complexity;
8. The extent to which the Respondent addresses system security including security architecture, development and implementation measures that will provide security and protection for the system, proposed backup and recovery processing approach, and proposed virus protection strategy;
9. How well the Respondent's proposed methodology for monitoring and reporting system performance, as well as the respondent's proposed

approach to technology management addresses the requirements of this solicitation.

C. Cost Proposal (Article 7) - 40%

The System Agency, in accordance with Texas Government Code Section 2155.144(d), may consider all relevant factors in determining best value for each of the above criteria, including:

- (1) Any installation costs;
- (2) The delivery terms;
- (3) The quality and reliability of the Respondent's goods or services;
- (4) The extent to which the goods or services meet the agency's needs;
- (5) Indicators of probable performance under the Contract, such as past performance, the Respondent's financial resources and ability to perform, the Respondent's experience and responsibility, and the Respondent's ability to provide reliable maintenance agreements;
- (6) The impact on the ability of the agency to comply with laws and rules relating to historically underutilized businesses or relating to the procurement of goods and services from persons with disabilities;
- (7) The total long-term cost to the agency of acquiring the Respondent's goods or services;
- (8) The cost of any employee training associated with the acquisition;
- (9) The effect of an acquisition on agency productivity;
- (10) The acquisition price; and
- (11) Any other factor relevant to determining the best value for the agency in the context of a particular acquisition.

4.1.4 Other Information

System Agency may contact references provided in response to this Solicitation, contact Respondent's clients, or solicit information from any available source, including the Comptroller's Vendor Performance Tracking System.

4.2 INITIAL COMPLIANCE SCREENING

The System Agency will perform an initial screening of all Solicitation Responses received. Unsigned Solicitation Responses, and Solicitation Responses that do not meet Section 4.1.2 above and/or do not include all required forms and information may be subject to rejection without further evaluation.

4.3 COMPETITIVE RANGE AND BEST AND FINAL OFFER

The System Agency may determine that certain Solicitation Responses are within the competitive range, and may use this range to award multiple Contracts or as a basis to request a Best and Final Offer ("BAFO") from Respondents. If the System Agency elects to limit award consideration to a competitive range, the competitive range will consist of the Solicitation Responses that receive the highest or most satisfactory ratings, based on the published evaluation criteria and procedures governing this procurement. The System Agency, in the interest of administrative efficiency, may place reasonable limits on the number of Solicitation Responses that will be included in the competitive range.

The System Agency may, at its discretion request that any or all Respondents provide a BAFO. A request for a BAFO from a System Agency does not guarantee an award or further negotiations.

4.4 ORAL PRESENTATIONS AND SITE VISITS

The System Agency may require an oral presentation from any or all Respondents. Respondents will be provided with advance notice of any such oral presentation and are responsible for their own presentation equipment. Failure to participate in the requested presentation may eliminate a Respondent from further consideration. The System Agency is not responsible for any costs incurred by the Respondent in preparation for any oral presentation.

The System Agency may require site visits from any or all Respondents. The System Agency will notify selected Respondents of the time and location of site visits. Failure to permit or participate in the requested site visit may eliminate a Respondent from further consideration. The System Agency is not responsible for any costs incurred by the Respondent in preparation for any site visit.

4.5 QUESTIONS OR REQUESTS FOR CLARIFICATION BY THE SYSTEM AGENCY

The System Agency reserves the right to ask questions or request clarification from any Respondent at any time during the Solicitation process, including during oral presentations, site visits, or during the BAFO process.

ARTICLE 5. NARRATIVE/TECHNICAL PROPOSAL

5.1 NARRATIVE PROPOSAL

In an effort to allow more flexibility for prospective vendors and greater value to the State of Texas, the System Agency will allow Respondents, for this solicitation, to bid on the financial and statistical reporting services portion including the related MAC services (Section 2.1.2) or the RMTS services portion including the related MAC services (Section 2.1.3) or both portions. See [Article 9. Submissions Checklist](#) for instructions on how to build your bid package based on which services for which you plan to respond.

5.1.1 Executive Summary

Provide a high-level overview of the Respondent's approach to meeting the requirements contained in Article 2. The summary must demonstrate an understanding of the System Agency's goals and objectives for this Solicitation.

5.1.2 Project Work Plan

Describe the Respondent's proposed processes and methodologies for providing all components of the Scope of Work described in Article 2, including the Respondent's approach to meeting the Project schedule. Respondent should identify all tasks to be

performed, including all project activities, materials and other products services and reports to be generated during the Contract period and relate them to the stated purposes and specifications described in this Solicitation. Ensure the project plan addresses the Respondent's approach to integration between the STAIRS Financial and Statistical Reporting Services and RMTS components.

