

**HEALTH AND HUMAN SERVICES COMMISSION  
CONTRACT No. HHS000951400001**

The **HEALTH AND HUMAN SERVICES COMMISSION** (“HHSC” or “System Agency”), an administrative agency within the executive branch of the State of Texas, and **PUBLIC CONSULTING GROUP, LLC** (“PCG”), having its principal office at 148 State Street, Boston, Massachusetts 02109, (each a “Party” and collectively the “Parties”), enter into the following agreement (“Contract”) for Data Broker Services.

**I. LEGAL AUTHORITY**

This Contract is entered into pursuant to Section 2157.006(a)(2) of the Texas Government Code.

**II. DURATION**

The Contract is effective on September 1, 2023, and terminates on August 31, 2026, unless sooner terminated or renewed or extended. HHSC, at its sole discretion, may renew or extend this Contract up to two (2) additional years for a maximum term of five (5) years.

Notwithstanding the limitation in the preceding paragraph and with at least thirty (30) calendar days’ advance written notice to Contractor, at the end of the initial term or any renewal 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 term of the Contract.

**III. STATEMENT OF WORK**

The Statement of Work to which Contractor is bound is incorporated into and made a part of this Contract for all purposes and attached hereto as **ATTACHMENT A, STATEMENT OF WORK.**

**IV. BUDGET**

The total amount of this Contract will not exceed **\$65,336,704.00**. 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 **ATTACHMENT D, BUDGET.**

## V. 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**

Sandra Stafford  
Contract Manager V  
Health and Human Services Commission  
909 W 45th Street; Mail Code 2099  
Austin, Texas 78751  
[Sandra.Stafford01@hhs.texas.gov](mailto:Sandra.Stafford01@hhs.texas.gov)

### **Contractor Contract Representative**

Thomas Aldridge  
Engagement Director  
Public Consulting Group, LLC  
148 State Street, 10<sup>th</sup> Floor  
Boston, Massachusetts 02109  
[TAldridge@pcgus.com](mailto:TAldridge@pcgus.com)

## VI. 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 HHSC's Contract Representative identified above.
- B. Contractor shall send legal notices to HHSC at the address below and provide a copy to HHSC's Contract Representative:

Health and Human Services Commission  
Attn: Office of Chief Counsel  
4601 W. Guadalupe; Mail Code 1100  
Austin, Texas 78751

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

## VII. CONTRACT DOCUMENTS

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

**ATTACHMENT A – STATEMENT OF WORK**  
**ATTACHMENT B – KEY PERFORMANCE REQUIREMENTS**  
**ATTACHMENT C – DELIVERABLES**  
**ATTACHMENT D – BUDGET**

**ATTACHMENT E – HHS CONTRACT AFFIRMATIONS VENDOR VERSION 2.2**  
**ATTACHMENT F – HHS UNIFORM TERMS AND CONDITIONS VENDOR VERSION 3.2**  
**ATTACHMENT G – DATA USE AGREEMENT VERSION 8.5**  
**ATTACHMENT H – ADDITIONAL PROVISIONS VERSION 1.1**  
**ATTACHMENT I – FEDERAL ASSURANCES – NON-CONSTRUCTION V 1.1**  
**ATTACHMENT J – CERTIFICATION REGARDING LOBBYING**  
**ATTACHMENT K – FFATA CERTIFICATION FORM**  
**ATTACHMENT L – HHSC SOLICITATION RFO No. HHS0009514 INCLUDING ALL ADDENDA**  
**ATTACHMENT M – SOLICITATION RESPONSE**  
**ATTACHMENT N – INSURANCE CERTIFICATES**

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 FOUR-PAGE SIGNATURE DOCUMENT**
2. **ATTACHMENT G – DATA USE AGREEMENT VERSION 8.5**
3. **ATTACHMENT E – HHS CONTRACT AFFIRMATIONS VENDOR VERSION 2.2**
4. **ATTACHMENT F – HHS UNIFORM TERMS AND CONDITIONS VENDOR VERSION 3.2**
5. **ATTACHMENT H – ADDITIONAL PROVISIONS VERSION 1.1**
6. **ATTACHMENT I – FEDERAL ASSURANCES – NON-CONSTRUCTION V 1.1**
7. **ATTACHMENT J – CERTIFICATION REGARDING LOBBYING**
8. **ATTACHMENT K – FFATA CERTIFICATION FORM**
9. **ATTACHMENT L – HHSC SOLICITATION RFO No. HHS0009514 INCLUDING ALL ADDENDA**
10. **ATTACHMENT A – STATEMENT OF WORK**
11. **ATTACHMENT B – KEY PERFORMANCE REQUIREMENTS**
12. **ATTACHMENT C – DELIVERABLES**
13. **ATTACHMENT D – BUDGET**
14. **ATTACHMENT N – INSURANCE CERTIFICATES**
15. **ATTACHMENT M – SOLICITATION RESPONSE**

#### **VIII. 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. HHS000951400001**

**HEALTH AND HUMAN SERVICES  
COMMISSION**

DocuSigned by:  
*Michelle Alletto*  
74D324454F774EB... \_\_\_\_\_

Michelle Alletto

Chief Program and Services Officer

Date of execution: February 27, 2023

**PUBLIC CONSULTING GROUP, LLC**

DocuSigned by:  
*William S. Mosakowski*  
F1468818E195471... \_\_\_\_\_

William Mosakowski

President

Date of execution: February 24, 2023





# TEXAS

## Health and Human Services

**Cecile Young, Executive Commissioner**

**HEALTH AND HUMAN SERVICES COMMISSION CONTRACT NO.  
HHS000951400001**

**Attachment A, Statement of Work**

## I. Contract Requirements

### 1.1. Overview

The Data Broker Services (“DBS”) Contractor shall provide services to assist in the System Agency’s client eligibility determination system and improve Texans’ timely access to health and human service programs in a manner that assures the highest levels of quality, accuracy, and efficiency in providing DBS.

### 1.2. General Requirements

The requirements are for the Contractor to:

- A. Provide information via data sources and system applications that interface with the data broker system to assist the System Agency in client eligibility determinations and recertifications of benefits or other purposes;
- B. Provide the required data elements for each data source via a web-based application, using IP Protocol, provided and maintained by the Contractor;
- C. Access each data source individually and produce combined reports including data sources specified by the System Agency;
- D. Provide a reporting solution to deliver, manage, store, and catalog administrative reports specific to the DBS report provided to the System Agency as a support of determining eligibility;
- E. Operate, maintain and improve the data broker system to meet the needs of the System Agency when information is needed to process applications for client eligibility determination and recertification of benefits for health and human services programs;
- F. Provide a data broker system that is predictable and reliable, that presents accurate data captured from the data sources, and meets performance standards as required by **Attachment B, Key Performance Requirements**;
- G. Provide data security for sensitive and confidential information in accordance with **Section 4. System Requirements** and **Attachment G, Data Use Agreement Version 8.5**, of this document;
- H. Comply with the System Agency requirements to terminate user access within twenty- four (24) hours of the System Agency’s request to ensure data broker system security;
- I. Effectively manage, distribute, maintain, and trace all information that provided through DBS;
- J. Provide a predictive analytics solution that provides the System Agency access to the results of data in real time to the data broker system on clients/recipients in the household entered into the Texas Integrated Eligibility Redesign System (“TIERS”)/Self Service Portal (“SSP”) from the eligibility applications or

recertification of benefit forms;

- K. Provide an identity authentication (“**ID Authentication**”) service for client users of the [YourTexasBenefits.com](http://YourTexasBenefits.com) access channel;
- L. Provide a change verification (“**CV**”) application program interface (“**API**”);
- M. Provide a Multiplexer and Electronic Data Sources (“**ELDS**”); and
- N. Support the System Agency’s modernization efforts to continually improve business processes and take advantage of emerging technologies that promote efficiency and improved business operations.

### 1.3. Functional Areas

Specific requirements have been identified and categorized by functional areas. The functional areas include Management, Operational Project, System, and Financial Requirements and are contained within this document. Additional requirements are listed in the attachments referenced below. The Contractor must:

- A. Meet all contractual requirements, including detailed expectations provided in this document and Contractor’s Narrative Proposal.
- B. Submit Deliverables in accordance with **Attachment C, Deliverables**, without significant grammatical, usage or spelling errors.
- C. Include all necessary and appropriate information in each Deliverable.
- D. Notify all appropriate System Agency subject matter experts (“SMEs”) during the development of all Deliverables, in order to submit deliverables to specifically address the System Agency’s needs.”
- E. Align any presentation and supportive materials in accordance with all requirements contained in this document.

### 1.4. Deliverables

The Contractor must provide tangible, measurable, verifiable work product in accordance with **Attachment C, Deliverables**, to the System Agency to ensure quality Services are delivered timely, accurately, and efficiently.

The Deliverables will assist the System Agency in connection with the development and implementation of quality processes; monitoring the status of operations; tracking progress towards objectives; evaluating and validating Contractor’s performance; ensuring Contractor’s adherence to Contract requirements; and ensuring timeliness, accuracy, availability, and access to Services.

The Deliverables reporting process (reference sect. 3.1 Reporting Requirements) must ensure that necessary and appropriate information and data is timely, consistent, and an accurate reflection of DBS operations and performance. As such, the reports, plans, processes, and documents must be objective, clearly written, and accurate so that they can be relied upon by the System Agency in making decisions that relate to DBS operations, policy, and performance.

The System Agency will define the content, acceptance criteria, and format of the Deliverables, and will work with the Contractor to clarify the System Agency's requirements. Each Deliverable must meet the acceptance criteria for that Deliverable as of the initial due date of its submission. Each Deliverable that does not meet the applicable acceptance criteria upon submission will be considered noncompliant and will be treated as a late submission for purposes of any applicable service level agreements or performance requirements in accordance with **Attachment B. Key Performance Requirements**. The Deliverable will continue to be regarded as late until a Contractor resubmits an acceptable Deliverable. The System Agency may choose to exercise any remedies it may have in connection with the late submission of the Deliverable. The System Agency may review or require modifications to the Deliverables at its discretion.

The System Agency reserves the right to waive the review and approval of Contractor's Work Products. The System Agency's approval of the Contractor's work product will not relieve the Contractor of liability for errors and omissions in the work product.

The Contractor must perform all requirements, in accordance with **Attachment B. Key Performance Requirements**, outlined in the Contract, including, but not limited to the numbered items, beginning with item number DB 001 below and continuing throughout **Attachment A, Statement of Work**.

Requirements that call for the Contractor to deliver as part of this agreement are referenced in **Attachment C. Deliverables** must include the letter "D" at the end of the item number (for example, see item DB 006-D).

## II. Management Requirements

### 2.1 Formal Communication

The Contractor must establish formal communication with the System Agency using the official correspondence state action requests ("SARs") and official correspondence vendor action requests ("VAR") standardized memorandum template for receipt and response to requests for information, high level estimates of costs, work products, ad hoc reports, Deliverables, updates, procedures, timelines, and other required correspondence related to the performance of Contract requirements. The System Agency will issue SARs to the Contractor. Formal communication from the Contractor

to the System Agency should be submitted through a VAR. General requirements for formal communication include:

- A. VAR to the System Agency that does not require a response or request for action by a specified due date; or a VAR to the System Agency that requires a response or request for action by a specified due date.
- B. Submission of Key Performance Requirements (“KPR”) and Deliverables in accordance with **Attachment B, Key Performance Requirements** and **Attachment C, Deliverables**.
- C. Contractor must provide a single point of contact for electronic submissions and responses.
- D. For any oversized attachments embedded within the official correspondence, the Contractor must submit hand delivered thumb/flash drive or another approved method as determined by the System Agency.
- E. Once the System Agency has reviewed/approved the VAR, the System Agency official correspondence coordinator will submit the response back to the Contractor with one of two types of responses, either (i) Informational (no action required), or (ii) response required by specific due date.

In addition to the requirements stated above, the Contractor must:

- |        |  |
|--------|--|
| DB 001 | Submit complete and accurate responses to any SAR or VAR memos no later than ten (10) business days after the Contractor’s receipt of the request unless a specific date is specified in the request.  |
| DB 002 | Submit written request for extension of a SAR or VAR deadline that specifies the estimated date of completion and reasons for the extension no later than three (3) business days prior to the original response due date.   |
| DB 003 | The Contractor must provide ad hoc reports as requested by the System Agency as a result of Legislative inquiries and other high priority requests within thirty-six (36) hours from receipt of the System Agency’s request or by the date and/or time specified by the System Agency. If an extension for the response time is needed, the Contractor must: <ol style="list-style-type: none"><li>a. Submit a written extension request for a high priority deadline no later than three (3) hours after the Contractor receives the high priority deadline SAR or VAR response. The extension request must specify the estimated date of completion and reasons for extension; and</li><li>b. Submit a written request for routine extension of a SAR or VAR response deadline that specifies the estimated date of completion and reasons for the extension no later than noon the day before the original date due to the System Agency.</li></ol> |

- DB 004        The Contractor must provide required Deliverables listed in **Attachment C, Deliverables.**
- DB 005        If the Contractor is late in responding to the SAR VAR, or does not provide adequate information, the System Agency will assess non-compliance remedies in accordance to **Attachment B, Key Performance Requirements.**

## 2.2 System Agency Responsibilities

At its discretion, the System Agency may:

- A. Provide SAR/VAR and related communication procedural requirements;
- B. Define the criteria for data elements to be included in ad hoc reports and the information which will be included in the executed reports or other high priority requests; and
- C. Review, approve, or require modification to the Contractor's proposed formal communication process.

## 2.3 Performance Measures and Associated Remedies

The System Agency has identified a list of KPRs, which the System Agency will regularly monitor to ensure the Contractor is in compliance with those measures. See **Attachment B, Key Performance Requirements.**

The KPRs will be used to measure the Contractor's successful performance of the Services and production of Deliverables. However, all areas of responsibility and all requirements in the Contract will be subject to annual performance evaluation by the System Agency, which will be uploaded to the Comptroller's Vendor Performance Tracking System by the System Agency. All responsibilities or requirements not fulfilled will have remedies applied, in accordance with **Attachment F, HHS Uniform Terms and Conditions Version 3.2.** by the System Agency and either actual or liquidated damages assessed, in accordance with **Attachment B, Key Performance Requirements.**

Contractor may not include its own test transactions in KPRs related data indicating production performance of the data broker system. The test transactions may be a measurement point, as a separate KPR or performance measure, but not in the overall data broker system performance reporting for compliance.

The liquidated damages included in **Attachment B, Key Performance Requirements,** may be used if the Contractor fails to achieve the performance standards required under the KPRs.

## 2.4 Contract Monitoring Questionnaire

The Contractor must comply with all applicable cost principles, audit and Contract monitoring requirements, administrative requirements under the Contract, Contract management guidelines, and state and federal regulations. To ensure compliance with these requirements, the System Agency utilizes a risk-based Contract monitoring process, Contract Monitoring Questionnaire (“CMQ”), which provides the System Agency with detailed and ongoing information regarding the Contractor’s internal and financial controls and other general contracting processes by which to address risk in the Contract monitoring process.

In addition to complying with the requirements of 40 Texas Administrative Code, Part 1, Chapter 49, Subchapter D, Division 2, Monitoring and Investigation, and complying and cooperating with any System Agency request or function conducted under that Division 2, the Contractor must submit the following Deliverables:

- DB 006-D      The Contractor must submit an initial CMQ within thirty (30) calendar days after the Contract Effective Date.
- DB 007-D      The Contractor shall submit an annual CMQ within sixty (60) calendar days prior to the end of each SFY (State Fiscal Year).

## 2.5 Financial and Performance Audits

Title 2 Texas Human Resources Code Subtitle C, Chapter 32, Section 32.0705 EXTERNAL AUDITS OF CERTAIN MEDICAID CONTRACTORS BASED ON RISK directs the System Agency to contract with an independent auditor to perform annual independent external financial and performance audits of any Medicaid contractor used by the System Agency in the System Agency’s operation as a part of the State Medicaid program.

The Contractor, therefore, shall provide an independent auditor’s report after each year of operation as more fully described below. This cost of these audits will be borne by the Contractor.

In addition to the requirements stated above, the Contractor must:

- DB 008-D      Submit an independent auditor’s report annually, within 120 days after each operational year’s end. The scope of the audit shall include a review of the Contractor’s performance with respect to KPRs, revisions associated with Amendments, and financial review of all invoices submitted during the operational year.

## 2.6 State Monitoring, Examinations, and Audits

The Contractor must procure audit service from an independent licensed certified public accounting firm. The audit and report must conform to:



- A. Guidelines established by the American Institute of Certified Public Accountants (“AICPA”) Statement on Standards for Attestation Engagements No. 18 (SSAE 18) SOC 2, Type 2 Report, or current Audit and Attestation Standards equivalent as accepted by AICPA.
- B. Requirements listed in **Attachment F, HHS Uniform Terms and Conditions Vendor Version 3.2**, Section 8.2 AGENCY’S RIGHT TO AUDIT.

In addition to the requirements stated above, the Contractor must:

- DB 009-D      Annually complete the current federally required audit and report, within 120 calendar days after each operational year’s end. The audit must be performed, at the Contractor’s expense, by an independent licensed certified public accounting firm. This expense is considered an unallowable Contract expense.

## 2.7 Change Management Plan

The Contractor must establish a comprehensive Change Management Plan with strategies, processes, and procedures to manage change and control scope of the Contract. The Contractor must provide a formalized methodology for handling change management, including how changes will be proposed, reviewed, tracked, approved, and implemented.

In the event there is a reason to change the Project scope, the System Agency will initiate the change request via the official correspondence process. The change request will provide information regarding the change comparable to the detail originally included in the Contract documentation.

The System Agency and the Contractor will endeavor to agree upon appropriate and mutually amenable changes in cost, schedule, testing support from the System Agency’s Information Technology (“IT”), or other terms associated with the change request. No change request shall be implemented unless set forth in writing and approved and signed by an authorized representative of each Party.

The Contractor must:

- DB 010-D      Submit, implement, and maintain a Change Management Plan within fifty-five (55) calendar days after Contract Effective Date or by the date specified by the System Agency. The Change Management Plan must include, but is not limited to the following:
- a. The methodology addressing how change requests will be received, analyzed, and presented;
  - b. Identification of the impact of the change to the schedule, quality, and cost structure; and
  - c. Details regarding how resources (systems and people) will be managed



to support change requests.

- DB 011 Respond to change requests via a charter, impact assessment report, and/or other requested artifacts based upon agreed methodologies and submit to the System Agency for approval.
- DB 012 Implement approved change requests within the agreed upon release schedule and/or operational implementation timeframe.

## 2.8 Communication Plan and Governance Structure

The Contractor must establish a Communication Plan and Governance Structure meant to provide administrative oversight and support for program discussions and decision-making between the System Agency and the Contractor, to ensure compliance with the requirements of the Contract, and ongoing and successful coordination between the two parties.

The Contractor must:

- DB 013-D Submit, implement, and maintain a Communication Plan and Governance Structure within fifteen (15) calendar days after Contract Effective Date or by the date specified by the System Agency; and annually thereafter thirty (30) calendar days prior to the end of each operational year. The Communications Plan must require the Contractor:
- a. Schedule and attend monthly, in-person or virtual meetings, Governance meetings between the System Agency's leadership teams and the Contractor to provide direction and define decision-making procedures and to create a forum for timely issue resolution;
  - b. Schedule and attend weekly, in-person, or virtual meetings, during the Transition phase of services, between the System Agency, Contractor, and outgoing vendor, to address any concerns or issues with Project implementation, data tracking and reporting, and other technical assistance issues;
  - c. Schedule and attend weekly, in-person, or virtual meetings between the System Agency and Contractor to address any concerns or issues with Project implementation, data tracking and reporting, and other technical assistance issues; and
  - d. Schedule and attend weekly, in-person, or virtual status meetings between the System Agency and the Contractor during Projects to discuss the progress, challenges encountered, strategies used to address those challenges, and other topics relevant to ensuring a successful Project.
  - e. Ensure required personnel attend meetings in-person or virtual meetings between System Agency and the Contractor. The System Agency will coordinate with the Contractor to develop a schedule for these meetings.

- DB 014-D Submit agendas for all scheduled meetings via official correspondence, or as designated by the System Agency, no later than twenty-four (24) hours prior to each meeting, unless deviation is requested in advance and approved by the System Agency; and
- DB 015-D Submit meeting minutes via official correspondence, or as designated by the System Agency, for review, comment, and approval by the System Agency, no later than five (5) business days after each meeting is held.

### III. Operational Project Requirements

#### 3.1. General

Contractor must provide DBS that meet the operational project requirements listed below:

- A. Provide information via data sources and system applications in accordance with **Attachment C, Deliverables**, that interface with the data broker system to assist System Agency staff in client eligibility determination and recertification of benefits or other purposes. This information must include but is not limited to:

1) **Data sources:**

- a. Information on credit history from at least one credit reporting agencies;
- b. Texas vehicle registration information (including vehicle value records);
- c. Texas criminal history;
- d. Texas property records;
- e. Social Security Number (“SSN”) death master file;
- f. Asset Verification System (“AVS”) for financial data;
- g. Systematic Alien Verification for Entitlements (“SAVE”) for verification of immigration status;
- h. Texas Driver's License Information;
- i. Department of State Health Service/Vital Statistics Unit for birth/death/marriage/divorce certificates;
- j. Texas Workers Compensation Commission for income claim information;
- k. Texas Workforce Commission (“TWC”) Childcare System for childcare expense verification;
- l. Veterans Administration for income verification;
- m. National Directory of New Hires for income information;
- n. Texas Lottery Commission for income payment information;
- o. Texas Department of Criminal Justice for state incarceration information;
- p. Industry standard web service interface with TWC Income Verification Data and claim information;
- q. Electronic Disqualified Recipient System (“eDRS”); and
- r. Industry standard web service interface with Office of Attorney General (“OAG”) Child Support Data.

Additional data sources can be identified and recommended by the Contractor to the System Agency for further consideration for inclusion.

**2) Applications that interface with Data Broker Services:**

The Contractor is required to provide a data broker system that is a seamless data interface with the TIERS/SSP and YourTexasBenefits.com applications and renewal forms via an industry standard web service.

**3) Separate Access Channels**

In addition to the TIERS/SSP interface, the Contractor is required to:

- a. Provide an alternative access solution that allows access to the Data Broker Service from an alternative URL or other secure Internet access source. This is required in the event the interface to TIERS/SSP is not available.
- b. Provide the required data elements for each data source via a web-based application, using IP Protocol, provided and maintained by the Contractor. This information will be provided to ensure information is provided accurately and timely to assist System Agency staff;
- c. Access each data source individually and produces combined reports including data sources specified by the System Agency;
- d. Provide a reporting solution to deliver, manage, store, and catalog administrative reports specific to the combined report provided to the System Agency staff as a support of determining eligibility.
- e. Operate and maintain the data broker system to meet the needs of the System Agency staff when information is needed to process applications;
- f. Provide predictable and reliable, accurate data captured from the data sources and the system meets performance standards as required in this agreement;
- g. Provide data security for sensitive and confidential information in accordance with the Data Use Agreement (“DUA”), **Attachment G. Data Use Agreement Version 8.5**, and the Security and Privacy Initial Inquiry (“SPI”), **Attachment G. Data Use Agreement Version 8.5 (Attachment 2)**, Federal Information Security Management Act (“FISMA”) (PL107-347, Title III, section 301); OMB M-0616 as it applies to electronic storage and transport of Personally Identifiable Information (“PII”) between systems and the internal processing of records; Tax Information Security Guidelines for Federal, State, and Local Agencies (Publication 1075); and Health and Human Services (“HHS”) Information Security Controls (“IS Controls”) Version 1 (previously known as Enterprise Information Security Standards and Guidelines (“EISSG”) Controls Catalog);
- h. Complies with the System Agency requirements to terminate user access within twenty-four (24) hours of the request to ensure data broker system security in accordance with **Attachment C. Deliverables**;
- i. Effectively manage, distribute, and account for all information that is provided through DBS;
- j. Offer a Predictive Analytics solution for System Agency staff. The analytics must provide real time information on the client user household. The analytics must take into consideration the data entered into the TIERS/SSP

from either the application or renewal forms. The predictive analytics system should provide an immediate response at the time of application/renewal and the results should be easy to access and to read without increasing the level of effort or time needed to determine eligibility;

- k. Provide an identity authentication (“**ID Authentication**”) service for client users of the YourTexasBenefits.com access channel when client users request to view case and benefit information. The Contractor is required to provide a service that provides client user ID Authentication at a minimum of the current levels of access by client users and may provide further service options that will work in conjunction with the System Agency’s technology platform, currently web services, that invokes authentication at account creation and application submission and as part of predictive analytics. The ID Authentication services must be a stand-alone service that does not impact the data broker system availability.

#### 4) **Authentication Services**

- a. To provide the ID Authentication services, the System Agency will submit, via a web services interface, to the Contractor:
  - i. client name;
  - ii. address;
  - iii. date of birth;
  - iv. gender; and
  - v. Social Security Number (SSN), if provided.
- b. The Contractor will:
  - i. utilize the ID Authentication service;
  - ii. match identity;
  - iii. create challenge questions; and
  - iv. return results in multiple choice format that the client user is then required to answer online within a set amount of time. The client users must correctly answer four (4) questions to authenticate their identity within a 180 second time period, sometimes known as “out-of-the- wallet” questions, where accessible data sources are used to obtain information only that the authentic or legitimate client user can answer.
- c. The ID Authentication service must include, but is not limited to, the following features:
  - i. Be configurable allowing flexibility in question wording and presentation;
  - ii. Limit the number of attempts allowed;
  - iii. Limit the number of answer possibilities;
  - iv. Establish the length of history for the question generation; and
  - v. Be scalable for future expansion and enhancements.

d. The ID Authentication service provided must:

- i. Not restrict individuals who fail authentication while creating an account from being able to submit an application. It is permissible for the service to restrict detailed account information until the client user successfully authenticates. Once an account is created, the service must not present to the user any indication whether user passed or failed the authentication test, but must pass to the System Agency clear and concise information regarding the results and indicate further authentication steps to be taken by the System Agency's eligibility staff;
  - ii. Be compatible and include a webservice interaction with the System Agency's current online and mobile application technology;
  - iii. Be available 24/7/365 and meet the threshold for transaction response times and transaction volume; and
  - iv. Be able to evolve as technology changes.
- xi. Provides a Change Verification ("CV") Application Program Interface ("API"). This is required to be exchanged between the exiting vendor to the Contractor. The CV API applies to the advanced periodic-payment analytics to confirm client reported income changes submitted through www.YourTexasBenefits.com website. This ensures a seamless transition between vendors.; and
  - xii. Develops a multiplexer and electronic data sources ("ELDS"). The multiplexer and ELDS functionality allow the Contractor to provide eligibility data (i.e. residency, citizenship, resources, and income information) to TIERS/SSP.

### 3.2. Reporting Requirements

Contractor is required to provide a data broker system that provides timely, accurate, and meaningful reports for management and oversight in accordance with **Attachment B, Key Performance Requirements** and **Attachment C, Deliverables**. DBS must have the capability to report, at minimum, detail data sources information, comparison of data to the last request, denials due to findings in the DBS, and detailed System Agency staff usage of the DBS.

In addition to the requirements stated above, the Contractor must:

DB 016 Design, develop, implement, and maintain a reporting solution to deliver, manage, store, and catalog reports. This should specify a data broker system

User Report (e.g., HHSC Region, office mail-code, user ID, etc.).

- DB 017 Provide the System Agency the ability to validate data reported and supplied to the System Agency.

### 3.3. Key Personnel and Organizational Requirements

To establish strong accountability controls, the Contractor must provide ongoing reporting of organizational structure and identification of Key Personnel, including resumes and references for the System Agency's approval. All Key Personnel must have a clear understanding of the Key Performance Requirements and Deliverables and the Contractor's proposed DBS solution.

The Contractor's Key Personnel shall include a project manager ("PM") and an information technology ("IT") subject matter expert ("SME"). Additionally, the Contractor must obtain the System Agency's approval, of any changes in Key Personnel during the Contract term.

DBS staff performance and integrity are critical to the System Agency. The System Agency requires that the Contractor conduct annual background checks for staff, with access to the data sources, data bases, analysis solution, TIERS/SSP, and any other State network or data systems, following the initial background check at the beginning of their employment and the initiation of the Contract term for Contractor's current employees. The background check should be as comprehensive as reasonably practicable to ensure risk to the compromise of System Agency's client data is eliminated.

In addition to the requirements stated above, the Contractor must:

- DB 018 Maintain Key Personnel, for successful fulfillment of Contract and performance requirements, with experience in systems, operations, policy and procedures, and in the functional areas in which they work.
- DB 019 Allocate Key Personnel and specify the percentage of time each person will dedicate to the Contract; to be reviewed and approved by the System Agency.
- DB 020 Dedicate a PM and IT SME, who are located within the immediate vicinity to attend System Agency required ad hoc meetings pertaining to the data broker system.
- DB 021-D Submit notification to the System Agency in writing within fourteen (14) calendar days that a Key Personnel vacancy will occur prior to making all changes to Key Personnel, other than changes due to resignation, death, or military recall. Notification must include a plan to recruit replacement Key Personnel.
- DB 022 Remove Key Personnel or any Contractor's employee or Subcontractor employee found unacceptable to the System Agency. Immediately remove



any system access that a particular employee may have, upon request of removal by the System Agency.

- DB 023 Replace any Key Personnel within an agreed time frame by the System Agency with personnel of equal or greater skill, ability, certification and qualifications.
- DB 024-D Submit resumes and references of proposed replacement Key Personnel within an agreed to timeframe with the System Agency for review and approval prior to Contractor making a job offer.
- DB 025-D Submit an initial organizational chart within thirty (30) calendar days after Contract Effective Date, or date specified by the System Agency, to include the names and positions of all personnel assigned to the Contract, and percentages of time each is allocated to the Contract. The organizational chart must identify Key Personnel.
- DB 026-D Submit an updated organizational chart within ten (10) calendar days after the end of each calendar quarter, or by the date specified by the System Agency, identifying the names and positions of all personnel assigned to the Contract, and percentages of time each is allocated to the Contract, or as changes in personnel occur. The organizational chart must identify Key Personnel. The quarters for reporting are listed below:
- a. January – March due by the 10th of April;
  - b. April – June due by the 10th of July;
  - c. July – September due by the 10th of October; and
  - d. October – December due by the 10th of January.
- DB 027-D Notify the System Agency verbally prior of Key Personnel being temporarily redirected to perform functions other than the responsibilities of their current position, unless previously approved by the System Agency; and submit written notification within ten (10) calendar days for documentation purposes.
- DB 028-D Submit a Background Check Work Plan for approval within fifteen (15) calendar days after Contract Effective Date, and annually thereafter, or by a date specified by the System Agency. The Background Check Work Plan must be submitted for the System Agency's review and approval, and include, but is not limited to the following:
- a. Type of data to be verified for each individual; and
  - b. Data sources used.

DB 029-D Obtain initial background checks for all current personnel and, upon the System Agency's request, for other personnel who, by virtue of their access to information or facilities may, in the System Agency's sole discretion, present a risk to the safety or security of clients/applicants and other persons or the integrity, confidentiality, or security of the System Agency information. The Contractor must represent and warrant to the System Agency that continued employment of personnel that pose a risk by the Contractor is contingent upon the Contractor's compliance with these and other appropriate security measures that may be required by the System Agency.

Results of the initial background check must be submitted to the System Agency within sixty (60) calendar days after Contract Effective Date. The report must include, but is not limited to:

- a. Employee name;
- b. Employee identifier;
- c. Company name (contracted vendor or identified Subcontractor);
- d. Date that the background check was completed;
- e. Background check result (pass vs. fail); and
- f. Any other relevant information (i.e., associated reference numbers).

