

HHSC CONTRACT NO. HHS000932200001

The Texas Health and Human Services Commission (“HHSC” or “System Agency”), an administrative agency within the executive branch of the State of Texas, and Accenture State Healthcare Services LLC (“Contractor”), having its principal office at 323 Congress Avenue, Austin, Texas 78701, (each a “Party” and collectively the “Parties”), enter into the following agreement (“Contract”) for business operations and business integration services.

I. LEGAL AUTHORITY

This Contract is entered into pursuant to Section 2157.006(a)(2) of the Texas Government Code and Title 34 Texas Administrative Code Rule 20.391. Contractor was selected by HHSC as the successful respondent under HHSC’s Request for Offers No. HHS0009322 issued November 19, 2021.

II. DURATION

The Contract is effective on the date of the last Party to sign this agreement (“Effective Date”) and expires two (2) years and nine (9) months after the Effective Date (“Initial Term”), unless sooner terminated as provided in this Contract. HHSC, at its sole discretion, may extend the Contract up to three (3) additional one (1) year periods for a maximum Contract Term of five (5) years and nine (9) months.

Notwithstanding the limitation in the preceding paragraph and with at least ninety (90) calendar days’ advance written notice to Contractor, at the end of the Initial Term or any extension period, HHSC, at its sole discretion, may extend this Contract as necessary to ensure continuity of service, for purposes of transition, or as otherwise determined by HHSC to serve the best interest of the State for up to twelve (12) months, in one-month intervals, at the then-current contract rate or rates (if applicable) as modified during the Contract Term.

III. SERVICES

A. Service Description. The description of services to which Contractor is bound is included as

- HHSC Request for Offers No. HHS0009322 located in Attachment I (HHSC Request for Offers No. HHS0009322 and All RFO Addenda),
- Attachment J (Contractor’s Solicitation Response and Oral Presentation Submission), and
- Attachment K (Contractor’s Modifications to Solicitation Response).

Unless otherwise indicated, capitalized terms used herein but not otherwise defined shall have the respective meanings assigned to such terms in the documents set forth in Article IX (Contract Documents).

- B. Negotiated Terms and Conditions. To the extent there are negotiated terms and conditions as well as HHSC accepted exceptions and assumptions to HHSC Request for Offers No. HHS0009322, such terms and conditions are addressed in Article V (Supplemental Terms and Conditions), Article VI (Modifications to Section 2.1 (Description of Services) and Section 7.2 (Financial Approach – Business Terms) in HHSC Request for Offers No. HHS0009322), Attachment H (Insurance Requirements), Attachment K (Contractor’s Modifications to Solicitation Response), Attachment L (Final Pricing Workbook), or Attachment M (Fee Schedules).

IV. BUDGET

- A. The total amount payable by HHSC during the Initial Term will not exceed TWO HUNDRED FIFTY-FOUR MILLION, THREE HUNDRED TWENTY-TWO THOUSAND, THREE HUNDRED SEVENTY-EIGHT AND NO/100 DOLLARS (\$254,322,378.00). By executing this Contract, Contractor agrees to the contracted rates and budget for the Contract Term, including the Initial Term and all renewals and extensions exercised. However, by mutual agreement of the Parties as authorized under the Contract, the budget or contract amounts may be amended. All expenditures under the Contract will be in accordance with the fee schedules located in Attachment L (Final Pricing Workbook) and Attachment M (Fee Schedules).
- B. Attachment M (Fee Schedules), comprised of the following schedules, is a summarization of Attachment L (Final Pricing Workbook):
- M-01(a) Fixed Administrative Fees for Transition;
 - M-01(b) Fixed Administrative Fees for Transition by Program;
 - M-02(a) Fixed Administration & Operational Fees (Net of Pass-Through and Variable Fees);
 - M-02(b) Pass-Through Fees;
 - M-02(c) Total Fixed Administration & Operational Fees (Includes Pass-Through Fees);
 - M-03 Variable Administrative Unit Rates for Operations;
 - M-04 Contractor Rates (Periodic and Recurring Activity Rates - Operation & Technical Labor); and
 - M-05 Contingency Fees (Percentages) for Third-Party Resources Services (TPR).

V. SUPPLEMENTAL TERMS AND CONDITIONS

- A. General. All terms and conditions of Attachment B (Uniform Terms and Conditions) and Attachment D (Data Use Agreement) of this Contract remain unmodified except as provided in this Article V.

- B. HHSC Confidential Information Remains Within United States. The Contractor shall ensure that all Confidential Information, as defined in Attachment D (Data Use Agreement), including such information residing on back-up systems, remains within the United States. Confidential Information shall not be accessed by Contractor personnel located outside of the United States. Furthermore, Confidential Information may not be received, stored, processed, or disposed via information technology systems located outside of the United States.
- C. Copyright. Notwithstanding any copyright markings that Contractor may have placed on its Solicitation Response or Oral Presentation Submission, Contractor agrees that HHSC may reproduce and distribute copies of the Solicitation Response and Oral Presentation Submission to third parties without cost or liability in the ordinary course which includes, but is not limited to, postings to HHSC's public website, responses to requests received under the Texas Public Information Act in accordance with Chapter 552 of the Texas Government Code, and postings to the Texas Legislative Budget Board website in accordance with Section 322.020 of the Texas Government Code. Contractor's assertion of confidentiality regarding its Solicitation Response, Oral Presentation Submission, Contractor's Modifications to Solicitation Response, or Pricing Workbook is governed by Chapter 552 of the Texas Government Code.
- D. Representation by Counsel. Each Party represents that it has been represented by counsel in connection with the negotiation and execution of this Contract. The rule of construction that ambiguities are resolved against the drafting party shall not apply to this Contract.
- E. Electronic Signature. This Contract may be executed by using generally recognized e-signature technology (e.g., DocuSign or Adobe Sign), and such signature shall constitute an original signature with the same legal validity, enforceability, and admissibility as a manual handwritten signature affixed on paper.
- F. Section 9.2 (Termination for Convenience) of Attachment B (Uniform Terms and Conditions) is deleted and replaced with the following:

9.2 TERMINATION FOR CONVENIENCE

- A. 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 the System Agency's notice of termination.
- B. There is no buyout or termination fee due if System Agency terminates the Contract early; however, if System Agency terminates the Contract for convenience, the System Agency's sole and maximum obligation to Contractor shall be to pay for (i) previously authorized Services completed by the Contractor, through the date of termination, in

compliance with the requirements of the Contract, (ii) if termination occurs during the Transition Phase, then to pay Contractor's reasonable and substantiated costs directly attributable to the terminated Contract (not to exceed the unpaid balance of any Transition Phase fees owed) incurred in compliance with Clause C of this Section 9.2; and (iii) if termination occurs during the Operations Phase, then to pay Contractor any Demobilization Costs incurred in compliance with Clause C of this Section 9.2.

- C. If System Agency terminates the Contract for convenience, then Contractor shall be entitled to payment for reasonable and substantiated costs directly attributable to the terminated Contract, subject to Contractor's obligation to make all reasonable efforts to mitigate such costs. In no event shall any costs paid by System Agency to Contractor, following termination for convenience, include fees or costs related to Contractor's loss of expected revenue, savings, or profits.

For purposes of this Section 9.2, the term "Demobilization Costs" means the following categories of costs of Contractor resulting from System Agency's termination of the Contract for convenience:

- i. office lease termination fees and office build-out costs limited to the Initial Term of the Contract;
- ii. reasonable employee severance costs on a case-by-case basis; and
- iii. reasonable Subcontractor early termination fees.

Contractor shall develop a demobilization budget for System Agency's review and approval.