5.1.3 Key Staffing Profile

Respondent must provide a key staffing profile and resumes for staff that will be responsible for the performance of the services requested under this Solicitation.

5.2 TECHNICAL PROPOSAL

Respondent must provide a detailed description of the proposed technical solution, which must support all business activities and requirements described in this RFP. The Technical Proposal must reflect a clear understanding of the nature of the work undertaken, and must include a detailed description of the proposed system(s).

The Technical Proposal must include a description of the following system components, at a minimum:

5.2.1 Technology Architecture

Provide a detailed description of the proposed technology architecture and include one or more diagrams that detail the relationships between key technical components.

5.2.2 System Availability and Capacity

The Respondent is responsible for delivering a cost-effective, high-availability environment that minimizes the frequency and impact of system failures, reduces downtime, and minimizes recovery time in the event of catastrophic failure. In this section, provide details on the Respondent's approach to providing a highly available system. In addition, provide details on the proposed approach to monitoring system performance and use and planning, sizing and controlling the system as capacity needs change.

5.2.3 Software and Hardware Components

Provide details on the software and hardware components the Respondent proposes to use in its system. This includes, but is not limited to, the proposed server topology, specifications for the hardware components, and data storage components. The Respondent should also include details on the tools and utilities used to design, build, test, deploy, report, monitor, and operate the system and its components.

5.2.4 System Integration

Describe the Respondent's approach to integrating the proposed system with other information systems.

5.2.5 System Administration, Support, and Maintenance

Detail the Respondent's approach to administering the system and system components. Detail the proposed approach to system support, including the levels of support offered and the process for requesting support. In addition, provide a summary of the Respondent's

proposed strategy for maintaining and repairing the system. Respondent should detail their approach to ensure their change process is flexible enough to handle the implementation of additional program types (like Managed Care Organization (MCO) contracts) with minimal financial and milestone constraints.

5.2.6 System Security and Disaster Recovery

Detail on the Respondent's approach to security architecture, including the development and implementation measures that will provide security and protection for the system. Describe the proposed backup and recovery processing approach, and proposed virus protection strategy. Describe the Respondent's general approach to reestablishing operations in the event of a catastrophe, as well as its approach to providing System Agency with a disaster recovery plan. Provide specifications on any hardware and software components utilized by the proposed security and disaster recovery solutions.

In accordance with 1 Texas Administrative Code § 202.26, State agencies are required to define mandatory security controls. *See* the attached Texas HHS Information Security and Privacy Requirements document, which is attached hereto as **Exhibit H**, for a detailed list of requirements.

5.2.7 Performance Monitoring and Management

Describe the Respondent's proposed methodology for monitoring and reporting system performance, as well as the Respondent's proposed approach to technology management. This includes the methods for centrally managing system resources such as servers, backup, archiving, and recovery equipment, databases and applications. Address methods for auditing, tracing and scanning the system. Provide details on the use of specialized tools the Respondent will use to automate and track monitoring and management activities.

ARTICLE 6. REQUIRED RESPONDENT INFORMATION

6.1 COMPANY INFORMATION

Respondent must provide satisfactory evidence of its ability to manage and coordinate the types of activities described in this Solicitation and to produce the specified goods or services on time. As a part of the Solicitation Response requested in Article 3, Respondent must provide the following information:

6.1.1 Company Narrative

Provide a detailed narrative explaining why Respondent is qualified to provide the services enumerated in Article 2, focusing on its company's key strengths and competitive advantages.

6.1.2 Company Profile

Provide a company profile to include:

- a. The company ownership structure (corporation, partnership, LLC, or sole proprietorship), including any wholly-owned subsidiaries, affiliated companies, or joint ventures. *(Please provide this information in a narrative and as a graphical representation)* If Respondent is an affiliate of, or has a joint venture or strategic alliance with, another company, Respondent must identify the percentage of ownership and the percentage of the parent's ownership. The entity performing the majority of the Work under a Contract, throughout the duration of the Contract, must be the primary bidder. Finally, please provide your proposed operating structure for the services requested under this Solicitation and which entities (i.e. parent company, affiliate, joint venture, subcontractor) will be performing them;
- b. The year the company was founded and/or incorporated. If incorporated, please indicate the state where the company is incorporated and the date of incorporation;
- c. The location of company headquarters and any field office(s) that may provide services for any resulting Contract under this Solicitation;
- d. The number of employees in the company, both locally and nationally, and the location(s) from which employees will be assigned;
- e. The name, address, and telephone number of Respondent's point of contact for any resulting Contract under this Solicitation; and
- f. Indicate whether the company has ever been engaged under a contract by any Texas state agency. If "Yes," specify when, for what duties, and for which agency.