DB 030-D Obtain annual background checks for all personnel and, upon System Agency's request for other personnel who by virtue of their access to information or facilities may, at the System Agency's sole discretion, present a risk to the safety or security of clients/applicants and other persons or the integrity or security of the System Agency's confidential client/applicant information. The Contractor must represent and warrant to the System Agency that continued employment of such personnel by the Contractor is contingent upon the Contractor's compliance with these and other appropriate security measures required by System Agency.

Results of the annual background check must be submitted to System Agency annually, on a date agreed upon with System Agency. The report must include, but is not limited to:

- a. Employee name;
- b. Employee identifier;
- c. Company name (contracted vendor or identified Subcontractor);
- d. Date that the background check was completed;
- e. Background check result (pass vs. fail); and



f. Any other relevant information (i.e., associated reference numbers).

DB 031 Ensure appropriate Contractor staff is available to meet with the System Agency and access to Contractor staff by the System Agency is not restricted.

### **3.4. System Agency Role**

At its discretion, the System Agency may:

- A. Review, approve, or require modification to the Contractor's Key Personnel;
- B. Review, approve, or require modification to any changes in Key Personnel;
- C. Require replacement of Key Personnel or any of the Contractor's employees or Subcontractor employees found unacceptable to the System Agency;
- D. Review, approve, or require modification to the Contractor's initial and quarterly organizational charts and changes;
- E. Review and approve technical systems staff qualifications for positions; and
- F. Require the Contractor to credit the System Agency for all costs associated with Key Personnel positions that remain vacant for more than thirty (30) calendar days.

### **3.5. Transition Phase Work Plan**

To ensure the mitigation of risk to the System Agency and a successful transition of current operations, the Contractor must establish a comprehensive Transition Phase Work Plan to track the Project team's progress regarding Project tasks, Deliverables, management of risks, and progress towards readiness for operations assumption.

The Transition Phase Work Plan must describe the Contractor's roles and responsibilities for DBS. The Transition Phase Work Plan must include a custom developed application or Commercial Off-The-Shelf ("COTS"), and Portal or Website managed content. The System Agency also requires that all data sources, that will be utilized in the data broker system, be vetted and have an established timeline for implementation clearly outlined in the Transition Phase Work Plan. The Contractor will be the lead in, and responsible for, coordinating and facilitating all transition activities with the outgoing vendor.

The System Agency and Contractor must work together throughout the transition to establish a detailed schedule for all activities and define expectations for the content and format of the Contract's Deliverables. The detailed schedule must be approved by the System Agency and address continued business operations for all transition functions and requirements.

The Transition Phase Work Plan must support the progress on the Work Plan for the transition components. Including, but not limited to, due dates and tasks associated with:

- A. Transition operations;

- B. Staffing;
- C. Training;
- D. Quality assurance and quality control activities;
- E. Data Source acquisition and subcontracting;
- F. DBS development and testing;
- G. DBS Information Security Assessment (see <https://hhs.texas.gov/doing-business-hhs/contracting-hhs>)
- H. DBS equipment and testing;
- I. DBS and operations readiness assessment;
- J. DBS Implementation; and
- K. Coordination and communication procedures.

For each of the above applicable components, the Contractor must include the following data elements within the required Transition Phase Work Plan:

- A. A logical sequence of tasks, estimated time to complete tasks, and progress reports;
- B. A clear definition of each task and progress report;
- C. Staff loading for each task and progress report;
- D. A specific target completion date for each task and progress report;
- E. Tracking and reporting of completion of tasks within work plan; and
- F. Task and progress report relationships and dependencies.

In addition to the requirements stated above, the Contractor must:

DB 032-D Submit a final Transition Phase Work Plan for approval annually within thirty (30) calendar days prior to the end of each operational year, addressing the plan requirements and describing how the Contractor will fulfill each of those requirements for progress towards readiness for operations assumption. The Transition Phase Work Plan must be submitted for the System Agency's review and approval, and include, but is not limited to the following:

- a. A schedule, or work breakdown structure, of key milestones and dates during each of the transition periods, including a proposed operations start date, that should also include the following data elements:
  - 1. Task number;
  - 2. Task description;
  - 3. Original start date;
  - 4. Original end date;

5. Actual start date;
  6. Actual end date;
  7. Percent complete;
  8. Status;
  9. Task owner;
  10. Dependency; and
  11. Notes.
- b. Data broker system build and testing completion by the date specified by the System Agency.
  - c. Data broker system testing must include user acceptance testing on all modules separately and together, and data integration with all impacted System Agency systems.
  - d. Examples of training activities to be performed by the incoming Contractor to include Work Product, project management timelines with benchmarks, and Deliverables of content and curriculum;
  - e. Plan and coordinate training activities with the System Agency, to include providing work production and project management timelines with benchmarks of Deliverables of content and curriculum for the System Agency's review and approval;
  - f. Development of training curriculum and training Deliverables in accordance with **Attachment C, Deliverables**, to include a User Guide in Microsoft Word, "how-to" "step by step" (e.g. Captivate) videos for each task, hands-on lab exercises, questions and answers around training, Frequently Asked Questions ("FAQ"), and a train the trainer guide;
  - g. Live classroom training in each of the ten (10) System Agency regions to accommodate the volume of staff needing the training. This includes recorded webinars and online access to all training materials as requested by the System Agency;
  - h. Changes to current training as a result of a change in system/process must be provided in PDF for the System Agency's review and comment in accordance with **Attachment C, Deliverables**;
  - i. An outline of processes and procedures to be followed during the transition;
  - j. A training plan with training materials created to assist the System Agency technical staff during transition.
  - k. Technical instruction sets are to be included in the training plan, including materials on how to run queries, develop reports, and generally how to use the data broker system;

- l. Identification of roles and responsibilities for the incoming Contractor, the System Agency and additional stakeholders, as required;
- m. Identification of issues that need to be addressed during the transition phase, including but not limited to: meeting Key Performance Requirements, training on the data broker system, which vendor operates the primary system, how disputes and issues will be resolved, and risks and mitigation strategies;
- n. A proposed method to identify, document, and transfer property, tangible or intangible, and documentation within system and reporting requirements that provides knowledge developed during the contract term;
- o. A sample combined report;
- p. A list of all incoming Contractor's Subcontracts and related Services;
- q. Agency or Contractor Stakeholders' roles and responsibilities; and
- r. Contact information identifying a person, to include primary and secondary contacts, and procedures for managing problems or issues during the transition.

The System Agency shall own all training deliverables, including all intellectual property rights therein.

DB 033-D Submit weekly Transition Phase Status Reports by 5:00 p.m. the Monday following the last day of the week covered by the report. The System Agency will inform the Contractor when each Transition Phase Status Report submission period begins and ends. The status reports must include, but is not limited to:

- a. Accurate reflection of the status of work completed according to the outline/schedule of key milestones and dates as referenced in **Attachment C, Deliverables**;
- b. Status of meeting activities and due dates;
- c. Issues, impacts to the System Agency, and resolution of issues, including the length of time from discovery to resolution;
- d. Status of identified risks, impacts to the System Agency, mitigation strategies and activities, and contingency plans; and
- e. Status of requested corrective actions by the System Agency.

DB 034 Implement and complete all transition activities identified in the Transition Phase Work Plan and the Transition Phase Status Reports by dates

identified and approved by the System Agency, as established in DB 032-D.

- DB 035 Meet all due dates contained within the Transition Plan and the Transition Phase Status Reports or as otherwise directed by the System Agency.
- DB 036 Establish weekly in person meetings with the System Agency, beginning one week after Contract Effective Date, or by date approved by the System Agency, to review items, including but not limited to: the weekly Transition Phase Status Reports, Project performance, submitted and upcoming deliverables, issues and risks, as provided for in **Section 2.7, Communication Plan and Governance Structure**.

The Transition Phase Work Plan will be evaluated by the System Agency prior to completion of the transition phase to determine the Contractor's compliance and subsequently retired as a Deliverable.

The Transition Phase Work Plan is a separate plan from the Business Operations Plan and will be submitted according to the requirements as referenced in DB 032-D and **Attachment C, Deliverables**.

### **3.6. Risk Management and Issue Resolution Process**

To mitigate risk to the System Agency and clients/applicants, the Contractor must establish a comprehensive risk management and issue resolution process that identifies potential risks associated with DBS, and impacts to the System Agency, with each component of the DBS solution. The Contractor must include in the Risk Management Plan, DB 038-D, the methodology and approach to risk management and issue resolution. **Attachment G, Data Use Agreement Version 8.5**, provides guidance to the Contractor and System Agency on managing information security risk.

To ensure continuous improvement by the Contractor and ensure a smooth transition and implementation of the data broker system, the Contractor must develop, implement, and maintain a Risk Management and Issue Resolution and notification process as referenced in DB 040 that will serve for the transition phase as referenced in DB 033-D, and after refinement during transition, and continue as the process by which the Contractor detects, manages, resolves, and notifies the System Agency of problems during the remainder of the Contract term.

The Risk Management and Issue Resolution Process must include:

- A. Risk identification methodology that identifies and classifies risk by severity, impact, and probability of occurrence;
- B. Operational and system implementation risks, including any that may pose a risk to the successful fulfillment of the Contract;

- C. Process for communicating and updating the System Agency on identified risks and mitigation activities;
- D. Process for communicating, obtaining approval, and updating the System Agency on issue resolution activities; and
- E. A mitigation methodology, including examples of how the assessed risks will be managed, reported, monitored, and how any new risks will be identified, assessed, and mitigated.

In addition to the requirements stated above, the Contractor must:

- DB 037 Develop a comprehensive risk management and issue resolution process as noted above.
- DB 038-D Submit a Risk Management Plan, inclusive of risk mitigation strategies, issue resolution, and notification process, within twenty (20) calendar days after the Contract Effective Date, or by the date specified by the System Agency, and annually thereafter as specified by the System Agency.
- DB 039 Implement and maintain the Risk Management Plan upon receipt of the System Agency's approval and revise as needed or at the System Agency's direction.
- DB 040 Report progress of identified risks and mitigation activities throughout the transition phase within the weekly Transition Phase Status Report (DB 033-D).
- DB 041 Develop risk mitigation strategies and contingency plans for any identified risks that may impact business operations in sufficient time to prevent an adverse impact to current operations.
- DB 042 Document issue resolution and closures to the satisfaction of the System Agency.
- DB 043 Report resolutions of issues to the System Agency, including the length of time from discovery to resolution, and impacts to the System Agency.
- DB 044 Develop steps to prevent recurrence of impact to business operations.

### **3.7. Business Operations Plan**

The Contractor must submit a Business Operations Plan as referenced in DB 045-D to the System Agency for review and approval prior to the operational start date. The Business Operations Plan will not be implemented prior to the System Agency's approval.

A key component of the Business Operations Plan is an operational work plan. The operational work plan must be used to track the progress regarding tasks, timelines, deliverables, and the management of risk.

DB 045-D Submit a final Business Operations Plan within ninety (90) calendar days prior to the scheduled operational start date or by the date specified by the System Agency, and annually thereafter as specified by the System Agency. The final Business Operations Plan must include, but is not limited to, the following:

- a. An outline of all component activities (tasks, due dates, timelines and deliverables) related to administrative and staffing structure, planned for the upcoming year;
- b. The business improvement objectives, priorities, and outcomes for the upcoming year;
- c. A method for ensuring the data broker system functionality complies with the Americans with Disabilities Act of 1990;
- d. The methodology for conducting business operations and meeting business objectives;
- e. Plans for developing and implementing any necessary corrective actions;
- f. Methods for data source access and security;
- g. Data broker system performance monitoring and reporting; and
- h. Plans for maintaining current and updated user training materials.

### **3.7.1. Business Operations Plan Six-Month Evaluation Report**

The Business Operations Plan must be an interactive and flexible working document that must be revised and updated as processes, procedures, structures, and/or organization changes occur. As a result, the Contractor will be required to provide System Agency a detailed six-month evaluation report after the end of each six-month reporting period covered by the report. The six-month evaluation serves as the primary basis for revisions, if any, to the Business Operations Plan to reflect updated goals, activities, and processes.

Therefore, the Contractor is required to evaluate the actual activities performed as compared to the Business Operations Plan approved by the System Agency. The report must include a description of what was reviewed during the Contractor's evaluation, the business operations successes and failures of what was reviewed, and enough information for the System Agency to assess the Contractor's evaluation and ensure compliance with the Contract requirements.

In addition to the requirements stated above, the Contractor must:



DB 046 Implement the Business Operations Plan immediately after approval is obtained from the System Agency.

DB 047-D Submit a detailed six-month evaluation report of the Business Operations Plan within thirty (30) calendar days after the end of each six-month reporting period covered by the report.

### **3.8. System Agency Role**

At its discretion, the System Agency may review, approve, or require modification to the Contractor's proposed Business Operations Plan or request changes to the minimum requirements located above for any future business operation plan submissions.

### **3.9. Disaster Recovery and Business Continuity Plan**

The Contractor must provide a Disaster Recovery and Business Continuity Plan which addresses transition phase and ongoing operations. It is critical the plan provide for uninterrupted DBS service delivery to the System Agency staff.

The approved Disaster Recovery and Business Continuity Plan must be in place prior to the operational start date.

DB 048-D Submit, implement, and maintain a Disaster Recovery and Business Continuity Plan specific to the transition and on-going operations within fifty (50) calendar days after Contract Effective Date or by the date specified by the System Agency; and annually thereafter within thirty (30) calendar days prior to the end of each operational year. The Disaster Recovery and Business Continuity Plan must include, but is not limited to, the following:

- a. An overall approach for reestablishing operations and service delivery within twenty-four (24) hours in the event of an unplanned system outage (e.g., hardware or software outages) and/or in the event a disaster occurs affecting performance of operations;
- b. Any other systems required for DBS operations;
- c. A description of potential issues that may realistically impact business operations, including, but not limited to, instances such as natural disasters, unplanned system outages, a facility is no longer available, etc., during the operations phase of the Contract and an outline of courses of action to address and resolve the anticipated problems;
- d. A description of the Contractor's approach to determining a disaster recovery site location, which must be an alternate site located in the continental United States. Indicate the location of the disaster recovery site, the approach and the proximity to Contractor's central site;
- e. A description of backup and recovery procedures specifying timeframes for restoring service and whether the service restored is full or partial;



- f. A contingency plan addressing interruption to the established training plan that outlines communication processes, short and/or long-term resolutions, action steps, and response time frames;
- g. A description of the documentation and tracking instruments that will allow the System Agency to determine if performance measures are met during a disaster. All KPRs must be met during a disaster or unplanned outage unless otherwise approved by the System Agency);
- h. The processes and procedures and training outline for Contractor staff to be followed during the disaster recovery period, including specific training materials to assist System Agency staff in disaster recovery of the data broker system;
- i. A reporting mechanism customized to disaster recovery and contingency operations;
- j. The process for informing the System Agency contacts of incidents and Major System Outages, as referenced in **Section 4.4 Reporting Major Systems Outage and Incidents**; and
- k. The Contractor must participate in an enterprise-wide test of the disaster recovery solution annually or more frequently as required by the System Agency.

### 3.10. Readiness Assessment Process

To mitigate risk to the System Agency, as referenced under **Section 3.6 Risk Management and Issue Resolution Process**, and its clients/applicants to assure a smooth transition, the Contractor must establish a comprehensive Readiness Assessment Plan for all components of their approved proposal. The Readiness Assessment Plan must specify how the Contractor will prepare and test staff, business practices, systems, and required system interfaces for the performance of business functions prior to the formal readiness review as referenced in DB 049-D. In addition, the readiness assessment process must be completed during system changes, upgrades, new data source implementation, and new initiatives implemented.

Contractor is required to:

- DB 049-D Submit, implement, and maintain a Readiness Assessment Plan for the implementation of the operations and DBS within twenty-five (25) calendar days after Contract Effective Date or by the date specified by the System Agency. The Readiness Assessment Plan must include, but is not limited to, the following:
- a. How and when the Contractor will prepare and conduct rigorous systems testing in a tightly controlled and fully production-ready environment;
  - b. How and when the Contractor will test business practices, systems, and required system interfaces for the performance of business functions

- prior to the formal readiness review;
  - c. How the readiness assessment will be conducted;
  - d. How the results will be collected and presented;
  - e. How the Contractor will stress test implementation of system functionality; and
  - f. How problems will be addressed, if identified.
- DB 050-D Submit the results of the readiness assessment within fifteen (15) calendar days after the readiness assessment review has been completed or by the date specified by the System Agency; but prior to the operational start date as determined by the System Agency. The report must address all requirements of the Readiness Assessment Plan, must identify problems identified, and indicate how and when the Contractor will address and resolve the identified problems.
- DB 051-D Submit, implement, and maintain a Readiness Assessment Plan for system changes, upgrades, new data source implementation and new initiatives implemented within twenty-five (25) calendar days after Project start date or by the date specified by the System Agency. The Readiness Assessment Plan must include, but is not limited, to the following:
- a. How the Contractor will prepare and conduct rigorous systems testing in a tightly controlled and fully production-ready environment;
  - b. How the Contractor will test business practices, systems, and required system interfaces;
  - c. How the Contractor will stress test implementation of new systems changes or data sources;
  - d. How the readiness assessment will be conducted;
  - e. How the results will be collected and presented;
  - f. How problems will be addressed, if identified; and
  - g. Documentation that all testing plans and timelines have been reviewed and approved by the System Agency's Information Technology ("IT") when the activity being planned impacts TIERS/SSP and/or YourTexasBenefits.com.
- DB 052-D Submit the results of the readiness assessment for system changes, upgrades, new data source implementation and new initiatives within fifteen (15) calendar days after the readiness assessment review has been completed or by the date specified by the System Agency. The report must address all requirements of the plan and must identify problems identified and indicate how and when the Contractor will address and resolve the identified problems.

### 3.11. Quality Management Plan

The Quality Management Plan provides the framework for a comprehensive, continuous, and measurable quality assurance program. The Quality Management Plan must embody the Contractor's endorsement of the fundamental importance of quality by promoting, reinforcing, and acknowledging quality management activities.

The Contractor must:

- DB 053-D Submit, implement, and maintain a Quality Management Plan, including an overall approach for a comprehensive, continuous, and measurable quality management program within thirty (30) calendar days after Contract Effective Date or by the date specified by the System Agency and annually thereafter no less than thirty (30) calendar days prior to the end of each operational year. The plan must include but is not limited to the following:
- a. Strategies and processes to promote quality;
  - b. Procedures to periodically measure and report Contractor performance to the System Agency through the Contract; and
  - c. A requirement that the Contractor shall immediately submit to the System Agency copies of all internal quality assurance audit reports when developed or received by the Contractor.

### 3.12. Training Requirements

The Contractor must provide a Training Plan for the System Agency staff, other HHS agency staff, and Subcontractors. The Training plan must support the System Agency's training requirements and must be in accordance with **Attachment C, Deliverables**. The Training plan must also include processes for the approach to train the Contractor's own staff.

The Contractor will design training for DBS specific user groups. The most current version of all trainings and materials will be stored within the data broker system to allow for easy retrieval at any time. The data broker system must be able to track trainings to authorize user access, upon successful completion of all required training per user group. The Contractor must develop procedures for maintaining and updating the plan, training material, and modifications to the training, at the request of the System Agency, throughout the Contract term. The System Agency will review for accuracy all training documents within Contractor's testing and production environments. The System Agency shall own all training Deliverables.

The Contractor is responsible for the developing and implementing the following trainings:

- DB 054-D Submit, implement, and maintain a Training Plan within sixty (60) calendar days after the Contract Effective Date or by the date specified by the System Agency. The Training plan must include, but is not limited to:

- a. A plan for training the System Agency staff, other HHS agency staff and Subcontractors;
- b. All training materials that meet the Americans with Disabilities Act of 1990 requirements;
- c. Procedures for the execution and implementation of the training plan, benchmarks, and calibration of original training and refresher training;
- d. Written purpose and objective statements every module of training;
- e. An explanation of the functionality and appropriate use of the data broker system, to include a training overview of the available data, training on how to read and use the data as well as, limitations of the data to include permissible purpose;
- f. Training overview of the current System Agency's policies and procedures;
- g. Training regarding how to protect the System Agency's confidential PII and Personal Health Information. The Contractor is prohibited from using any content that would identify any of the System Agency's clients in the online training modules, which include imbedded video, examples, and homework assignments;
- h. Training shall include case scenarios provided by the System Agency for appropriate use of the system;
- i. A requirement that System Agency users achieve a minimum assessment score established by the System Agency, or a Pass/Fail option;
- j. Refresher training requirements and communication to System Agency users of the refresher training requirements;
- k. Training for any system upgrades that may occur during the Contract term; and
- l. Perform ad hoc user trainings, upon request.

The Contractor must also:

- a. Plan and coordinate training activities with the System Agency to the specificity of System Agency's software and hardware requirements;
- b. Develop training curriculum and training deliverables to include a User Guide in Microsoft Word, "how-to" "step by step" (e.g. Captivate) videos for each training objective, hands-on lab exercises, questions and answers regarding training, FAQ and a train the trainer guide; and
- c. Provide live classroom training in each of the ten (10) System Agency regions to accommodate the volume of staff needing the training. This

includes recorded webinars and online access to all training materials as requested by the System Agency.

- DB 055-D Submit, develop, implement, and maintain the following required data broker system training curriculum, including all updates or modifications, for the System Agency's review and approval, within forty-five (45) calendar days prior to the scheduled operational start date, or by the date specified by the System Agency. This includes, but may not be limited, to:
- a. Plan and coordinate training activities with System Agency trainers;
  - b. Develop training curriculum and training deliverables as referenced in **Attachment C, Deliverables**, to include a User Guide in Microsoft Word, "how-to" "step by step" (e.g., Captivate) videos for training objective, hands-on lab exercises, questions and answers around training, FAQ and a train the trainer guide;
  - c. data broker system access training;
  - d. data broker Federal Credit Reporting Agency ("FCRA");
  - e. data broker combined report;
  - f. data broker report for Medicaid for Elderly and Persons with Disabilities ("MEPD");
  - g. data broker report for Office of Inspector General ("OIG") for Access and Eligibility Services ("AES");
  - h. data broker Texas Works;
  - i. data broker TIERS/SSP;
  - j. data broker training for System Agency supervisors; and
  - k. Any additional trainings to be developed and integrated as required by the System Agency, State, or federal requirements.

### **3.13. Continuous Improvement**

The Contractor shall continuously develop and recommend processes that support ongoing System Agency employee excellence, professional growth, and development in regard to DBS, and along the continuous improvement path as dictated by the System Agency.

- DB 056 In support of continuous improvement, the Contractor shall:
- a. Modify, change, and provide updated training versions of training materials as the System Agency deems necessary for the System Agency's staff to perform their responsibilities when accessing the data broker system, by the date specified by the System Agency; and
  - b. Provide ad hoc reports related to continuous improvement when deemed necessary by the System Agency, by the date specified by the System Agency.

### 3.14. Operational Status

During the Contract term, the Contractor is required to carry out daily operational activities related to providing DBS. To ensure outcomes, products, and services are delivered and performed to meet or exceed federal, state, and the System Agency requirements, the Contractor must provide a monthly status report.

- DB 057-D Submit a monthly status report within ten (10) business days following the last day of the reported month. The System Agency will inform the Contractor when to begin submitting the monthly status reports. The monthly status report must include, but is not limited to, the following:
- a. Performance data and metrics, and KPR compliance;
  - b. A change log documenting all changes made on a monthly basis within the operational year, including comprehensive updates to the number of development hours utilized;
  - c. The status of identified risks, mitigation strategies and activities, and contingency plans;
  - d. Issues and resolution of issues, including the length of time from discovery to resolution;
  - e. Requested corrective actions by the System Agency and the status;
  - f. Detailed descriptions of all major systems outages and incidents, including when and how it was discovered, system and operational impacts, detailed root cause, and corrective measures, to detect and prevent future major systems outages/incidents;
  - g. Summary data of quality management activities conducted; and
  - h. A detailed report validating terminations or suspension of user accounts within the required timeframe for the month as a result of weekly System Agency termination requests submitted to the Contractor and/or System Agency users terminated as a result of the System Agency's policies.

### 3.15. Turnover Requirements

The following are the turnover requirements which the Contractor must meet. Turnover is defined as those activities the Contractor is required to perform in order to transition Contract operations to a subsequent vendor or to the System Agency.

#### 3.15.1 Turnover Phase

The Contractor must ensure that the System Agency and the client users do not experience any adverse impact during the turnover phase at the end of the Contract due to the transfer of DBS to another entity or to the System Agency. The Contractor must develop and implement an agency approved, comprehensive turnover plan that details the processes to be followed, the proposed schedule, activities including, knowledge



transfer, and resource requirements associated with the turnover tasks identified.

Turnover activities include, but are not limited to:

- A. Turnover of software and information, including, as applicable: data and reference tables, data entry software, third-party software and modifications, documentation relating to software and interfaces, functional business process flows, and operational information concerning Subcontractors;
- B. Turnover of all documentation pertaining to fulfilling all requirements of the Contract that are necessary for successful turnover to the System Agency or another vendor;
- C. Turnover of all training materials in electronic format, including but not limited to: development methodology, including curriculum materials, materials in development and supporting documentation, best practice materials, and all other training and curriculum development documentation and data;
- D. All processes and components in this agreement and the Contract for comprehensive and complete knowledge transfer to the System Agency or to another entity; and
- E. The implementation of a quality assurance process to monitor turnover activities.

Upon expiration or termination of this Agreement for any reason, the System Agency or its designee will have the right to enter into direct agreements with any Subcontractor whose performance is determined by the System Agency to be critical under this Contract.

The Contractor agrees that its arrangements with approved Subcontractors will not prohibit or restrict such subcontractors from entering into direct agreements with the System Agency or its designee.

The System Agency will make the final determination regarding completion of knowledge transfer as referenced in DB 058-D.

### **3.15.2 Turnover Plan**

The Contractor is designated as the outgoing vendor for purposes of the Turnover Plan. To ensure a smooth turnover and mitigate risk to the System Agency and client users, the Contractor must prepare a comprehensive Turnover Plan clearly detailing the processes, proposed schedule, identifying activities, systems, and resource requirements in order to turnover Contract operations to a subsequent vendor or to the System Agency. The Turnover Plan must acknowledge that the outgoing vendor will be responsive to the incoming vendor.

Additionally, the Turnover Plan must be provided in a format and media specified by the System Agency.

DB 058-D Submit an initial Turnover Plan for System Agency review within seventy (70) calendar days after Contract Effective Date or by the date specified by the System Agency. The Turnover Plan must include, but is not limited to:

- a. A provision stating that copies of all relevant data and reference tables, software/portal code, documentation, or other pertinent information necessary to take over and successfully assume operational activities, including all works in progress, will be provided to the System Agency or it's designee;
- b. A provision stating the parties agree that all the timetables will be negotiated at a later date with no undue delays on either party's part;
- c. A provision stating that current inventories, correspondence, documentation of outstanding issues, and other operations support documentation will be provided;
- d. A provision for the transfer of all written (electronic format) documentation, including works in progress, pertaining to the business processes, to the System Agency or it's designee, including but not limited to: work instructions, work process flows, system user instructions, process memos, plans, and any other materials used in the business process;
- e. A provision for detailed documentation describing all relevant information regarding the data sources used within DBS and needed information for any reports presented in TIERS or the data broker system;
- f. A provision for the transfer of all training materials in electronic format including but not limited to: development methodology, curriculum materials in development and supporting documentation, best practice materials, all other training and curriculum development documentation and data in an agreed upon useable format;
- g. A provision for a knowledge transfer plan (see DB 060-D) that provides for the complete transfer to the System Agency or it's designee of all components in this Contract where the System Agency will make the final determination regarding completion of knowledge transfer (see DB 061-D);
- h. A quality assurance process to monitor turnover activities;
- i. A provision for a post turnover results report;
- j. A provision for access by the incoming vendor or the System Agency to a manager-level employee with significant experience with the Contract and other technical and operational experts for up to ninety (90) calendar days after Turnover has been completed for defect resolution and turnover activities, including software maintenance (see DB 061-D); and
- k. A description of the Contractor's approach and schedule for transfer for all of the Turnover Plan requirements to the incoming vendor.



- DB 059-D Submit a final Turnover Plan within six (6) months after the Contract Effective Date, or date specified by the System Agency, and update it annually thereafter within thirty (30) calendar days prior to the end of each subsequent operational year, or date specified by the System Agency, including any extension for the System Agency's approval. The final Turnover Plan must include all the above requirements, address System Agency comments, and highlight any changes to the existing plan.
- DB 060-D Submit a comprehensive knowledge transfer plan, including training deliverables and identification of subject matter experts, within six (6) months after the Contract Effective Date, and annually ninety (90) calendar days prior to the end of each Contract operational year, or on a date specified to by the System Agency.
- DB 061-D Submit a Turnover Results Report within forty-five (45) calendar days after the completion of turnover activities or by the date specified by the System Agency. Turnover will not be considered complete and final payment will not be made until the Turnover Results Report is received and approved by the System Agency.
- DB 062 Appoint, with the System Agency's approval, a manager-level employee to manage and coordinate all turnover activities outlined in the Turnover Plan approved by the System Agency.
- DB 063 Contractor must not reduce operational staffing levels during the turnover period without prior approval by the System Agency.
- DB 064-D Provide to the System agency or its designee upon request:
- a. copies of all relevant data and reference tables;
  - b. documentation;

- c. systems;
  - d. data entry software (if utilized);
  - e. third party software and modifications;
  - f. documentation relating to software;
  - g. functional business process flows; and
  - h. or other pertinent information necessary to take over and successfully assume operational activities, including all works in progress, on a date specified by the System Agency.
- DB 065-D Provide all relevant information and documentation regarding the Predicative Analytics and ID Authentication solutions, including the development process documentation, to the System Agency or its designee on a date specified by the System Agency and upon request.
- DB 066 Turn over the operation and management of all business functions to the System Agency or its designee. This turnover must be planned and managed in an orderly fashion so that there is no disruption of service to System Agency or client users.
- DB 067 Provide training to the incoming vendor and the System Agency prior to completion of turnover.
- DB 068 Work closely with the System Agency to ensure that the turnover of responsibilities and the necessary knowledge transfer is completed.
- DB 069 Begin turnover activities no less than one hundred and eighty (180) calendar days prior to Contract termination, or by the date specified by the System Agency.
- DB 070 Respond to all of the System Agency's requests regarding turnover requirements by a date approved by the System Agency.
- DB 071 Be responsible for any malfunctions that existed in the equipment, hardware, and software prior to turnover, or that were caused by lack of Contractor support during turnover, as may be determined by the System Agency.
- DB 072 Propose and provide experienced Contractor personnel to support the System Agency during the entire post-turnover support period.
- DB 073 Final payment may be withheld (see DB 061-D) up to thirty (30) calendar days following Contract termination to assure the Contractor's compliance with the agreed post-turnover support.

#### IV. System Requirements

#### 4.1. System Security

To ensure system security of the DBS, the Contractor must comply with the requirements in **Data Use Agreement (“DUA”), Attachment G, Data Use Agreement Version 8.5,** and the **Security and Privacy Initial Inquiry (“SPI”), Attachment G, Data Use Agreement Version 8.5,** which are the basic initial security controls necessary to protect the confidentiality, integrity, and availability of HHS confidential information. In addition, to ensure system security, the Contractor must terminate user access within twenty-four (24) hours of the System Agency’s request.

The Contractor must also perform annual risk self-assessments and submit the results to the System Agency. Security controls required by the results of the risk self-assessments, must be implemented and be working correctly before completion of the Transition Phase. Instructions for performing risk self-assessments are available on the System Agency’s website.

DB 074 In addition to the SPI initial security control requirements, the Contractor will be required to comply with the System Agency’s periodic security controls assessment and monitoring process as stated in the DUA. This also is explained in the Texas Risk and Authorization Management Program Manual (TX-RAMP).