- G. Section 9.3 (Termination for Cause) of Attachment B (Uniform Terms and Conditions) is deleted and replaced with the following:

9.3 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:

i. Material Breach

The System Agency will have the right to terminate the Contract in whole or in part on thirty (30) calendar days' written notice if the System Agency determines, in its sole discretion, that Contractor has materially breached the Contract and the Contractor does not cure such breach within thirty (30) calendar days of receipt of notice, provided, however, the System Agency shall have the right to immediately terminate the Contract if the breach is (1) Contractor's failure 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, (2) Contractor's misrepresentation in any aspect

of Contractor's Solicitation Response, (3) Contractor's addition to the System for Award Management (SAM) exclusion list, (4) a breach that cannot be reasonably cured within thirty (30) calendar days e.g., Contractor's unauthorized dissemination of confidential information, or (5) a repeated or chronic breach of the Contract. For clarification, such cure period does not apply to application of any liquidated damages or service credits specified in the Contract.

ii. 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 Work, or otherwise fully perform its responsibilities under the Contract.

iii. Threat to Health and Safety

No provision in this Section 9.3 shall restrict the System Agency's right to exercise any remedy without restriction to address a serious threat to health and safety.

- H. Section 9.4 (Contractor's Responsibility for System Agency's Termination Costs) of Attachment B (Uniform Terms and Conditions) is deleted and replaced with the following:

9.4 CONTRACTOR RESPONSIBILITY FOR SYSTEM AGENCY'S TERMINATION COSTS

- A. If the System Agency terminates the Contract for cause, the Contractor shall 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 attributable to Contractor's failure to perform any Work in accordance with the terms of the Contract.
- B. Contractor agrees that any necessary obligations that by their nature cannot be completed prior to the termination date will survive the Contract and Contractor shall remain obligated to perform such obligations and Services to assure successful turnover to a subsequent service provider or the System Agency pursuant to the System Agency approved Turnover Plan. Following System Agency's termination of the Contract for cause, Contractor shall not invoice and System Agency shall not be responsible for payment for any additional costs incurred by Contractor for Turnover Services required by the Contract.

- I. Section 10.3 (Additional Indemnity Provisions) of Attachment B (Uniform Terms and Conditions) of the Contract is deleted and replaced with the following:

10.3 ADDITIONAL INDEMNITY PROVISIONS

- A. CONTRACTOR AND SYSTEM AGENCY AGREE TO FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY INDEMNITY CLAIM. CONTRACTOR SHALL BE LIABLE TO PAY ALL COSTS OF DEFENSE, INCLUDING ATTORNEYS' FEES.**
 - B. THE DEFENSE SHALL BE COORDINATED BY THE CONTRACTOR WITH THE OFFICE OF THE TEXAS ATTORNEY GENERAL WHEN TEXAS STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND CONTRACTOR MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM THE OFFICE OF THE TEXAS ATTORNEY GENERAL.**
 - C. CONTRACTOR SHALL REIMBURSE SYSTEM AGENCY AND THE STATE OF TEXAS FOR ANY CLAIMS, DAMAGES, COSTS, EXPENSES OR OTHER AMOUNTS, INCLUDING, BUT NOT LIMITED TO, ATTORNEYS' FEES AND COURT COSTS, ARISING FROM ANY SUCH CLAIM. IF THE SYSTEM AGENCY DETERMINES THAT A CONFLICT EXISTS BETWEEN ITS INTERESTS AND THOSE OF CONTRACTOR OR IF SYSTEM AGENCY IS REQUIRED BY APPLICABLE LAW TO SELECT SEPARATE COUNSEL, SYSTEM AGENCY WILL BE PERMITTED TO SELECT SEPARATE COUNSEL AND CONTRACTOR SHALL PAY ALL REASONABLE COSTS OF SYSTEM AGENCY'S COUNSEL.**
 - D. FOR THE AVOIDANCE OF DOUBT, CONTRACTOR'S INDEMNITY OBLIGATIONS DO NOT APPLY TO DIRECT CLAIMS ASSERTED BY SYSTEM AGENCY (AS DIFFERENTIATED FROM THIRD PARTY CLAIMS).**
- J. Section 11.1 (Amendment) of Attachment B (Uniform Terms and Conditions) of the Contract is deleted and replaced with the following:

11.1 AMENDMENT

The Contract may only be amended by an Amendment executed by authorized representatives of both Parties. For Minor Administrative Changes to the Contract, System Agency delegates signature authority to the System Agency Contract Manager to sign the amendment. For purposes of this Section 11.1, the term "Minor Administrative Change" refers to non-substantive changes to the terms of the Contract. For the avoidance of doubt, a contractual change that affects a material

obligation of the Contract including, but not limited to, pricing or contract duration, is not a Minor Administrative Change.

- K. Section 11.4 (Legal Obligations) of Attachment B (Uniform Terms and Conditions) is deleted and replaced with the following:

11.4 LEGAL OBLIGATIONS

- A. Contractor shall 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 shall be deemed to have knowledge of all applicable laws and regulations and be deemed to understand them.
- B. If Contractor has a reasonable good faith belief that System Agency's direction to Contractor to take action, or refrain from taking action, would violate applicable law or regulations, then Contractor's performance under the Contract will not constitute a breach of the Contract provided (i) Contractor provides the System Agency Contract Manager with written notice specifying in reasonable detail the basis of its reasonable good faith belief and (ii) the System Agency Contract Manager provides written notice to Contractor to perform as directed by System Agency. Contractor will provide recommendations to System Agency based on Contractor's experience and familiarity with System Agency programs.

Contractor shall not be relieved of liability under the Contract if (i) Contractor interprets an applicable law or regulation in a manner that is inconsistent with System Agency's direction and (ii) Contractor fails to comply with the requirements set forth in the immediately preceding paragraph.

For purposes of this Section 11.4, the term "System Agency's direction" means any written instruction, policy, or procedure of the System Agency. System Agency's direction may include the interpretation of laws applicable to System Agency programs.

- L. Article XI (General Provisions) of Attachment B (Uniform Terms and Conditions) is amended to add new Section 11.27 titled "Limitation of Liability" as follows:

11.27 LIMITATION OF LIABILITY

- A. General Limitation. TO THE EXTENT PERMISSIBLE UNDER THE TEXAS CONSTITUTION AND THE LAWS PROMULGATED THEREUNDER, CONTRACTOR, ITS SUBCONTRACTORS AND THEIR RESPECTIVE PERSONNEL SHALL NOT BE LIABLE TO SYSTEM AGENCY FOR ANY

CLAIMS, LIABILITIES OR ASSOCIATED EXPENSES RELATED TO THE CONTRACT ("CLAIMS"), IN EACH CONTRACT YEAR, IN AN AGGREGATE AMOUNT IN EXCESS OF THE GREATER OF EITHER (i) TWO HUNDRED FIFTY-FIVE MILLION AND NO/100 DOLLARS (\$255,000,000.00) OR (ii) ALL FEES PAID BY SYSTEM AGENCY TO CONTRACTOR IN THE TWENTY-FOUR (24) CALENDAR MONTHS IMMEDIATELY PRECEDING THE ACCRUAL OF THE CLAIM OR CAUSE OF ACTION. FOR THE AVOIDANCE OF DOUBT, THE LIMITATION OF LIABILITY WILL APPLY TO ALL CLAIMS FOR ANY MATTER RELATING TO OR ARISING FROM THE CONTRACT, WHETHER THE CLAIM IS BASED UPON AN ACTION OR CLAIM IN CONTRACT, WARRANTY, EQUITY, NEGLIGENCE, OR OTHERWISE (INCLUDING ANY ACTION OR CLAIM ARISING FROM THE ACTS OR OMISSIONS, NEGLIGENT OR OTHERWISE, OF THE LIABLE PARTY).