Note: If Respondent is an out-of-state company, a Certificate of Authority from the Secretary of State to do business in Texas must be provided.

6.2 REFERENCES

Respondent shall provide a minimum of three (3) references from similar contracts or projects performed, preferably for state and/or local government, within the last five (5) years. Respondent must verify current contracts. Information provided shall include:

- Client name;
- Contract/project description;
- Total dollar amount of contract/project;
- Key staff assigned to the referenced contract/project that will be designated for work under this Solicitation; and
- Client contract/project manager name, telephone number, fax number and email address.

6.3 MAJOR SUBCONTRACTOR INFORMATION

Respondent must identify any major subcontractors whom Respondent intends to utilize in performing fifteen percent (15%) or more of any Contract. Respondent must indicate

whether or not Respondent holds any financial interest in any major subcontractor. It may be required as a condition of award that an authorized officer or agent of each proposed major subcontractor sign a statement to the effect that the subcontractor has read, and will agree to abide by, Respondent's obligations under any contract awarded pursuant to this Solicitation.

6.4 LITIGATION AND CONTRACT HISTORY

Respondent must include in its Solicitation Response a complete disclosure of any alleged or significant contractual failures. In addition, Respondent must disclose any civil or criminal litigation or investigation over the last five (5) years that involves Respondent or in which Respondent has been judged guilty or liable including any allegations of such that are currently pending.

Respondent must also disclose any settlement agreements entered into in the last five (5) years related to alleged contractual failures. Failure to comply with the terms of this provision may disqualify Respondent. Solicitation Response may be rejected based upon Respondent's prior history with the State of Texas or with any other party that demonstrates, without limitation, unsatisfactory performance, adversarial or contentious demeanor, or significant failure(s) to meet contractual obligations.

Failure to comply with the terms of this provision may disqualify Respondent. Solicitation Response may be rejected based upon Respondent's prior history with the State of Texas or with any other party that demonstrates, without limitation, unsatisfactory performance, adversarial or contentious demeanor, or significant failure(s) to meet contractual obligations.

6.5 CONFLICTS

Respondent must certify that it does not have any personal or business interests that present a conflict of interest with respect to the RFP and any resulting Contract. Additionally, if applicable, the Respondent must disclose all potential conflicts of interest. The Respondent must describe the measures it will take to ensure that there will be no actual conflict of interest and that its fairness, independence and objectivity will be maintained. The System Agency will determine to what extent, if any, a potential conflict of interest can be mitigated and managed during the term of the Contract. Failure to identify actual and potential conflicts of interest may result in disqualification of a Solicitation Response or termination of a Contract.

Please include any activities of affiliated or parent organizations and individuals who may be assigned to this Contract, if any.

Additionally, pursuant to Section 2252.908 of the Texas Government Code, a successful Respondent awarded a Contract greater than \$1 million dollars must submit a disclosure of interested parties to the System Agency at the time the business entity submits the signed Contract. Rules and filing instructions may be found on the Texas Ethics Commission's public website and additional instructions will be given by System Agency to successful Respondents.

6.6 AFFIRMATIONS AND REQUIRED FORMS

In addition to the other items identified in Article 9, Respondent must complete and return the following listed forms:

- a. **Exhibit A, Affirmations and Solicitation Acceptance;** and
- b. **Exhibit F, Federal Assurances.**

The required forms are located in Article 9, Submission Checklist, List of Exhibits. System Agency encourages Respondents to carefully review these forms and submit questions regarding their completion prior to the deadline for submitting questions in Section 3.1 Schedule of Events.

6.7 HUB

HISTORICALLY UNDERUTILIZED BUSINESS PARTICIPATION

6.7.1 Hub Subcontracting Plan

It is the policy of the Health and Human Services' (HHS) HUB Program Office to include the HUB Subcontracting Plan (HSP), when subcontracting opportunities are probable and a contract has an expected value of \$100,000 or more over and the HSP is applicable for the life of the contract, which will also be applicable to any subsequent amendments and renewals after award of the contract as related to the original HSP.

In addition to, and in accordance with, Texas Administrative Code Title 34, Part 1, Chapter 20, Subchapter D, §20.285, when the contractor is selected and decides to subcontract any part of the contract after the award, as a provision of the contract, the contractor must comply with the HSP provisions relating to developing and submitting a revised HSP before any modifications or performance in the awarded contract involving subcontracting can be authorized by the state agency.