DB 075-D The TX-RAMP requires development of a System Security Plan that will document required security controls, implementation and compliance status. The required security controls documented in the system security plan will be determined by using the TX-RAMP. The System Agency will coordinate the TX-RAMP process with the Contractor. Compliance with the required security controls is on a risk-based approach where 100% compliance must be achieved. The Contractor must provide a Plan of Action and Milestone (“POAM”) report to the System Agency on a quarterly basis each State Fiscal Year to plan and track remediation efforts for controls that are not compliant.

The TX-RAMP describes security control baselines that must be developed and contained in the System Security Plan which align with and are derived from the controls prescribed in the Texas Department of Information Resources Security Control Standards Catalog and the National Institute of Standards and Technology Special Publication 800-53 Rev 4.

DB 076 Complete a system security audit within six (6) months of Contract Effective Date, to ensure the Contractor and the System Agency have implemented the appropriate security controls.

DB 077 Develop and implement a process for documenting, tracking, monitoring, and reporting security issues to the System Agency.

DB 078-D Submit a System Security Plan within sixty (60) calendar days prior to implementation of any new systems, processes, and/or data sources, for

review and approval by the System Agency. Security controls required by the results of the risk self-assessments must be included.

#### 4.2. Security Incident Response Plan

The Contractor must develop and implement a Security Incident Response Plan that provides a coordinated approach to Security Incidents. The Security Incident Response Plan must contain a comprehensive approach to how the Contractor will respond to a security breach or suspicion of unauthorized access as referenced in **Attachment G, Data Use Agreement Version 8.5**. Handling elements of an incident plan would include preparation, detection and analysis, containment, eradication, and recovery.

The Security Incident Response Plan must be reviewed and approved by designated officials within the Contractor's organization. Updates to the plan must address system organizational changes or problems encountered during plan implementation, execution, or testing, and must be reviewed as significant changes occur in the system environment. The Contractor must coordinate and report Security Incidents within one (1) hour in alignment with the System Agency's Security Incident response framework.

- DB 079-D Develop and implement a Security Incident Response Plan within forty (40) calendar days after Contract Effective Date or the date specified by the System Agency. The Security Incident Response Plan must include but is not limited to the following:
- a. Provides the Contractor's organization with a roadmap for implementing the organization's incident response capability;
  - b. Describes the structure and organization of the incident response capability;
  - c. Provides a high-level approach for how the incident response capability fits into the overall Contractor's business structure;
  - d. Meets the unique requirements of the Contractor's organization, which relate to mission, size, structure, and functions of this agreement;
  - e. Provides metrics for measuring the Security Incident response capability within the organization;
  - f. Defines the resources and management support needed to effectively maintain and mature Security Incident response capability;

- DB 080 Contractor is required to follow the requirements of the **Attachment G, Data Use Agreement Version 8.5** for reporting of Security Incidents.

#### 4.3. Acceptance Testing Plan

The Acceptance Testing Plan shall define the acceptance testing responsibilities of the Contractor and the System Agency, as well as all other parties. The Acceptance Testing Plan and supporting processes will be used throughout the term of the Contract and as changes occur to DBS or to the System Agency's systems that impact DBS.

- DB 081-D Submit, implement, and maintain an Acceptance Testing Plan within forty-five (45) calendar days after Contract Effective Date or the date specified by the System Agency. The Acceptance Testing Plan must include, but is not limited to, the following:
- a. Collaborate with the System Agency and the System Agency's IT Department on determining roles and responsibilities, with the systems and data acceptance approach requirements during testing (i.e., source system availability, cutover comparison data validation, online reports validation, Your Texas Benefits authentication integration testing);
  - b. Define the activities associated with the acceptance testing, when they will begin and end, acceptance testing completion percentage, and responsible parties for each acceptance testing activity;
  - c. Collaborate with the System Agency and document who is responsible for creating test scenarios, performing the tests, and validating the test results and document within the Acceptance Testing Plan;
  - d. Define acceptance testing criteria (metrics);
  - e. Review and provide feedback on all relevant TIERS/SSP modifications and maintenance documentation within specified timeframes requested by the System Agency;
  - f. Support the following tests on TIERS/SSP releases:
    1. Unit Test
    2. Integration Test
    3. System Test
    4. User Acceptance Test
  - g. Ensure the data broker system is well integrated with TIERS/SSP, YourTexasBenefits.com, and the Your Texas Benefits mobile app;
  - h. Comply with testing requirements as determined by the System Agency, that ensure integration between the data broker system with TIERS/SSP, YourTexasBenefits.com, and the mobile app;
  - i. Perform data broker system compatibility testing upon request; and
  - j. Support service continuity testing.

DB 082-D Submit the following information during and after each testing event by the date specified by the System Agency:

- a. Submit interim test status reports by the due date specified by the System Agency, which details the number and types of data broker system tests executed, subtotal of data broker system tests passed, subtotal of data broker system tests failed, percent of each and a list of all data broker system tests not executed.
- b. Submit issue/defect reports by the due date specified by the System Agency, which details the following:
  1. Specific module or element of the data broker system where the issue/defect was detected;
  2. Description of the issue/defect using simple, but comprehensive language;
  3. Steps needed to replicate the issue/defect, expected results, and results received upon replication attempt;
  4. Severity, priority, of the issue/defect and current status; and
  5. Build version of the product where the issue/defect was fixed.

DB 083-D Submit the acceptance test summary report within ten (10) calendar days after acceptance testing is complete.

#### **4.4. Reporting Major Systems Outage and Incidents**

To ensure timely recovery of critical business functions and information technology systems in the event they are impaired or lost, mitigation of risk and timely notification, the Contractor must report all Major Systems Outages and Incidents to the System Agency as specified under this agreement, in addition to meeting the requirements described in this section.

DB 084-D All Major System Outages must be reported to the System Agency via e-mail, or telephone, if e-mail is unavailable, within five (5) minutes after Contractor determines a Major System Outage has occurred or when the System Agency notifies Contractor.

Contractor must submit a comprehensive Major System Outage Report to the System Agency via the official correspondence process within twenty-four (24) hours after the Major System Outages. The report must detail:

- c. The outage
- d. When and how it was discovered and resolved
- e. System and operational impacts
- f. Corrective measures taken to detect and prevent future Major

### System Outages.

DB 085-D All incidents (excluding Security Incidents) must be reported to the System Agency via e-mail, and/or telephone, if e-mail is unavailable, within five (5) minutes after the Contractor determines an incident has occurred.

The Contractor must submit an Incident Report to the System Agency via the official correspondence process within twenty-four (24) hours of reported incident detailing the incident with the following elements:

- a. Date of Incident
- b. Discovery Date/Time
- c. Discovery Method
- d. Impact Start (Date/Time)
- e. Impact End (Date/Time)
- f. Duration of Impact
- g. Impact Computation
- h. Components Impacted
- i. Incident Details
- j. System Impact
- k. Operational Impact
- l. Detailed Root Cause
- m. Detailed Corrective Action

DB 086 Contractor is required to notify the System Agency via e-mail and/or telephone, if e-mail is unavailable, within five (5) minutes after a Major System Outage is determined to be resolved.

DB 087 Contractor is required to notify the System Agency via e-mail and/or telephone no more than five (5) minutes after an incident is determined to be resolved.

DB 088 Contractor is required to report the status of all Major Systems Outages and Incidents within the DB 057-D Monthly Status Report.

#### 4.5. System Maintenance Plan



The Contractor will be responsible for all data broker system maintenance and will maintain, at optimized levels, all hardware and software at no additional cost to the System Agency, above what is included in the fixed costs. If data broker system updates are required, the Contractor must update its system to accommodate any third-party vendors' processes for upgrades included in system maintenance. The Contractor must ensure maintenance and provide support to the System Agency's IT for testing the data broker system, or any other systems that interact with DBS once the Contractor has completed system maintenance.

Software maintenance is defined as maintenance of the system products, including interfaces. At a minimum, maintenance must include: correcting hardware and software defects; patch implementation; adapting software to handle changes in the environment, such as in the operating system or database management system; and perfecting the product's functionality, usability, reliability, performance, and security. Software maintenance does not include major rewrites of the system product that substantially change the product's functionality.

- DB 089-D Submit, implement, and maintain a System Maintenance Plan within sixty (60) calendar days after Contract Effective Date or by the date specified by the System Agency that ensures 99.5% availability of the data broker system. The maintenance must not interfere with system availability and required response time levels of the system.
- DB 090-D If system updates are required, the Contractor must update its system to accommodate any third-party vendors' processes for upgrades included in system maintenance and submit, implement, and maintain a revised System Maintenance Plan within sixty (60) calendar days after upgrade. The maintenance must not interfere with system availability or required response time levels of the system.
- DB 091 Ensure the DBS has procedures for communicating and coordinating directly with System Agency users and System Agency user groups about operations and applications systems software upgrades. This includes announcements of new applications and new releases, and the fixing of errors and fixes to custom software.
- DB 092 Update of remote equipment for all upgrades, changes, etc. must be done from the Contractor's central site. Contractor must describe the method of communication used for upgrades, changes, etc.
- DB 093 The Contractor must track the approved set number of development hours per operational year from the approved pro bono bank of hours. Contractor is required to report the tracking of hours within the DB 057-D Monthly Status Report. The development hours reported within the monthly status report must include the following elements:
  - a. Beginning balance, as of the first workday of each month;
  - b. Hours approved by the System Agency;

- c. Hours utilized by the Contractor;
- d. Ending balance of hours for the operational year;
- e. Potential roll over hours for the operational year, if applicable; and
- f. Potential hours expiring within the next ninety (90) days.

#### 4.6. System Development

The Contractor must provide a data broker system that meets the requirements of this agreement and complies with applicable state or federal laws, rules or regulations. The Contractor and Subcontractor(s) must maintain and provide the System Agency with a minimum of three (3) separate testing platforms and must be adequately prepared to test all data broker applications as referenced in this document, **Attachment A, Statement of Work**, which are necessary for a seamless launch of DBS.

- DB 094 The data broker system must support the use of the agreed data sources with the System Agency in connection with each design requirement described in this document, **Attachment A, Statement of Work**, under **Section III, Operational Project Requirements**, as follows:
- g. Data descriptions;
  - h. Flow of data;
  - i. Processes and logic regarding the programming of each data source;
  - j. Maintenance schedules;
  - k. Guidelines for ensuring the System Agency confidential information is protected in accordance with the requirements of the agreement;
  - l. Guidelines ensuring data is virus free;
  - m. Overview of available data;
  - n. How the data is displayed to the System Agency specifications;
  - o. How to read and use data; and
  - p. Limitations on the use of data.
- DB 095 Maintain and provide the System Agency with up-to-date plans including, but not limited, to resources involved, schedules, and goals.
- DB 096 Provide development and implementation schedules for all system components with ad hoc progress reports as defined and upon request by the System Agency.
- DB 097 Provide the capability to interface with the System Agency development and test/training systems using simulated data. Provide details regarding

Acceptance Testing with the System Agency for all systems development and modification processes and including third party data source provided through web services or flat file.

- DB 098 Provide the ability for the System Agency to add new related services or functionality, and to request additional data source development, if necessary.
- DB 099 Store data broker requests and resulting data, as well as provide a method to link to, and access to data from TIERS/SSP, in order to provide a history of activity. The data broker system must include the functionality to allow the System Agency to increase or decrease the number of days cached data is available for the System Agency user. The Contractor must clearly identify the difference between storing and caching data.
- DB 100 Develop and maintain a predictive analytics solution as referenced in this document.
- DB 101 Develop and maintain daily transaction logs detailing statewide, regional, mail codes and System Agency user ID level reporting data for each level of System Agency user accessing the systems available from the data broker system (i.e., multiplexer, portal, change verification, etc.)
- DB 102-D Provide a Data Dictionary to describe the various interfaces required between all trading partners for the data broker system. This deliverable is to be considered a living document, in that the interfaces may change based upon business need of either the sender or receiver. Due to the potential dynamic nature of the content of the document, the Data Dictionary will be reviewed and updated on a quarterly basis after Contract Effective Date. The Data Dictionary must be submitted forty-five (45) calendar days after Contract Effective Date and quarterly within fifteen (15) business days after the end of the calendar quarter and include the following elements:
- a. Data Tables (Files from HHSC IT, Files from HHSC GLOBALSCAPE, Out-files to HHSC GLOBALSCAPE, Files from the Contractor, Files from Other Vendors);
  - b. Web Services Schema Message Files (Change Verification, ELDS Postback Service, ID Authentication; Multiplexer Services, Reports);
  - c. acronyms and definitions; and
  - d. Any appendixes required.

#### **4.7. Potential System Enhancements**

System enhancement is defined as a system development initiative that improves and/or adds functionality to a component. The System Agency anticipates requesting the Contractor to develop new and/or alternative data sources, as well as system enhancements during the term of the Contract. Some enhancements may be mandatory, as required by federal or state statute, rule, or policy.

#### 4.8. System Availability

System availability requires the Contractor's system to accommodate the two different time zones in Texas and the occurrence of daylight savings time (DST). At a minimum, Contractor must provide System Agency user system availability from 7:00 a.m. until 8:00 p.m. Central Time, Monday through Friday and 8:00 a.m. until 6:00 p.m. Central Time, designated Saturdays, and as specified by the System Agency.

The System Agency requires the Contractor to perform system maintenance and upgrades during non-operational timeframes. This will include any processing of data sources that require batch processing or other systems processing to meet the requirements of the DBS.

The Contractor must meet the following requirements:

- DB 103 Provide on-line access to the applications and functionality a minimum of 99.5% of System Agency user system availability in each calendar month, as specified by the System Agency.
- DB 104 Must coordinate batch and other systems processing with HHS IT.
- DB 105 Schedule maintenance during non-hours of operation unless approval is granted by the System Agency.
- DB 106 Correct all incidents that may impact the System Agency user from accessing the data broker system and the use of the system for eligibility determination.
- DB 107 Provide an alternative DBS solution that will provide access and performance when and if the main access method with the System Agency is unavailable as referenced in this document, **Attachment A, Statement of Work**, under **Section III, Operational Project Requirements**.

#### 4.9. Transaction Response Times

The data broker system must perform all inquiries requesting existing client user's record information (i.e., data sources, case history, usage, automated responses, etc.) with an online response time not to exceed eight (8) seconds per request, as referenced in **Attachment B, Key Performance Requirements**, inclusive of the System Agency's system processing timeframes. The Contractor must measure and calculate response times daily. The Contractor must measure response times during Acceptance Testing as

referenced under **Section 4.3 Acceptance Testing Plan** of this document, **Attachment A, Statement of Work**, as well as regularly thereafter, as the system expands, to monitor system compliance.

The Contractor's data broker system should provide for filtering of duplicative requests from System Agency users due to data source delayed response times. The filtering process should ensure the original request is retained until the data source responds; but not allow multiple requests from the same data source for the same individual information to be processed.

#### **4.10. Technology and Technical Operations**

The System Agency will provide supporting system and related interfaces as follows:

- A. Integrated Eligibility Determination software application - Texas Integrated Eligibility Redesign System/Self Service Portal (TIERS/SSP);
- B. YourTexasBenefits.com applications via an industry standard web service;
- C. Mobile app; and
- D. Access and Security control.

The Contractor must incorporate technology using web services, and access to such technology and website, in accordance to the State of Texas accessibility requirements, specified in Title 1 Texas Administrative Code Chapter 213, and as amended.

The Contractor must include an optional technology refresh of hardware/software at no additional expense to the System Agency. All refreshes of hardware/software must be approved by the System Agency prior to initiation.

## **V. Financial Requirements**

### **5.1 Business Requirements**

The Financial Approach describes the financial components that will enable the System Agency and the state programs included in this agreement to successfully meet the requirements described in this document, **Attachment A, Statement of Work**, and to ensure that all Services required of the Contractor are provided as efficiently and effectively as possible to assist the System Agency in its responsibility for the efficient and effective administration state and federal funds through the application of sound management practices.

#### **5.1.1. Financial: Accounting and Reporting Requirements**

This section presents the System Agency's and Contractor's responsibilities for recording and reporting Contract transactions.

The business objectives relating to Accounting and Reporting requirements include:

- A. Accumulating and reporting accounting data in accordance with the following

standards (as they may be amended during the term of the Contract):

- 1) GAAP;
  - 2) Title 48 CFR, Chapter 1, Parts 30– Cost Accounting Standards Administration;
  - 3) Title 48 CFR, Chapter 1, Part 31 – Contract Cost Principles and Procedures;
  - 4) Title 48 CFR, Chapter 99 – Cost Accounting Standards;
  - 5) Federal guidelines, rules, and regulations applicable to programs within the scope of the agreement;
  - 6) System Agency guidelines, rules, regulations, and provisions, as referenced in **Attachment H, Additional Provisions Version 1.1**, applicable to programs within scope of this agreement; and
  - 7) Providing authorized governmental representatives of the State and the federal government full access to all information needed to conduct financial reviews and audits required by law or by the agreement in accordance with applicable standards.
- B. Effectively regulating costs. To this end, allowable costs are costs that, in the System Agency’s sole determination are:
- 1) Necessary and reasonable for the proper and efficient performance and administration of applicable state and federal funds;
  - 2) Allocable to applicable federal awards under the provisions of the federal standards or any other accounting provisions included in the Contract;
  - 3) Authorized or not prohibited under state laws, state regulations, or any provision included in the Contract;
  - 4) In conformity with any limitations or exclusions set forth in applicable accounting principles, federal laws, terms and conditions of the federal award(s) to the System Agency and/or the Contract;
  - 5) Consistent with policies, regulations, and procedures that apply uniformly to federal awards impacting the Contract;
  - 6) Determined in accordance with GAAP;
  - 7) Adequately documented; and
  - 8) Consistent with the Contractor’s normal treatment of the expense. A cost may not be assigned to a federal award or a Contract as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to a federal award or a different contract with the System Agency as an indirect cost.

## 5.2 Financial Accounting Requirements

Accruals of expenses or liabilities are subject to the System Agency review and approval. The System Agency will not recognize as valid allowable costs, any accruals that it deems inappropriate. For example, lease agreement costs beyond the Effective Date of termination or completion of the Contract, or lease cancellation expenses resulting from termination or



completion of the Contract, will not represent valid allowable costs.

Allowable and non-allowable direct and indirect costs wherever applicable to any payments to the Contractor will be governed by the principles set forth in the following regulations (as they may be amended during the term of the Contract) and documents:

- A. Title 48 CFR, Chapter 1, Part 30 – Cost Accounting Standards Administration;
- B. Title 48 CFR, Chapter 1, Part 31 –Contract Cost Principles and Procedures; and
- C. Title 48 CFR, Chapter 99 – Cost Accounting Standards.

In addition to costs that are unallowable pursuant to the above accounting principles, the System Agency has deemed some of the allowable costs to be specifically unallowable for this Contract. A list of additional unallowable costs is as follows:

- A. Local and state taxes paid to local or state governments outside of Texas (other than hotel, airline, and sales taxes expended specifically for the Contract);
- B. Federal taxes (other than hotel, airline, and sales taxes expended specifically for the Contract);
- C. Proposal costs of any type;
- D. Employee bonuses in excess of 10% of the annual base pay (Note: This applies to all employees and employee performance or cash award programs, including those partially funded by employee contributions);
- E. Marketing, Public Relations, and selling costs;
- F. Actual costs, remedies, and/or damages due to the System Agency as a result of the Contractor not meeting State performance requirements in accordance with **Attachment B, Key Performance Requirements**;
- G. Actual costs, including interest expense due to the System Agency or any other party as a result of the Contractor not meeting State performance requirements;
- H. Any monies owed to the federal government by the State as a result of the Contractor not meeting federal performance requirements;
- I. Dispute resolution costs;
- J. Contingency funding costs;
- K. Pre-Contract costs;
- L. Indirect expenses (Overhead, General & Administrative charges, etc.) and administrative service fees related to Pass-Through Items in accordance with, **Attachment D, Budget**, under **Section 2, Payment for Pass-Through Items**; and
- M. Inter-company profits and margins related to all transactions with any parent, affiliate, or subsidiary organization, including inter-company profits and margins related to all transactions the Contractor or the Contractor's subsidiary has with any parent, affiliate, or subsidiary organization.



Any parent, affiliate, or subsidiary organization providing services associated with this agreement is required to comply with these requirements related to unallowable Contract expenses.

As indicated in FAR 31.203, any indirect costs and associated profit applicable to subcontract costs where the Contractor does not provide “added value” (e.g., subcontract management functions) are considered excessive pass-through costs which are unallowable.

### **5.3 General Access to Accounting Records**

The Contractor must provide authorized governmental representatives of the System Agency and the federal government full access to all financial and accounting records related to the performance of the Contract, including all requested Subcontractor financial and accounting records. The financial and accounting records shall be provided to the authorized governmental representatives of the System Agency and the federal government in an electronic format when requested.

In addition to the requirements stated above, the Contractor and its Subcontractors must:

- DB 111 Cooperate with the System Agency, the System Agency’s auditors, Texas State Auditor’s Office (“SAO”) and the federal government in their inspections, audits, and/or reviews, and provide all necessary records and information. As required by Title 48 CFR, Chapter 1, Part 30, Title 48 CFR, Chapter 1, Part 31 and Title 48 CFR, Chapter 99, it is the responsibility of any Contractor to provide adequate documentation and justification to the authorized representatives of the System Agency, the System Agency auditors, SAO and the federal government during the inspection, audit and/or review process for all expenses included in the Contractor’s accounting records.
- DB 112 Permit authorized governmental representatives of the System Agency and the federal government full access, both on-line (on a read-only basis) and in person, during normal business hours, to the accounting records that the System Agency, the System Agency auditors, SAO and/or the federal government determine are relevant to the Contract.
- DB 113 Make accounting records or supporting documentation relevant to the resulting Contract available to the System Agency or its agents within ten (10) business days of receiving a written request from the System Agency for specified records or information. At the request of the System Agency or its agents, provide copies of any accounting records or supporting documentation the System Agency determines is relevant to a Contract within ten (10) business days of receiving a written request from the System Agency for copies of the specified records or information.
- DB 114 Deliver to the System Agency any contractually relevant reports or records

that cannot be accessed on-line by the System Agency personnel.

- DB 115 Provide the authorized System Agency representatives, the SAO, and the federal government with access to the accounting and financial records of the entities listed below that transact business with any department, board, commission, institution, or other System Agency, or federal agency connected with the Contract. The entities include, but may not be limited to, Contractor's
- a. Parent company;
  - b. Affiliates;
  - c. Subsidiaries; and
  - d. Subcontractors, whether individuals or firms.

This requirement is limited to those records that relate to the performance of the Contract.

#### **5.4 Financial Report Requirements**

The System Agency will require the Contractor to provide financial reports to support contract monitoring and support any of the System Agency's and federal reporting requirements.

In addition to the requirements stated above, the Contractor must:

- DB 116-D Provide financial statements no later than ninety (90) calendar days after contract Effective Date, or date specified by the System Agency, and annually thereafter thirty (30) calendar days prior to the end of each SFY, or date specified by the System Agency. The financial statements must include, but is not limited to, an Annual Report or Income Statement depicting the Contractor's financial position, and the result of operations under the Contract. The System Agency reserves the right to request financial information in a format that will allow the System Agency to most efficiently comply with its state and federal financial reporting requirements under the Contract.

#### **5.5 System Agency Responsibilities**

At its discretion, the System Agency may review financial reports provided by the Contractor for accuracy and completeness as referenced in this document, **Attachment A, Statement of Work**, under **Section II, Management Requirements**.



# TEXAS

## Health and Human Services

**Cecile E. Young, Executive Commissioner**

**HEALTH AND HUMAN SERVICES COMMISSION CONTRACT NO.  
HHS000951400001**

**Attachment B, Key Performance Requirements**

<b>Data Broker Services KPR 1</b>	
<b>Reporting Period</b>	One-time
<b>Service/Component</b>	System Requirements - Security Incident Response Plan
<b>Performance Standard</b>	The Contractor must develop, submit and implement a Security Incident Response Plan within forty (40) calendar days after contract execution or the date specified by the System Agency.
<b>Liquidated Damages Value</b>	\$1,000 per day
<b>Measurement of Noncompliance</b>	Each calendar day for each instance of late, unacceptable or no response.
<b>Non-compliance Remedies</b>	<p>The System Agency may take the following actions in the event of non-compliance or a missed KPR:</p> <ol style="list-style-type: none"> <li>a. Suspending all or part of the Contract;</li> <li>b. Requiring the Contractor to take specific corrective actions to remain in compliance with term of the Contract;</li> <li>c. Recouping payments made to the Contractor found to be in error;</li> <li>d. Suspending, limiting, or placing conditions on the continued performance of the Project;</li> <li>e. Imposing any other remedies authorized under the Contract; and</li> <li>f. Imposing any other remedies, sanctions or penalties permitted by federal or state statute, law, regulation, or rule.</li> </ol>
<b>Calculation/ Reporting Process</b>	<p>The System Agency determines the Contractor's compliance with this KPR by comparing the submission date of the Incident Report via the formal communication process to the established due date specified by the System Agency.</p> <p>All correspondence shall be sent to the System Agency Data Broker Services SAR VAR at the email address HHSC DBS Contracting@hhsc.state.tx.us.</p>

<b>Data Broker Services KPR 2</b>	
<b>Reporting Period</b>	Annually
<b>Service/Component</b>	Disaster Recovery and Business Continuity Plan
<b>Performance Standard</b>	Contractor must submit, implement and maintain a Disaster Recovery and Business Continuity Plan specific to the transition and on- going operations within fifty (50) calendar days after contract execution or by the date specified by the System Agency; and annually thereafter thirty (30) calendar days prior to the end of each operational year.
<b>Liquidated Damages Value</b>	\$1,000 per day
<b>Measurement of Noncompliance</b>	Each calendar day for each instance of late, unacceptable or no response.
<b>Non-compliance Remedies</b>	<p>The System Agency may take the following actions in the event of non-compliance or a missed KPR:</p> <ol style="list-style-type: none"> <li>a. Suspending all or part of the Contract;</li> <li>b. Requiring the Contractor to take specific corrective actions to remain in compliance with term of the Contract;</li> <li>c. Recouping payments made to the Contractor found to be in error;</li> <li>d. Suspending, limiting, or placing conditions on the continued performance of the Project;</li> <li>e. Imposing any other remedies authorized under the Contract; and</li> <li>f. Imposing any other remedies, sanctions or penalties permitted by federal or state statute, law, regulation, or rule.</li> </ol>
<b>Calculation/ Reporting Process</b>	<p>The System Agency determines the Contractor's compliance with this KPR by comparing the submission date of the Initial and Annual Disaster Recovery and Business Continuity Plan via the formal communication process to the established due date specified by the System Agency.</p> <p>All correspondence shall be sent to the System Agency Data Broker Services SAR VAR at the email address HHSC DBS Contracting@hhsc.state.tx.us.</p>

<b>Data Broker Services KPR 3</b>	
<b>Reporting Period</b>	Annually, or as specified by the System Agency
<b>Service/Component</b>	Risk Management & Issue Resolution Process - Risk Management Plan
<b>Performance Standard</b>	Contractor must submit a Risk Management Plan, including an issue resolution and notification process, within twenty (20) calendar days after contract execution, and annually or by the date specified by the System Agency.
<b>Liquidated Damages Value</b>	\$1,000 per day
<b>Measurement of Noncompliance</b>	Each calendar day for each instance of late, unacceptable or no response
<b>Non-compliance Remedies</b>	<p>The System Agency may take the following actions in the event of non-compliance or a missed KPR:</p> <ol style="list-style-type: none"> <li>a. Suspending all or part of the Contract;</li> <li>b. Requiring the Contractor to take specific corrective actions to remain in compliance with term of the Contract;</li> <li>c. Recouping payments made to the Contractor found to be in error;</li> <li>d. Suspending, limiting, or placing conditions on the continued performance of the Project;</li> <li>e. Imposing any other remedies authorized under the Contract; and</li> <li>f. Imposing any other remedies, sanctions or penalties permitted by federal or state statute, law, regulation, or rule.</li> </ol>
<b>Calculation/ Reporting Process</b>	<p>The System Agency determines the Contractor's compliance with this KPR by comparing the submission date of the Initial Risk Management Plan and annual submission, or as requested by the System Agency, via the formal communication process to the established due date specified by the System Agency.</p> <p>All correspondence shall be sent to the System Agency Data Broker Services SAR VAR at the email address HHSC DBS Contracting@hhsc.state.tx.us.</p>

<b>Data Broker Services KPR 4</b>	
<b>Reporting Period</b>	Annually
<b>Service/Component</b>	Turnover Plan
<b>Performance Standard</b>	Contractor must submit a Final Turnover Plan within six (6) months after the contract execution or date specified by the System Agency, and annually thereafter within thirty (30) calendar days prior to the end of each operational year or date specified by the System Agency, including any extension for the System Agency's approval.
<b>Liquidated Damages Value</b>	\$500 per day
<b>Measurement of Noncompliance</b>	Each calendar day for each instance of late, unacceptable or no response.
<b>Non-compliance Remedies</b>	<p>The System Agency may take the following actions in the event of non-compliance or a missed KPR:</p> <ol style="list-style-type: none"> <li>a. Suspending all or part of the Contract;</li> <li>b. Requiring the Contractor to take specific corrective actions to remain in compliance with term of the Contract;</li> <li>c. Recouping payments made to the Contractor found to be in error;</li> <li>d. Suspending, limiting, or placing conditions on the continued performance of the Project;</li> <li>e. Imposing any other remedies authorized under the Contract; and</li> <li>f. Imposing any other remedies, sanctions or penalties permitted by federal or state statute, law, regulation, or rule.</li> </ol>
<b>Calculation/ Reporting Process</b>	<p>The System Agency determines the Contractor's compliance with this KPR by comparing the submission date of the Turnover Plan via the formal communication process to the established due date specified by the System Agency.</p> <p>All correspondence shall be sent to the System Agency Data Broker Services SAR VAR at the email address HHSC DBS Contracting@hhsc.state.tx.us.</p>



<b>Data Broker Services KPR 5</b>	
<b>Reporting Period</b>	Monthly
<b>Service/Component</b>	Operational Status - Monthly Status Report
<b>Performance Standard</b>	Contractor must submit a Monthly Status Report within ten (10) business days following the last day of the month covered by the report.
<b>Liquidated Damages Value</b>	\$1,000 per day
<b>Measurement of Noncompliance</b>	Each calendar day for each instance of late, unacceptable or no response.
<b>Non-compliance Remedies</b>	<p>The System Agency may take the following actions in the event of non-compliance or a missed KPR:</p> <ol style="list-style-type: none"> <li>a. Suspending all or part of the Contract;</li> <li>b. Requiring the Contractor to take specific corrective actions to remain in compliance with term of the Contract;</li> <li>c. Recouping payments made to the Contractor found to be in error;</li> <li>d. Suspending, limiting, or placing conditions on the continued performance of the Project;</li> <li>e. Imposing any other remedies authorized under the Contract; and</li> <li>f. Imposing any other remedies, sanctions or penalties permitted by federal or state statute, law, regulation, or rule.</li> </ol>
<b>Calculation/ Reporting Process</b>	<p>The System Agency determines the Contractor's compliance with this KPR by comparing the submission date of the Monthly Status Report to the established due date specified by the System Agency.</p> <p>All correspondence shall be sent to the System Agency Data Broker Services SAR VAR at the email address HHSC DBS Contracting@hhsc.state.tx.us.</p>

<b>Data Broker Services KPR 6</b>	
<b>Reporting Period</b>	Monthly
<b>Service/Component</b>	Key Performance Requirements Report
<b>Performance Standard</b>	Contractor must submit a monthly Key Performance Requirements Monitoring Report to the System Agency on the actual performance measures and standards results for each Key Performance Requirement by the tenth (10 <sup>th</sup> ) business day of each month. The System Agency must be able to validate at any time. Contractor may submit within the Monthly Status Report.
<b>Liquidated Damages Value</b>	\$1,000 per day
<b>Measurement of Noncompliance</b>	Each calendar day for each instance of late, unacceptable or no response.
<b>Non-compliance Remedies</b>	The System Agency may take the following actions in the event of non-compliance or a missed KPR: <ul style="list-style-type: none"> <li>a. Suspending all or part of the Contract;</li> <li>b. Requiring the Contractor to take specific corrective actions to remain in compliance with term of the Contract;</li> <li>c. Recouping payments made to the Contractor found to be in error;</li> <li>d. Suspending, limiting, or placing conditions on the continued performance of the Project;</li> <li>e. Imposing any other remedies authorized under the Contract; and</li> <li>f. Imposing any other remedies, sanctions or penalties permitted by federal or state statute, law, regulation, or rule.</li> </ul>
<b>Calculation/ Reporting Process</b>	The System Agency determines the Contractor's compliance with this KPR by comparing the submission date of the Key Performance Requirements Monitoring Report to the established due date specified by the System Agency.  All correspondence shall be sent to the System Agency Data Broker Services SAR VAR at the email address HHSC DBS Contracting@hhsc.state.tx.us.