B. Exclusions from Limitation of Liability.

1. NOTWITHSTANDING ANY PROVISION OF THE CONTRACT TO THE CONTRARY, NO LIMITATION OF CONTRACTOR'S LIABILITY SHALL APPLY TO
 - (i) CLAIMS SUBJECT TO CONTRACTOR'S INDEMNIFICATION OBLIGATIONS OF THE CONTRACT EXCEPT AS PROVIDED IN CLAUSE 3;
 - (ii) CLAIMS RESULTING FROM CONTRACTOR'S OR SUBCONTRACTORS' RECKLESSNESS, BAD FAITH, OR INTENTIONAL MISCONDUCT;
 - (iii) CLAIMS INVOLVING PERSONAL INJURY OR DEATH;
 - (iv) CLAIMS INVOLVING PROPERTY DAMAGE;
 - (v) CLAIMS RESULTING FROM FRAUD;
 - (vi) REGULATORY FINES OR PENALTIES LAWFULLY ASSESSED AS A RESULT OF VIOLATIONS OF STATE OR FEDERAL LAW APPLICABLE TO THE CONTRACT INCLUDING, BUT NOT LIMITED TO, DISCLOSURES OF CONFIDENTIAL INFORMATION;
 - (vii) LIQUIDATED DAMAGES ASSESSED AGAINST CONTRACTOR FOR FAILURE TO MEET KEY PERFORMANCE MEASURES;
 - (viii) DISALLOWANCE BY THE UNITED STATES GOVERNMENT; OR

(ix) AMOUNTS DESCRIBED BY SECTION 11.28(C).

2. IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, SPECIAL OR PUNITIVE DAMAGE, LOSS OR EXPENSE EVEN IF IT HAS BEEN ADVISED OF THEIR POSSIBLE EXISTENCE.
3. CONTRACTOR'S INDEMNIFICATION OBLIGATION UNDER ATTACHMENT D (DATA USE AGREEMENT) TO THE CONTRACT IS SUBJECT TO SECTION 11.27(A) (GENERAL LIMITATION).

M. Article XI (General Provisions) of Attachment B (Uniform Terms and Conditions) is amended to add new Section 11.28 titled "Acknowledged Direct Damages" as follows:

11.28 ACKNOWLEDGED DIRECT DAMAGES

- A. For the avoidance of doubt, the following shall be considered direct damages, and neither Party shall assert that these damages are indirect, incidental, collateral, consequential or special damages, or lost profits, to the extent they result directly from Contractor's failure to perform in accordance with the Contract:
 - (i) costs and expenses for restoring or reloading any lost, stolen, or damaged System Agency Data;
 - (ii) costs and expenses of implementing any work-around in respect of a failure by Contractor to provide the Services or any part thereof;
 - (iii) costs and expenses of replacing lost, stolen, or damaged government property;
 - (iv) cover damages, including the costs and expenses incurred by System Agency to procure the Services or corrected Services from an alternate source than the Contractor;
 - (v) costs and expenses incurred to bring the Services in-house or in obtaining the same Services from an alternate source than the Contractor;
 - (vi) straight time, overtime or related expenses incurred by either Party in performing (i) through (v) of this Subsection A, including overhead allocations for employees, wages, and salaries of additional employees, travel expenses, overtime expenses, telecommunication charges, and similar charges;
 - (vii) fines, penalties, sanctions, interest or other monetary remedies incurred by System Agency as a result of the Contractor's failure to comply with applicable laws;

- (viii) any losses for which the Contractor is made explicitly liable under Attachment D (Data Use Agreement) of the Contract; and
 - (ix) liquidated damages assessed against Contractor for failure to meet Key Performance Measures.
- B. Subsection A is not intended to be an exhaustive list. The failure to include certain direct damages from the list in this Section 11.28 shall not be construed or interpreted as an agreement to exclude such damages as direct damages under the Contract.
- C. Without regard to the theory of liability or whether the action is in contract or tort, the following items are deemed direct damages and to the extent System Agency incurs such costs or expenses due to Contractor's breach of Attachment D (Data Use Agreement) of this Contract, Contractor shall pay or reimburse System Agency for:
 - (i) remediation efforts, including investigating the cause of the unauthorized disclosure (including any related forensic analysis), mitigating and correcting the unauthorized disclosure, and reasonably preventing any further similar incidents and causes thereof;
 - (ii) regulatory fines or penalties assessed against System Agency by a U.S. state or federal government entity;
 - (iii) notification to individuals whose personal data may have been disclosed;
 - (iv) twelve (12) consecutive months of credit monitoring services for such individuals; and
 - (v) a toll-free phone number where such individuals can learn if their information was impacted.
- N. Section 4.01 (Cooperation and Financial Responsibility) of Attachment D (Data Use Agreement) is deleted and replaced with the following:

Section 4.01. Cooperation and Financial Responsibility.

(A) Contractor shall, at Contractor's expense, proportionate to its degree of fault in causing a Breach, cooperate fully with HHS in investigating, mitigating to the extent practicable, and issuing notifications as directed by HHS, for any Breach of Confidential Information. Contractor's fault shall include fault for acts or omissions of its Subcontractors, Workforce, directors, officers and agents and shall include, without limitation, any Breach caused by such acts or omissions resulting in the exposure of Confidential Information, disabling of product, system or information resource, introduction of malicious code, intrusion of, or for other such acts or omissions resulting in unauthorized access by, an unauthorized party through a product, system or information

resource operated administered or controlled by Contractor.

(B) Contractor shall make Confidential Information in Contractor's possession available pursuant to the requirements of HIPAA or other applicable law upon a determination of a Breach.

(C) Contractor's obligation begins at the Discovery of a Breach and continues as long as related activity continues, until all effects of the Breach are mitigated to HHS's satisfaction (the "incident response period").

- O. Section 5.06 (Indemnification) of Attachment D (Data Use Agreement) is deleted and replaced with the following:

Section 5.06 Indemnification and Liability

(A) Contractor shall indemnify, defend and hold harmless HHS and its respective Executive Commissioner, employees, Subcontractors, agents (including other state agencies acting on behalf of HHS) or other members of HHS' Workforce (each of the foregoing hereinafter referred to as "Indemnified Party") against all actual and direct losses suffered by the Indemnified Party and all liability to third parties arising from or in connection with any breach of this DUA or from any acts or omissions related to this DUA by Contractor or its employees, directors, officers, Subcontractors, or agents or other members of Contractor's Workforce. The duty to indemnify, defend and hold harmless is independent of the duty to insure. Contractor's obligation to defend, indemnify and hold harmless any Indemnified Party will survive the expiration or termination of this DUA.

(B) Contractor shall pay all actual and direct losses, costs, expenses, liabilities, fines and penalties incurred by HHS and its Workforce arising from or in connection with any Breach of this DUA or from any acts or omissions related to this DUA by Contractor or its employees, directors, officers, Subcontractors, or agents or other members of its Workforce, including, but not limited to, the costs of investigation, required notices, mitigation of a Breach, credit monitoring, identity theft protection, reasonable attorneys' fees and any fines or penalties imposed on HHS by any regulatory authority, subject to the liability cap set forth in the Base Contract.

VI. MODIFICATIONS TO SECTION 2.1 (DESCRIPTION OF SERVICES) AND SECTION 7.2 (FINANCIAL APPROACH – BUSINESS TERMS) IN HHSC REQUEST FOR OFFERS NO. HHS0009322

- A. Section 2.1.2.2 (Operations) of HHSC Request for Offers No. HHS0009322 located in Attachment I (HHSC Request for Offers No. HHS0009322 and All RFO Addenda) is deleted and replaced with the following:

2.1.2.2 Operations

Operations means the Contract activities that begin immediately after Transition activities are completed and approved by HHSC and continue during any Contract extensions and Turnover activities. The Contractor must commence Operations on or before September 1, 2023. Operations does not commence until after (1) HHSC determines that the Contractor has successfully completed all Transition activities and (2) HHSC provides written notice to the Contractor to proceed with the commencement of Operations services.