HHS has determined that subcontracting opportunities are probable for this RFP. As a result, the Respondent must submit an HSP with its proposal. The HSP is required whether a Respondent intends to subcontract or not.

In accordance with Texas Government Code Chapter 2161, Subchapter F, § 2161.252(b) a proposal that does not contain an HSP is non-responsive; and in accordance with Texas Administrative Code, Title 34, § 20.285(b)(3) Responses that do not include a completed HSP in accordance with this subsection shall be rejected without further evaluation. In addition, if HHS determines that the HSP was not developed in good faith, it will reject the proposal for failing to comply with material RFP specifications.

6.7.2 Introduction

The sole point of contact for HUB inquires:

Texas Health and Human Services Commission
Cheryl Bradley, HUB Coordinator
Phone: (512) 406-2529
E-mail: cheryl.bradley@hhsc.state.tx.us

HHS is committed to promoting full and equal business opportunities for businesses in state contracting in accordance with the goals specified in the State of Texas Disparity Study. HHS encourages the use of Historically Underutilized Businesses (HUBs) through race, ethnic and gender-neutral means. HHS has adopted administrative rules relating to HUBs and a Policy on the Utilization of HUBs which is located on HHS's website.

Pursuant to Texas Government Code §§ [2161.181](#) and [2161.182](#) and HHS's HUB policy and rules, HHS is required to make a good faith effort to increase HUB participation in its contracts. HHS may accomplish the goal of increased HUB participation by contracting directly with HUBs or indirectly through subcontracting opportunities.

6.7.3 Administrative Rules

HHS has adopted the CPA's HUB rules as its own. The CPA rules are located in Texas Administrative Code Title 34, Part 1, Chapter 20, Subchapter D, Division 1. If there are any discrepancies between the CPA's administrative rules and this RFP, the rules shall take priority.

6.7.4 Statewide Annual HUB Utilization Goal

The CPA has established **statewide annual HUB utilization goals** for different categories of contracts in 34 Texas Administrative Code [§ 20.284](#). In order to meet or exceed the **statewide annual HUB utilization goals**, HHS encourages outreach to certified HUBs. Contractors shall make a good faith effort to include certified HUBs in the procurement process.

This procurement is classified as an **Other Services Contract** procurement under the CPA rule and therefore has a **statewide annual HUB utilization goal** of **26.0%** per fiscal year.

6.7.5 Required HUB Subcontracting Plan

Respondent must submit one (1) copy of the HSP, in accordance with the RFP, in a separate sealed envelope, with the RFP submission, labeled: "HUB Subcontracting Plan (HSP)." Respondent must also submit one (1) electronic copy of the HSP and supporting documentation in Adobe PDF on a USB flash drive.

In the HSP, a Respondent must indicate whether it is a Texas certified HUB. Being a certified HUB does not exempt a Respondent from completing the HSP requirement.

HHS shall review the documentation submitted by the Respondent to determine if a good faith effort has been made in accordance with Solicitation and HSP requirements. During

the good faith effort evaluation, HHS may, at its discretion, allow revisions necessary to clarify and enhance information submitted in the original HSP.

If HHS determines that the Respondent's HSP was not developed in good faith, the HSP will be considered non-responsive and will be rejected as a material failure to comply with advertised specifications. The reasons for rejection shall be recorded in the procurement file.

6.7.6 CPA Centralized Master Bidders List HUB Directory

Respondents may search for HUB subcontractors in the CPA's Centralized Master Bidders List (CMBL) HUB Directory, which is located on the CPA's website at <https://mycpa.cpa.state.tx.us/tpasscmlsearch/tpasscmlsearch.do>. For this procurement, HHS has identified the following class and item codes for potential subcontracting opportunities:

National Institute of Governmental Purchasing (NIGP) Class/Item Code(s):

- 920-40 Computer Programming Services
- 915-20 Call Center Services

Respondents are not required to use, nor limited to using, the class and item codes identified above, and may identify other areas for subcontracting.

HHS does not endorse, recommend nor attest to the capabilities of any company or individual listed on the CPA's CMBL. The list of certified HUBs is subject to change, so Respondents are encouraged to refer to the CMBL often to find the most current listing of HUBs.

6.7.7 HUB Subcontracting Procedures – If a Respondent Intends to Subcontract

An HSP must demonstrate that the Respondent made a good faith effort to comply with HHS's HUB policies and procedures. The following subparts outline the items that HHS will review in determining whether an HSP meets the good faith effort standard. A Respondent that intends to subcontract must complete the HSP to document its good faith efforts.

6.7.7.1 Identify Subcontracting Areas and Divide them into Reasonable Lots

A Respondent should first identify each area of the contract work it intends to subcontract. Then, to maximize HUB participation, it should divide the contract work into reasonable lots or portions, to the extent consistent with prudent industry practices.