<b>Data Broker Services KPR 7</b>	
<b>Reporting Period</b>	Ad Hoc
<b>Service/Component</b>	Operational Project Requirements - Ad Hoc Reports
<b>Performance Standard</b>	Contractor must provide ad hoc reports as defined by the System Agency including but not limited to usage of the Data Broker System by user details (e.g., HHSC Region, office mail-code, user ID, etc.).
<b>Liquidated Damages Value</b>	\$500 per day
<b>Measurement of Noncompliance</b>	Each calendar day for each instance of late, unacceptable or no response.
<b>Non-compliance Remedies</b>	<p>The System Agency may take the following actions in the event of non-compliance or a missed KPR:</p> <ol style="list-style-type: none"> <li>a. Suspending all or part of the Contract;</li> <li>b. Requiring the Contractor to take specific corrective actions to remain in compliance with term of the Contract;</li> <li>c. Recouping payments made to the Contractor found to be in error;</li> <li>d. Suspending, limiting, or placing conditions on the continued performance of the Project;</li> <li>e. Imposing any other remedies authorized under the Contract; and</li> <li>f. Imposing any other remedies, sanctions or penalties permitted by federal or state statute, law, regulation, or rule.</li> </ol>
<b>Calculation/ Reporting Process</b>	<p>The System Agency determines the Contractor's compliance with this KPR by comparing the submission date of the Ad Hoc Report to the established due date specified by the System Agency.</p> <p>All correspondence shall be sent to the System Agency Data Broker Services SAR VAR at the email address HHSC DBS Contracting@hhsc.state.tx.us.</p>

<b>Data Broker Services KPR 8</b>	
<b>Reporting Period</b>	As Required
<b>Service/Component</b>	Operational Project Requirements - Security Features for Systems and Confidential Information
<b>Performance Standard</b>	Contractor must maintain adequate security features for all Contractor-supported automation systems (voice and data) to protect the systems and all confidential information against any security incidents, unauthorized access, or other violation of state and federal regulations. Each event of a security incident, unauthorized access or other violation will be treated independently and will be subject to separate assessment of liquidated damages.
<b>Liquidated Damages Value</b>	\$2,000 per security incident, unauthorized access or other violation and \$100 for every individual client record impacted.
<b>Measurement of Noncompliance</b>	Each event that results in a security incident, unauthorized access or other violation.
<b>Non-compliance Remedies</b>	The System Agency may take the following actions in the event of non-compliance or a missed KPR: <ul style="list-style-type: none"> <li>a. Suspending all or part of the Contract;</li> <li>b. Requiring the Contractor to take specific corrective actions to remain in compliance with term of the Contract;</li> <li>c. Recouping payments made to the Contractor found to be in error;</li> <li>d. Suspending, limiting, or placing conditions on the continued performance of the Project;</li> <li>e. Imposing any other remedies authorized under the Contract; and</li> <li>f. Imposing any other remedies, sanctions or penalties permitted by federal or state statute, law, regulation, or rule.</li> </ul>
<b>Calculation/ Reporting Process</b>	The System Agency determines the Contractor's compliance with this KPR by assessing compliance with the Security Management Process Plan for the protection of all confidential information against any security breaches, unauthorized access, or other violation of state and federal regulations.  All correspondence shall be sent to the System Agency Data Broker Services SAR VAR at the email address HHSC DBS Contracting@hhsc.state.tx.us.

<b>Data Broker Services KPR 9</b>	
<b>Reporting Period</b>	As Required
<b>Service/Component</b>	System Requirements - Security Systems Incidents Reports
<b>Performance Standard</b>	Contractor must follow ARTICLE 4. BREACH NOTICE, REPORTING AND CORRECTION REQUIREMENTS of the DUA relating to reporting of security incidents.
<b>Liquidated Damages Value</b>	\$5,000 per calendar day after the incident
<b>Measurement of Noncompliance</b>	Each security incident that is not reported according to the DUA requirements.
<b>Non-compliance Remedies</b>	<p>The System Agency may take the following actions in the event of non-compliance or a missed KPR:</p> <ol style="list-style-type: none"> <li>a. Suspending all or part of the Contract;</li> <li>b. Requiring the Contractor to take specific corrective actions to remain in compliance with term of the Contract;</li> <li>c. Recouping payments made to the Contractor found to be in error;</li> <li>d. Suspending, limiting, or placing conditions on the continued performance of the Project;</li> <li>e. Imposing any other remedies authorized under the Contract; and</li> <li>f. Imposing any other remedies, sanctions or penalties permitted by federal or state statute, law, regulation, or rule.</li> </ol>
<b>Calculation/ Reporting Process</b>	<p>The System Agency determines the Contractor's compliance with this KPR by comparing the submission date of the Security Systems Incident Report via the formal communication process to the established due date specified by the System Agency.</p> <p>All correspondence shall be sent to the System Agency Data Broker Services SAR VAR at the email address HHSC DBS Contracting@hhsc.state.tx.us.</p>

<b>Data Broker Services KPR 10</b>	
<b>Reporting Period</b>	As Required
<b>Service/Component</b>	System Requirements - Major Systems Outages
<b>Performance Standard</b>	Contractor must report all major system outages to the System Agency via e- mail and telephone within five (5) minutes after Contractor determines a major system outage has occurred or when the System Agency notifies Contractor.
<b>Liquidated Damages Value</b>	\$1,000 for each minute after the five (5) minute timeframe requirement per outage not reported to the System Agency.
<b>Measurement of Noncompliance</b>	Each major system outage that is not reported to the System Agency Point of Contact within required timeframes.
<b>Non-compliance Remedies</b>	<p>The System Agency may take the following actions in the event of non-compliance or a missed KPR:</p> <ol style="list-style-type: none"> <li>a. Suspending all or part of the Contract;</li> <li>b. Requiring the Contractor to take specific corrective actions to remain in compliance with term of the Contract;</li> <li>c. Recouping payments made to the Contractor found to be in error;</li> <li>d. Suspending, limiting, or placing conditions on the continued performance of the Project;</li> <li>e. Imposing any other remedies authorized under the Contract; and</li> <li>f. Imposing any other remedies, sanctions or penalties permitted by federal or state statute, law, regulation, or rule.</li> </ol>
<b>Calculation/ Reporting Process</b>	<p>The System Agency determines the Contractor's compliance with this KPR by comparing the notification date and time to the System Agency to the discovery of the Major System Outage.</p> <p>All correspondence shall be sent to the System Agency Data Broker Services SAR VAR at the email address HHSC DBS Contracting@hhsc.state.tx.us.</p>

<b>Data Broker Services KPR 11</b>	
<b>Reporting Period</b>	As Required
<b>Service/Component</b>	System Requirements - Major Systems Outages Report
<b>Performance Standard</b>	The Contractor must submit a Major System Outage Report to the System Agency via the official correspondence process within 24 hours of reported system outages. The report must detail the major system outage, when and how it was discovered, how it was or will be resolved, system and operational impacts, and corrective measures to detect and prevent future major systems outages.
<b>Liquidated Damages Value</b>	\$1,000 per day or part thereof in excess of the 24-hour reporting period.
<b>Measurement of Noncompliance</b>	Each major system outage that is not reported to the System Agency Point of Contact within required timeframes.
<b>Non-compliance Remedies</b>	The System Agency may take the following actions in the event of non-compliance or a missed KPR: <ul style="list-style-type: none"> <li>a. Suspending all or part of the Contract;</li> <li>b. Requiring the Contractor to take specific corrective actions to remain in compliance with term of the Contract;</li> <li>c. Recouping payments made to the Contractor found to be in error;</li> <li>d. Suspending, limiting, or placing conditions on the continued performance of the Project;</li> <li>e. Imposing any other remedies authorized under the Contract; and</li> <li>f. Imposing any other remedies, sanctions or penalties permitted by federal or state statute, law, regulation, or rule.</li> </ul>
<b>Calculation/ Reporting Process</b>	The System Agency determines the Contractor's compliance with this KPR by comparing the submission date of the Major System Outage Report via the formal communication process to the established due date specified by the System Agency.  All correspondence shall be sent to the System Agency Data Broker Services SAR VAR at the email address HHSC DBS Contracting@hhsc.state.tx.us.



<b>Data Broker Services KPR 12</b>	
<b>Reporting Period</b>	As Required
<b>Service/Component</b>	System Requirements - Incident Reporting
<b>Performance Standard</b>	Contractor must report all incidents (excluding security incidents) to the System Agency via e-mail and telephone within five (5) minutes after Contractor determines an incident has occurred.
<b>Liquidated Damages Value</b>	\$1,000 per incident not reported to the System Agency within the five (5) minute timeframe
<b>Measurement of Noncompliance</b>	Each incident that is not reported to the System Agency Point of Contact within required timeframes.
<b>Non-compliance Remedies</b>	The System Agency may take the following actions in the event of non-compliance or a missed KPR: <ul style="list-style-type: none"> <li>a. Suspending all or part of the Contract;</li> <li>b. Requiring the Contractor to take specific corrective actions to remain in compliance with term of the Contract;</li> <li>c. Recouping payments made to the Contractor found to be in error;</li> <li>d. Suspending, limiting, or placing conditions on the continued performance of the Project;</li> <li>e. Imposing any other remedies authorized under the Contract; and</li> <li>f. Imposing any other remedies, sanctions or penalties permitted by federal or state statute, law, regulation, or rule.</li> </ul>
<b>Calculation/ Reporting Process</b>	The System Agency determines the Contractor's compliance with this KPR by comparing the notification date and time of the incident to establish due date and time specified by the System Agency.  All correspondence shall be sent to the System Agency Data Broker Services SAR VAR at the email address HHSC DBS Contracting@hhsc.state.tx.us.

<b>Data Broker Services KPR 13</b>	
<b>Reporting Period</b>	As Required
<b>Service/Component</b>	System Requirements - Incident Report
<b>Performance Standard</b>	The Contractor must submit an Incident Report to the System Agency via the official correspondence process within 24 hours of the reported incident, excluding a Major Outage. The report must detail the incident, when and how it was discovered, how it was or will be resolved, system and operational impacts, and corrective measures to detect and prevent future incidents.
<b>Liquidated Damages Value</b>	\$1,000 per day or part thereof in excess of the 24-hour reporting period.
<b>Measurement of Noncompliance</b>	Each incident that is not reported to the System Agency Point of Contact within required timeframes.
<b>Non-compliance Remedies</b>	The System Agency may take the following actions in the event of non-compliance or a missed KPR: <ul style="list-style-type: none"> <li>a. Suspending all or part of the Contract;</li> <li>b. Requiring the Contractor to take specific corrective actions to remain in compliance with term of the Contract;</li> <li>c. Recouping payments made to the Contractor found to be in error;</li> <li>d. Suspending, limiting, or placing conditions on the continued performance of the Project;</li> <li>e. Imposing any other remedies authorized under the Contract; and</li> <li>f. Imposing any other remedies, sanctions or penalties permitted by federal or state statute, law, regulation, or rule.</li> </ul>
<b>Calculation/ Reporting Process</b>	The System Agency determines the Contractor's compliance with this KPR by comparing the submission date of the Incident Report via the formal communication process to the established due date specified by the System Agency.  All correspondence shall be sent to the System Agency Data Broker Services SAR VAR at the email address HHSC DBS Contracting@hhsc.state.tx.us.

<b>Data Broker Services KPR 14</b>	
<b>Reporting Period</b>	As Needed
<b>Service/Component</b>	Operational Project Requirements -Transaction Response Time
<b>Performance Standard</b>	Contractor guarantees the daily average for online response times will not exceed three (3) minutes for each data source. The transaction response time is measured on a daily average per data source, from user request to delivery of the response to the requestor.
<b>Liquidated Damages Value</b>	\$1,000 per day
<b>Measurement of Noncompliance</b>	The response time is measured and calculated on a daily basis. While response times for the System Agency contracted third party data sources may be outside the control of the Contractor, compliance with KPR 16 requires a notice to the System Agency of third party data source delays.
<b>Non-compliance Remedies</b>	The System Agency may take the following actions in the event of non-compliance or a missed KPR: <ul style="list-style-type: none"> <li>a. Suspending all or part of the Contract;</li> <li>b. Requiring the Contractor to take specific corrective actions to remain in compliance with term of the Contract;</li> <li>c. Recouping payments made to the Contractor found to be in error;</li> <li>d. Suspending, limiting, or placing conditions on the continued performance of the Project;</li> <li>e. Imposing any other remedies authorized under the Contract; and</li> <li>f. Imposing any other remedies, sanctions or penalties permitted by federal or state statute, law, regulation, or rule.</li> </ul>
<b>Calculation/ Reporting Process</b>	The System Agency determines Contractor's compliance with this KPR by comparing the response times noted on the DB 057-D, Monthly Status Report, to the established timeframe specified by the System Agency.  All correspondence shall be sent to the System Agency Data Broker Services SAR VAR at the email address HHSC DBS Contracting@hhsc.state.tx.us.

<b>Data Broker Services KPR 15</b>	
<b>Reporting Period</b>	As Required
<b>Service/Component</b>	System Requirements - Scheduled System Maintenance Communication and Coordination
<b>Performance Standard</b>	<p>Contractor must maintain the system in accordance with the System Maintenance Plan, as approved by the System Agency. Maintenance must not interfere with system availability and required response time of the system, excluding pre-approved scheduled maintenance. Requests for scheduled maintenance must be submitted to the System Agency for approval no less than ten (10) days in advance of the proposed system maintenance.</p> <p>Scheduled maintenance must take place outside operational hours unless approval is granted by the System Agency.</p> <p>This KPR does not apply if a Major System Outage occurs outside of the pre-approved maintenance window. See KPRs 10 and 11 instead.</p>
<b>Liquidated Damages Value</b>	\$1,000 per occurrence
<b>Measurement of Noncompliance</b>	Each occurrence when maintenance interferes with system availability of the Data Broker System.
<b>Non-compliance Remedies</b>	<p>The System Agency may take the following actions in the event of non-compliance or a missed KPR:</p> <ol style="list-style-type: none"> <li>a. Suspending all or part of the Contract;</li> <li>b. Requiring the Contractor to take specific corrective actions to remain in compliance with term of the Contract;</li> <li>c. Recouping payments made to the Contractor found to be in error;</li> <li>d. Suspending, limiting, or placing conditions on the continued performance of the Project;</li> <li>e. Imposing any other remedies authorized under the Contract; and</li> <li>f. Imposing any other remedies, sanctions or penalties permitted by federal or state statute, law, regulation, or rule.</li> </ol>
<b>Calculation/ Reporting Process</b>	<p>The System Agency determines the Contractor's compliance with this KPR by comparing the system availability and required response times to the established timeframes specified by the System Agency.</p> <p>All correspondence shall be sent to the System Agency Data Broker Services SAR VAR at the email address HHSC DBS Contracting@hhsc.state.tx.us.</p>

<b>Data Broker Services KPR 16</b>	
<b>Reporting Period</b>	As Needed
<b>Service/Component</b>	Operational Project Requirements - Timely notification of deactivated user access
<b>Performance Standard</b>	Contractor must ensure agency user accounts are deactivated within twenty-four (24) hours of the System Agency request.
<b>Liquidated Damages Value</b>	\$5,000 per list of agency users
<b>Measurement of Noncompliance</b>	For each list of agency users to be deactivated (regardless of the number of agency users) submitted to Contractor that is not completely deactivated within the timeframe required.
<b>Non-compliance Remedies</b>	<p>The System Agency may take the following actions in the event of non-compliance or a missed KPR:</p> <ol style="list-style-type: none"> <li>a. Suspending all or part of the Contract;</li> <li>b. Requiring the Contractor to take specific corrective actions to remain in compliance with term of the Contract;</li> <li>c. Recouping payments made to the Contractor found to be in error;</li> <li>d. Suspending, limiting, or placing conditions on the continued performance of the Project;</li> <li>e. Imposing any other remedies authorized under the Contract; and</li> <li>f. Imposing any other remedies, sanctions or penalties permitted by federal or state statute, law, regulation, or rule.</li> </ol>
<b>Calculation/ Reporting Process</b>	<p>The System Agency determines the Contractor's compliance with this KPR by comparing the notification date and time provided to the Contractor to the date and time of the validated termination report from the Contractor to the System Agency.</p> <p>All correspondence shall be sent to the System Agency Data Broker Services SAR VAR at the email address HHSC DBS Contracting@hhsc.state.tx.us.</p>

<b>Data Broker Services KPR 17</b>	
<b>Reporting Period</b>	As Needed
<b>Service/Component</b>	Formal Communication - Official Correspondence Requests
<b>Performance Standard</b>	The Contractor must submit complete and accurate Vendor Action Request (VAR) memos and responses to any State Action Request (SAR) no later than ten (10) business days after the Contractor's receipt of the request or by the date specified in the memo, unless an extension is approved by the System Agency in advance.
<b>Liquidated Damages Value</b>	\$250.00 per each day the response is past the due date/time.
<b>Measurement of Noncompliance</b>	Each business day for each instance of a late submission, or submission being found unacceptable by the System Agency.
<b>Non-compliance Remedies</b>	<p>The System Agency may take the following actions in the event of non-compliance or a missed KPR:</p> <ol style="list-style-type: none"> <li>a. Suspending all or part of the Contract;</li> <li>b. Requiring the Contractor to take specific corrective actions to remain in compliance with term of the Contract;</li> <li>c. Recouping payments made to the Contractor found to be in error;</li> <li>d. Suspending, limiting, or placing conditions on the continued performance of the Project;</li> <li>e. Imposing any other remedies authorized under the Contract; and</li> <li>f. Imposing any other remedies, sanctions or penalties permitted by federal or state statute, law, regulation, or rule.</li> </ol>
<b>Calculation/ Reporting Process</b>	<p>The System Agency determines Contractor's compliance with this KPR by comparing the submission date of the SAR Response or VAR via the formal communication process to the established due date specified by the System Agency.</p> <p><i>(Example: If a submission is due by 5:00 PM on July 11<sup>th</sup> and not provided until 5:01 PM on July 11<sup>th</sup>, liquidated damages will be assessed in the amount of \$250.00. If the Contractor fails to provide the requested information by 5:01 PM on July 12<sup>th</sup>, the System Agency will assess an additional \$250.00 in liquidated damages. Liquidated damages will continue to be assessed daily until the Contractor provides the requested information.)</i></p> <p>All correspondence shall be sent to the System Agency Data Broker Services SAR VAR at the email address HHSC DBS Contracting@hhsc.state.tx.us.</p>

<b>Data Broker Services KPR 18</b>	
<b>Reporting Period</b>	As Needed
<b>Service/Component</b>	Formal Communication - Official Correspondence High Priority Extensions
<b>Performance Standard</b>	Contractor must submit a written extension request for a high priority deadline no later than three (3) hours after the Contractor receives the high priority deadline SAR or VAR response. The extension request must specify the estimated date of completion and reasons for extension.
<b>Liquidated Damages Value</b>	\$1,000.00 per calendar day per request
<b>Measurement of Noncompliance</b>	Each calendar day for each instance of a late submission, or submission being found unacceptable by the System Agency.
<b>Non-compliance Remedies</b>	System Agency may take the following actions in the event of non-compliance or a missed KPR: <ul style="list-style-type: none"> <li>a. Suspending all or part of the Contract;</li> <li>b. Requiring the Contractor to take specific corrective actions to remain in compliance with term of the Contract;</li> <li>c. Recouping payments made to the Contractor found to be in error;</li> <li>d. Suspending, limiting, or placing conditions on the continued performance of the Project;</li> <li>e. Imposing any other remedies authorized under the Contract; and</li> <li>f. Imposing any other remedies, sanctions or penalties permitted by federal or state statute, law, regulation, or rule.</li> </ul>
<b>Calculation/ Reporting Process</b>	System Agency determines Contractor's compliance with this KPR by comparing the submission date of the request for extension of the High Priority SAR or VAR via the formal communication process to the established due date specified by the System Agency.  All correspondence shall be sent to the System Agency Data Broker Services SAR VAR at the email address HHSC DBS Contracting@hhsc.state.tx.us.



<b>Data Broker Services KPR 19</b>	
<b>Reporting Period</b>	As Needed
<b>Service/Component</b>	Formal Communication - Official Correspondence Extensions
<b>Performance Standard</b>	Contractor must submit written request for routine extension of a State Action Request (SAR) or Vendor Action Request (VAR) response deadline that specifies the estimated date of completion and reasons for the extension no later than noon the day before the date due to the System Agency.
<b>Liquidated Damages Value</b>	\$500.00 per calendar day per request
<b>Measurement of Noncompliance</b>	Each calendar day for each instance of a late submission, or submission being found unacceptable by the System Agency.
<b>Non-compliance Remedies</b>	<p>The System Agency may take the following actions in the event of non-compliance or a missed KPR:</p> <ol style="list-style-type: none"> <li>a. Suspending all or part of the Contract;</li> <li>b. Requiring the Contractor to take specific corrective actions to remain in compliance with term of the Contract;</li> <li>c. Recouping payments made to the Contractor found to be in error;</li> <li>d. Suspending, limiting, or placing conditions on the continued performance of the Project;</li> <li>e. Imposing any other remedies authorized under the Contract; and</li> <li>f. Imposing any other remedies, sanctions or penalties permitted by federal or state statute, law, regulation, or rule.</li> </ol>
<b>Calculation/ Reporting Process</b>	<p>The System Agency determines Contractor's compliance with this KPR by comparing the submission date of the request for extension of a SAR or VAR via the formal communication process to the established due date specified by the System Agency.</p> <p>All correspondence shall be sent to the System Agency Data Broker Services SAR VAR at the email address HHSC DBS Contracting@hhsc.state.tx.us.</p>

<b>Data Broker Services KPR 20</b>	
<b>Reporting Period</b>	As Needed
<b>Service/Component</b>	Key Personnel and Organizational Requirements – Timely Notification
<b>Performance Standard</b>	Contractor must submit notification to the System Agency in writing within ten (10) calendar days after Key Personnel are temporarily redirected to perform functions other than the responsibilities of their then current position. Contractor must propose new Key Personnel for replacement or whenever staff cease employment, and the System Agency must approve such replacements.
<b>Liquidated Damages Value</b>	\$500 per day
<b>Measurement of Noncompliance</b>	Each calendar day for each instance of late, unacceptable or no response.
<b>Non-compliance Remedies</b>	<p>The System Agency may take the following actions in the event of non-compliance or a missed KPR:</p> <ol style="list-style-type: none"> <li>a. Suspending all or part of the Contract;</li> <li>b. Requiring the Contractor to take specific corrective actions to remain in compliance with term of the Contract;</li> <li>c. Recouping payments made to the Contractor found to be in error;</li> <li>d. Suspending, limiting, or placing conditions on the continued performance of the Project;</li> <li>e. Imposing any other remedies authorized under the Contract; and</li> <li>f. Imposing any other remedies, sanctions or penalties permitted by federal or state statute, law, regulation, or rule.</li> </ol>
<b>Calculation/ Reporting Process</b>	<p>The System Agency determines the Contractor’s compliance with this KPR by comparing the notification date to the date of Key Personnel temporarily redirected to perform functions other than the responsibilities of their current position to the established timeframes specified by the System Agency.</p> <p>All correspondence shall be sent to the System Agency Data Broker Services SAR VAR at the email address HHSC DBS Contracting@hhsc.state.tx.us.</p>

<b>Data Broker Services KPR 21</b>	
<b>Reporting Period</b>	Quarterly
<b>Service/Component</b>	System Development - Data Dictionary
<b>Performance Standard</b>	<p>Contractor must develop, implement, and maintain a Data Dictionary that describes the various interfaces required between all trading partners (i.e. TWC, OAG, eDRS, etc.)</p> <ol style="list-style-type: none"> <li>a. 45 days after contract execution and</li> <li>b. Quarterly within 15 business days after the end of the calendar quarter.</li> </ol> <p>The quarter is based on the scheduled operational start date.</p>
<b>Liquidated Damages Value</b>	\$1,000 per day
<b>Measurement of Noncompliance</b>	Each calendar day or portions thereof for each instance of late, unacceptable or no response.
<b>Non-compliance Remedies</b>	<p>The System Agency may take the following actions in the event of non-compliance or a missed KPR:</p> <ol style="list-style-type: none"> <li>a. Suspending all or part of the Contract;</li> <li>b. Requiring the Contractor to take specific corrective actions to remain in compliance with term of the Contract;</li> <li>c. Recouping payments made to the Contractor found to be in error;</li> <li>d. Suspending, limiting, or placing conditions on the continued performance of the Project;</li> <li>e. Imposing any other remedies authorized under the Contract; and</li> <li>f. Imposing any other remedies, sanctions or penalties permitted by federal or state statute, law, regulation, or rule.</li> </ol>
<b>Calculation/ Reporting Process</b>	<p>The System Agency determines the Contractor's compliance with this KPR by comparing the submission date of the Data Dictionary to the established due date specified by the System Agency.</p> <p>All correspondence shall be sent to the System Agency Data Broker Services SAR VAR at the email address HHSC_DB_S Contracting@hhsc.state.tx.us.</p>

<b>Data Broker Services KPR 22</b>	
<b>Reporting Period</b>	Monthly
<b>Service/Component</b>	System Requirements -System Availability
<b>Performance Standard</b>	<p>Maintain 99.5% uptime and availability for the Data Broker System except for planned and pre-approved scheduled maintenance. At a minimum, vendor must provide system availability from 7:00 a.m. until 8:00 p.m. Central Time, Monday through Friday and 8:00 a.m. until 6:00 p.m. Central Time, on designated Saturdays, and as otherwise specified by the System Agency.</p> <p>This KPR does not apply to Scheduled System Maintenance Communication and Coordination. See KPR 15 instead.</p>
<b>Liquidated Damages Value</b>	The State may assess up to \$5,000 for each percentage point, or portion thereof, below the 99.5% standard.
<b>Measurement of Noncompliance</b>	Monthly
<b>Non-compliance Remedies</b>	<p>The System Agency may take the following actions in the event of non-compliance or a missed KPR:</p> <ol style="list-style-type: none"> <li>a. Suspending all or part of the Contract;</li> <li>b. Requiring the Contractor to take specific corrective actions to remain in compliance with term of the Contract;</li> <li>c. Recouping payments made to the Contractor found to be in error;</li> <li>d. Suspending, limiting, or placing conditions on the continued performance of the Project;</li> <li>e. Imposing any other remedies authorized under the Contract; and</li> <li>f. Imposing any other remedies, sanctions or penalties permitted by federal or state statute, law, regulation, or rule.</li> </ol>
<b>Calculation/ Reporting Process</b>	<p>The System Agency determines the Contractor's compliance with this KPR by completing the following formula:</p> $\% \text{ Availability} = ([\text{Total} - \text{Unplanned Outages} - \text{Scheduled Maintenance}] / [\text{Total} - \text{Scheduled Maintenance}]) \times 100.$ <p>All correspondence shall be sent to the System Agency Data Broker Services SAR VAR at the email address HHSC DBS Contracting@hhsc.state.tx.us.</p>

<b>Data Broker Services KPR 23</b>	
<b>Reporting Period</b>	Monthly
<b>Service/Component</b>	Communication Plan and Governance Structure
<b>Performance Standard</b>	Attendance by all Required Personnel, as determined between the System Agency and the Contractor, that must attend monthly, in-person or virtually, Governance meetings, on the dates specified by the System Agency.
<b>Liquidated Damages Value</b>	\$1,000.00 per event
<b>Measurement of Noncompliance</b>	Monthly
<b>Non-compliance Remedies</b>	<p>The System Agency may take the following actions in the event of non-compliance or a missed KPR:</p> <ol style="list-style-type: none"> <li>a. Suspending all or part of the Contract;</li> <li>b. Requiring the Contractor to take specific corrective actions to remain in compliance with term of the Contract;</li> <li>c. Recouping payments made to the Contractor found to be in error;</li> <li>d. Suspending, limiting, or placing conditions on the continued performance of the Project;</li> <li>e. Imposing any other remedies authorized under the Contract; and</li> <li>f. Imposing any other remedies, sanctions or penalties permitted by federal or state statute, law, regulation, or rule.</li> </ol>
<b>Calculation/ Reporting Process</b>	<p>The System Agency determines the Contractor's compliance with this KPR by comparing the participation of required Key Personnel in the Governance Meeting to the established meeting date agreed upon by the System Agency.</p> <p>All correspondence shall be sent to the System Agency Data Broker Services SAR VAR at the email address HHSC DBS Contracting@hhsc.state.tx.us.</p>

<b>Data Broker Services KPR 24</b>	
<b>Reporting Period</b>	As Required
<b>Service/Component</b>	Communication Plan and Governance Structure
<b>Performance Standard</b>	<p>Attendance at weekly, in-person or virtual, meetings during the following events:</p> <ol style="list-style-type: none"> <li>Transition Phase;</li> <li>Meetings to address concerns or issues with project implementation, data tracking and reporting, and other technical assistance issues; and</li> <li>During major projects impacting the Contract.</li> </ol> <p>Specific Personnel will be determined between the System Agency and the Contractor.</p>
<b>Liquidated Damages Value</b>	\$500.00 per event
<b>Measurement of Noncompliance</b>	Each Weekly In-Person Meeting Required
<b>Non-compliance Remedies</b>	<p>The System Agency may take the following actions in the event of non-compliance or a missed KPR:</p> <ol style="list-style-type: none"> <li>Suspending all or part of the Contract;</li> <li>Requiring the Contractor to take specific corrective actions to remain in compliance with term of the Contract;</li> <li>Recouping payments made to the Contractor found to be in error;</li> <li>Suspending, limiting, or placing conditions on the continued performance of the Project;</li> <li>Imposing any other remedies authorized under the Contract; and</li> <li>Imposing any other remedies, sanctions or penalties permitted by federal or state statute, law, regulation, or rule.</li> </ol>
<b>Calculation/ Reporting Process</b>	<p>The System Agency determines the Contractor's compliance with this KPR by comparing the participation of Vendor Personnel to the regularly scheduled meeting, for any event noted above, to the established due date agreed upon by the System Agency.</p> <p>All correspondence shall be sent to the System Agency Data Broker Services SAR VAR at the email address HHSC DBS Contracting@hhsc.state.tx.us.</p>