- B. Section 2.1.4.1 (Project Management Services) of HHSC Request for Offers No. HHS0009322 located in Attachment I (HHSC Request for Offers No. HHS0009322 and All RFO Addenda) is amended by adding new Requirement ID No. BPM-51 to Table 1 (Project Management Requirements) as follows:

BPM-51	Process invoices accurately and appropriately and submit to HHSC for approval monthly by the fifteenth (15 th) day of the month for services rendered.
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- C. Section 2.1.4.1 (Project Management Services) of HHSC Request for Offers No. HHS0009322 located in Attachment I (HHSC Request for Offers No. HHS0009322 and All RFO Addenda) is amended by adding new Requirement ID No. BPM-52 to Table 1 (Project Management Requirements) as follows:

BPM-52	Provide a documented risk mitigation plan to HHSC within five (5) Business Days of risk identification for high or critical project risks. HHSC, after consulting with the Contractor, will determine the level of criticality of each project risk.
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- D. Table 2 (Project Management Key Performance Measures) in Section 2.1.4.1.1 (Project Management Key Performance Measures) of HHSC Request for Offers No. HHS0009322 located in Attachment I (HHSC Request for Offers No. HHS0009322 and All RFO Addenda) is deleted and replaced with the following:

Table 2 – Project Management Key Performance Measures

Req ID (BusOps Project Management (BPM))	Key Performance Measures Project Management	Liquidated Damages
BPM-45	Complete all key project milestones by the deadline specified in the HHSC-approved Project Schedule, including any additional activities	\$1,000 per Calendar Day per milestone for each Calendar Day past the milestone due

	needed to satisfy operational readiness requirements.	date on the approved Project Schedule.
BPM-46	[Reserved]	[Reserved]
BPM-47	[Reserved]	[Reserved]
BPM-48	Work cooperatively with all other MES service providers and provide timely support in integrating solutions within HHSC's MES. Timely shall be defined as: a. scheduling of a meeting within five (5) Business Days of the request by HHSC, b. review of applicable documentation within five (5) Business Days of receipt, c. scheduling of testing within five (5) Business Days of request.	\$1,500 per Business Day beyond the 5 th Business Day of the request receipt
BPM-49	Obtain written approval by HHSC for any publicity concerning the Contract, including, but not limited to, notices, information pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Contractor, prior to the release or publication of any information.	\$10,000 per public notice in which HHSC did not approve prior to release.
BPM-50	[Reserved]	[Reserved]

- E. Section 2.1.4.2 (Staffing) of HHSC Request for Offers No. HHS0009322 located in Attachment I (HHSC Request for Offers No. HHS0009322 and All RFO Addenda) is amended by adding new Requirement ID No. BSTF-27 to Table 4 (Staffing Requirements) as follows:

BSTF-27	Contractor must staff any position designated as key personnel with an HHSC-approved qualified individual within thirty (30) Calendar Days of vacancy unless an extension is approved by HHSC in writing.
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- F. Section 2.1.4.2 (Staffing) of HHSC Request for Offers No. HHS0009322 located in Attachment I (HHSC Request for Offers No. HHS0009322 and All RFO Addenda) is amended by adding new Requirement ID No. BSTF-28 to Table 4 (Staffing Requirements) as follows:

BSTF-28	Replace vacant key personnel positions within ten (10) Business Days with an HHSC-approved qualified substitute (even if the replacement is temporary). A qualified substitute is someone meeting the requirements in the Contract.
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- G. Section 2.1.4.2 (Staffing) of HHSC Request for Offers No. HHS0009322 located in Attachment I (HHSC Request for Offers No. HHS0009322 and All RFO Addenda) is amended by adding new Requirement ID No. BSTF-29 to Table 4 (Staffing Requirements) as follows:

BSTF-29	Fill a vacant key personnel position with a permanent replacement within thirty (30) Calendar Days from the vacancy date. A position is considered vacant even with a substitute replacement serving in that role.
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- H. Section 2.1.4.2.1 (Staffing Key Performance Measures) of HHSC Request for Offers No. HHS0009322 located in Attachment I (HHSC Request for Offers No. HHS0009322 and All RFO Addenda) is deleted and replaced with the following:

2.1.4.2.1 [Reserved]

Table 5 [Reserved]

- I. Section 2.1.4.4 (Communication Services) of HHSC Request for Offers No. HHS0009322 located in Attachment I (HHSC Request for Offers No. HHS0009322 and All RFO Addenda) is amended by adding new Requirement ID No. BCOM-54 to Table 8 (Communication Requirements) as follows:

BCOM-54	Produce and distribute new publications or amended publications in final form by the date requested by HHSC.
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- J. Section 2.1.4.4.1 (Communication Key Performance Measures) of HHSC Request for Offers No. HHS0009322 located in Attachment I (HHSC Request for Offers No. HHS0009322 and All RFO Addenda) is deleted and replaced with the following:

2.1.4.4.1 [Reserved]

Table 9 [Reserved]

- K. Requirement ID No. BTRN-20 in Section 2.1.4.5.1 (Transition Key Performance Measures) of HHSC Request for Offers No. HHS0009322 located in Attachment I (HHSC Request for Offers No. HHS0009322 and All RFO Addenda) is deleted and replaced with the following:

BTRN-20	<p>Complete key Contractor Transition tasks within HHSC-approved timeframes, unless otherwise specified. Key Contractor Transition tasks are:</p> <ul style="list-style-type: none"> a. Establish Project Manager and key personnel. b. Submit Detail Transition Schedule for HHSC approval. c. [Reserved] d. Submit for HHSC approval and confirmation of new and revised CRs and KPMs. e. Complete a Contract Requirement Impact Analysis for new and revised CRs and KPMs. f. Submit final process and calculation. methodology documents for new and revised Key Measures. g. Complete operational readiness assessment for new and revised CRs and PMs that are to be effective on or before the Operational Start Date. h. Submit for HHSC approval operational readiness results. i. Implement an invoicing process to support new monthly billing process. 	\$25,000 per Business Day for failure to meet the completion of key Transition tasks by the specified date.
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- L. Requirement ID No. BFES-5 in Section 2.1.4.6 (Front End Services and Document Management Services) of HHSC Request for Offers No. HHS0009322 located in Attachment I (HHSC Request for Offers No. HHS0009322 and All RFO Addenda) is deleted and replaced with the following:

BFES-5	Provide and maintain a correspondence engine to generate correspondence and coordinate the print and distribution.
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- M. Section 2.1.4.6 (Front End Services and Document Management Services) of HHSC Request for Offers No. HHS0009322 located in Attachment I (HHSC Request for Offers No. HHS0009322 and All RFO Addenda) is amended by adding new Requirement ID No. BFES-45 to Table 12 (Front End Services and Document Management Requirements) as follows:

BFES-45	Document all business rules applicable to the functioning of the Contractor's applications and document any new or changed business rules within ten (10) Business Days of the implementation of a change.
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- N. Section 2.1.4.6 (Front End Services and Document Management Services) of HHSC Request for Offers No. HHS0009322 located in Attachment I (HHSC Request for Offers No. HHS0009322 and All RFO Addenda) is amended by adding new Requirement ID No. BFES-46 to Table 12 (Front End Services and Document Management Requirements) as follows:

BFES-46	Maintain up to date functional documentation including both user documentation and the Operations Procedures Manual. Documentation shall be updated within ten (10) Business Days of the implementation of a change.
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- O. Section 2.1.4.6 (Front End Services and Document Management Services) of HHSC Request for Offers No. HHS0009322 located in Attachment I (HHSC Request for Offers No. HHS0009322 and All RFO Addenda) is amended by adding new Requirement ID No. BFES-47 to Table 12 (Front End Services and Document Management Requirements) as follows:

BFES-47	Data enter ninety-eight percent (98%) of paper claims, adjustments, and related documents within five (5) Business Days. Data enter one hundred percent (100%) of paper claims, adjustments, and related documents within ten (10) Business Days. Business Days will be measured from date of receipt by the mailroom until data entry is complete.
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- P. Table 13 (Document Management Key Performance Measures) in Section 2.1.4.6.1 (Front End Services and Document Management Key Performance Measures) of HHSC Request for Offers No. HHS0009322 located in Attachment I (HHSC Request for Offers No. HHS0009322 and All RFO Addenda) is deleted and replaced with the following:

Table 13 - Document Management Key Performance Measures

Req ID (BusOps Front End Services (BFES))	Key Performance Measures Document Management	Liquidated Damages
BFES-39	Digitally assign a unique control number to the ninety-nine and five tenths percent (99.5%) of documents received by the	\$1,000 for each percentage point, or portion thereof, for failing to meet the

	mailroom within one (1) Business Day of receipt. Digitally assign a unique control number to one hundred percent (100%) of documents received by the Contractor's mailroom within two (2) Business Days of receipt.	ninety-nine and five tenths percent (99.5%) standard for control number assignment within one (1) Business Day after receipt.
BFES-40	[Reserved]	[Reserved]
BFES-41	[Reserved]	[Reserved]
BFES-42	Return 99% of paper claims which fail the mailroom prescreening process within five (5) Business Days of receipt.	\$2,000 per month if threshold reported is lower than 99%
BFES-43	[Reserved]	[Reserved]
BFES-44	[Reserved]	[Reserved]

- Q. Requirement ID No. BCC-40 in Section 2.1.4.8.1 (Call Center Key Performance Measures) of HHSC Request for Offers No. HHS0009322 located in Attachment I (HHSC Request for Offers No. HHS0009322 and All RFO Addenda) is deleted and replaced with the following:

BCC-40	Resolve inbound call tickets which cannot be resolved during initial contact within the specified performance targets and timeframes as follows: a. Ninety-five percent (95%) within the same Business Day from create date. b. Ninety-eight percent (98%) within five (5) Business Days from create date. c. One hundred percent (100%) within ten (10) Business Days from create date.	a. \$2,500 for each percentage point, or portion thereof, below the 95% performance standard. b. \$2,500 for each percentage point, or portion thereof, below the 98% performance standard. c. There are no liquidated damages associated with 100% performance standard.
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- R. Requirement ID No. BCC-43 in Section 2.1.4.8.1 (Call Center Key Performance Measures) of HHSC Request for Offers No. HHS0009322 located in Attachment

I (HHSC Request for Offers No. HHS0009322 and All RFO Addenda) is deleted and replaced with the following:

BCC-43	Maintain the call center cloud service to ensure no more than 2% of calls are dropped across all telephone lines.	\$5,000 for each percentage point, or portion thereof, for failing to meet the ninety-eight percent (98%) standard.
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S. Requirement ID No. BCC-45 in Section 2.1.4.8.1 (Call Center Key Performance Measures) of HHSC Request for Offers No. HHS0009322 located in Attachment I (HHSC Request for Offers No. HHS0009322 and All RFO Addenda) is deleted and replaced with the following:

BCC-45	Maintain a one hundred and twenty (120)- second monthly Average Speed to Answer (ASA) per queue as measured by the time in queue before being answered by a live person, for the HTW Client and HTW Provider queues.	\$5,000 for each line grouping that exceeds the standard.
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T. Requirement ID No. BEVV-3 in Section 2.1.4.15 (Electronic Visit Verification Services) of HHSC Request for Offers No. HHS0009322 located in Attachment I (HHSC Request for Offers No. HHS0009322 and All RFO Addenda) is deleted and replaced with the following:

BEVV-3	[Reserved]
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U. Requirement ID No. BEVV-15 in Section 2.1.4.15 (Electronic Visit Verification Services) of HHSC Request for Offers No. HHS0009322 located in Attachment I (HHSC Request for Offers No. HHS0009322 and All RFO Addenda) is deleted and replaced with the following:

BEVV-15	Maintain a public webpage with information about the EVV program including, but not limited to, Contractor information, EVV Vendor information, EVV proprietary system information, EVV portal training, EVV claims submission information, and other information as defined by HHSC.
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V. Requirement ID No. BEVV-20 in Section 2.1.4.15 (Electronic Visit Verification Services) of HHSC Request for Offers No. HHS0009322 located in Attachment I

(HHSC Request for Offers No. HHS0009322 and All RFO Addenda) is deleted and replaced with the following:

BEVV-20	[Reserved]
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- W. Requirement ID No. BEVV-21 in Section 2.1.4.15 (Electronic Visit Verification Services) of HHSC Request for Offers No. HHS0009322 located in Attachment I (HHSC Request for Offers No. HHS0009322 and All RFO Addenda) is deleted and replaced with the following:

BEVV-21	[Reserved]
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- X. Requirement ID No. BEVV-24 in Section 2.1.4.15 (Electronic Visit Verification Services) of HHSC Request for Offers No. HHS0009322 located in Attachment I (HHSC Request for Offers No. HHS0009322 and All RFO Addenda) is deleted and replaced with the following:

BEVV-24	[Reserved]
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- Y. Requirement ID No. BEVV-30 in Section 2.1.4.15 (Electronic Visit Verification Services) of HHSC Request for Offers No. HHS0009322 located in Attachment I (HHSC Request for Offers No. HHS0009322 and All RFO Addenda) is deleted and replaced with the following:

BEVV-30	Develop, maintain, and perform an HHSC-approved process for onboarding EVV proprietary systems in coordination with HHSC and HHSC-approved trading partners. At a minimum, the responsibilities of the Contractor must include onboarding coordination and support and deployment coordination activities.
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- Z. Requirement ID No. BCR-40 in Section 2.1.4.16.1 (Clinical Review Key Performance Measures) of HHSC Request for Offers No. HHS0009322 located in Attachment I (HHSC Request for Offers No. HHS0009322 and All RFO Addenda) is deleted and replaced with the following:

BCR-40	Within five (5) Business Days of receipt of an initial submission or receipt of additional information, make manual medical necessity determinations for individuals with a Minimum Data Set assessment, Medical Necessity and Level of Care assessment,	\$200 per day for each case past the specified due date.
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	STAR Kids Screening and Assessment Instrument or preadmission PASRR evaluation.	
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AA. Requirement ID No. BCR-41 in Section 2.1.4.16.1 (Clinical Review Key Performance Measures) of HHSC Request for Offers No. HHS0009322 located in Attachment I (HHSC Request for Offers No. HHS0009322 and All RFO Addenda) is deleted and replaced with the following:

BCR-41	[Reserved]	[Reserved]
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BB. Section 2.1.4 (Contractor Requirements) of HHSC Request for Offers No. HHS0009322 located in Attachment I (HHSC Request for Offers No. HHS0009322 and All RFO Addenda) is amended by adding new Section 2.1.4.17.1 as follows:

2.1.4.17.1 Third Party Liability Services Key Performance Measures

The requirements listed in Table 29.1, Third Party Liability Services Key Performance Measures, describe the level of performance and associated liquidated damages required for Third Party Liability that must be performed by the Contractor during the Contract Term.

Table 29.1 - Third Party Liability Services Key Performance Measures

Req ID (BusOps Third Party Liability (BTPL))	Key Performance Measures Third Party Liability	Liquidated Damages
BTPL-44	<ul style="list-style-type: none"> a. Complete 98% of Third-Party Resources (TPR) pre-verified referrals from all sources, no more than five (5) Business Days from receipt. b. Complete 100% of all TPR referrals no later than thirteen (13) Business Days from receipt. 	<ul style="list-style-type: none"> a. \$5,000 for each percentage point, or portion thereof, below the 98% standard. b. There are no liquidated damages associated with 100% performance standard.
BTPL-45	<ul style="list-style-type: none"> a. Complete 98% of TPR referrals that require a verification from all sources, 	<ul style="list-style-type: none"> a. \$5,000 for each percentage point, or portion thereof,

	no more than ten (10) Business Days from receipt.	below the 98% standard.
	b. Complete 100% of all TPR referrals no later than thirteen (13) Business Days from receipt.	b. There are no liquidated damages associated with 100% performance standard.