6.7.7.2 Notify Potential HUB Subcontractors

The HSP must demonstrate that the Respondent made a good faith effort to subcontract with HUBs. The Respondent's good faith efforts shall be shown through utilization of all methods in conformance with the development and submission of the HSP and by complying with the following steps:

Divide the contract work into reasonable lots or portions to the extent consistent with prudent industry practices. The Respondent must determine which portions of work, including goods and services, will be subcontracted.

Use the appropriate method(s) to demonstrate good faith effort. The Respondent can use either method(s) 1, 2, 3, 4 or 5:

A. Method 1: Respondent Intends to Subcontract with only HUBs:

The Respondent must identify in the HSP the HUBs that will be utilized and submit written documentation that confirms 100% of all available subcontracting opportunities will be performed by one or more HUBs; **or**

B. Method 2: Respondent Intends to Subcontract with HUB Protégé(s):

The Respondent must identify in the HSP the HUB Protégé(s) that will be utilized and should:

- include a fully executed copy of the Mentor Protégé Agreement, which must be registered with the CPA prior to submission to HHS, and
- identify areas of the HSP that will be performed by the Protégé.

HHS will accept a Mentor Protégé Agreement that has been entered into by a Respondent (Mentor) and a certified HUB (Protégé) in accordance with Texas Government Code [§2161.065](#). When a Respondent proposes to subcontract with a Protégé(s), it does not need to provide notice to three (3) HUB vendors for that subcontracted area.

Participation in the Mentor Protégé Program, along with the submission of a Protégé as a subcontractor in an HSP, constitutes a good faith effort for the particular area subcontracted to the protégé; **or**

C. Method 3: Respondent Intends to Subcontract with HUBs and Non-HUBs (Meet or Exceed the Goal):

The Respondent must identify in the HSP and submit written documentation that one or more HUB subcontractors will be utilized and that the aggregate expected percentage of subcontracts with HUBs will meet or exceed the goal specified in this solicitation. When utilizing this method, only HUB subcontractors that have existing contracts with the

Respondent for five years or less may be used to comply with the good faith effort requirements.

When the aggregate expected percentage of subcontracts with HUBs meets or exceeds the goal specified in this solicitation, Respondents may also use non-HUB subcontractors; **or**

D. Method 4: Respondent Intends to Subcontract with HUBs and Non-HUBs (Does Not Meet or Exceed the Goal):

The Respondent must identify in the HSP and submit documentation regarding both of the following requirements:

Written notification to trade organizations or development centers that serve members of groups (e.g., Black Americans, Hispanic Americans, American Women, Asian Pacific Americans, Native Americans, and Veterans as defined by 38 U.S.C. Section 101(2)) to assist in identifying potential HUBs by disseminating subcontracting opportunities to their membership/participants of the subcontracting opportunities the Respondent intends to subcontract.

Respondents must give trade organizations and/ or development centers **at least seven (7) working days prior to submission of the Respondent's response for dissemination of the subcontracting opportunities to their members.** The date the notification is sent is day "zero" and does not count in the required seven (7) working days. A list of trade organizations and/or development centers is located on CPA's website under the [Minority and Women Organization Links](#).

Written notification to at least three (3) HUB businesses of the subcontracting opportunities that the Respondent intends to subcontract. The written notification must be sent to potential HUB subcontractors prior to submitting proposals and must include:

- a description of the scope of work to be subcontracted;
- information regarding the location to review project plans or specifications;
- information about bonding and insurance requirements;
- required qualifications and other contract requirements; and
- a description of how the subcontractor can contact the Respondent.

Respondents must give potential HUB subcontractors **at least seven (7) working days prior to submission of the Respondent's response.**

Respondents must also use the CMBL, the HUB Directory, and Internet resources when searching for HUB subcontractors. Respondents may rely on the services of contractor groups, local, state and federal business assistance offices, and other organizations that provide assistance in identifying qualified applicants for the HUB program.

E. Method 5: Respondent Does Not Intend to Subcontract

When the Respondent plans to complete all contract requirements with its own equipment, supplies, materials and/or employees, it is still required to complete an HSP.

The Respondent must complete the “Self-Performance Justification” portion of the HSP, and attest that it does not intend to subcontract for any goods or services, including the class and item codes identified under the CPA Centralized Master Bidders List. In addition, the Respondent must identify the sections of the proposal that describe how it will complete the Scope of Work using its own resources or provide a statement explaining how it will complete the Scope of Work using its own resources. The Respondent must agree to comply with the following if requested by HHS:

- provide evidence of sufficient Respondent staffing to meet the RFP requirements;
- provide monthly payroll records showing the Respondent staff fully dedicated to the contract;
- allow HHS to conduct an on-site review of company headquarters or work site where services are to be performed and,
- provide documentation proving employment of qualified personnel holding the necessary licenses and certificates required to perform the Scope of Work.