<b>Definitions</b>	
<b>Attachment A, Statement of Work, Section 4.4 Reporting Major System Outage and Incidents</b>	
<p>An <b><u>Incident</u></b> is defined as an event that may or may not result in a disruption of the workflow or degradation of Data Broker Services. This does not include a Major Systems Outage or Security Incident.</p> <p>An <b><u>Incident Report</u></b> is defined as a detailed report provided by the Contractor on an Incident of a system that supports the DBS.</p> <p>An <b><u>Individual Client Record</u></b> is specific to a client reasonably believed to be affected, including first and last name of the individual and if applicable, the Legally authorized representative, last known address, age, or telephone number (See <b><u>Attachment G, Data Use Agreement Version 8.5, Section 4.03</u></b>).</p> <p>A <b><u>Major System Outage</u></b> is defined as an outage of the DBS that results in a disruption of the workflow or degradation of more than ten (10) minutes or an agreed upon percentage of failed transactions performed by the Contractor or intended to be performed for or on behalf of client users or prospective beneficiaries of a program.</p> <p>A <b><u>Major System Outage Report</u></b> is defined as a detailed report on all Major Systems Outages of DBS controlled by the Contractor, as well as, systems controlled by HHSC that supports DBS.</p>	
<b>Assumptions</b>	
Submission Deadlines	Unless otherwise noted, a 5:00 p.m. Central Time deadline is assumed for items submitted through the SAR/VAR process. A submission made after 5:00 p.m. Central Time on the applicable due date is considered a day late for reporting purposes.
Rounding Standards	<p>All percentages will be rounded to the nearest tenth. For reporting purposes in determining KPR compliance, Performance Thresholds will also be rounded to the nearest tenth as per the following examples:</p> <ol style="list-style-type: none"> <li>a. If the Standard is 96.5% and the Actual Measured Performance is 96.45% (96.5%) or higher, the Performance Threshold is reported as “Expected.”</li> <li>b. If the standard is 96.5% and the Actual Measured Performance is 96.44% (96.4%) or lower, the Performance Threshold is reported as “Below.”</li> </ol>



Calendar vs. State Fiscal	All references to "days" or "quarters", without a specific State Fiscal Year designation, are assumed to refer to calendar days or calendar quarters.
Operational Start Date	The Operational Start Date is defined as September 1, 2023



# TEXAS

## Health and Human Services

**Cecile E. Young, Executive Commissioner**

**HEALTH AND HUMAN SERVICES COMMISSION CONTRACT NO.  
HHS000951400001**

**Attachment C, Deliverables**

Deliverable ID	KPR No.	Requirements	Due Date	Frequency
<b>DB 006-D</b>  <b>Contract Monitoring Questionnaire</b>	N/A	The Contractor shall submit an initial Contract Monitoring Questionnaire (“CMQ”) within thirty (30) calendar days after Contract Effective Date.  The Contractor shall include all requirements outlined in <u>Attachment A, Statement of Work, Section 2.4, Contract Monitoring Questionnaire.</u>	Within 30 calendar days after Contract Effective Date.	<b>One-Time</b>
<b>DB 007-D</b>  <b>Contract Monitoring Questionnaire</b>	N/A	The Contractor shall submit an annual CMQ sixty (60) calendar days prior to the end of each State Fiscal Year (“SFY”).  The Contractor shall include all requirements outlined in <u>Attachment A, Statement of Work, Section 2.4, Contract Monitoring Questionnaire.</u>	Sixty (60) calendar days prior to the end of each SFY.	<b>Annually</b>
<b>DB 008-D</b>  <b>Financial and Performance Audits</b>	N/A	The Contractor shall submit an independent auditor’s report annually, 120 calendar days after each operational year ends.  The Contractor shall include all requirements outlined in <u>Attachment A, Statement of Work, Section 2.5, Financial and Performance Audits.</u>	Annually, 120 calendar days after each operational year ends.	<b>Annually</b>

Deliverable ID	KPR No.	Requirements	Due Date	Frequency
<b>DB 009-D</b>  <b>State Monitoring, Examinations, and Audit</b>	N/A	The Contractor shall submit complete the current federally required audit and report, within 120 calendar days after each operational year's end.  The Contractor shall include all requirements outlined in <b><u>Attachment A, Statement of Work, Section 2.6, State Monitoring, Examinations, and Audit.</u></b>	Annually, within 120 calendar days after each operational year ends.	<b>Annually</b>
<b>DB 010-D</b>  <b>Change Management Plan</b>	N/A	The Contractor shall submit, implement, and maintain a Change Management Plan within fifty-five (55) calendar days after Contract Effective Date or by the date specified by the System Agency.  The Contractor shall include all requirements outlined in <b><u>Attachment A, Statement of Work, Section 2.7, Change Management Plan.</u></b>	Within fifty-five (55) calendar days after Contract Effective Date or by the date specified by the System Agency.	<b>One-Time As Requested</b>
<b>DB 013-D</b>  <b>Communicati on Plan and Governance Structure</b>	KPR 23 & KPR 24	The Contractor shall submit, implement, and maintain a Communication Plan and Governance Structure within fifteen (15) calendar days after Contract Effective Date and annually thereafter thirty (30) calendar days prior to the end of each operational year.  The Contractor shall include all requirements outlined in <b><u>Attachment A, Statement of Work, Section 2.8, Communication Plan and Governance Structure.</u></b>	Within fifteen (15) calendar days after Contract Effective Date and annually thereafter thirty (30) calendar days prior to the end of each operational year.	<b>One-Time Annually</b>

Deliverable ID	KPR No.	Requirements	Due Date	Frequency
<b>DB 014-D</b>  <b>Communicati on Plan and Governance Structure</b>	KPR 23 & KPR 24	<p>The Contractor shall submit agendas for all scheduled meetings via official correspondence, no later than twenty-four (24) hours prior to each meeting, unless deviation is requested in advance and approved by the System Agency.</p> <p>The Contractor shall include all requirements outlined in <b><u>Attachment A, Statement of Work, Section 2.8, Communication Plan and Governance Structure.</u></b></p>	No later than twenty-four (24) hours prior to each meeting.	<b>As Required</b>
<b>DB 015-D</b>  <b>Communicati on Plan and Governance Structure</b>	KPR 23 & KPR 24	<p>The Contractor shall submit meeting minutes via official correspondence for review, comment, and approval by the System Agency, no later than five (5) business days after each meeting is held.</p> <p>The Contractor shall include all requirements outlined in <b><u>Attachment A, Statement of Work, Section 2.8, Communication Plan and Governance Structure.</u></b></p>	No later than five (5) business days after each meeting.	<b>As Required</b>
<b>DB 021-D</b>  <b>Key Personnel and Organizational Requirements</b>	N/A	The Contractor shall submit notification to the System Agency in writing within fourteen (14) calendar days that a Key Personnel vacancy will occur for any reason or prior to making any changes in Key Personnel other than changes due to resignation, death, or military recall. Notification must include a plan to recruit Key Personnel.	Fourteen (14) calendar days that a key personnel vacancy will occur for any reason or prior to making any changes in key personnel.	<b>As Required</b>

Deliverable ID	KPR No.	Requirements	Due Date	Frequency
		The Contractor shall include all requirements outlined in <b><u>Attachment A, Statement of Work, Section 3.3, Key Personnel and Organizational Requirements.</u></b>		
<b>DB 024-D</b>  <b>Key Personnel and Organizational Requirements</b>	KPR 20	The Contractor shall submit resumes and references of proposed replacement Key Personnel within an agreed to timeframe for System Agency's review prior to making a job offer.  The Contractor shall include all requirements outlined in <b><u>Attachment A, Statement of Work, Section 3.3, Key Personnel and Organizational Requirements.</u></b>	Prior to making a job offer.	<b>As Required</b>
<b>DB 025-D</b>  <b>Key Personnel and Organizational Requirements</b>	N/A	The Contractor shall submit an initial organizational chart within thirty (30) calendar days after Contract Effective Date or date specified by the System Agency, including the names and positions of all personnel assigned to this Contract. The organizational chart must designate who are Key Personnel.  The Contractor shall include all requirements outlined in <b><u>Attachment A, Statement of Work, Section 3.3, Key Personnel and Organizational Requirements.</u></b>	Within thirty (30) calendar days after Contract Effective Date or date specified by the System Agency.	<b>One-Time As Required</b>
<b>DB 026-D</b>	KPR 20	The Contractor shall submit an updated organizational chart on a quarterly basis within ten (10) calendar days after the end of the calendar quarter.	Within ten (10) calendar days after the end of the calendar quarter.	<b>Quarterly</b>

Deliverable ID	KPR No.	Requirements	Due Date	Frequency
Key Personnel and Organizational Requirements		The Contractor shall include all requirements outlined in <u>Attachment A, Statement of Work, Section 3.3, Key Personnel and Organizational Requirements.</u>		
DB 027-D Key Personnel and Organizational Requirements	KPR 20	<p>The Contractor shall notify the System Agency verbally prior to Key Personnel being temporarily redirected to perform functions other than the responsibilities of their current position, unless previously approved by the System Agency; and submit written notification within ten (10) calendar days for documentation purposes.</p> <p>The Contractor shall include all requirements outlined in <u>Attachment A, Statement of Work, Section 3.3, Key Personnel and Organizational Requirements.</u></p>	Immediate verbal notification and written notification within ten (10) calendar days whenever Key Personnel are temporarily redirected to perform functions other than the responsibilities of their current position.	As Required
DB 028-D Key Personnel and Organizational Requirements	N/A	<p>The Contractor shall submit a Background Check Work Plan for approval within fifteen (15) calendar days after Contract Effective Date, and annually thereafter, or by a date specified by the System Agency.</p> <p>The Contractor shall include all requirements outlined in <u>Attachment A, Statement of Work, Section 3.3, Key Personnel and Organizational Requirements.</u></p>	Within fifteen (15) calendar days after Contract Effective Date, and annually thereafter, or by a date specified by the System Agency.	One-time Annually As Requested



Deliverable ID	KPR No.	Requirements	Due Date	Frequency
<b>DB 029-D</b>  <b>Key Personnel and Organizational Requirements</b>  <b>RFO</b>	N/A	<p>The Contractor shall submit results of the initial background check to the System Agency within sixty (60) days after Contract Effective Date.</p> <p>The Contractor shall include all requirements outlined in <b><u>Attachment A, Statement of Work, Section 3.3, Key Personnel and Organizational Requirements.</u></b></p>	Within sixty (60) days after Contract Effective Date.	<b>One-time</b>
<b>DB 030-D</b>  <b>Key Personnel and Organizational Requirements</b>	N/A	<p>The Contractor shall submit results of the annual background check to the System Agency annually, on a date agreed upon with the System Agency.</p> <p>The Contractor shall include all requirements outlined in <b><u>Attachment A, Statement of Work, Section 3.3, Key Personnel and Organizational Requirements.</u></b></p>	Annually, on a date agreed upon with the System Agency.	<b>Annually</b>
<b>DB 032-D</b>  <b>Transition Phase Work Plan</b>		<p>The Contractor shall submit a final Transition Phase Work Plan for approval within thirty (30) calendar days prior to the end of each operational year,</p> <p>The Contractor shall include all requirements outlined in <b><u>Attachment A, Statement of Work, Section 3.5, Transition Phase Work Plan.</u></b></p>	Within thirty (30) calendar days prior to the end of each operational year	<b>Annually</b>
<b>DB 033-D</b>	N/A	The Contractor shall submit a weekly Transition Phase Status Report by 5:00 p.m. the Monday following the	By 5:00 p.m. the Monday following the	<b>Weekly</b>

Deliverable ID	KPR No.	Requirements	Due Date	Frequency
<b>Transition Phase Work Plan</b>		<p>last day of the week covered by the report. The System Agency will inform the Contractor when the transition phase status report submission period begins and has ended.</p> <p>The Contractor shall include all requirements outlined in <b><u>Attachment A, Statement of Work, Section 3.5, Transition Phase Work Plan.</u></b></p>	last day of the week covered by the report.	
<b>DB 038-D Risk Management &amp; Issue Resolution Process</b>	KPR 3	<p>The Contractor shall submit a final Risk Management Plan, including an issue resolution and notification process, within twenty (20) calendar days after Contract Effective Date or by the date specified by the System Agency and annually thereafter as specified by the System Agency.</p> <p>The Contractor shall include all requirements outlined in <b><u>Attachment A, Statement of Work, Section 3.6, Risk Management and Issue Resolution Process.</u></b></p>	Within twenty (20) calendar days after Contract Effective Date or by the date specified by the System Agency and annually thereafter as specified by the System Agency.	<b>One-Time Annually As Requested</b>
<b>DB 045-D Business Operations Plan</b>	N/A	<p>The Contractor shall submit a final Business Operations Plan ninety (90) calendar days prior to the scheduled operational start date or by the date specified by the System Agency and annually thereafter as specified by the System Agency.</p> <p>The Contractor shall include all requirements outlined in <b><u>Attachment A, Statement of Work, Section 3.7, Business Operations Plan.</u></b></p>	Ninety (90) calendar days prior to the scheduled operational start date or by the date specified by the System Agency and annually thereafter as specified by the System Agency.	<b>One-Time Annually As Requested</b>

Deliverable ID	KPR No.	Requirements	Due Date	Frequency
<b>DB 047-D  Business Operations Plan</b>	N/A	<p>The Contractor shall submit a detailed six-month evaluation report of the Business Operations Plan within thirty (30) calendar days after the end of the six-month reporting period covered by the report.</p> <p>The Contractor shall include all requirements outlined in <u><b>Attachment A, Statement of Work, Section 3.7, Business Operations Plan.</b></u></p>	<p>Within thirty (30) calendar days after the end of the six-month reporting period covered by the report.</p>	<b>Semi-Annually</b>
<b>DB 048-D  Disaster Recovery and Business Continuity Plan</b>	KPR 22	<p>The Contractor shall submit, implement, and maintain a Disaster Recovery and Business Continuity Plan specific to the transition and on-going operations within fifty (50) calendar days after Contract Effective Date or by the date specified by the System Agency; and annually thereafter within thirty (30) calendar days prior to the end of each operational year.</p> <p>The Contractor shall include all requirements outlined in <u><b>Attachment A, Statement of Work, Section 3.9, Disaster Recovery and Business Continuity Plan.</b></u></p>	<p>Within fifty (50) calendar days after Contract Effective Date or by the date specified by the System Agency; and annually thereafter thirty (30) calendar days prior to the end of each operational year.</p>	<p><b>One Time As Required Annually</b></p>
<b>DB 049-D  Readiness Assessment Process</b>	N/A	<p>The Contractor shall submit, implement, and maintain a Readiness Assessment Plan for the operations and systems within twenty-five (25) calendar days after Contract Effective Date or by the date specified by the System Agency.</p>	<p>Within twenty-five (25) calendar days after Contract Effective Date or by the date specified by the System Agency.</p>	<p><b>One- Time As Requested</b></p>

Deliverable ID	KPR No.	Requirements	Due Date	Frequency
		The Contractor shall include all requirements outlined in <b><u>Attachment A, Statement of Work, Section 3.10, Readiness Assessment Process.</u></b>		
<b>DB 050-D</b>  <b>Readiness Assessment Process</b>	N/A	The Contractor shall submit the results of the Readiness Assessment within fifteen (15) calendar days after the readiness assessment review has been completed or by the date specified by the System Agency, but prior to the operational start date.  The Contractor shall include all requirements outlined in <b><u>Attachment A, Statement of Work, Section 3.10, Readiness Assessment Process.</u></b>	Within fifteen (15) calendar days after the readiness assessment review has been completed, but prior to the operational start date.	<b>As Required</b>
<b>DB 051-D</b>  <b>Readiness Assessment Process</b>	N/A	The Contractor shall submit, implement, and maintain a Readiness Assessment Plan for system changes, upgrades, new data source implementation and new initiatives implemented within twenty-five (25) calendar days after project start date or by the date specified by the System Agency.  The Contractor shall include all requirements outlined in <b><u>Attachment A, Statement of Work, Section 3.10, Readiness Assessment Process.</u></b>	Within twenty-five (25) calendar days after Contract Effective Date or by the date specified by the System Agency.	<b>One Time As Requested</b>
<b>DB 052-D</b>	N/A	The Contractor shall submit the results of the Readiness Assessment for system changes, upgrades, new data source implementation and new initiatives within fifteen (15) calendar days after the readiness	Within fifteen (15) calendar days after the readiness assessment review has been	<b>As Required As Requested</b>

Deliverable ID	KPR No.	Requirements	Due Date	Frequency
<b>Readiness Assessment Process</b>		assessment review has been completed or by the date specified by the System Agency.  The Contractor shall include all requirements outlined in <b><u>Attachment A, Statement of Work, Section 3.10, Readiness Assessment Process.</u></b>	completed or by the date specified by the System Agency.	
<b>DB 053-D Quality Management Plan</b>	N/A	The Contractor shall submit, implement, and maintain a Quality Management Plan including an overall approach for a comprehensive, continuous, and measurable quality management program thirty (30) calendar days after Contract Effective Date or by the date specified by the System Agency and annually thereafter no less than within thirty (30) calendar days prior to the end of each operational year.  The Contractor shall include all requirements outlined in <b><u>Attachment A, Statement of Work, Section 3.11, Quality Management Plan.</u></b>	Thirty (30) calendar days after Contract Effective Date or by the date specified by the System Agency and annually thereafter within thirty (30) calendar days prior to the end of each operational year.	<b>One Time As Required Annually</b>
<b>DB 054-D Training Requirements</b>	N/A	The Contractor shall submit, implement, and maintain a Training Plan no later than sixty (60) calendar days after Contract Effective Date or by the date specified by the System Agency.  The Contractor shall include all requirements outlined in <b><u>Attachment A, Statement of Work, Section 3.12, Training Requirement.</u></b>	Within sixty (60) calendar days after Contract Effective Date or by the date specified by the System Agency.	<b>One-Time As Requested</b>

Deliverable ID	KPR No.	Requirements	Due Date	Frequency
<b>DB 055-D  Training Requirements</b>	N/A	<p>The Contractor shall submit, implement, and maintain Data Broker System training, including all updates or modifications, for the System Agency's review and approval, by forty-five (45) calendar days prior to the scheduled operational start date, or by the date specified by the System Agency.</p> <p>The Contractor shall include all requirements outlined in <b><u>Attachment A, Statement of Work, Section 3.12, Training Requirement.</u></b></p>	Forty-five (45) calendar days prior to operational start date or by the date specified by the System Agency.	<b>One-Time  As Required</b>
<b>DB 057-D  Operational Status</b>	KPR 5 & KPR 6	<p>The Contractor shall submit a Monthly Status Report within ten (10) business days following the last day covered by the report. The System Agency will inform the Contractor when the monthly status report submission period begins.</p> <p>The Contractor shall include all requirements outlined in <b><u>Attachment A, Statement of Work, Section 3.14, Operational Status.</u></b></p>	Within ten (10) business days following the last day covered by the report.	<b>Monthly</b>
<b>DB 058-D  Turnover Plan</b>	N/A	<p>The Contractor shall submit initial Turnover Plan within seventy (70) calendar days after Contract Effective Date or by the date specified by the System Agency.</p> <p>The Contractor shall include all requirements outlined in <b><u>Attachment A, Statement of Work, Section 3.15.2, Turnover Plan.</u></b></p>	Within seventy (70) calendar days after Contract Effective Date or by the date specified by the System Agency.	<b>One-Time  As Requested</b>



Deliverable ID	KPR No.	Requirements	Due Date	Frequency
<b>DBS 059-D  Turnover Plan</b>	KPR 4	<p>The Contractor shall submit a final Turnover Plan within six (6) months after the Contract Effective Date or date specified by the System Agency and update it annually thereafter no later than thirty (30) calendar days prior to the end of each subsequent operational year or date specified by the System Agency, including any extension for System Agency's approval.</p> <p>The Contractor shall include all requirements outlined in <u>Attachment A, Statement of Work, Section 3.15.2, Turnover Plan.</u></p>	Within six (6) months after Contract Effective Date or date specified by the System Agency, and annually thereafter thirty (30) calendar days prior to the end of each operational year or date specified by the System Agency.	<b>One-Time</b>  <b>Annually</b>  <b>As Requested</b>
<b>DB 060-D  Turnover Plan</b>	N/A	<p>The Contractor shall submit a comprehensive Knowledge Transfer Plan, including training deliverables and subject matter experts, within 6 months after the Contract Effective Date, annually ninety (90) calendar days prior to the end of each contract operational year, or on a date specified to by the System Agency.</p> <p>The Contractor shall include all requirements outlined in <u>Attachment A, Statement of Work, Section 3.15.2, Turnover Plan.</u></p>	Within six (6) months after the Contract Effective Date, annually ninety (90) calendar days prior to the end of each contract operational year, or on a date specified to by the System Agency.	<b>One Time</b>  <b>Annually</b>  <b>As Requested</b>
<b>DB 061-D  Turnover Plan</b>	N/A	<p>The Contractor shall submit a Turnover Results Report within forty-five (45) calendar days after the completion of turnover activities or by the date specified by the System Agency. Turnover will not be considered complete and final payment will not be</p>	Within forty-five (45) calendar days after the completion of turnover activities or by the date specified by the System Agency.	<b>One-Time</b>  <b>As Requested</b>



Deliverable ID	KPR No.	Requirements	Due Date	Frequency
		<p>made until the Turnover Results Report is received and approved by the System Agency.</p> <p>The Contractor shall include all requirements outlined in <b><u>Attachment A, Statement of Work, Section 3.15.2, Turnover Plan.</u></b></p>		
<b>DB 064-D  Turnover Plan</b>	N/A	<p>The Contractor shall provide copies of all relevant data and reference tables; documentation; systems; data entry software (if utilized); third-party software and modifications; documentation relating to software; functional business process flows; or other pertinent information necessary to take over and successfully assume operational activities, including all works in progress, on a date specified by the System Agency.</p> <p>The Contractor shall include all requirements outlined in <b><u>Attachment A, Statement of Work, Section 3.15.2, Turnover Plan.</u></b></p>	On a date specified by the System Agency.	<b>As Required</b>
<b>DB 065-D  Turnover Plan</b>	N/A	<p>The Contractor shall provide all relevant information and documentation regarding the Predicative Analytics and ID Authentication solutions, including the development process documentation, to the System Agency or its designee on a date specified by the System Agency and upon request.</p> <p>The Contractor shall include all requirements outlined in <b><u>Attachment A, Statement of Work, Section 3.15.2, Turnover Plan.</u></b></p>	On a date specified by the System Agency.	<b>As Requested</b>

Deliverable ID	KPR No.	Requirements	Due Date	Frequency
<b>DB 075-D  System Requirements</b>	N/A	<p>The Contractor shall provide a Plan of Action and Milestone (“POAM”) report to the System Agency on a quarterly basis to plan and track remediation efforts for controls that are not compliant.</p> <p>The Contractor shall include all requirements outlined in <u>Attachment A, Statement of Work, Section 4.1, System Security.</u></p>	Quarterly on a date specified by the System Agency.	<b>Quarterly</b>
<b>DB 078-D  System Requirements</b>	KPR 8	<p>The Contractor shall submit a System Security Plan within sixty (60) calendar days prior to implementation of all new systems, processes, and/or data sources, for review and approval by the System Agency. Security controls required by the results of the risk self-assessments must be included.</p> <p>The Contractor shall include all requirements outlined in <u>Attachment A, Statement of Work, Section 4.1, System Security.</u></p>	Sixty (60) calendar days prior to all new implementations.	<b>As Required</b>
<b>DB 079-D  System Requirements</b>	KPR 1	<p>The Contractor shall develop and implement a Security Incident Response Plan within forty (40) calendar days after Contract Effective Date or the date specified by the System Agency.</p> <p>The Contractor shall include all requirements outlined in <u>Attachment A, Statement of Work, Section 4.2, Security Incident Response Plan.</u></p>	Within forty (40) calendar days after Contract Effective Date or the date specified by the System Agency.	<b>One Time  As Requested</b>

Deliverable ID	KPR No.	Requirements	Due Date	Frequency
<b>DB 081-D  System Requirements</b>	N/A	<p>The Contractor shall submit, implement, and maintain an Acceptance Testing Plan within forty-five (45) calendar days after Contract Effective Date or the date specified by the System Agency.</p> <p>The Contractor shall include all requirements outlined in <b><u>Attachment A, Statement of Work, Section 4.3, Acceptance Testing Plan.</u></b></p>	Within forty-five (45) calendar days after Contract Effective Date or the date specified by the System Agency.	<b>One-Time  As Requested</b>
<b>DB 082-D  System Requirements</b>	N/A	<p>The Contractor shall submit Interim Test Status Reports and Issue/Defect Reports during and after each testing event by the date specified by the System Agency.</p> <p>The Contractor shall include all requirements outlined in <b><u>Attachment A, Statement of Work, Section 4.3, Acceptance Testing Plan.</u></b></p>	On dates specified by the System Agency.	<b>As Required</b>
<b>DB 083-D  System Requirements</b>	N/A	<p>The Contractor must submit an Acceptance Test Summary Report within ten (10) calendar days after acceptance testing is complete.</p> <p>The Contractor shall include all requirements outlined in <b><u>Attachment A, Statement of Work, Section 4.3, Acceptance Testing Plan.</u></b></p>	Within ten (10) calendar days after acceptance testing is complete.	<b>As Required</b>
<b>DB 084-D</b>	KPR 10 KPR 11	All Major System Outages must be reported to the System Agency via e-mail or telephone (if e-mail is unavailable) no more than five (5) minutes after	Within five (5) minutes after Contractor determines a Major	<b>As Required</b>

Deliverable ID	KPR No.	Requirements	Due Date	Frequency
<b>System Requirements</b>		<p>Contractor determines a Major System Outage has occurred. The Contractor must submit a comprehensive Major System Outage Report to the System Agency via the official correspondence process no more than twenty-four (24) hours after the reported system outages detailing the outage, when and how it was discovered and resolved, system and operational impacts, and corrective measures taken to detect and prevent future major systems outages.</p> <p>The Contractor shall include all requirements outlined in <b><u>Attachment A, Statement of Work, Section 4.4, Reporting Major Systems Outage and Incidents.</u></b></p>	<p>System Outage has occurred.</p> <p>Submit a comprehensive Major System Outage Report to the System Agency within twenty-four (24) hours of reported system outages.</p>	
<b>DB 085-D System Requirements</b>	KPR 12 KPR 13	<p>All Incidents (excluding security incidents) must be reported to the System Agency via e-mail, or telephone if e-mail is unavailable, within five (5) minutes after the Contractor determines an Incident has occurred. The Contractor must submit an Incident Report to the System Agency via the official correspondence process within twenty-four (24) hours of reported incident.</p> <p>The Contractor shall include all requirements outlined in <b><u>Attachment A, Statement of Work, Section 4.4, Reporting Major Systems Outage and Incidents.</u></b></p>	<p>Within five (5) minutes after Contractor determines an incident has occurred.</p> <p>Must submit an Incident Report to the System Agency via the official correspondence process within twenty-four (24) hours of reported system outages.</p>	<b>As Required</b>
<b>DB 089-D</b>	KPR 15	<p>The Contractor shall submit, implement, and maintain a System Maintenance Plan within sixty (60) calendar days after Contract Effective Date or by the date</p>	<p>Within sixty (60) calendar days after Contract Effective Date</p>	<b>One-Time</b>

<b>Deliverable ID</b>	<b>KPR No.</b>	<b>Requirements</b>	<b>Due Date</b>	<b>Frequency</b>
<b>System Requirements</b>		<p>specified by the System Agency that ensures 99.5% availability of the Data Broker System.</p> <p>The Contractor shall include all requirements outlined in <b><u>Attachment A, Statement of Work, Section 4.5, System Maintenance Plan.</u></b></p>	or by the date specified by the System Agency.	
<b>DB 090-D System Requirements</b>	KPR 15	<p>The Contractor shall update the system to accommodate any third-party vendors' processes for upgrades included in system maintenance and submit, implement, and maintain a System Maintenance Plan within sixty (60) calendar days after upgrade.</p> <p>The Contractor shall include all requirements outlined in <b><u>Attachment A, Statement of Work, Section 4.5, System Maintenance Plan.</u></b></p>	Within sixty (60) calendar days after upgrades.	<b>As Required</b>
<b>DB 102-D System Requirements</b>	KPR 21	<p>The Contractor must provide a Data Dictionary to describe the various interfaces required between all trading partners for the Data Broker System forty-five (45) calendar days after Contract Effective Date and quarterly within fifteen (15) business days after the end of the calendar quarter. This deliverable is to be considered a living document, in that the interfaces may change based upon business need of either the sender or receiver. Due to the potential dynamic nature of the content of the document, the Data Dictionary will be reviewed and updated on a quarterly basis.</p>	Forty-five (45) calendar days after Contract Effective Date and quarterly within fifteen (15) business days after the end of the calendar quarter.	<b>One Time Quarterly</b>

Deliverable ID	KPR No.	Requirements	Due Date	Frequency
		The Contractor shall include all requirements outlined in <u>Attachment A, Statement of Work, Section 4.6, System Development.</u>		
<b>DB 108-D</b>  <b>Financial Requirements</b>	N/A	The Contractor shall prepare an invoice for payment for each month during the term of the agreement no later than thirty (30) calendar days following the end of the previous month.  The Contractor shall include all requirements outlined in <u>Attachment D, Budget, Section 4, Financial Reporting Requirements.</u>	No later than thirty (30) calendar days following the end of the previous month.	<b>Monthly</b>
<b>DB 110-D</b>  <b>Financial Requirements</b>	N/A	The Contractor shall submit an annual reconciliation of all invoices, inclusive of the transaction data of all data sources and their applicable fees, within sixty (60) calendar days after the end of each operational year.  The Contractor shall include all requirements outlined in <u>Attachment D, Budget, Section 4, Financial Reporting Requirements.</u>	Within sixty (60) calendar days after the end of each operational year.	<b>Annually</b>
<b>DB 116-D</b>  <b>Financial Requirements</b>  <b>RFO</b>	N/A	The Contractor shall provide financial statements no later than ninety (90) calendar days after contract Effective Date, or date specified by the System Agency, and annually thereafter thirty (30) calendar days prior to the end of each SFY, or date specified by the System Agency.	No later than ninety (90) calendar days after Contract Effective Date, or date specified by the System Agency and thirty (30) calendar days	<b>One-Time</b>  <b>Annually</b>  <b>As Requested</b>



Deliverable ID	KPR No.	Requirements	Due Date	Frequency
		The Contractor shall include all requirements outlined in <b><u>Attachment A, Statement of Work, Section 5.4, Financial Report Requirement.</u></b>	prior to the end of each SFY, or date specified	





# TEXAS

## Health and Human Services

**Cecile Young, Executive Commissioner**

**HEALTH AND HUMAN SERVICES COMMISSION CONTRACT NO.  
HHS000951400001**

**Attachment D, Budget**

## 1. Financial Payment Structure and Provisions

The financial payment structure for the DBS Contract relates to the administrative payments. The following sections describe the pricing structures and the major variables affecting the administrative payments.

## 2. Overview of Financial Payment Structures

Payment for the contractual Services described in this agreement will be based on several pricing structures, depending on the specific component, specific service, or Deliverable required and whether the Contractor correctly performed the required Service and/or Deliverable. The Contractor will receive payments monthly as compensation for correctly and appropriately performing the Services and submitting a monthly invoice as required in the Contract.

The methods by which the Contractor will be paid for Services under the Contract are made in accordance with the following subsections:

### A. Non-Recurring Maintenance, Modifications, and Additional Periodic Activities

The System Agency anticipates that, during the Contract term, implementation of federal and state mandates and other state initiatives will require additions or changes to the activities performed under the Contract. If applicable, payment for costs associated with non-recurring modifications and additional periodic activities required after the operational start date will be negotiated with the Contractor for pre-approval. The costs for such non-recurring modifications will be based on:

- 1) The explicit fixed hourly rates submitted by a Contractor in accordance with the instructions for completion of the pricing proposal forms and agreed to by the System Agency; and
- 2) The proposed number of hours worked on the specific modification by the Contractor's staff or a Subcontractor's staff.

As defined in DB 093, costs for all non-recurring maintenance, modifications, and additional periodic activities shall be submitted to the System Agency for approval based on the number of hours proposed to be worked on the specific modification, which may be deducted from the pool of available development hours, as applicable.

The Contractor will employ the all-inclusive hourly labor rates agreed to by the Parties for the performance of non-recurring modifications and additional periodic activities required after the operational start date.

Additional periodic activities are defined as the provision of any Service(s), Deliverable(s), or product(s) that will not be performed on a regular recurring basis.