CC. Section 2.1.4.18 (Provider Operations Services) of HHSC Request for Offers No. HHS0009322 located in Attachment I (HHSC Request for Offers No. HHS0009322 and All RFO Addenda) is amended by adding new Requirement ID No. BPRV-71 to Table 30 (Provider Operations – Detailed Requirements) as follows:

BPRV-71	Transmit complete credentialing information on all provider enrollment applications which include credentialing requests to the credentialing verification organization.
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DD. Requirement ID No. BPRV-63 in Section 2.1.4.18.1 (Provider Operations Key Performance Measures) of HHSC Request for Offers No. HHS0009322 located in Attachment I (HHSC Request for Offers No. HHS0009322 and All RFO Addenda) is deleted and replaced with the following:

BPRV-63	Maintain a minimum of ninety-five percent (95%) accuracy rate for processing Provider enrollment applications, which is measured against HHSC-approved criteria.	\$10,000 for each percentage point, or portion thereof, below the ninety-five percent (95%) standard for accuracy.
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EE. Requirement ID No. BPRV-68 in Section 2.1.4.18.1 (Provider Operations Key Performance Measures) of HHSC Request for Offers No. HHS0009322 located in Attachment I (HHSC Request for Offers No. HHS0009322 and All RFO Addenda) is deleted and replaced with the following:

BPRV-68	Train one hundred percent (100%) of identified system and component users on the system relative to their use initially and on updated functionality prior to the initial production deployment and each major	\$1,000 per qualifying release.
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	release into the production environment.	
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FF. Requirement ID No. BPRV-70 in Section 2.1.4.18.1 (Provider Operations Key Performance Measures) of HHSC Request for Offers No. HHS0009322 located in Attachment I (HHSC Request for Offers No. HHS0009322 and All RFO Addenda) is deleted and replaced with the following:

BPRV-70	Develop and update training materials and provide appropriate HHSC staff with all training materials for review and approval at least seven (7) days prior to training sessions.	\$500 per Calendar Day training materials are late from the seventh (7 th) day prior to scheduled training.
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GG. Requirement ID No. BFUN-5 in Section 2.1.4.19.1 (Business Functional Key Performance Measures) of HHSC Request for Offers No. HHS0009322 located in Attachment I (HHSC Request for Offers No. HHS0009322 and All RFO Addenda) is deleted and replaced with the following:

BFUN-5	For Contractor provided solutions, correct all interface file delivery and content problems within three (3) Business Days of problem identification, or another timeframe as mutually agreed within the three (3) Business Days of problem identification in 99% of occurrences.	\$5,000 per incident for failure to meet the standard
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HH. Section 2.1.4.21 (Data Management Services) of HHSC Request for Offers No. HHS0009322 located in Attachment I (HHSC Request for Offers No. HHS0009322 and All RFO Addenda) is amended by adding new Requirement ID No. BDAM-24 to Table 35 (Data Management Requirements) as follows:

BDAM-24	Maintain all reference file updates as directed by HHSC.
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II. Requirement ID No. BDAM-23 in Section 2.1.4.21.1 (Data Management Key Performance Measures) of HHSC Request for Offers No. HHS0009322 located in Attachment I (HHSC Request for Offers No. HHS0009322 and All RFO Addenda) is deleted and replaced with the following:

BDAM-23	[Reserved]	[Reserved]
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JJ. Requirement ID No. BDRBC-9 in Section 2.1.4.23.1 (Disaster Recovery and Business Continuity Key Performance Measures) of HHSC Request for Offers No. HHS0009322 located in Attachment I (HHSC Request for Offers No. HHS0009322 and All RFO Addenda) is deleted and replaced with the following:

BDRBC-9	Provide alternate operations if Contractor's primary operations become unsafe or inoperable. The alternate operations must be fully operational within two (2) Business Days of the primary operations becoming unsafe or inoperable.	\$10,000 for each Calendar Day the Contractor does not provide alternate operations capability by the specified due date.
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KK. Requirement ID No. BDRBC-10 in Section 2.1.4.23.1 (Disaster Recovery and Business Continuity Key Performance Measures) of HHSC Request for Offers No. HHS0009322 located in Attachment I (HHSC Request for Offers No. HHS0009322 and All RFO Addenda) is deleted and replaced with the following:

BDRBC-10	Restore availability within one (1) hour from the start of any unscheduled downtime of the Contractor's solution, using procedures approved in the BCCP.	\$6,000 per 24-hour period or portion thereof.
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LL. Section 2.1 (Description of Services) of HHSC Request for Offers No. HHS0009322 located in Attachment I (HHSC Request for Offers No. HHS0009322 and All RFO Addenda) is amended by adding new Section 2.1.5 as follows:

2.1.5 Written Deliverable Acceptance

a. Overview

Contractor shall be responsible for the creation, development, submission, and maintenance of the written Deliverables identified within this Scope of Work, unless identified as the responsibility of HHSC. Each written Deliverable must be reviewed and approved by HHSC prior to its use.

b. Submission and Review Process for Written Deliverables

Contractor shall provide the written Deliverables to HHSC on or before the date and times specified in the Contract. Unless otherwise specified by HHSC in writing, each written Deliverable provided by the Contractor is due on or before 5:00pm Central Time. A written Deliverable provided by Contractor after 5pm Central Time is deemed received by HHSC on the

next Business Day. If a due date for a written Deliverable falls on a weekend or holiday, such Deliverable must be submitted by Contractor on the Business Day immediately prior to the weekend or holiday.

If any Deliverable cannot be provided within the scheduled timeframe, the Contractor must provide written notification to HHSC with an explanation for the delay and the proposed revised schedule, which HHSC may accept or reject at its sole discretion. Acceptance of a Deliverable after the applicable due date does not relieve the Contractor from its obligation to timely submit a complete Deliverable by the specified due date.

HHSC shall notify the Contractor in writing of approval or rejection of the written Deliverable before midnight of the twentieth (20th) Business Day following receipt of the Deliverable. If the Deliverable is rejected, HHSC's notice will specify the reason(s) for rejection.

If HHSC has not provided written notice of its acceptance or rejection of the Deliverable before midnight of the twentieth (20th) Business Day following receipt of the Deliverable, then Contractor shall inform HHSC in writing that HHSC's review of the Deliverable is overdue. Unless otherwise mutually agreed in writing, HHSC's review period for the Deliverable shall be extended for two (2) Business Days following the date of HHSC's receipt of notification by Contractor of the tardy review. The Deliverable will be deemed accepted if HHSC does not provide written notice of acceptance or rejection before midnight of the second (2nd) Business Day following the date of HHSC's receipt of notification by Contractor of the tardy review.

The following situations are provided as examples only to illustrate the computation of time, without accounting for holidays, for purposes of deemed acceptance by HHSC of a written Deliverable subject to this Section 2.1.5(b):

- (1) If HHSC receives notice from Contractor at 10 am on Friday that HHSC's review of a Deliverable is overdue, then the Deliverable is deemed accepted on Tuesday provided HHSC has not furnished written notice to Contractor of HHSC's approval or rejection of the Deliverable before midnight on Tuesday.*
- (2) If HHSC receives notice from Contractor at 6pm on Tuesday that HHSC's review of a Deliverable is overdue, then the Deliverable is deemed accepted on Thursday provided HHSC has not furnished written notice to Contractor of HHSC's approval or rejection of the Deliverable before midnight on Thursday.*

The Contractor shall have five (5) Business Days, or as otherwise agreed in writing by HHSC, to correct the Deliverable and resubmit the Deliverable for HHSC review.