6.7.8 Written Justification of the Selection Process

HHS will make a determination if a good faith effort was made by the Respondent in the development of the required HSP. One or more of the methods identified in the previous sections may be applicable to the Respondent’s good faith efforts in developing and submission of the HSP. HHS may require the Respondent to submit additional documentation explaining how the Respondent made a good faith effort in accordance with the solicitation.

A Respondent must provide written justification of its selection process if it chooses a non-HUB subcontractor. The justification should demonstrate that the Respondent negotiated in good faith with qualified HUB bidders and did not reject qualified HUBs who were the best value responsive bidders+.

6.7.9 Post-award HSP Requirements

The HSP shall be reviewed and evaluated prior to contract award and, if accepted, the HSP will become a provision of the contract with the successful Respondent(s).

After contract award, HHS will coordinate a post-award meeting with the successful Respondent to discuss HSP reporting requirements. The contractor must maintain business

records documenting compliance with the HSP and must submit monthly subcontract reports to HHS by completing the HUB HSP Prime Contractor Progress Assessment Report.

This monthly report is required as a condition for payment to report to the agency the identity and the amount paid to all subcontractors. Note: the PAR does not have to be returned with Respondent's proposal.

As a condition of award, the Contractor is required to send notification to all selected subcontractors as identified in the accepted/approved HSP. In addition, a copy of the notification must be provided to the agency's Contract Manager and/or HUB Program Office within 10 days of the contract award.

During the term of the contract, if the parties in the contract amend the contract to include a change to the scope of work or add additional funding, HHS will evaluate to determine the probability of additional subcontracting opportunities. When applicable, the Contractor must submit an HSP change request for HHS review. The requirements for an HSP change request will be covered in the post-award meeting.

When making a change to an HSP, the Contractor will obtain prior written approval from HHS before making any changes to the HSP. Proposed changes must comply with the HUB Program good faith effort requirements relating to the development and submission of a HSP.

If the Contractor decides to subcontract any part of the contract after the award, it must follow the good faith effort procedures outlined in Section 6.7.7 of this RFP (e.g., divide work into reasonable lots, notify at least three (3) vendors per subcontracted area, provide written justification of the selection process, and/or participate in the Mentor Protégé Program).

For this reason, HHS encourages Respondents to identify, as part of their HSP, multiple subcontractors who are able to perform the work in each area the Respondent plans to subcontract. Selecting additional subcontractors may help the selected contractor make changes to its original HSP, when needed, and will allow HHS to approve any necessary changes expeditiously.

Failure to meet the HSP and post-award requirements will constitute a breach of contract and will be subject to remedial actions. HHS may also report noncompliance to the CPA in accordance with the provisions of the Vendor Performance and Debarment Program.

Submit one (1) copy of the HUB Subcontracting Plan (HSP), in accordance with the RFP, in a separate sealed envelope, with the RFP submission, labeled: HUB Subcontracting Plan (HSP), and include all supporting documentation in accordance with **Exhibit G** and the HSP. In addition submit one (1) electronic copy of the HSP on a portable media, such as a flash drive, compatible with Microsoft Office 2000.

ARTICLE 7. COST PROPOSAL

7.1 COST PROPOSAL

As noted above, cost information must not be included with the Respondent's Information and Business proposal. Respondent must submit a cost proposal for the services listed in Article 2, Scope of Work/Specifications. The cost proposal provided is for the goods and/or services as specified in this Solicitation and shall include all labor, materials, tools, supplies, equipment, and personnel, including but not limited to, travel expenses, associated costs and incidental costs necessary to provide the products and services according to the minimum specifications, requirements, provisions, terms, and conditions set forth in this RFP. Respondents must submit a cost offer and place it in a separate, sealed package, clearly marked with the Respondent's name, the RFP number, and the RFP submission date. Respondents must base their Cost Proposal on meeting the exact specifications listed in this RFP and Scope of Work described in Article 2. Respondents must separately identify cost-savings and cost-avoidance methods and measures, and the effect of such methods on the cost proposal and Scope of Work.

- a. If Respondents choose to bid on providing a solution for Section 2.1.2 STAIRS Statistical and Financial Reporting services only,

Respondent must submit one (1) electronic copy of the Cost Proposal for Section 2.1.2 STAIRS Statistical and Financial Reporting services in Excel format with active formulas on a USB flash drive.