The all-inclusive hourly labor rates will be established for the first twelve (12) months of the resulting Contract. Rates for subsequent twelve (12)-month operational periods and for periods less than twelve (12) months following the first twelve (12) months of the Contract will be determined by the application of a fixed annual price inflator/deflator agreed to by the Parties.

### **B. Payment for Pass-Through Items**

Actual expenditures for pass-through items made on the System Agency's behalf will be paid without allocation of any indirect charges (general and administrative expenses, overhead, etc.) or the allowable administrative service fee. The Contractor must utilize the detailed pricing schedules included in the Contractor's approved **Cost Proposal, Appendix A-2, Attachment D, Budget**, to depict the amount of pass-through expenses that will be paid without indirect charges or the allowable administrative service fee. Items designated as pass-through items include the following:

- 1) Fees for data sources, unless vendor can demonstrate value added as related to the work performed by the data source;
- 2) Software license fees and software maintenance fees;
- 3) Office rent (including leasehold improvements and lease pass-through expenses); and
- 4) All System Agency approved printing and postage costs.

Actual expenditures for pass-through items made on the System Agency's behalf will be paid without allocation of any indirect charges (general and administrative expenses, overhead, etc.) or the allowable administrative service fee for any expenses submitted by the Contractor and reviewed by the System Agency to determine the appropriate fixed and/or variable fee adjustments included in the Amendment executed to include the additional recurring activities in the applicable Contract.

### **C. Payment for Administrative Services**

Payment to the Contractor for administrative services will be based on a combination of one or more fixed administrative fee(s) plus one or more variable administrative fee(s). The System Agency reserves the right to determine the final percentage of fixed fees and variable fees in the Contract for DBS.

Any expenses incurred by the Contractor after the commencement of the operational phase of the Contract to complete transition activities or correct any defects from the Transition Phase must not be recorded as an operational expense and will not be considered an allowable expense for the respective Contract.

The System Agency will reduce the fixed and/or variable administrative payments for any Services that become obsolete or no longer necessary during the Contract.

The System Agency will not recognize as valid costs any excessive charges or fees from the Contractor or any of the Contractor's subcontractors that the System Agency deems inappropriate.

The System Agency will reduce the fixed and/or variable administrative payments in any option year exercised by the System Agency for any expenses that will not be applicable during the option year.

The System Agency reserves the right to enter into negotiations to modify the fixed and variable fee payment methodologies to include fewer variable payment elements and/or additional variable payment elements in the administrative payment structure at any time during the Contract.

The Contractor's Cost Proposal and Price Summary Sheet(s) must be based on the Contractor's costs and an administrative service fee that will be included as part of each proposed Fixed Fee, each Variable Fee, and each Periodic Activity Fee. The final administrative service fee included in the Contract will remain unchanged and be applicable for all fixed fees, variable fees, periodic activity fees, recurring activity fees, and any change orders executed during the term of the Contract, unless otherwise determined by the System Agency.

#### **D. Fixed Administrative Fees**

Separate fixed administrative fees will be agreed to for the first twelve (12)-month operational period of a resulting Contract for DBS; subsequent Contract years (twelve (12)-month operational periods); and any applicable operational period less than twelve (12) months.

The fixed administrative fees will be determined by the application of a fixed annual inflator/deflator proposed by the Contractor and subject to approval and acceptance by the System Agency. The final annual fixed administrative fees included in the resulting Contract will be paid in twelve (12) equal monthly payments. Fixed administrative fees, for an operational period less than twelve (12) months, will be paid in equal monthly payments based on the total number of applicable months included in the final operational period. Operational costs in excess of the final fixed price amount(s) included in the Contract will not be paid by the System Agency.

The Contractor must submit one (1) or more monthly invoice(s) following the month in which the Contractor provides administrative services. The System Agency will process and pay monthly fixed administrative fees in accordance with Texas Government Code Title 10, Subtitle F, Chapter 2251.

The Contractor will supply detailed information with the invoice(s), as directed by the System Agency, to enable the System Agency to allocate costs for the Services according to the various state and federal funding sources that support the Contract for specific segments of the service component. Each invoice must show separate lines for each applicable administrative fee. The Contractor must also provide supporting documentation for fixed administrative cost invoices, in an electronic format, subject to approval by the System Agency.

### **3. Payment for Implementation and Modifications**

#### **A. Transition Costs**

Transition costs to meet the agreement requirements will be paid on a fixed fee basis.

Transition costs in excess of the final fixed price amount(s) included in the Contract will not be paid by the System Agency.

Any expenses incurred by the Contractor after the operational start date of a specific Key Milestone to complete transition activities or correct any defects from the Transition Phase of that specific Key Milestone must not be recorded as an operational expense and will not be considered an allowable expense.

The System Agency will process and pay the transition costs in accordance with Texas Government Code Title 10, Subtitle F, Chapter 2251. Invoices for each Key Milestone must be submitted individually by the Contractor in the format specified by the System Agency. Each invoice will be processed and paid separately.

Proposed transition costs will be included in the pricing evaluation for each Key Milestone. Actual transition costs in excess of the amount included in the Contract for each Key Milestone will not be paid by the System Agency. Transition requirements for each Key Milestone will be subjected to one or more performance measurement(s) as referenced in **Attachment B. Key Performance Requirements**. Performance remedies, either liquidated damages and/or actual damages, may apply to each Key Milestone if the Contractor is not able to provide all of the necessary services and/or deliverables on the specified operational start date for the specific Key Milestone(s) included in the Contract.

### **4. Financial Reporting Requirements**

The Contractor must submit a monthly invoice following the month in which the Contractor provides Services. The System Agency will process and pay the monthly fixed prices plus one or more variable fee approach related to the administrative services in accordance with Texas Government Code Title 10, Subtitle F, Chapter 2251 (Prompt

Payment Act).

The System Agency, at its sole discretion, may choose to process only a portion of an invoice, if only a portion of the invoice can be verified and validated by the information submitted. If the System Agency decides to process an invoice in this manner, an adjustment will be made by the System Agency and only that portion of the invoice that can be verified and validated will be paid.

The Contractor must submit supplemental invoice(s) along with any and all necessary corrections to be paid for the fee(s) previously denied or not processed by the System Agency. The System Agency intends to process and pay the fee(s) billed on supplemental invoices in accordance with Texas Government Code Title 10, Subtitle F, Chapter 2251. Each invoice will be processed and paid separately.

- DB 108-D Prepare an invoice for payment for each month during the term of the Contract no later than thirty (30) calendar days following the end of the previous month. In addition, the Contractor will supply detailed information in an electronic format that supports the monthly invoice. The System Agency reserves the right to request financial information and supporting information in a format that will allow the System Agency to most efficiently verify reported costs and comply with its state and federal financial reporting requirements.
- DB 109 Maintain an accounting system that provides an audit trail containing sufficient financial documentation to allow for the reconciliation of billings, reports, and financial statements with all general ledger accounts and specific business functional areas within any applicable components.
- DB 110-D Within sixty (60) calendar days after the end of each operational year, the Contractor shall submit an annual reconciliation of all invoices, inclusive of the transaction data of all data sources and their applicable fees.

### **System Agency Responsibilities**

The System Agency will pay invoices in a timely manner subject to and in accordance with Texas Government Code Title 10, Subtitle F, Chapter 2251).

### **5. Contractor's Approved Budget**

The System Agency and Public Consulting Group agree to the following Data Broker Services Budget.



Solutions that Matter

PROPOSAL AND RESPONDENT  
INFORMATION CONTAINS CONFIDENTIAL  
INFORMATION ORIGINAL

# Texas Health and Human Services

## TX HHSC Request for Offer (RFO) for Data Broker Services

RFO No. HHS0009514

November 2, 2021

Stacy Elizondo  
Stacy.Elizondo@hhs.texas.gov



## VOLUME 2: COST PROPOSAL

### 1.0 FINANCIAL ACCOUNTING REQUIREMENTS

PCG appreciates the opportunity to summarize our accounting policies and procedures, as well as our employee separation policies, and we have done so on the following pages. We would be happy to provide any additional information and/or documentation, upon request.

#### *Accounting Policies and Procedures*

PCG employs a comprehensive and effective set of accounting policies and procedures that are designed to:

- ▶ Be effective in ensuring accuracy and efficiency in financial reporting.
- ▶ To ensure appropriate internal controls are in place which are designed to protect key assets and prevent fraud and other such activities.
- ▶ To maintain an updated and documented record of the closing procedures that the company employs to produce financial statements and other management reports.
- ▶ To provide historical accounting records for comparative reporting, benchmarking and other management needs.
- ▶ To ensure PCG accurately accumulates costs by project to meet client contractual requirements.

#### **Finance Department**

PCG's finance department consists of more than sixty (60) professionals, including ten Certified Public Accountants (CPAs) from both big four and large regional accounting firms. With the large size of PCG's finance function, PCG is able to implement proper segregation of duties as well as cross-training to back up key roles. PCG's finance department uses the Microsoft Dynamics SL Project Accounting system that allows for segregation of revenues and costs by projects or specific funding sources. All transactions, including revenue, expenses, payments and accounting entries for which PCG is responsible are subject to multiple layers of review and approvals. This is accomplished using a cloud-based accounts payable system (DataBasics) that is directly integrated with Microsoft Dynamics SL. Within this system, an invoice is entered by an Expense or Accounts Payable Coordinator and is then subject to approval by the Project Manager, Accounts Payable Supervisor, and Accounts Payable Manager. In addition, if the total cost of the invoice is over \$5,000, it may be subject to additional approvals by PCG's Senior Finance Management, including the CFO, VP of Finance, and Corporate Controller. Revenue related entries are entered by one of several qualified Accountants and reviewed systematically by a Senior Revenue Accountant for accuracy. All payroll-related entries are processed using the vendor Automatic Data Processing (ADP); any/all information will be entered by a Payroll Specialist before being subject to review and approval by the Lead Payroll Specialist and Payroll Manager.

Microsoft Dynamics SL is fully capable of segregating, supporting, controlling, and accounting for all funds, property, expenses, revenues, and assets for each contract distinct from other projects and corporate activities. It does this by creating a record of each individual transaction that occurs and assigning it to the appropriate project/contract. Transactions are entered into Microsoft Dynamics SL from a variety of sources, including our timesheet systems (PPM for salaried employees and Ceridian for hourly employees), our accounts payable system (DataBasics), and through direct accounting entries. Each type of transaction goes through an approval process to confirm that it is being assigned to the appropriate project/contract. These approvals are performed by accounting supervisor and management level personnel within PCG's Corporate Accounting function, as well as by senior personnel within the individual project teams.

### **Integrity of Company Structure and Financial Reporting**

Although PCG is a privately owned limited liability company and is not directly subject to the requirements of the Sarbanes-Oxley Act, PCG has taken steps to implement a number of the Act's safeguards and is committed to accurate financial reporting. PCG has the following structural and financial safeguards in place:

- ▶ Engagement of an auditing firm whose owners, officers, directors, and employees are entirely independent from PCG to conduct an annual financial audit.
- ▶ In addition to an annual financial audit, PCG also has an annual "Yellow Book" audit conducted which includes tests which go beyond what is required for a financial audit including additional tests of PCG's receipts, expenses, payroll and compliance with certain provisions of law, regulations, contracts and grant agreements related to government contracts. The outside auditing firm conducts tests of enough PCG projects so that a "Yellow Book" audit report can be issued on PCG overall. This audit is "conducted in accordance with auditing standards generally accepted in the U.S. and standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the U.S. (GAGAS)".
- ▶ PCG has also has multiple SOC audits performed annually over non-financial areas such as IT.
- ▶ PCG engages multiple CPA firms to ensure that the consulting work of the audit firms do not impair their auditor independence. To further ensure auditor independence auditor consulting engagements are reviewed by PCG's audit committee.
- ▶ Maintenance of an integrated accounting software system.
- ▶ Signature controls and other limits on access to bank accounts.
- ▶ Strict network security requirements to prevent external access to or manipulation of corporate financial records and information.
- ▶ A corporate compliance program with comprehensive and enforceable ethics code for all officers and employees.
- ▶ A compliance hot line for individuals to report activities they believe to be improper.
- ▶ Maintenance of corporate financial records for all required periods.

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**Cash and Cash Equivalents**

PCG considers all highly liquid investments purchased with original maturities of three months or less or financial instruments readily convertible to cash without significant penalty such as certificates of deposit, to be cash equivalents. PCG maintains its cash and cash equivalents with major financial institutions. Accounts at each banking institution are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 per depositor, per insured bank, for each ownership category.

PCG's contracts with state, county, and local public agencies (collectively referred to as "Public Agency") may require the management of, collection from, and disbursement of, Public Agency funds to third parties. Upon entering into a contract PCG generally establishes a separate non-interest-bearing account ("Service Accounts") at a major financial institution to manage these funds.

Access to PCG's bank accounts is controlled by the Senior Finance Manager. All banking transactions require the participation of two authorized users. The first user must initiate the transaction and the second user must approve the transaction. Bank statements are reconciled monthly by an accounting associate who does not have the ability to initiate or approve banking transactions.

**Accounts Receivable - General**

PCG carries its accounts receivable, trade at the amount invoiced or expected to be invoiced less an allowance for doubtful accounts. PCG routinely assesses the financial strength of its customers and an allowance for doubtful accounts is established based on a detailed review of the accounts receivable and management's expectation of collecting less than full payment on the amount invoiced. Accounts Receivable are written off after it is evident that collection efforts have little or no chance of success. Recoveries of previously written off accounts receivable are recorded in the period received. PCG does not charge interest or require collateral on accounts receivable.

To meet its contractual commitments, for certain government programs PCG advances funds to the Service Accounts for disbursement to third parties before receiving designated funds from the appropriate Public Agency. These amounts are reported as program funds receivable on PCG's consolidated balance sheets.

Under certain circumstances PCG may not be reimbursed fully for all program funds receivable as a result of denied reimbursements ("Denied Claims"). PCG establishes an allowance for the denied claims it estimates will not be resolved in its favor. The allowance is estimated based on a detailed review of the specific programs, the individual claims at issue, and the availability of additional information to satisfy the denial. Based upon PCG's experience, the outcome of its efforts to satisfy certain claim denials cannot be predicted with certainty. As a result, revisions to the allowance may be required and are recorded in the period determined. In situations where PCG's estimate for denied claims exceeds a program's invested capital, the amount is classified as a liability and included as a component of accrued expenses.

**Accounts Receivable – Invoicing, Payment and Adjustments**

The process is initiated by a request from the Project Manager or a proxy designated by the Project Manager for an invoice number. These requests come into the Finance-Invoices inbox. The request for an invoice number is predicated by performance of service which generates revenue and the preparation of an invoice specifically designed for customer billing purposes. Invoices can be requested for future services to be performed and will be recorded as deferred revenue when posted. If an invoice contains sales tax, it is booked to a separate tax account rather than revenue/deferred revenue.

When received, the AR Team will verify the validity of the project requesting the invoice by using the Solomon Project Maintenance Screen to ascertain that the project is currently active and approved for billing.

Once the approved project status has been confirmed, the AR Team issues an email with an invoice number attached. As part of this process the team maintains an “Invoice Control Log” using an Excel Spreadsheet. The AR Team maintains separate logs for each fiscal year, each of which lists sequential six-digit invoice numbers with the first two digits being the fiscal year. When requested, the AR Team simply selects the next unused number from the invoice log and notifies the requesting Project Manager. Several entries are made in the Invoice Control Log that acts to control both issuance and status over the invoicing process.

- ▶ Invoice Number
- ▶ Date Requested
- ▶ Client Name/Code
- ▶ Requested By-Must be a project manager or known designee
- ▶ AR team member as issuer or another authorized to issue invoice numbers in abstention.
- ▶ Batch Number- once the invoice has been posted to Solomon

When the invoice number is received, the field office representative will add the number to the invoice created and will mail the invoice to the customer. Simultaneous to the mailing the field office sends a copy of the invoice as an email attachment to the Finance-Invoices mailbox. When issuing invoices to clients project managers are required to copy Finance-Invoices mailbox. Clients who receive invoice copies through physical mail will receive a follow up email from the project team to ensure the invoice has been received. The Finance-Invoices mailbox will be copied on the follow up email.

The AR Team opens the email and downloads the attached invoice as a PDF file. The invoice is reviewed in detail by the Staff Accountant to ensure completeness and accuracy. The Staff Accountant will initiate the recording process by entering in the invoice specifics into the “Invoice and Memo” screen within the Solomon AR Module. This entry requires that the Staff Accountant enter all project specific (revenue generating) “tasks” separately by line item. If a variance in detailed information entered to the invoice

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summary information exists, the system produces an “error message”. When all invoice information is accurately and consistently entered the Staff Accountant will activate the “save” command which creates the system batch, including specific batch number, and saves the invoice within the specific batch. The Staff Accountant can enter an indeterminate number of invoices as part of a single system batch, with all invoices retaining the system batch number.

### **Invoice Recording**

When a batch of invoices has been entered into the Solomon AR portal by the Staff Accountant, the Staff Accountant will close the batch by “releasing” it into the system. This process creates a “Batch Control Sheet” which summarizes significant information for each invoice entered into that batch. This summarization appears on a “Batch Summary Report”. The Revenue Accountant or Controller will review the batch summary by matching each invoice entered on the “Batch Control Sheet” to the actual invoices to determine completeness and accuracy of the entries. When satisfied, the Revenue Accountant or Controller will Post the batch. The name of the Revenue Accountant or Controller appears in the “Posted’ Batch Summary Sheet to acknowledge performance of the review process. It is that action that establishes the sale and related customer receivable within the accounting system. Upon the completion of the invoice batch review process the batch is saved on the internal Finance drive for the current fiscal year.

### **Invoice Adjustment Process**

Occasionally, invoices require adjustments. The necessity of an invoice adjustment may result from the review process performed by the Revenue Accountant or Controller, or from the particular Project Manager that originally produced the invoice. The vast majority of adjustments are requested by the Project Manager or a proxy designated by the Project Manager.

An adjustment request will be submitted by the Project Manager, either directly from or with the approval of a project manager to the AR Team. This request is generally sent via email with reference to the original invoice and a copy of the revised invoice and will include a detailed description of the cause and necessity for the adjustment.

An adjustment request will be submitted by the Project Manager, either directly from or with the approval of a project manager to the AR Team. This request is generally sent via email with reference to the original invoice and a copy of the revised invoice and will include a detailed description of the cause and necessity for the adjustment.

Approved adjustments to customer invoices are processed by the Staff Accountant via the “Invoicing Memo” module in the Solomon AR system. A copy of the revised invoice, the original invoice, and pertinent correspondence is attached, and the adjustment package flows through the identical batch sequencing and posting process as described in the “Invoice Processing” procedures above.



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**Customer Payment Processing and Cash Application**

Customer invoice payments are received in three ways: via Bank remittance correspondence through a dedicated “Lock Box” account; via Bank electronic correspondence via dedicated ACH account; and via live checks either received directly or forwarded to the AR Team. Both the Lock Box and ACH accounts are held at Citizen’s Bank.

**ACH Deposits**

On a daily basis, either the Staff Accountant or Revenue Accountant will use an authorized code to access the Citizens Bank US Gateway-Cash Management portal, containing ACH deposits into the company cash account. This account was created to process customer account payments made electronically. Once accessed, the listing of deposits processed, by customer, is visible. In order to apply the payments appearing in this file to the appropriate customer account, the Staff Accountant or Revenue Accountant uses both the information contained in the deposit detail as well as supporting information compiled in the online FEDI file, attached within the deposit screen. On occasion, the PCG project team may be contacted for additional clarity concerning the identification of customer code numbers and other information pertinent to ensure that payments are properly processed.

**Lock Box**

On a daily basis, the Staff Accountant will process one or more batches of Lockbox deposits processed for the PCG cash account. The Staff Accountant will access this information through the Citizens Bank US Gateway-access LOCKBOX portal. These deposit batches consist of a copy of the individual checks deposited with any accompanying remittance advice and a total deposit summary which serves as the master deposit slip for each batch. The batch deposit packages are downloaded into PDF form from the portal and entered into the “Payment Application” module in the Solomon AR System. They are then forwarded to the Revenue Accountant for further processing. The Revenue Accountant will ensure that each check listed on the deposit slip is contained in and matches the amount of each check contained within the batch. The Revenue Accountant will also review each check to ensure it was recorded properly in Solomon with the correct date, check number, amount and client code. A review to determine account code and customer identification is performed to ensure accurate application of the payment is ultimately made to credit the customer’s account.

**Live Checks**

Occasionally customer remittance checks are received directly in a project office or mailed to the PCG Corporate Office. Although this practice is discouraged, all checks are forwarded to the Corporate AR Team and promptly processed and deposited to the Master PCG account in Optima. This is done via electronic check scanner. A copy of the check is forwarded and retained by the Staff Accountant and is used to ensure the actual deposit within the cash account. For purposes of this discussion, Live Checks are processed in the same fashion as Lock Box remittances.

## Customer Payment Application

Processing cash received to the appropriate customer account for credit follows the same procedure for both ACH and Lock Box payments. Specifically: Utilizing the Solomon AR portal "Cash Application" screen, the Staff Accountant enters the customer name and number which uploads the specific AR account for the particular customer. The application screen is populated with all required customer and payment information. Based on the information contained in the remittance advice, or based on further research, the invoice number for which the payment is to be applied is determined and entered into the screen. This process is performed for all customer payments contained within each batch package. In the case of ACH payments, generally one batch is created for each day's entire activity.

An AR batch is created by entering a payment into a particular customer account within the AR Application screen. When all payments applicable to a customer account are entered, the "Save" command is administered. This process creates a system batch processing number. For both ACH and Lock Box batches, the entry of each payment within a particular batch updates the "total dollars" box to indicate the accumulated dollars processed. When all payments are entered for all customers the "Finished" command is administered. All processed batches are retained in a pending status within the Solomon AR system and the total of payments entered is retained in the "total dollars" field.

**Note:** In some cases, the specific customer, code number, and/or invoice to apply a payment to may not be discernible to the Staff or Revenue Accountant with the information present or research capabilities available. In such cases, a note will be placed on the payment and it will be posted to the PCG Unapplied Cash account. The payment in question will be further researched, and when the appropriate information is available and known, it will be processed in the following days' batch.

Lock Box batch deposit packages, a hardcopy of the ACH electronic deposit statement, and all associated attachments and research results are forwarded to the Revenue Accountant for review.

When received, the hardcopy of the ACH electronic deposit statement as well as all Lock Box deposit packages are reviewed in detail by the Revenue Accountant. Each deposit listed on the deposit advice above is verified to the entries made in the AR Payment Application module to ensure completeness and accuracy. The AR Team will also research all un-posted deposits which require application clarification. When the necessary information is obtained the AR Team will enter the payment(s) to the appropriate account and invoice. To ensure completeness and accuracy of entered information the Revenue Accountant will total all individual Lock Box deposit advice totals, add to that the total of ACH deposits, and compare that combined total to the "total dollars" (entered) field appearing in the AR Application module. All variances are researched to resolution. As an added measure of control and for research purposes, the Staff Accountant will also enter the system created AR Batch Number to the Lock Box Deposit Advice as well as hardcopy version of ACH deposits. When satisfied that all appropriate payments have been entered completely and accurately, the Revenue Accountant will enter the "Save" than "Finish" commands. This effectively "Posts" all amounts to the



Solomon Business Portal which updates all customer accounts receivable accounts and updates the general ledger "Cash" and "Accounts Receivable-Trade" accounts. All ACH and Lockbox Batches upon posting and review will be saved to the Finance drive for the current Fiscal Year with the summary of each batch and acknowledgment by the Revenue Accountant or Controller.

### **Accounts Receivable Accounts Maintenance**

On a weekly basis the Revenue Accountant will run an Aged AR Trial Balance which is sorted by Practice Area. This Report is emailed to various members of the Finance Department, Executive Team, and all Project Managers for review. The Report is used by these organizational groups to monitor collection action and to evaluate collectability in some cases. Comments from the various user groups are returned to the Revenue Accountant for participation where warranted.

In addition, the Revenue Accountant will run weekly Cash Receipt Reports to be sent every Friday for the current and updated prior week to the management team. A copy of both cash receipts and Aged AR Reports are saved on the internal Finance drive.

### **Prepaid Expenses**

In accordance with GAAP, PCG treats payments of expenses that have a future benefit as prepaid expenses and amortizes these items over the corresponding time period. Invoices with future benefits that extend beyond the current accounting period shall be classified as prepaid expenses provided that the entire invoice is \$50,000 more. For invoices less than fifty thousand dollars in total, any individual item(s) on the invoice less than \$5,000 shall be expensed as paid and not treated as prepaid expenses, regardless of the existence of a future benefit. Any individual item(s) of \$5,000 or more shall be considered a prepaid expense.

### **Fixed Assets**

Fixed assets are stated at historical cost. Major additions and improvements are capitalized, while maintenance and repairs are charged to expense as incurred. Depreciation of equipment is calculated using the straight-line method over estimated useful lives of three to seven years. Leasehold improvements are amortized on a straight-line basis over the shorter of the term of the lease or the useful life of the asset. When equipment and improvements are retired, abandoned, or otherwise disposed, the related costs and accumulated depreciation are removed from the accounts, and any gain or loss is reflected in the consolidated statements of income.

PCG capitalizes eligible costs associated with software developed or obtained for internal use. Significant costs associated with the development of software for internal use are capitalized if the software is expected to have a useful life beyond one year and are amortized over the software's estimated useful life. Costs associated with preliminary stage software development, maintenance, or upgrades and enhancements that do not result in additional functionality are expensed as incurred.

PCG evaluates the recoverability of its long-lived assets, other than intangible assets and goodwill, whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability of these assets is measured by

comparison of their carrying amount to the future undiscounted cash flows the assets are expected to generate over their remaining economic lives. If such assets are considered to be impaired, the impairment to be recognized in earnings equals the amount by which the carrying value exceeds their fair value determined by either a quoted market price, if any, or a value determined by utilizing a discounted cash flow technique. If such assets are not impaired, but their useful lives have decreased, the remaining net book value is recovered over the revised useful life.

All incoming invoices are reviewed by a member of the general ledger accounting team for the existence of fixed assets. PCG capitalizes all individual fixed assets with a value of \$5,000 or more. Invoices of less than \$5,000 are expensed as incurred. When a fixed asset is identified, the invoice is coded to the appropriate fixed asset account within the general ledger. The general ledger accounting team maintains a consolidated fixed asset register, which indicates the asset category, date in service, asset location, and monthly depreciation amount. The fixed asset register is reconciled to the general ledger on a monthly basis.

Fixed assets are depreciated on a straight-line basis over the following useful lives:

- ▶ Business Equipment - 5 years
- ▶ Capital leases – 3 to 10 years
- ▶ Computer Equipment – 3 years
- ▶ Furniture & Fixtures - 5 years
- ▶ Leasehold Improvements - 7 years
- ▶ Software - 3 years
- ▶ Telecom Equipment - 5 years
- ▶ Vehicles - 5 years

### **Revenue Recognition**

PCG recognizes revenue to depict the transfer of promised services to customers in an amount that reflects the consideration to which PCG expects to be entitled in exchange for those services. PCG determines revenue recognition through the following five steps: (1) identify the contract with the customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when, or as, PCG satisfies a performance obligation.

Contracts with customers are considered to have a single performance obligation if the promise to transfer the individual services is not separately identifiable from other promises in the contracts, resulting from providing a significant service or integrating a set of tasks and components into a single project. For contracts that contain multiple performance obligations, PCG applies significant judgment in identifying and accounting for each performance obligation, as a result of evaluating the terms and conditions of the contracts. The transaction price is allocated to the separate performance obligations on a relative standalone selling price basis. PCG determines the relative standalone selling price based on an observable standalone selling price when it is available, as well as other factors, including the price charged to customers, discounting practices, and overall

pricing objectives, while maximizing the observable inputs. In situations where pricing is highly variable, PCG estimates the relative standalone selling price using the residual approach.

The majority of PCG's contracts have performance obligations which are satisfied over time. Depending on the nature of the underlying deliverable, PCG will recognize revenue based on costs incurred using estimates of total expected contract revenue and costs to be incurred or on a straight-line basis unless evidence suggests that the revenue earned or obligations are fulfilled in a different pattern. Changes in estimates related to contracts accounted for under this approach are recognized in the period when such changes are made on a cumulative catch-up basis.

Other performance obligations are satisfied at a point in time, rather than over time. PCG recognizes revenue only when the customer has received control over the services provided. Revenue recognition on these performance obligations does not require a significant level of judgment or estimation.

Revenues related to time and material contracts are recognized using a practical expedient based on the amount PCG has a right to invoice and that corresponds directly with the value to the customer based on PCG's performance to date. For contracts which do not qualify for the practical expedient, revenues are recognized over the period the services are provided using an output method.

Revenue also includes reimbursable expenses, as defined in the contracts.

PCG follows the requirements of ASC 606-10-55 *Revenue from Contracts with Customers – Principal versus Agent Considerations*, which states that the determination of whether a company should recognize revenue based on the gross amount billed to a client or the net amount retained is a matter of judgment that depends on the facts and circumstances of the arrangement. The determination of gross versus net recognition of revenue requires judgment that depends on whether PCG controls the good or service before it is transferred to the client or whether PCG is acting as an agent of a third party. The assessment is provided separately for each performance obligation identified.

From time to time, contracts may be modified to account for changes in contract specifications and requirements. PCG considers contract modifications to exist when the modification either creates new rights or obligations or changes the existing enforceable rights or obligations. Generally, PCG's contract modifications are for services that are not distinct from existing contracts due to the significant integration provided in the context of the contract and are accounted for as if they were part of the original contract. The effect of a contract modification that is not distinct from the existing contract on the transaction price and measurement of progress for the performance obligation to which it relates is recognized as an adjustment to revenue (either as an increase in or a reduction of revenue) on a cumulative catch-up basis. For contract modifications that result in the promise to provide services that are distinct from the existing contract and the increase in price of the contract is for the same amount as the standalone selling price of the

additional services included in the modification, PCG accounts for such contract modifications as a separate contract.

Certain services provided by PCG are indirectly impacted by changes in global laws and regulations pertaining to the business environment. PCG's services are dependent upon the role of governments in delivering services, and the need for various government run programs which drives the demand for PCG's services. Any downturn in the economy or the need for government programs could result in a change in demand for PCG's services, which could in turn impact revenue and cash flows.

Under the typical payment terms of PCG's contracts, amounts are billed as work progresses in accordance with agreed-upon contractual terms at periodic intervals and customer payments on them are typically due within 30 to 45 days of billing, depending on the contract.

Contract assets primarily relate to PCG's rights to consideration for work completed but not billed at the reporting date on contracts with customers. Contract assets are transferred to receivables when the rights become unconditional. Contract liabilities primarily relate to contracts where advance payments or deposits have been received, but performance obligations have not yet been met, and therefore, revenue has not been recognized. Deferred revenue represents contract liabilities for amounts billed or collected in advance of the performance obligation being completed.

Set-up and implementation costs that relate to an existing contract or anticipated contract, generate or enhance resources that will be used to satisfy performance obligations in the future and are expected to be recoverable, are capitalized and included as contract set-up and implementation costs, net on the consolidated balance sheets. PCG amortizes these costs on a straight-line basis over the expected period of benefit, which management has generally determined to be the term of the related contract. Amortization of set-up and implementation costs is included in amortization expense.

### **Accounts Payable – Invoice and Payment Processing**

Daily all mail is received into the PCG Accounts Payable Department. The AP Coordinators share the responsibility of collecting, sorting, and scanning the physical mail daily. Invoices are also received via email to a designated AP email inbox, monitored by the AP Coordinators, or faxed to the Finance Department fax number. The distribution of mail received follows several paths which are heavily influenced by the nature of the invoice. Specifically, invoices pertaining to a specific area, such as IT equipment, Furniture, Office Supplies and Equipment, Rent, etc. are routed to the appropriate locations for the required review and approval of invoices for payment.