By mutual agreement of HHSC and Contractor in writing, the Deliverable review and resubmission timelines set forth in this Section 2.1.5(b) may be increased or decreased for individual Deliverables.

c. Evaluation of Resubmitted Written Deliverable

Upon receipt of the corrected and resubmitted Deliverable, HHSC shall review the corrected Deliverable to confirm that the identified deficiencies have been corrected and brought into compliance with specifications and that the corrections have not directly or indirectly caused other deficiencies. HHSC shall have the option to continue the evaluation process until the written Deliverable is brought into compliance with the Contract specifications.

d. Written Deliverable Approval

HHSC's acceptance of a Deliverable is contingent on material compliance with the applicable Deliverable Expectation Document (DED) and conformance with the specifications identified in the Contract. HHSC approval of Contractor work products or processes will not relieve the Contractor of liability for errors and omissions in the work products or processes.

e. Deliverable Expectation Document

To establish and clearly define the content and format for certain written Deliverables, the Contractor shall develop and propose for HHSC's approval a Deliverable Expectation Document (DED) for each written Deliverable for which a DED is specified in the Scope of Work or other written Deliverable mutually agreed upon by HHSC and Contractor during the Contract Term.

Upon acceptance by HHSC, the DED will establish a common, agreed-upon understanding between HHSC and the Contractor regarding the purpose, scope, content, due date, and acceptance criteria for the specified Deliverable and to provide a process to verify the Deliverable meets the requisite standards. The complexity of the DED shall be proportional to the complexity of the Deliverable.

MM.Section 2.1 (Description of Services) of HHSC Request for Offers No. HHS0009322 located in Attachment I (HHSC Request for Offers No. HHS0009322 and All RFO Addenda) is amended by adding new Section 2.1.6 as follows:

2.1.6 Performance Measurements, Key Performance Measures; Additional Remedies

- a. HHSC will monitor the performance of the Contractor and all requirements of the Contract are subject to performance evaluation by HHSC. Satisfactory performance by the Contractor shall be measured by:
 - (1) Adherence to the Contract, including all representations and warranties;
 - (2) Compliance with project work plans, schedules, and milestones approved by HHSC;
 - (3) Delivery of the Services and Deliverables in accordance with the service levels set forth in the Scope of Work;
 - (4) Results of audits performed by HHSC or its representatives in accordance with the Contract;
 - (5) Timeliness, completeness, and accuracy of required Deliverables; and
 - (6) Achievement of performance measures required by the Contract or developed under the Contract.
- b. When a requirement indicates that the Contractor will perform an obligation or duty “as directed by HHSC,” “as requested by HHSC,” “within a timeframe specified by HHSC” or similar statements, HHSC shall act reasonably in such determination. Notwithstanding the foregoing, a requirement containing a specific due date or timeframe shall be deemed reasonable for purposes of this Section.
- c. In the event the Contractor fails to perform or complete its obligations in a timely manner, HHSC may, in addition to the remedies set forth elsewhere in the Contract, impose remedies which include the following:
 - (1) Compliance by Contractor, at no cost to HHSC, with the performance improvement activities and timelines specified in a written corrective action plan(s) approved by HHSC;
 - (2) Additional or ad hoc reporting by Contractor, at no cost to HHSC, to address performance issues;
 - (3) Accelerated monitoring of Contractor’s performance by HHSC, including access to the Contractor’s facilities, records, data, information systems and personnel; and
 - (4) Assessment of liquidated damages in accordance with Texas law.
- d. For a contractual obligation subject to a Key Performance Measure (KPM), the KPM will be used to gauge the Contractor’s commitment to successful performance, its willingness to stand behind its Goods and Services during the Contract Term, as well as its confidence in its ability to perform.
- e. For purposes of the KPMs, all measurement periods shall be monthly unless otherwise specified. In addition, the term “day” refers to a Calendar Day,

unless otherwise specified in the text. Partial days beyond the due date shall be rounded up to a whole day for the purposes of the KPM measurement. Also, an hour is not prorated i.e., a fraction of an hour means an hour.

- f. When a liquidated damages measure refers to a percentage point, or portion thereof, the "portion thereof" means that a full percentage point deviation is not required to assess the liquidated damages. For example, if the standard is 99% and the results achieved are 98.6%, the liquidated damages that may be assessed is based on 1 percentage point. If the results achieved are 97.9%, the liquidated damage that may be assessed is based on 2 percentage points.
- g. HHSC is not required to provide the Contractor with notice and opportunity to resolve issues prior to HHSC's assessment of liquidated damages.
- h. Liquidated damages will not be assessed if HHSC determines that Contractor is not responsible for the delay or failure of the applicable KPM.
- i. Except as otherwise provided herein, Contractor will not be required to pay liquidated damages in any calendar month that, in the aggregate, exceeds ten percent (10%) of the total fees payable under the Contract to Contractor in such month. Liquidated damages that exceed ten percent (10%) of the total fees payable to Contractor in a given month are carried forward to consecutive months until assessed by HHSC. Notwithstanding the foregoing, HHSC, in its sole discretion, may upon written notice to Contractor suspend indefinitely the liquidated damages cap if such cap is exceeded (i) two (2) times within any consecutive three (3)-month period or (ii) four (4) times during the Contract Term.
- j. The Contractor agrees that (1) the liquidated damages and any amounts assessed in connection therewith are neither a penalty nor a forfeiture, (2) the amount of liquidated damages are a reasonable forecast of just compensation, (3) and Contractor shall compensate HHSC for HHSC's inability to use or benefit from the Goods or Services to be provided under the Contract.
- k. If Contractor is aware a problem exists and fails to report the problem to HHSC, Contractor continues to be responsible for meeting the requirements and timelines established in the Contract. Under these circumstances, HHSC shall not be liable for any detrimental consequences and Contractor remains liable for Contractor's failure to comply with Contract requirements e.g., liquidated damages.

NN. Section 2.1 (Description of Services) of HHSC Request for Offers No. HHS0009322 located in Attachment I (HHSC Request for Offers No. HHS0009322 and All RFO Addenda) is amended by adding new Section 2.1.7 as follows:

2.1.7 Cooperation

Contractor shall cooperate in all reasonable respects as necessary in connection with the performance of the Contract with State of Texas personnel, service providers retained by HHSC in connection with the Services, and any other HHSC designated entities which are associated with the Services provided under the Contract.

- OO. The first paragraph in Section 7.2.4.2.8 (Periodic Activities) of HHSC Request for Offers No. HHS0009322 located in Attachment I (HHSC Request for Offers No. HHS0009322 and All RFO Addenda) is deleted and replaced with the following:

HHSC anticipates that, during the Contract Term, implementation of State and/or federal mandates and other HHSC initiatives will require additions or changes to the activities performed under the Contract as a one-time activity. In addition, there may be an event beyond the control of the Contractor that demonstrably affects the Contractor's ability to perform the Services or provide the Deliverables in accordance with the Scope of Work and such event impacts the fee(s) set forth in the Contract by more than a de minimis amount. Period activities are defined as the provision of any Service(s), Deliverable(s) or product(s) that will not be performed on a regular basis.

- PP. Section 7.2.4.2.8 (Periodic Activities) of HHSC Request for Offers No. HHS0009322 located in Attachment I (HHSC Request for Offers No. HHS0009322 and All RFO Addenda) is amended by inserting the following new paragraph immediately after the first paragraph:

In the event that Contractor identifies an adverse impact to the Contractor's performance under the Contract due to one or more MES Vendors' untimely commencement of services or non-compliant performance of services on September 1, 2023, Contractor shall initiate the Change Order process set forth in this Section 7.2.4.2.8 to request an adjustment to the fees associated with the non-recurring modification to the Scope of Work. For purpose of this Section 7.2.4.2.8, the term "MES Vendors" are defined to be the two services providers contracted by HHSC to provide (i) Claims Processing and Adjudication and Financial Services and (ii) Application Maintenance and Development of MMIS Modernized Systems.