- b. If Respondents choose to bid on providing a solution for Section 2.1.3 RMTS services only,

Respondent must submit one (1) electronic copy of the Cost Proposal for Section 2.1.3 Random Moment Time Studies services in Excel format with active formulas on a USB flash drive.

- c. If Respondents choose to bid on providing solutions for both Section 2.1.2 STAIRS Statistical and Financial Reporting services AND Section 2.1.3 RMTS services, then Respondent must submit the following:

- i. one (1) electronic copy of the Cost Proposal for Section 2.1.2 STAIRS Statistical and Financial Reporting services only in Excel format with active formulas on a USB flash drive; *and*
- ii. one (1) electronic copy of the Cost Proposal for Section 2.1.3 Random Moment Time Studies services only in Excel format with active formulas on a USB flash drive.

Respondent must submit one (1) electronic copy of the Cost Proposal with combined costs for both Section 2.1.2 STAIRS Statistical and Financial Reporting services AND Section 2.1.3 RMTS services in Excel format with active formulas on a USB flash drive. The Cost Proposal should clearly identify any offered savings or cost reductions for providing solutions for both services.

ARTICLE 8. GENERAL TERMS AND CONDITIONS

8.1 GENERAL CONDITIONS

8.1.1 AMENDMENT

The System Agency reserves the right to alter, amend or modify any provision of this Solicitation, or to withdraw this Solicitation, at any time prior to award, if it is in the best interest of the State.

8.1.2 OFFER PERIOD

Solicitation Responses shall be binding for a period of two hundred forty (240) days after the due date for submission of Solicitation Responses. Each Respondent may extend the time for which its Solicitation Response will be honored. Upon Contract execution, prices agreed upon by the Respondent(s) are an irrevocable offer for the term of the Contract and any Contract renewals or extension(s). No other costs, rates, or fees shall be payable to the Respondent unless expressly agreed upon in writing by the System Agency.

8.1.3 COSTS INCURRED

Respondents understand that issuance of this Solicitation in no way constitutes a commitment by any System Agency to award a Contract or to pay any costs incurred by a Respondent in the preparation of a response to this Solicitation. The System Agency is not liable for any costs incurred by a Respondent prior to issuance of or entering into a formal agreement, Contract, or purchase order. Costs of developing Solicitation Responses, preparing for or participating in oral presentations and site visits, or any other similar expenses incurred by a Respondent are entirely the responsibility of the Respondent, and will not be reimbursed in any manner by the State of Texas.

8.1.4 CONTRACT RESPONSIBILITY

The System Agency will look solely to Respondent for the performance of all contractual obligations that may result from an award based on this Solicitation. Respondent shall not be relieved of its obligations for any nonperformance by its subcontractors.

8.1.5 PUBLIC INFORMATION ACT

Solicitation Responses are subject to the Texas Public Information Act (PIA), Texas Government Code Chapter 552, and may be disclosed to the public upon request. Subject to the PIA, certain information may be protected from public release. Respondents who wish to protect specific portions of the Solicitation Response as proprietary or trade secret or other privileged information from public disclosure must clearly mark the specific information the Respondent claims is proprietary or trade secret or other privileged information. Information pertaining to the Solicitation will be withheld or released only in accordance with the PIA.

8.2 INSURANCE

8.2.1 REQUIRED COVERAGE

For the duration of any Contract resulting from this Solicitation, Respondent shall acquire insurance, bonds, or both, if applicable with financially sound and reputable independent insurers, in the type and amount customarily carried within the industry. Failure to maintain insurance coverage or acceptable alternative methods of insurance shall be deemed a breach of Contract.

8.2.2 ALTERNATIVE INSURABILITY

Notwithstanding the preceding, the System Agency reserves the right to consider reasonable alternative methods of insuring the Contract in lieu of the insurance policies customarily required. It will be the Respondent's responsibility to recommend to the System Agency alternative methods of insuring the Contract. Any alternatives proposed by Respondent should be accompanied by a detailed explanation regarding Respondent's inability to obtain the required insurance and/or bonds. The System Agency shall be the sole and final judge as to the adequacy of any substitute form of insurance coverage.

8.2.3 INVOICING

Vendor will provide an invoice to System Agency on a monthly basis. The invoice must be based on System Agency-accepted work completed during the preceding performance period, and at the agreed-upon price.

Each invoice submitted must identify the Purchase Order number and Contract number, and the time period that the invoiced work was performed. Payment shall be in accordance with the Texas Government Code Chapter 2251, also known as the Texas Prompt Payment Act.