For purposes of this discussion the process is initiated when the invoice is received directly or returned to the AP coordinators with project coding instruction from a project team member. Invoices are distributed to the AP Coordinators for processing based upon general ledger account number assignment. Periodic changes to the specific assignments is anticipated. Invoices scanned are electronically stamped as received on the date they are received in the AP Department.

The AP Coordinator data enters the voucher into the DataBasics paperless workflow approval software and attaches a scan of the invoice and any supporting documentation to what is referred to in DataBasics as a "Report". Once submitted, the invoice is routed to the approval workflow, starting with the Project Manager and Manager. Manager approval is only also required if an invoice is greater than or equal to \$25,000.00. After approval is received at the project level the routing proceeds to the Finance level. Invoices over \$500.00 are reviewed by the AP Supervisors. Invoices over \$1,500.00 are reviewed by the AP Manager. After these approvals are received any invoice greater than or equal to \$5,000.00 will be routed to the Accounting Manager or Controller. Finally, after this approval, any invoice greater than or equal to \$25,000.00 is routed to the VP of Finance for approval. An electronic audit trail is created as each approval is done.

Once fully approved, invoices are extracted from the DataBasics software by the AP Manager or Supervisor and imported into the Solomon Accounts Payable Module to create a batch for posting. A record of the amount and generated batch number is kept for each extraction via spreadsheet. Once the batch is created, the AP Manager will call up the batch in the "AP Voucher and Adjustment" screen, verify the total amount and DataBasics Batch number created during the extraction and close the batch if satisfied with accuracy. The AP Manager then releases the batch which places the invoices into the "Open Aged Accounts Payable" queue. Based upon the due dates of the invoices in that queue, an AP Coordinator assigned to this process will input a date range of checks to be processed.

Check selection is made by an AP Coordinator and a Check Preview Report is run and presented to the VP of Finance. Checks are printed from the selection chosen in Solomon.

The implementation of Data Basics software creates a paperless workflow so no physical invoices will be attached to checks. All invoices processed through Data Basics are available to view within the cloud-based system with the proper administrative rights that all members of AP and general accounting have access to. The checks are forwarded to the Controller or Accounting Manager, who ensures invoice and check totals match and performs a quality review concerning the nature of the payment and vendor against the Solomon Check Register Report. When completed and appropriate, the Controller or Accounting Manager signs the check with a pre-made rubber stamp. The Controller or Accounting Manager will also match physical check amount and any ACH payments made to trade vendors or subcontractors with the check register run for the batch to ensure that each entry on the register has a corresponding check. If the check amount is \$5,000.00 or greater, the check and invoice is forwarded to another second authorized individual who also reviews the check and invoice for propriety and counter-signs the check with a pre-made rubber stamp. Signed checks and invoices are returned to the AP Coordinators. Checks are separated from their accompanying stubs and mailed.

Certain situations require that vouchers be entered directly into Solomon and NOT through a DataBasics extraction. Examples of these exceptions may be rent, any payment made via ACH that requires a manual check, and/or a payroll request that needs to be expedited ASAP. In these situations, the vouchers would be entered directly into



Solomon by the AP Coordinator. The physical backup for the batch created is forwarded to the AP Manager for review. Once satisfied with the accuracy of the batch the AP Supervisor will close the batch, which will apply the vouchers to the vendor maintenance and make it available for payment. Manual or physical checks are run and the physical checks and supporting documentation are saved in a shared location on the finance drive for review both during and/or after the check run process.

### **Accounts Payable – Travel Expense Reimbursement**

Employees of the Company are often required to travel on Company business and in that capacity incur expenses incidental to such travel. The Company, as set forth in their “PCG Expense Policy”, reimburses such expenses to the extent they are incurred for approved travel required by the company, and are customary and reasonable in nature. All such expenses must be documented, be supported by appropriate receipts, and be approved by the Manager/Project Manager of the projects being charged. Expenses of nominal value (less than \$25) are not required to be accompanied by a receipt. Reimbursement requests must also be in accordance with PCG’s overall expense reimbursement policy.

The process is initiated as a direct result of an employee incurring travel expenses while on company business. Using the DataBasics Expense Reporting System, the employee prepares an on-line travel expense form and electronically attaches all required supporting documentation to the form. Paramount in this process is that the employee must assign a project code number to identify the specific projects to which the expenses are to be charged. When completed, this form follows a two-path scenario:

1. Once completed and released by the employee, the on-line travel expense form remains in a queue awaiting retrieval by the Manager/Project Manager of the projects being charged. At that juncture, the system status of the submission remains listed as “Released” (i.e. submitted for Manager/Project Manager review and approval). It was noted that relevant Manager/Project Manager’s names have been uploaded into this system from the Solomon ERP System on a nightly basis during an overnight job that is scheduled, and the *on-line travel expense forms are automatically queued to the appropriate Manager/Project Manager*. It is the Manager/Project Manager responsibility to regularly review reports in the queue and determine the accuracy, completeness, and propriety of expenses reported on each submission. The Manager/Project Manager reviews each expense report line item charged to their projects. It was noted that one expense report may contain multiple reviewers based on the inclusion of various projects. *The Manager/Project Manager reviews each line of the report for items charged to their projects and either “Accepts” or “Rejects” the expenses listed on that line. If any employee is submitting expenses for a project on which they are the designated T&E Approver, the line items will be queued to the employee designated in the Solomon system as the Manager of the project for approval. If submitting for a project on which the employee is the T&E Approver and the Manager, the line items will be queued to the designated fiscal administrator of the project. Expense reimbursements for all Executive Management members are queued to the Controller for approval. After one approval is made by the Project Manager/Manager the status becomes “Approval in Process”.* For certain

expense types, there is a second level of approval required from a Corporate Department Head who would be responsible for the maintenance of the budgeting for these specific expense types (for example, "Office Supplies" submissions will be routed to both the Project Manager and the Facilities Manager simultaneously for approval. Both approvals must be submitted before the report will continue through the approval process.

2. After Project and expense type approvals are all submitted, the report proceeds to the Finance level of approval. It is first routed to the Accounts Payable Expense Coordinator who will audit each assigned report for accuracy and policy compliance. When all information is deemed accurate, all projects appropriately charged, mathematical verifications performed, and the submission and all its components are in concert with Company Policy, *the Expense Coordinator will electronically approve the report within the DataBasics System. The report will then move to the next levels of Finance approval. These levels are governed by dollar thresholds to determine which reports will proceed to the next higher level of approval.* All reports \$1,750.00 and over in total are routed to the AP Manager/Supervisor for review. Once approved, reports \$2,500.00 and over are routed to the Accounting Manager/Supervisor. Once approved at this level, reports \$5,000.00 and over are routed to the Controller for final approval.

**Payment Processing-** Once fully approved at all levels, the report will enter an "Approved" Status and will then be extracted by batches from the DataBasics software and imported by batches into the Solomon Accounts Payable Module for payment processing.

When the extract and import processes are completed, the AP Coordinator will pull a selection from the Solomon Accounts Payable Module to include all pending payments under the "EMPLOY" vendor type. They will then select the "Filter" icon which initiates the system to separate reports in the batch into two distinct files. The first is for expense reports to be paid via the check payment process. The second segregates the reports by payees who will receive Direct (ACH) payment. The ACH portion of this filter will also contain any trade vendors or subcontractors who are set up in the Solomon system to receive payment via ACH.

Selection of the "Print Batch Function" icon produces two results. A payment summary sheet is created for each individual who will receive direct (ACH) deposit. This process also produces the check for payment and payment stub for all employees receiving a live check.

### **Overhead Cost Calculation**

PCG calculates an overhead rate on an annual basis based on the audited financial statements of the prior closed year. Allowable indirect costs include any costs not directly billed to a client project that are incurred in support of general business operations. PCG segregates the current overhead costs into those that pertain to the overall management and administration of the company (G&A) and those that support the day-to-day operations of each Business Unit (Indirect). The current method allows for PCG to identify and separate direct and indirect costs, ensure unallowable costs are removed from the allocation, and distinguish causal relationships to accurately allocate overhead cost.



G&A is allocated based on the percentage of total expense each business unit comprises of the whole. Indirect expense is allocated to the business units based on varying methods including full time employees (FTEs), seat count, revenue, and a billing report used by our internal IT department to track usage of cloud, on-premises, and software costs by each business unit.

### **Disclosure Statement**

PCG does not generally enter into “cost reimbursement” contracts. Additionally, PCG’s Data Broker Services fees are proposed as a combination of fixed and variable fees which are not contractually tied to hourly activities, even though they are informed by our utilization estimates by resource type.

However, PCG utilizes competitive, market-based, commercial rates. These fully inclusive rates include all salary, fringe, indirect costs, general and administrative overhead (G&A), and profit. PCG is confident in the competitiveness of our rates based on the comparison of our rates to that of our competitors based on GSA schedules, information gathered through Freedom of Information Act (FOIA) requests, and projects where PCG has bid jointly with partners.

PCG currently does not have any federal cost reimbursement work and does not have a certified indirect cost rate. PCG is currently preparing to transition to a new accounting system (Workday Financials) in early 2022. As part of this transition, PCG engaged Price Waterhouse Coopers (PWC) to help us ensure that our accounting processes and allocation methodologies will meet federal cost reimbursement requirements should PCG desire to enter that market.

Should PCG make the strategic decision to pursue cost reimbursement work, PCG will utilize industry standard and generally accepted methodologies to assign non-direct costs through our rate structure, specifically using CAS 403. Non-direct costs would be broken down into three groups:

- ▶ **Direct allocation** - expenses charged on a beneficial relationship
- ▶ **Homogeneous pools** - expenses allocated from a homogeneous pool based on the relationship of the expenses to the business unit
- ▶ **Residual expenses** - all remaining non-direct expenses would then be allocated using a three-factor formula which is an arithmetic average of a business units payroll as a percentage of total revenue, business unit operating revenue as a percentage of total revenue, and a business units average net book value as a percentage of total net book value.

PCG currently calculates overhead rates on an annual basis based on the audited financial statements covering our prior year activities. Allowable indirect costs include any costs not directly billed to a client project that are incurred in support of general business operations. PCG segregates the current overhead costs into those that pertain to the overall management and administration of the company (G&A) and those that support the day-to-day operations of each business unit (indirect). The current method allows for PCG to identify and separate direct and indirect costs, ensure unallowable costs are removed

from the allocation, and distinguish causal relationships to accurately allocate overhead cost.

G&A is allocated based on the percentage of total expense each business unit comprises of the whole. Indirect expense is allocated to the business units based on varying methods including full time employees (FTEs), seat count, revenue, and a billing report used by our internal IT department to track usage of cloud, on-premises, and software costs by each business unit. The below table identifies each cost pool, as well as the method of allocation PCG employs:

Cost Pool	Allocation Basis
Information Technology	Billing Report Expenses
Human Resources/Human Capital Management	FTEs (excluding international segments)
Governance, Risk & Compliance	FTEs (including international segments)
Facilities	Seat Counts

**Figure 1.0: PCG's Cost Pools and Allocation Basis.**

At this time, PCG is only engaged on a single cost reimbursement project. PCG is meeting cost reimbursement requirements on this ten (10) year, \$30 million+ agency engagement where PCG is subjected to quarterly and annual reviews of our overhead allocations, each of which supported PCG's approach.

On the same project, PCG collaborated with the agency to develop agreed-upon reimbursement procedures. PCG calculates an overhead rate on an annual basis as a ratio of allowable indirect costs to total direct costs. This is calculated at the start of each fiscal year based on the prior year's audited financial statements. Allowable indirect costs include any costs not directly billed to the client project which were incurred in support of general business operations, including:

- ▶ Business Services
- ▶ Contractors and Temporary Labor
- ▶ Employee Related Expenses (less conference costs)
- ▶ Information Technology/Communications
- ▶ Fixed Asset Write-offs
- ▶ Insurance
- ▶ Office Expense
- ▶ Other Expense
- ▶ Professional Fees (less Government Affairs and Acquisition Costs)
- ▶ Rent Expense
- ▶ Travel (less Entertainment and Alcohol)
- ▶ Salaries (less Shareholder/Manager bonus compensation)
- ▶ State Tax Expense (less Penalties and Fines)

PCG also calculates total direct costs as all costs that were billed directly to the client project. The overhead rate is then computed as the total allowable indirect costs divided by total direct costs.

Should HHSC require PCG to enter into a cost reimbursement project in the future, based on PCG's long history with this other agency client, PCG is confident that we can meet and exceed HHSC's reporting requirements. In that case, PCG would expect that a markup on costs would be negotiated so that the economic profit of PCG's services would be maintained.

### **Employee Separation**

PCG's Staff Handbook contains general statements on present policies, procedures, practices and benefits that currently affect our staff. This includes policies and procedures related to departing employees, leaving PCG, and paid time off (PTO), as follows:

#### **Departing PCG Employees**

PCG holds its employees to the highest standards of conduct throughout their entire tenure at PCG, including the period prior to their departure. An employee who is negotiating with or has received an offer of employment from any other employer performing PCG-related work shall immediately disclose that fact to their principal supervisor. The supervisor, following consultation with the GRC Officer, shall establish appropriate limitations on the employee's work assignments, including reassigning the employee to other PCG matters to avoid any potential conflict of loyalties.

Before leaving PCG, and to the extent allowable by law, as a condition for receiving outstanding compensation, all departing employees shall prepare and review with their supervisors an exit memorandum describing the status of their work assignments and the location of relevant documents and files. Departing employees also shall meet separately with their HR Business Partner (HRBP) to review personnel and benefits matters and will also receive communications from and have the opportunity to discuss compliance-related matters with the GRC Officer. Departing employees shall return to PCG all PCG property and may not take any PCG property for their personal use. Former PCG employees also may not disclose confidential information acquired at PCG, including client information, security codes, passwords, and trade secrets, and may not share any work product created while employed by PCG.

#### **Leaving PCG**

PCG requests that employees who wish to resign their positions notify their supervisor and HRBP in writing of their anticipated departure date at least two weeks in advance. This notification does not alter an employee's at-will status, in that no employment contract exists/ed between PCG and employees. Employees are not allowed to use their remaining paid time off (PTO) in lieu of their working through their notice period and transition of tasks. The last day of employment must be a worked day. An employee's last day may not fall on a PCG recognized holiday or a weekend day, for which they otherwise would not have worked.

PCG will pay the departing employee all accrued wages, including accrued unused paid time off, at the time of termination in accordance with applicable state law. Consequently,

HCM must be informed of resignations or terminations immediately. The HRBP will need to inform Payroll with as much notice as possible so they can have all current wages and any accrued unused PTO paid out accordingly.

Employees should contact their HRBP directly, prior to their last day of work, for information concerning COBRA insurance continuation benefits.

### **General Use of Paid Time Off (PTO)**

Full-time (regularly scheduled to work 40 hours per week) exempt employees accrue 20 days of Paid Time Off (PTO) per year and full-time (regularly scheduled to work 40 hours per week) non-exempt employees accrue 15 days of Paid Time Off (PTO) per year. Part-time employees who are regularly scheduled to work at least 20 but less than 40 hours per week accrue paid time off benefits on a pro-rated basis. Variable Part Time employees and Interns accrue 1 hour of PTO for every 30 hours worked.

These “time off” benefits are accrued on a monthly basis and are available based on an employee’s accrued balance and upon PCG’s policy concerning use of PTO. PTO is accrued on the 15th day of each month. Employees who begin PCG employment after the 15th of the month will not accrue any PTO for that month.

After six (6) consecutive years of employment with PCG, full-time exempt employees will be entitled to an additional five (5) days of PTO per year, increasing their accrual rate to 25 days per year, and (ii) full-time non-exempt employees will be entitled to an additional five (5) days of PTO per year, increasing their rate to 20 days per year. This increased accrual rate begins on the anniversary date representing six (6) consecutive years of employment. This increased accrual rate is prorated for part-time employees working at least 20 but less than 40 hours per week. In the case of an employee being rehired, their prior service will count towards the service requirement for the increased accrual rate, only if the rehire date is within one year of the termination date.

Vacations must be planned so as not to interfere with client projects. With proper planning, all employees should be able to utilize paid time off. Employees must arrange back-up support for clients, if appropriate, with associates in the office. These arrangements must be reviewed and agreed upon by the project manager prior to the employee’s time out of the office.

PTO requests must be submitted to managers in writing with as much advance notice as possible. A minimum of two weeks’ notice is generally required.

Non-exempt (hourly) employees are not allowed to “borrow” any amount of PTO. Non-exempt employees will experience a reduction in pay in the payroll immediately following the posting review of a timesheet where the PTO exceeds their available balance. Non-exempt (hourly) employees cannot post unpaid time if PTO is available. Paid time off must always be used before going unpaid. If a non-exempt (hourly) employee’s employment with PCG ends with a negative PTO balance upon a final reconciliation of all time sheets, they are responsible for reimbursing PCG for the unearned time and PCG reserves all rights under applicable law to seek to recover this amount.

Exempt (salaried) employees can “borrow” no more than one week’s worth of PTO. When an employee is approved to borrow future PTO, they will carry a negative balance until their monthly accruals offset the negative balance. Exempt employees may not borrow more than 40 hours of unearned PTO. If salaried employees borrow more than 40 hours of unauthorized PTO, disciplinary action may result. If an exempt (salaried) employee’s employment with PCG ends with a negative PTO balance, they will be required to reimburse PCG for the unearned PTO and PCG reserves all rights under applicable law to seek to recover this amount. Exempt (salaried) employees may not use unpaid time off, with the rare exception of being on an authorized leave previously approved by both their manager and HCM.

PTO does not accrue when an employee is on any type of unpaid leave (this includes maternity, parental, medical, personal, etc.) even if the employee is being partially compensated by a third-party vendor for a period of time. (See exception to this accrual action in the Military Leave Policy.)

There is a grandfathered PTO bank for staff employed prior to March 31, 2007. All accrued, unused PTO through March 31, 2007 remains available to cash out upon request to the EVP, Human Capital Management, and automatically carries over from year to year if unused. This bank of PTO hours cannot be applied to any current calendar year but cashed out in a lump sum only.

PCG has imposed limits on annual carry over time. These limits are as follows (unless otherwise superseded by applicable state law): At the end of each calendar year (December 31st), employees will be allowed to carry over into the new calendar year no more than forty (40) hours of accrued, unused PTO. All accrued, unused PTO in excess of the forty (40) hours eligible for annual carry over will be forfeited on December 31st. In limited circumstances, an employee may request to carry over into the new calendar year more than one week accrued, unused PTO. This exception will be made in the case of a documented and planned maternity, parental, or medical leave of absence and the request must be approved in writing by the HRBP for the Practice Area before December 31st. In very rare exceptions will an employee be allowed to carry over into the new calendar year more than their accrued unused PTO cap when not for the express purpose of a planned, and approved leave of absence. In all cases, requests must be approved in writing by the HRBP before December 31st.

### **Payment of PTO Upon Cessation of Employment or Contract**

Employees will receive compensation for accrued, but unused PTO hours. PTO will be paid out as allowed by state law. These payments will be made in accordance with the next regularly scheduled payday, unless state law dictates payment to the employee sooner than the next regularly scheduled payday.

PCG expects that in the event of the early termination of a contract, settlement costs would include PTO that had been earned, but not yet paid (i.e., accrued PTO) for employees assigned to the project, if those amounts had not already been reimbursed by the project to PCG.



## 2.0 COST PROPOSAL

Since 2016, Public Consulting Group (PCG) has been providing HHSC with moderately priced “Phase One” Data Broker Services while the State considered the value of the additional data sources associated with PCG’s Predictive Analytics solution. During this time, PCG has consistently refined and optimized our processes, systems, and operations. As a result, PCG is pleased to be able to offer HHSC the following discounts compared to our current Year 7 rates:

Service	Cost	12 Months at Year 7 Rates	12 Months at New PCG Rates	Est. 12-Month Dollar Difference	Est. 12-Month Percentage Difference
Data Broker	Variable	\$4,648,684	\$4,208,617	(\$440,067)	-9.5%
	Fixed	\$627,600	\$600,126	(\$27,474)	-4.4%
	<b>Sub-Total</b>	<b>\$5,276,284</b>	<b>\$4,808,743</b>	<b>(\$467,541)</b>	<b>-8.9%</b>
Predictive Analytics	Variable	\$7,473,528	\$6,762,794	(\$710,734)	-9.5%
	Fixed	\$166,176	\$152,040	(\$14,136)	-8.5%
	<b>Sub-Total</b>	<b>\$7,639,704</b>	<b>\$6,914,834</b>	<b>(\$724,870)</b>	<b>-9.5%</b>
ID Authentication	Variable	\$1,102,083	\$842,770	(\$259,313)	-23.5%
	Fixed	\$109,566	\$106,164	(\$3,402)	-3.1%
	<b>Sub-Total</b>	<b>\$1,211,649</b>	<b>\$948,934</b>	<b>(\$262,715)</b>	<b>-21.7%</b>
<b>Grand Total</b>		<b>\$14,127,637</b>	<b>\$12,672,511</b>	<b>(\$1,455,126)</b>	<b>-10.3%</b>

**Figure 2.0: PCG is reducing our pricing by nearly \$1.5 million per year while offering more than a dozen no-cost enhancements and additions to our Data Broker Service. More Data. Better Value. PCG.**

In total, PCG’s proposed fees, detailed on the following pages, are nearly \$1.5 million dollars less than what HHSC will pay in Year 7 of our existing contract, representing a 10.3 percent cost reduction from HHSC’s current terms. Further, PCG is foregoing a transition fee altogether. PCG is committed to serving as a long-term HHSC partner and proposed price reductions reflect this commitment. PCG is truly putting our “money where our mouth is” on your behalf.

Additionally, PCG agrees to continue providing HHSC with a “bank” of twelve hundred (1,200) no-cost development hours each year under the same terms found in our existing agreement with HHSC.

**PCG is proposing to provide both existing and newly proposed services for more than \$1.4 million less per year than our current contract calls for while waving any transition fees.**  
**#committedtoHHSC**

Because PCG has served as HHSC's Data Broker since 2016, we understand that our proposed costs include all labor, materials, tools, supplies, equipment, and personnel, including but not limited to travel, expenses, associated costs and incidental costs necessary to provide Data Broker products and services according to the minimum specifications, requirements, provisions, terms, and conditions set for in the RFO.

PCG has included a completed Exhibit H. Cost Proposal Template at the end of this Cost Proposal as a separate Excel file.

Because PCG is HHSC's existing Data Broker Services provider, PCG is not charging HHSC any transition fees. Rather, PCG will continue our operation of HHSC's core Data Broker Service, as well as your ID Authentication and Predictive Analytics services, including continuing to charge HHSC with fixed monthly operations fees during the non-existent "transition" (i.e., the adoption of any proposed PCG enhancements and/or changes). Therefore, our Transition WBS (included as **Appendix O** of this proposal) does not map to our fees – as requested in section 7.2.1 of the RFO – as nearly all of our proposed transition activities will be performed at no additional cost to HHSC.

### **Assumptions**

PCG made the following assumptions in the provision of our cost proposal, each of which have been identified within the Exhibit K template (included as an appendix):

- ▶ **Transaction Volumes:** PCG assumes historical monthly transaction volumes based on HHSC Data Broker monthly averages during the 12 months ending March 31, 2022. PCG assumes a one-to-one ratio of Combined Reports to Predictive Analytics reports.
- ▶ **Predictive Analytics Data Sources:** PCG proposes to, and our cost proposal assumes the following related to HHSC's use of Predictive Analytics:
  - Experian's Fraud Shield data source will only be run on new applications, as this will establish the legitimacy of each identity entering the program. PCG assumes that it will be unnecessary to reestablish the legitimacy of these same identities at renewal. PCG assumes 50 percent of reports will be run on applications and 50 percent of reports will be run on renewals. Therefore, this data source would be queried as part of 50 percent of Predictive Analytics reports.
  - TransUnion's Household Composition data source will be run just a single time per household, as no new additional information will be gained from running this query on multiple members of the same household. PCG assumes that this will result in this data source being run on 68 percent of cases, as informed by the use of this data source during the third Predictive Analytics pilot, where this data source was queried in 68 percent of cases.
- ▶ **Credit Data:** Experian's Credit Profile data source will be the sole credit data source used and pricing for this data source will be reduced to \$1.50 per transaction.



- ▶ **Flat Monthly Variable Fees:** HHSC and PCG data sources which have a flat monthly rate for an unlimited volume of transactions are included in tab A-4\_3 of our cost proposal at a quantity of one (1) per month.
- ▶ **Annual Price Inflation:** PCG's transaction rates include an inflation factor of 1.5 percent, applied annually, and calculated using four (4) decimal points, rounded to two (2) for invoicing purposes (as detailed in our cost proposal workbook).
- ▶ **Operations Live Data:** While Exhibit H. Cost Proposal Template indicates that respondents should quote pricing for only six (6) months during year one (1), PCG assumes that if we are selected, our operations live date would be the day after our current contract ends. This assumption is based on the fact that PCG will not require a six (6) month transition after award. Rather, we will simply continue to provide HHSC with Data Broker Services on day one (1) after our current contract expires.
- ▶ **Subcontractors:** PCG data providers are not considered to be subcontractors and are therefore not identified as such in our cost proposal workbook. During the HUB Plan courtesy review, PCG was instructed by the HUB Program Office that if a service we are receiving (e.g., the purchase of data from third parties) is a component of our business platform which is used by each of our customers, it is not considered subcontracting.
- ▶ **New Development:** Any new development or features required by this RFO will be completed during the transition period of the contract at no cost to HHSC. Any optional development associated with enhancements or changes proposed by PCG will be provided at no cost to HHSC, with the exception of any pass-through and/or monthly variable fees associated with the operation of your Federal Hub interface to The Work Number and any pass-through fees associated with your access to the National Accuracy Clearinghouse and the Federal Hub.

PCG's only other assumption associated with this cost proposal submission is that we will be paid the fixed and variable fees identified within upon our satisfactory continuation and/or completion of the services identified in the RFO.

### **No-Cost Enhancements**

PCG is not only proposing to reduce our fees by more than \$2 million per year, we are also proud to offer HHSC the following no-cost enhancements and updates to our Data Broker Service:

- ▶ **Adding New Data Sources:** PCG is proposing to update your Data Broker Service to include additional data sources, including The Work Number via the Federal Hub, National Accuracy Clearinghouse, LexisNexis Program Participation Analyzer, Veterans Administration, SSA Death Master, and TWC Child Care Income. Note that PCG will pass through – without markup – any government fees associated with the operation of these federal and state data sources and that PCG is charging HHSC a variable monthly fee for the operation of The Work Number via the Federal Hub.
- ▶ **Enhancing the Look and Layout of your Service:** PCG is proposing to engage a well-regarded, Austin-based UI firm, MODIntelechy, on your behalf to create

new, enhanced wireframes and screens of the Combined Report, Predictive Analytics Report, and Data Broker Portal for your consideration.

- ▶ **Updating the Combined Report:** PCG is proposing to update the Combined Report to include key results and additional, value-adding data from any new or existing commercial data source(s).
- ▶ **Centralizing the Combined Report and Predictive Analytics Report into One Report with Two Tabs:** PCG is proposing to append the Predictive Analytics Report to HHSC's Combined Report, centralizing both reports to a single interface with two (2) or more tabs – one (1) for the Predictive Analytics Report and one for a Combined Report for each adult household member.
- ▶ **Enhancing Predictive Analytics:** PCG is proposing a number of measures to enhance and improve your Predictive Analytics system, including:
  - **Verifying the Eligibility of Children:** PCG is proposing to update Predictive Analytics to allow HHSC to use this tool to also verify the public assistance eligibility of children. Because each child's potential eligibility for assistance is based nearly entirely on the attributes of their parents, there is no reason PCG cannot use third-party data, combined with child-specific eligibility policy, to predict each child's eligibility. While this is a no-cost enhancement option, any transaction charges resulting from this change would still be considered billable.
  - **Adding Predictive Analytics Verification Measures:** PCG is proposing the addition of new verification measures to PCG's Predictive Analytics system, including verifications related to age, financial assets, and out-of-state public assistance eligibility.
  - **Adopting Machine Learning:** PCG is proposing to ingest a monthly eligibility file, ideally including ineligibility reason codes, into PCG's Predictive Analytics system to support the continuous
- ▶ **Adopting Monthly Deceased Monitoring:** Leveraging LexisNexis' SSA Death Master File access, as well as state death repositories, funeral homes, newspapers, and dozens of other sources identifying deceased individuals, PCG will monitor HHSC's day one Medicaid population for the duration of this engagement and will alert HHSC at least monthly in the event any of these clients are reported as deceased. Optionally, PCG also agrees to integrate this monitoring service into HHSC's TLM, upon request.
- ▶ **Implementing an Enhanced Data Broker Portal Reporting Dashboard:** PCG is proposing the addition of an enhanced reporting dashboard within PCG's Data Broker Portal, which will allow authorized HHSC users to generate a nearly unlimited combination of reports, including Data Source Reports, Data Broker Reports, Activity Reports, Reconciliation Reports, Return on Investment Reports, and Data Validation Reports.
- ▶ **Enhancing Automated Data Exchange Services:** PCG is proposing to update Multiplexer, Periodic Income Check, Medicaid Renewal, and Change Verification services to include additional, valuable data sources, including The Work Number data received via the Federal Hub, NAC data, and TransUnion's Household Composition data source, at minimum.
- ▶ **Development Hours Bank:** PCG is once again proposing to provide HHSC with twelve hundred (1,200) no-cost development hours per year.

PCG is not content with business as usual. Rather, we are proactively seeking out opportunities to improve and enhance your Data Broker Services with no-cost, value-adding solutions. Combined with our reduced fees and long track record of exceptional performance as your Data Broker vendor, PCG is confident that **the combined package we are proposing to HHSC represents the State's best value option.**

### 3.0 FINANCIAL CAPACITY

Public Consulting Group LLC (PCG), a privately held company, was founded in 1986 by its current President and CEO, William S. Mosakowski. PCG has more than 2,700 employees in more than 45 offices. PCG has over 2,000 contracts and operates throughout all fifty states, Canada, the European Union, and the United Kingdom

PCG has consistently maintained a strong and stable financial position while experiencing steady growth, even in challenging economic environments. For the fiscal years ended 2021 and 2020, PCG's Revenue exceeded \$621 million and \$526 million, respectively. In addition, PCG has achieved double digit growth rates nearly every year for over three decades and expects to continue to growth revenue in fiscal year 2022. PCG has also remained profitable throughout its history and expects to remain profitable in fiscal year 2022.

With many of the services PCG provides classified as essential by PCG's government clients, PCG's business has been stable through the COVID crisis. In addition, multiple states have awarded PCG new work to support their contact tracing, vaccination management, and post-Public Health Emergency Maintenance of Effort (MOE) unwinding efforts.

Based on PCG strong financial position PCG absolutely has the resources available to fulfill its responsibilities for this project.

As appendices to this proposal, PCG has included the following documents supporting our financial position:

- ▶ Three (3) years' worth of audited financial statements
- ▶ PCG's Dunn & Bradstreet Credit Report

PCG does not have any events, liabilities, or contingent liabilities that could affect our financial ability to perform this contract.

PCG has been HHSC's Data Broker Services provider since 2016. This fact, combined with our extremely strong financial position and existing project team, will ensure that PCG can complete the required services found in Exhibit B.

PCG has a very strong balance sheet as evidenced by over \$156 million of cash on hand and in excess of \$150 million in trade receivables, its low debt (approximately \$42 million), and a \$50 million unused revolving line of credit with a group of regional and national banks. Management is confident that PCG has the resources and capacity to fund both near term operations and future growth.

PCG has never filed for bankruptcy or defaulted on any loans. Public Consulting Group LLC is owned by its parent company Public Consulting Group Holdings, Inc.