- QQ. Section 7.2.4.3 (Additional Financial Components) of HHSC Request for Offers No. HHS0009322 located in Attachment I (HHSC Request for Offers No. HHS0009322 and All RFO Addenda) is amended by adding new Section 7.2.4.3.4 as follows:

7.2.4.3.4 Contractor Use of Certain State Property

- a. During the Contract Term, HHSC shall permit Contractor to use the following state property for the limited purpose of providing services under the Contract: computers and related equipment (e.g., desktop personal

computers, laptops, computer monitors, headsets), network equipment (e.g., wifi routers, network switches), office furniture (e.g., desks, tables, chairs, cabinets), and mailroom equipment (e.g., scanners, letter openers, sorters) (collectively referred to as "Riata Facility State Assets"). On or before the thirtieth (30th) day following the Contract Effective Date, Contractor shall provide to the HHSC Contract Manager an itemized list of all of the Riata Facility State Assets.

- b. The Riata Facility State Assets shall at all times remain the sole and exclusive property of HHSC. Contractor shall have no right, title, or interest in the Riata Facility State Assets. Contractor agrees that the Riata Facility State Assets shall be and remain personal property and shall not be so affixed to realty as to become a fixture or otherwise to lose its identity as the separate property of HHSC.
- c. Contractor shall not use or permit the use of the Riata Facility State Assets for any purpose other than providing services under the Contract. Contractor shall not use or permit the use of the Riata Facility State Assets for any purpose for which, according to the specification of the manufacturer, the Riata Facility State Assets are not designed. As part of fulfilling these obligations, Contractor may coordinate with the providers of Riata Facility State Assets under contracts with HHSC to invoke HHSC's rights of warranty or other obligations of such providers.
- d. Contractor, at its expense, shall (i) take good and proper care of the Riata Facility State Assets, (ii) make all repairs and replacements necessary to maintain and preserve the Riata Facility State Assets, and (iii) keep the Riata Facility State Assets in good order and condition (reasonable wear and tear excepted).
- e. Contractor shall not make any alterations, additions, or improvements, or add attachments to the Riata Facility State Assets without the prior written approval of the HHSC Contract Manager. Contractor shall not remove or alter any HHSC asset tags which may be placed on the Riata Facility State Assets.
- f. Contractor may not move the Riata Facility State Assets to a location other than the Riata facility without prior written consent of the HHSC Contract Manager.
- g. During the Contract Term, Contractor shall provide written notice to HHSC informing HHSC when Riata Facility State Assets are no longer being used by Contractor (e.g., the Riata Facility State Assets are replaced by other equipment provided by Contractor) and HHSC and Contractor shall arrange for the return and/or disposal of the relinquished Riata Facility State Assets.
- h. Upon advance written notice to Contractor, Contractor shall permit HHSC to access the Riata facility during normal business hours to determine compliance with this Section 7.2.4.3.4.
- i. Contractor shall be solely responsible for the costs and associated effort of replacing Riata Facility State Assets as may be required for performing its

Contract obligations. Except for the disposition of Riata Facility State Assets, Contractor shall also have sole right and responsibility for decisions associated with such replacement (e.g., timing, manner, or suitability of replacement equipment), subject to applicable law, policy, and Contract obligations.

VII. CONTRACT REPRESENTATIVES

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

HHSC Contract Representative

Patricia Kuntz
Health and Human Services
Commission
701 W 51st Street
Austin, Texas 78751
patricia.kuntz@hhs.texas.gov

Contractor Contract Representative

Terrence J. Westropp
Accenture State Healthcare Services
LLC
323 Congress Avenue
Austin, Texas 78701
terrence.j.westropp@accenture.com

VIII. NOTICE REQUIREMENTS

- A. All notices given by Contractor shall be in writing, include the Contract number, comply with all terms and conditions of the Contract, and be delivered to the HHSC Contract Representative identified above.
- B. Contractor shall send legal notices to HHSC at the address below and provide a copy to the HHSC Contract Representative:

Health and Human Services Commission
Attn: Office of Chief Counsel
4601 W. Guadalupe Street, MC-1100
Austin, Texas 78751

- C. HHSC shall send legal notices to Contractor at the address below and provide a copy to the Contractor Contract Representative:

Accenture State Healthcare Services LLC
Attn: Legal Department
323 Congress Avenue
Austin, Texas 78701

- D. Notices between the Parties may be mailed or sent by common carrier. Notices, other than legal notices, may also be sent by email. Notices sent by mail shall be deemed delivered when deposited by the Party in the United States mail, postage paid, certified, return receipt requested. Notices sent by common carrier shall be deemed delivered when deposited by the Party with a common carrier, overnight, signature required. Notices sent by email shall be deemed delivered when sent by the Party, provided such notice is confirmed in writing by the recipient.

E. Either Party may change its Contract Representative or Legal Notice contact by providing written notice to the other Party.

IX. CONTRACT DOCUMENTS

The following documents are incorporated by reference and made a part of this Contract for all purposes:

ATTACHMENT A – CONTRACT AFFIRMATIONS
ATTACHMENT B – UNIFORM TERMS AND CONDITIONS
ATTACHMENT C – ADDITIONAL PROVISIONS
ATTACHMENT D – DATA USE AGREEMENT
ATTACHMENT E – FEDERAL ASSURANCES (NON-CONSTRUCTION PROGRAMS)
ATTACHMENT F – CERTIFICATION REGARDING LOBBYING
ATTACHMENT G – HUB SUBCONTRACTING PLAN
ATTACHMENT H – INSURANCE REQUIREMENTS
ATTACHMENT I – HHSC REQUEST FOR OFFERS NO. HHS0009322 AND ALL RFO
ADDENDA
ATTACHMENT J – CONTRACTOR'S SOLICITATION RESPONSE AND ORAL
PRESENTATION SUBMISSION
ATTACHMENT K – CONTRACTOR'S MODIFICATIONS TO SOLICITATION RESPONSE
ATTACHMENT L – FINAL PRICING WORKBOOK
ATTACHMENT M – FEE SCHEDULES

In the event of conflict, ambiguity or inconsistency between or among any contract documents, the following documents, including any amendments thereto, shall control in the specified order of precedence:

1. This thirty-three page signature document
2. ATTACHMENT D – DATA USE AGREEMENT
3. ATTACHMENT A – CONTRACT AFFIRMATIONS
4. ATTACHMENT B – UNIFORM TERMS AND CONDITIONS
5. ATTACHMENT C – ADDITIONAL PROVISIONS
6. ATTACHMENT E – FEDERAL ASSURANCES (NON-CONSTRUCTION PROGRAMS)
7. ATTACHMENT F – CERTIFICATION REGARDING LOBBYING
8. ATTACHMENT G – HUB SUBCONTRACTING PLAN
9. ATTACHMENT H – INSURANCE REQUIREMENTS
10. ATTACHMENT I – HHSC REQUEST FOR OFFERS NO. HHS0009322 AND ALL
RFO ADDENDA
11. ATTACHMENT K – CONTRACTOR'S MODIFICATIONS TO SOLICITATION RESPONSE
12. ATTACHMENT M – FEE SCHEDULES
13. ATTACHMENT L – FINAL PRICING WORKBOOK
14. ATTACHMENT J – CONTRACTOR'S SOLICITATION RESPONSE AND ORAL
PRESENTATION SUBMISSION

X. SIGNATURE AUTHORITY

Each Party 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.

SIGNATURE PAGE FOLLOWS

SIGNATURE PAGE FOR HHSC CONTRACT NO. HHS000932200001

Health and Human Services
Commission

Accenture State Healthcare Services
LLC

By: 

By: 

Name: Ceceile Young

Name: Jonathan P. Andrews

Title: Executive Commissioner

Title: Managing Director

Date of execution: Dec 2, 2022

Date of execution: December 2, 2022