Invoices shall be sent to:

Health and Human Services Commission
Rate Analysis Department, H-400
4900 North Lamar Blvd.
Austin, TX 78751
Phone: 512-730-7401
Fax: 512-730-7475
Email: RateAnalysisDept@hhsc.state.tx.us

Prior to any payment being made, System Agency must verify that the services being invoiced have been received and accepted by System Agency. If System Agency has only received and accepted a portion of the services for which it has been invoiced, it will only be obligated to pay the invoiced amount less the cost of the services that have not been received and accepted.

8.2.4 TURNOVER SERVICES

Vendor must provide for change to perform Turnover Services at the completion of the Contract term. The services may begin up sixteen (16) weeks prior to the Contract Term

End Date. The Vendor will be required to provide work products to System Agency or System Agency's designated representative and accomplish knowledge transfer. The Vendor will prepare a Turnover Report to document their efforts during this period. The Turnover Report will include an inventory of artifacts, including process documents, their status and location as a Work and/or Contract Artifact, and acceptance acknowledgment by both the Vendor and System Agency.

8.3 PROTEST

If a respondent wishes to file a protest they may do so in accordance with the rules published by System Agency in the 1 Texas Administrative Code Chapter 391, Subchapter D, Protests.

ARTICLE 9. SUBMISSION CHECKLIST

This checklist is provided for Respondent's convenience only and identifies documents are requested in this Solicitation.

Original Solicitation Response Package

The Solicitation Package must include the "Original" Solicitation Response in hard-copy consisting of three parts described in detail below, each under separate cover but packaged together and clearly labeled "Original" on each.

1. Proposal and Respondent Information

- a. Narrative Proposal (Section 5.1) _____
- b. Technical Proposal (Section 5.2) _____
- c. Company Information (Section 6.1) _____
- d. References (Section 6.2) _____
- e. Major Subcontractor Information (Section 6.3) _____
- f. Litigation and Contract History (Section 6.4) _____
- g. Conflicts (Section 6.5) _____
- h. Affirmations and Solicitation Acceptance, Certifications (Section 6.6) _____
- i. Exceptions [and Assumptions] (Sections 3.6.5 and 3.6.6) _____

2. Cost Proposal (Article 7) _____

- a. Cost Proposal - See Article 7 if bidding on both Sections 2.1.2 and 2.1.3

3. HUB Subcontracting Plan (Section 6.7 and Exhibit G) _____

Copies to be provided (all clearly labeled as "copy")

One (1) electronic copy of Proposal and Respondent Information in searchable PDF on an individual USB drive, compatible with Microsoft Office 2013 _____

One (1) electronic copy of HUB Subcontracting Plan in searchable PDF on an individual USB drive, compatible with Microsoft Office 2013 _____

One (1) or more electronic copies of Cost Proposal in Excel format with active formulas on an individual USB drive, compatible with Microsoft Office 2013. Number of copies will be dependent on which components the Respondent bids on. See Article 7 Cost Proposal for instructions. _____

LIST OF EXHIBITS:

EXHIBIT A - AFFIRMATIONS AND SOLICITATION ACCEPTANCE

EXHIBIT B - HHSC UNIFORM TERMS AND CONDITIONS – VENDOR, VERSION 2.15

EXHIBIT C - HHSC SPECIAL CONDITIONS

EXHIBIT D - DATA USE AGREEMENT

EXHIBIT E - EXCEPTIONS FORM

EXHIBIT F - FEDERAL ASSURANCES

EXHIBIT G - HUB - HSP

EXHIBIT H - TEXAS HEALTH AND HUMAN SERVICES INFORMATION SECURITY AND PRIVACY REQUIREMENTS

EXHIBIT I – EVALUATION TOOL










Applicable Exhibits	
Exhibit A - Affirmations and Solicitation Acceptance	 Exhibit A Affirmations and So
Exhibit B - HHSC Uniform Terms and Conditions – Vendor, Version 2.15	 HHS UTC.docx
Exhibit C - HHSC Special Conditions	 Exhibit C - HHSC Special Conditions.pd
Exhibit D - Data Use Agreement	 data-use-agreemen t.pdf
Exhibit E - Exceptions Form	 Exhibit E Exceptions Form CQC 10-30-201
Exhibit F - Federal Assurances	 Federal Assurances and Certifications.p
Exhibit G - HUB HSP	 Revised HSP and Quick Checklist 02_1

Exhibit H - Texas Health and Human Services Information Security and Privacy Requirements	 Exhibit H - Texas Health and Human Se
Exhibit I – Evaluation Tool	 STARS RFP Evaluation Tool - PD