PCG is comprised of five practice areas (business units) operating in Health, Human Services and Education, primarily for state and municipal agencies. These markets have proven to be stable and well-funded over the years, providing a steady source of contract revenue and cash flow for quality contractors such as PCG. Our multitude of contracts and clients in these diverse market areas means that we are not reliant on any one (or few) contract, client, state or business line to generate revenue and cash flow. In fact, PCG maintains more than 2,000 active agency contracts at any given time, and the firm's revenues have grown by an average of more than thirty (30) percent each year since 1986.

**PCG's revenue has grown by an average of thirty (30) percent each year since 1986.**

PCG also has the luxury of being a privately owned company. This allows the firm to focus on longer term contracts and initiatives/investments and not be beholden to the vagaries of quarter-to-quarter earnings expectations. We have patient and flexible capital. Our shareholders expect and have received market competitive returns over time, but do not require those returns every 90 days. All our shareholders are either active employees or family members of active employees. And all are dedicated to providing long term, sustainable quality services to our clients. This has resulted in a very strong asset base from which to provide future opportunity for our employees, future profitable growth, and a consistently health cash flow.

Our shareholders stand ready and have the financial wherewithal to provide additional capital if ever needed. It has not been over our long history, and we do not anticipate a need to do so over the next decade given our existing portfolio of client contracts and proprietary technologies.

PCG employs a fairly decentralized operating model that allows maximum flexibility in the marketplace. Our decentralized business lines are tied together via a rigorous financial and strategic planning process. We employ both short term and long-range planning exercises. In the short term we utilize quarterly rolling six quarter forecasts, which focuses on revenue, profitability, return on invested capital, and cash flow. We use this to plan our immediate investment needs and liquidity profile. PCG has financial levers at its disposal in that many of our expenses are variable (discretionary payments to shareholders, management team and staff in the form of bonuses, 401k contributions, etc.) providing the flexibility to weather economic downturns. We recently employed a number of these levers (deferrals and reductions) to ensure that we maintained a strong balance sheet and cash flow during the last 18 months of COVID 19. As a result, in our fiscal years ended June 30, 2020, and June 30, 2021, we had the highest level of operating assets, including cash, in the firm's history.

PCG also has a robust long range planning process, designed to provide insight into investment and capital needs over the next five (5) year period. We completed a round of strategic planning in the last 12 months. This is accompanied with a forecast of revenue, profitability, and cash flow for the period. The result of our planning indicated a continued double digit revenue growth environment, generating profit and cash flow that is

November 2, 2021

consistent with our thirty-five (35) year plus history. We are currently in the process of refreshing our five (5) year financial plan and anticipate a similar result. We share these plans with our banking partners to help ensure that we have more than adequate access to debt and equity markets, should we choose to raise additional external capital.

Finally, PCG agrees to comply with HHSC's Fidelity Bonding Requirements.



#### 4.0 PERFORMANCE MEASURES AND ASSOCIATED REMEDIES

PCG's performance speaks for itself. Since going live with our Data Broker Service in Texas in February of 2017, PCG has maintained **99.99% uptime**, with only two brief blemishes on our record, the first of which was shortly after go live and the second of which occurred for 14 minutes in 2019. Besides these two brief outages, PCG has successfully maintained 100.00 percent system uptime without a single additional outage. Additionally, PCG has never been financially penalized for missing an HHSC KPR since 2016. Not even once.

Additionally, since 2016, PCG has processed more than 185 million transactions on HHSC's behalf with a combined **average response time of less than one (1) second**.

PCG acknowledges and welcomes the specificity included in the KPRs as listed in Exhibit M, Key Performance Requirements and Liquidated Damages. PCG has worked with HHSC over the past 5 plus years utilizing many of these KPR's in the fulfillment of the current Data Broker Services contract and we will continue to do so, as detailed in the following table:

Key Performance Requirements	
KPR	PCG Commitment
1 – Transition Phase Work Plan	PCG will provide the Final Transition Phase Work Plan within fifteen days after contract execution, or as agreed upon.
2 – Transition Activities Completion	PCG will implement all identified transition activities prior to the operational start date.
3 – Security Incident Response Plan	PCG will develop, submit, and implement the Security Incident Response Plan within forty (40) calendar days after contract execution.
4 – Disaster Recovery and Business Continuity Plan	PCG will submit, implement, and maintain the Disaster Recovery and Business Continuity Plan within fifty (50) calendar days after contract execution, or as agreed upon, and annually thereafter thirty (30) calendar days prior to the end of each operational year.
5 – Risk Management Plan	PCG will submit the Risk Management Plan with issue resolution and notification process within twenty (20) calendar days after contract execution and annually or by the date specified thereafter.
6 – Turnover Plan	PCG will submit a Final Turnover Plan within six (6) months after the contract execution or date specified, and annually thereafter within thirty (30) calendar days prior to the end of each operational year or date specified.
7 – Monthly Status Report	PCG will submit a Monthly Status Report within ten (10) business days following the last day of the month covered by the report.
8 – Key Performance Requirements Report	PCG will submit a monthly Key Performance Requirements Report by the tenth (10 <sup>th</sup> ) business day of each month. PCG elects to provide the Key Performance Requirements Report



Key Performance Requirements	
KPR	PCG Commitment
	within the Monthly Status report as allowed in the performance standard of KPR 8.
9 – Ad Hoc Reports	PCG will provide ad hoc reports as defined by the Systems Agency. PCG expects that any request for an Ad Hoc report will be provided via the SAR process and allows for collaboration with HHSC to establish the requirements and expectations of the requested report.
10 – Security Features for Systems and Confidential Information	PCG maintains the necessary security features for all systems provided. These security features will protect the confidential information in accordance with the MARS E 2.0, NIST 800-53, and other security controls and best practices.
11 – Security Systems Incidents Reports	PCG will follow the Article 4. Breach Notice, Reporting and Correction Requirements of the DUA.
12 – Major Systems Outages	PCG provides notification to HHSC within 5 minutes determination of a major systems outage. This notification will be provided via email and telephone.
13 – Major Systems Outages Report	PCG will provide a Major System Outage Report via the SAR-VAR process to HHSC within 24 hours of the determination of a major systems outage. Within this report, the necessary dates and times will be included to measure PCG's compliance with the KPR. The report itself will detail the outage, how it was discovered, the impact of the outage, root cause, and corrective actions.
14 – Incident Reporting	PCG will provide notification to HHSC within five (5) minutes of an incident being identified, via email and phone.
15 – Incident Report	PCG will provide an Incident Report via the SAR-VAR process to HHSC within 24 hours of the determination of an incident. Within the report, the necessary dates and times will be included to measure the compliance with this KPR. The report itself will detail the incident, how it was discovered, the impact of the incident, root cause, and corrective actions.
16 – Transaction Response Time	PCG provides an average response time well within the required eight (8) seconds and will continue to do so.  This KPR does not apply to the Asset Verification Service (Accuity), as it was previously agreed upon that PCG would receive initial results within three (3) minutes and post-secondary bank responses every fifteen (15) days after the initial request, up to the sixtieth (60 <sup>th</sup> ) day.
17 – Scheduled System Maintenance Communication and Coordination	PCG will perform all maintenance in accordance with our approved System Maintenance Plan. PCG performs all maintenance outside of HHSC's normal operating hours.

Key Performance Requirements	
KPR	PCG Commitment
	Additionally, PCG will take advantage of the scheduled TIERS maintenance windows, as needed.
18 – Timely Notification of Deactivated Users	PCG will process the termination file within minutes of receipt. This process is automated to ensure a prompt deactivation process. PCG's process includes a termination response file returned to HHSC, as well as a summary report. Additionally, PCG will support any individual HHSC termination requests, on an as needed basis.
19 – Official Correspondence Requests	PCG is accustomed to the SAR-VAR process, having participated in more than 1,000 SAR-VAR communications to date. PCG responds to all SAR-VAR memos by the due date specified in the memo, or within ten (10) business days, unless the memo is specifically noted that no response is needed. PCG agrees that in the absence of a time of day being specified, all SAR-VAR responses will be due by 5:00 p.m. Central Time on the due date.
20 – Official Correspondence High Priority Extensions	For high priority deadline SAR-VAR responses, PCG will provide notification within 3 hours of receipt via a written request if an extension is needed. Within the request, PCG will provide an estimated date of completion along with the appropriate justification.
21 – Official Correspondence Extensions	For non-high priority SAR-VAR responses, PCG will provide notification by noon of the day before the due date via a written request if an extension is needed. Within the request, PCG will provide an estimated date of completion along with the appropriate justification.
22 – Key Personnel and Organizational Notifications	PCG will provide notification via the SAR-VAR process within ten (10) calendar days after Key Personnel are temporarily redirected. Key Personnel replacements will be proposed to HHSC for approval.
23 – Data Dictionary	PCG has developed an approved Data Dictionary and will update it, as necessary, throughout this engagement. PCG's Data Dictionary will be provided forty-five (45) days after contract execution and quarterly thereafter. PCG will work with HHSC to establish actual due dates for this deliverable.
24 – Systems Availability	PCG has maintained system uptime in excess of the required 99.5% threshold since 2016. Minimally, PCG's Data Broker Service will be available during the published HHSC operational hours of 7:00 a.m. to 8:00 p.m. during the week and 8:00 a.m. to 6:00 p.m. on any designated Saturdays, unless specified otherwise by HHSC.
25 – Communication Plan and Governance	Key PCG project personnel and leadership will attend each monthly Governance meeting, either in-person or via Microsoft Teams.

Key Performance Requirements	
KPR	PCG Commitment
Structure – Governance Meeting	
26 – Communication Plan and Governance Structure – Weekly, In Person Meetings	PCG will attend weekly meetings, as scheduled with the HHSC, either in-person or via Microsoft Teams.

**Figure 3.0: PCG has complied with 99.99% of all HHSC KPRs since 2016.**

PCG agrees to all HHSC KPRs and associated liquidated damages and given our track record, we are confident that we can continue to successfully comply with these KPRs in the future. PCG also agrees not to include test transactions in any KPR calculations.



# Appendix A-1

**Note:**

Rows, columns and cells highlighted in yellow contain live formulas that link the entire spreadsheet together. Please do not hardcode numbers into the yellow highlighted areas. If additional row, columns or cells are needed please ensure formulas are correctly linked.

**04/20/2022 Update**

No changes to Appendix A-1

Appendix A-1

Transitional Pricing Proposals A-1



	All Inclusive Hourly Rate	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Total
<b>Data Broker Operations</b>		<b>Transitional Pricing Schedule 1 - Hourly Rates and Number of Hours by Key Milestones</b>						
1. None								
Sub-Total		-	-	-	-	-	-	-
2. (Key Milestone)								
Sub-Total		-	-	-	-	-	-	-
3. (Key Milestone)								
Sub-Total		-	-	-	-	-	-	-
4. (Key Milestone)								
Sub-Total		-	-	-	-	-	-	-
5. (Key Milestone)								
Sub-Total		-	-	-	-	-	-	-
6. (Key Milestone)								
Sub-Total		-	-	-	-	-	-	-
7. (Key Milestone)								
Sub-Total		-	-	-	-	-	-	-
<b>Grand Total</b>		-	-	-	-	-	-	-

	All-Inclusive Hourly Rate	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Total
<b>Predictive Analytics</b>		<b>Transitional Pricing Schedule 1 - Hourly Rates and Number of Hours by Key Milestones</b>						
8. None								
Sub-Total		-	-	-	-	-	-	-
9. (Key Milestone)								
Sub-Total		-	-	-	-	-	-	-
10. (Key Milestone)								
Sub-Total		-	-	-	-	-	-	-
11. (Key Milestone)								
Sub-Total		-	-	-	-	-	-	-
12. (Key Milestone)								
Sub-Total		-	-	-	-	-	-	-
13. (Key Milestone)								
Sub-Total		-	-	-	-	-	-	-
14. (Key Milestone)								
Sub-Total		-	-	-	-	-	-	-
<b>Grand Total</b>		-	-	-	-	-	-	-

	All-Inclusive Hourly Rate	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Total
<b>ID Authentication</b>		<b>Transitional Pricing Schedule 1 - Hourly Rates and Number of Hours by Key Milestones</b>						
15. None								
<b>Sub-Total</b>		-	-	-	-	-	-	-
16. (Key Milestone)								
<b>Sub-Total</b>		-	-	-	-	-	-	-
17. (Key Milestone)								
<b>Sub-Total</b>		-	-	-	-	-	-	-
18. (Key Milestone)								
<b>Sub-Total</b>		-	-	-	-	-	-	-
19. (Key Milestone)								
<b>Sub-Total</b>		-	-	-	-	-	-	-
20. (Key Milestone)								
<b>Sub-Total</b>		-	-	-	-	-	-	-
21. (Key Milestone)								
<b>Sub-Total</b>		-	-	-	-	-	-	-
<b>Grand Total</b>		-	-	-	-	-	-	-


<b>Grand total for all Transition Milestones</b>	-	-	-	-	-	-	-	-
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**Expand Rows as Needed** (keep formulas consistent)  
 Positions in each Key Milestone should be aggregated by position classification. List all position classification that will be providing services for the specific Key Milestone. Please refer to the Key Milestones as defined elsewhere in this document. Include a written narrative and additional supporting schedules justifying the proposed position(s) including, but not limited to, the start date, the transitional milestones to be performed, and the number of weeks to perform readiness reviews with HHSC program staff, etc.

**Note that Predictive Analytics and ID Authentication must be treated as individual stand-alone solutions and priced as such.**

**Public Consulting Group LLC**

**Note: PCG will not have a Transition and therefore, there are no milestones or expenses for this phase.**

**Appendix A-1**  **TEXAS**  
Health and Human Services

**Transitional Pricing Proposals**  
**Transitional Pricing Schedule 2**

<b>Summary Pricing Schedule</b>
---------------------------------

<b>Data Broker Operations</b>	
<b>By Key Milestones</b>	<b>Total Transition Fees</b>
<i>None</i>	\$ -
<b>Total Operational Transition Fees</b>	<b>\$ -</b>

<b>Predictive Analytics</b>	
<b>By Key Milestones</b>	<b>Total Transition Fees</b>
<i>None</i>	\$ -
<b>Total Predictive Analytics Transition Fees</b>	<b>\$ -</b>

<b>ID Authentication</b>	
<b>By Key Milestones</b>	<b>Total Transition Fees</b>
<i>None</i>	\$ -
<b>Total ID Authentication Transition Fees</b>	<b>\$ -</b>
<b>Total Transition Fees</b>	<b>\$ -</b>



**Public Consulting Group LLC**

**Note: PCG will not have a Transition and therefore, there are no milestones or expenses for this phase.**

**Appendix A-1  
Transitional Pricing Proposals  
Transitional Pricing Schedule 3**



<b>Subcontractor(s) Listing</b>	
<b>1 (Subcontractor Name)</b>	
Types of Services	
Detailed explanation of need for sub-contractor and service(s) to be provide to prime contractor	
Subcontractor travel budget	
Expected deliverable(s) to be provided to prime contractor	
Subcontractor Cost (amount included in proposal)	
<b>2 (Subcontractor Name)</b>	
Types of Services	
Detailed explanation of need for sub-contractor and service(s) to be provide to prime contractor	
Subcontractor travel budget	
Expected deliverable(s) to be provided to prime contractor	
Subcontractor Cost (amount included in proposal)	
<b>3 (Subcontractor Name)</b>	
Types of Services	
Detailed explanation of need for sub-contractor and service(s) to be provide to prime contractor	
Subcontractor travel budget	
Expected deliverable(s) to be provided to prime contractor	
Subcontractor Cost (amount included in proposal)	
<b>4 (Subcontractor Name)</b>	
Types of Services	
Detailed explanation of need for sub-contractor and service(s) to be provide to prime contractor	
Subcontractor travel budget	
Expected deliverable(s) to be provided to prime contractor	
Subcontractor Cost (amount included in proposal)	

**Expand Schedule as Needed**

**Public Consulting Group LLC**

Note: PCG will not have a Transition and therefore, there are no milestones or expenses for this phase.

**Appendix A-1  
Transitional Pricing Proposals  
Transitional Pricing Schedule 4**



<b>Consultant(s) Listing</b>	
<b>1</b>	<b>(Consultants Name)</b>
	Types of Services
	Detailed explanation of need for consultant(s) and service(s) to be provide to prime contractor
	Consultant(s)r travel budget
	Expected deliverable(s) to be provided to prime contractor
	Consultant(s) cost (amount included in proposal)
<b>2</b>	<b>(Consultants Name)</b>
	Types of Services
	Detailed explanation of need for consultant(s) and service(s) to be provide to prime contractor
	Consultant(s) travel budget
	Expected deliverable(s) to be provided to prime contractor
	Consultant(s) cost (amount included in proposal)
<b>3</b>	<b>(Consultants Name)</b>
	Types of Services
	Detailed explanation of need for consultant(s) and service(s) to be provide to prime contractor
	Consultant(s)r travel budget
	Expected deliverable(s) to be provided to prime contractor
	Consultant(s) cost (amount included in proposal)
<b>4</b>	<b>(Consultants Name)</b>
	Types of Services
	Detailed explanation of need for consultant(s) and service(s) to be provide to prime contractor
	Consultant(s)r travel budget
	Expected deliverable(s) to be provided to prime contractor
	Consultant(s) cost (amount included in proposal)

**Expand Schedule as Needed**



**TEXAS**  
Health and Human Services

# Appendix A-2

**Note:**

Rows, columns and cells highlighted in yellow contain live formulas that link the entire spreadsheet together. Please do not hardcode numbers into the yellow highlighted areas. If additional row, columns or cells are needed please ensure formulas are correctly linked.

**04/20/2022 Update**

Inserted 6 months to Operations year 1 - See tab A-2\_1

**04/22/2022 Update**

Updated the headers in all tabs to reflect 12 months in Year 1

Public Consulting Group LLC

Appendix A-2  
Operational Pricing Proposals  
Operational Pricing Schedule 1

Hourly Rate and Number of Hours by Functional Area and Position Classification

Data Broker Services	All Inclusive Hourly Rate	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Operational Year 1 Sub-Total
<b>1. Project Management</b>														
Account Director	\$ 295.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	\$ 14,160.00
		<i>Provides overall contract oversight and participates in Governance meetings</i>												
Project Manager	\$ 255.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	\$ 153,000.00
		<i>Directs project activities, status, communications, manages project staff</i>												
Manager	\$ 180.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00	\$ 82,080.00
		<i>Assists project manager, manages status reporting, communications, SAR/VAR and KPR management</i>												
<b>Sub-Total</b>		<b>92.00</b>	<b>92.00</b>	<b>92.00</b>	<b>92.00</b>	<b>92.00</b>	<b>92.00</b>	<b>92.00</b>	<b>92.00</b>	<b>92.00</b>	<b>92.00</b>	<b>92.00</b>	<b>92.00</b>	<b>\$ 249,240.00</b>
<b>2. IT Support</b>														
IT Manager	\$ 250.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 3,000.00
		<i>Provides oversight of the infrastructure and IT staff</i>												
Manager	\$ 250.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 3,000.00
		<i>Provides IT support staff and management</i>												
IT SME	\$ 200.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	\$ 120,000.00
		<i>Provides solution architecture and manages the work of the development and operations</i>												
Delivery Manager	\$ 97.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	\$ 5,820.00
		<i>Oversees the delivery of development activities</i>												
Lead	\$ 180.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	\$ 21,600.00
		<i>Provides technical direction to all development and operational IT support</i>												
Functional Lead	\$ 180.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 2,160.00
		<i>Provides system interaction direction to all development and operational IT support</i>												
Software Engineer	\$ 97.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	\$ 16,296.00
		<i>Provides system software IT support for development and operations</i>												
QA Engineer	\$ 97.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	\$ 5,820.00
		<i>Supports quality reviews of system including testing and test reviews</i>												
DBA	\$ 118.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	\$ 5,664.00
		<i>Supports the database, definition, operations, backup and restore</i>												
Cloud Engineer	\$ 105.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	\$ 3,780.00
		<i>Provides AWS support to the development and operations of the system</i>												
Developers	\$ 97.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	\$ 16,296.00
		<i>Provides development of the system, bug identification and resolution, ad hoc support and overall operational support</i>												
<b>Sub-Total</b>		<b>108.00</b>	<b>108.00</b>	<b>108.00</b>	<b>108.00</b>	<b>108.00</b>	<b>108.00</b>	<b>108.00</b>	<b>108.00</b>	<b>108.00</b>	<b>108.00</b>	<b>108.00</b>	<b>108.00</b>	<b>\$ 203,436.00</b>
<b>3. Operations</b>														
Training Manager	\$ 85.00	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	\$ 1,530.00
		<i>Manages the development of the training modules</i>												
Training Developer	\$ 80.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	\$ 3,840.00
		<i>Provides development support of the web based training modules</i>												
Operations Policy Lead	\$ 185.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	\$ 3,960.00
		<i>Works with the project management in the overall management of the operations of the system</i>												
Business Analyst	\$ 185.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	\$ 99,000.00
		<i>Provides analytic support in the monitoring of the system, research of anomalies and support of ad hoc requests</i>												
QA Lead	\$ 142.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	\$ 34,080.00
		<i>Provides support in ensuring that the system is of quality nature, including spot checks of the system and readiness reviews</i>												
Reporting Lead	\$ 210.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	\$ 5,040.00
		<i>Supports the ongoing and ad hoc reporting needs</i>												
<b>Sub-Total</b>		<b>79.50</b>	<b>79.50</b>	<b>79.50</b>	<b>79.50</b>	<b>79.50</b>	<b>79.50</b>	<b>79.50</b>	<b>79.50</b>	<b>79.50</b>	<b>79.50</b>	<b>79.50</b>	<b>79.50</b>	<b>\$ 147,450.00</b>
<b>Grand Total</b>		<b>279.50</b>	<b>279.50</b>	<b>279.50</b>	<b>279.50</b>	<b>279.50</b>	<b>279.50</b>	<b>279.50</b>	<b>279.50</b>	<b>279.50</b>	<b>279.50</b>	<b>279.50</b>	<b>279.50</b>	<b>600,126.00</b>

**Expand Hidden Rows as Needed** (keep formulas consistent)  
Positions in each business functional area (functional area) should be aggregated by position classification. List all position classification that will be providing services for the specific fictional



Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24	Operational Year 2 Sub-Total
4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	\$ 14,160.00
50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	\$ 153,000.00
38.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00	\$ 82,080.00
<b>92.00</b>	<b>92.00</b>	<b>92.00</b>	<b>92.00</b>	<b>92.00</b>	<b>92.00</b>	<b>92.00</b>	<b>92.00</b>	<b>92.00</b>	<b>92.00</b>	<b>92.00</b>	<b>92.00</b>	<b>\$ 249,240.00</b>
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 3,000.00
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 3,000.00
50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	\$ 120,000.00
5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	\$ 5,820.00
10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	\$ 21,600.00
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 2,160.00
14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	\$ 16,296.00
5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	\$ 5,820.00
4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	\$ 5,664.00
3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	\$ 3,780.00
14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	\$ 16,296.00
<b>108.00</b>	<b>108.00</b>	<b>108.00</b>	<b>108.00</b>	<b>108.00</b>	<b>108.00</b>	<b>108.00</b>	<b>108.00</b>	<b>108.00</b>	<b>108.00</b>	<b>108.00</b>	<b>108.00</b>	<b>\$ 203,436.00</b>
1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	\$ 1,530.00
4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	\$ 3,840.00
2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	\$ 3,960.00
50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	\$ 99,000.00
20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	\$ 34,080.00
2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	\$ 5,040.00
<b>79.50</b>	<b>79.50</b>	<b>79.50</b>	<b>79.50</b>	<b>79.50</b>	<b>79.50</b>	<b>79.50</b>	<b>79.50</b>	<b>79.50</b>	<b>79.50</b>	<b>79.50</b>	<b>79.50</b>	<b>\$ 147,450.00</b>
<b>279.50</b>	<b>279.50</b>	<b>279.50</b>	<b>279.50</b>	<b>279.50</b>	<b>279.50</b>	<b>279.50</b>	<b>279.50</b>	<b>279.50</b>	<b>279.50</b>	<b>279.50</b>	<b>279.50</b>	<b>600,126.00</b>

Month 25	Month 26	Month 27	Month 28	Month 29	Month 30	Month 31	Month 32	Month 33	Month 34	Month 35	Month 36	Operational Year 3 Sub-Total
4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	\$ 14,160.00
50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	\$ 153,000.00
38.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00	\$ 82,080.00
<b>92.00</b>	<b>92.00</b>	<b>92.00</b>	<b>92.00</b>	<b>92.00</b>	<b>92.00</b>	<b>92.00</b>	<b>92.00</b>	<b>92.00</b>	<b>92.00</b>	<b>92.00</b>	<b>92.00</b>	<b>\$ 249,240.00</b>
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 3,000.00
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 3,000.00
50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	\$ 120,000.00
5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	\$ 5,820.00
10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	\$ 21,600.00
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 2,160.00
14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	\$ 16,296.00
5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	\$ 5,820.00
4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	\$ 5,664.00
3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	\$ 3,780.00
14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	\$ 16,296.00
<b>108.00</b>	<b>108.00</b>	<b>108.00</b>	<b>108.00</b>	<b>108.00</b>	<b>108.00</b>	<b>108.00</b>	<b>108.00</b>	<b>108.00</b>	<b>108.00</b>	<b>108.00</b>	<b>108.00</b>	<b>\$ 203,436.00</b>
1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	\$ 1,530.00
4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	\$ 3,840.00
2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	\$ 3,960.00
50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	\$ 99,000.00
20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	\$ 34,080.00
2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	\$ 5,040.00
<b>79.50</b>	<b>79.50</b>	<b>79.50</b>	<b>79.50</b>	<b>79.50</b>	<b>79.50</b>	<b>79.50</b>	<b>79.50</b>	<b>79.50</b>	<b>79.50</b>	<b>79.50</b>	<b>79.50</b>	<b>\$ 147,450.00</b>
<b>279.50</b>	<b>279.50</b>	<b>279.50</b>	<b>279.50</b>	<b>279.50</b>	<b>279.50</b>	<b>279.50</b>	<b>279.50</b>	<b>279.50</b>	<b>279.50</b>	<b>279.50</b>	<b>279.50</b>	<b>600,126.00</b>

Month 37	Month 38	Month 39	Month 40	Month 41	Month 42	Month 43	Month 44	Month 45	Month 46	Month 47	Month 48	Operational Year 4 Sub-Total
4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	\$ 14,160.00
50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	\$ 153,000.00
38.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00	\$ 82,080.00
<b>92.00</b>	<b>92.00</b>	<b>92.00</b>	<b>92.00</b>	<b>92.00</b>	<b>92.00</b>	<b>92.00</b>	<b>92.00</b>	<b>92.00</b>	<b>92.00</b>	<b>92.00</b>	<b>92.00</b>	<b>\$ 249,240.00</b>
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 3,000.00
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 3,000.00
50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	\$ 120,000.00
5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	\$ 5,820.00
10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	\$ 21,600.00
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 2,160.00
14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	\$ 16,296.00
5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	\$ 5,820.00
4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	\$ 5,664.00
3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	\$ 3,780.00
14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	\$ 16,296.00
<b>108.00</b>	<b>108.00</b>	<b>108.00</b>	<b>108.00</b>	<b>108.00</b>	<b>108.00</b>	<b>108.00</b>	<b>108.00</b>	<b>108.00</b>	<b>108.00</b>	<b>108.00</b>	<b>108.00</b>	<b>\$ 203,436.00</b>
1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	\$ 1,530.00
4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	\$ 3,840.00
2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	\$ 3,960.00
50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	\$ 99,000.00
20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	\$ 34,080.00
2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	\$ 5,040.00
<b>79.50</b>	<b>79.50</b>	<b>79.50</b>	<b>79.50</b>	<b>79.50</b>	<b>79.50</b>	<b>79.50</b>	<b>79.50</b>	<b>79.50</b>	<b>79.50</b>	<b>79.50</b>	<b>79.50</b>	<b>\$ 147,450.00</b>
<b>279.50</b>	<b>279.50</b>	<b>279.50</b>	<b>279.50</b>	<b>279.50</b>	<b>279.50</b>	<b>279.50</b>	<b>279.50</b>	<b>279.50</b>	<b>279.50</b>	<b>279.50</b>	<b>279.50</b>	<b>600,126.00</b>



Month 49	Month 50	Month 51	Month 52	Month 53	Month 54	Month 55	Month 56	Month 57	Month 58	Month 59	Month 60	Operational Year 5 Sub-Total	Total - Operational Period
4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	\$ 14,160.00	\$ 70,800.00
50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	\$ 153,000.00	\$ 765,000.00
38.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00	\$ 82,080.00	\$ 410,400.00
<b>92.00</b>	<b>92.00</b>	<b>92.00</b>	<b>92.00</b>	<b>92.00</b>	<b>92.00</b>	<b>92.00</b>	<b>92.00</b>	<b>92.00</b>	<b>92.00</b>	<b>92.00</b>	<b>92.00</b>	<b>\$ 249,240.00</b>	<b>\$ 1,246,200.00</b>
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 3,000.00	\$ 15,000.00
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 3,000.00	\$ 15,000.00
50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	\$ 120,000.00	\$ 600,000.00
5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	\$ 5,820.00	\$ 29,100.00
10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	\$ 21,600.00	\$ 108,000.00
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 2,160.00	\$ 10,800.00
14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	\$ 16,296.00	\$ 81,480.00
5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	\$ 5,820.00	\$ 29,100.00
4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	\$ 5,664.00	\$ 28,320.00
3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	\$ 3,780.00	\$ 18,900.00
14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	\$ 16,296.00	\$ 81,480.00
<b>108.00</b>	<b>108.00</b>	<b>108.00</b>	<b>108.00</b>	<b>108.00</b>	<b>108.00</b>	<b>108.00</b>	<b>108.00</b>	<b>108.00</b>	<b>108.00</b>	<b>108.00</b>	<b>108.00</b>	<b>\$ 203,436.00</b>	<b>\$ 1,017,180.00</b>
1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	\$ 1,530.00	\$ 7,650.00
4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	\$ 3,840.00	\$ 19,200.00
2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	\$ 3,960.00	\$ 19,800.00
50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	\$ 99,000.00	\$ 495,000.00
20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	\$ 34,080.00	\$ 170,400.00
2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	\$ 5,040.00	\$ 25,200.00
<b>79.50</b>	<b>79.50</b>	<b>79.50</b>	<b>79.50</b>	<b>79.50</b>	<b>79.50</b>	<b>79.50</b>	<b>79.50</b>	<b>79.50</b>	<b>79.50</b>	<b>79.50</b>	<b>79.50</b>	<b>\$ 147,450.00</b>	<b>\$ 737,250.00</b>
<b>279.50</b>	<b>279.50</b>	<b>279.50</b>	<b>279.50</b>	<b>279.50</b>	<b>279.50</b>	<b>279.50</b>	<b>279.50</b>	<b>279.50</b>	<b>279.50</b>	<b>279.50</b>	<b>279.50</b>	<b>600,126.00</b>	<b>3,000,630.00</b>

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**Appendix A-2  
Operational Pricing Proposals  
Operational Pricing Schedule 2**



Summary Pricing Schedule						
	Operational Year 1 (12 months)	Operational Year 2 (12 months)	Operational Year 3 (12 months)	Operational Year 4 (12 months)	Operational Year 5 (12 months)	Total Operational Fees
<b>Data Broker Services</b>	\$ 600,126.00	\$ 600,126.00	\$ 600,126.00	\$ 600,126.00	\$ 600,126.00	\$ 3,000,630.00

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**Appendix A-2  
Operational Pricing Proposals  
Operational Pricing Schedule 3**



<b>Subcontractor(s) Listing</b>	
<b>1</b>	<b>Media Riders Inc.</b>
Types of Services	Training development and delivery
Detailed explanation of need for sub-contractor and service(s) to be provide to prime contractor	Media Riders will be relied upon to staff, manage, and operate Data Broker training and user support/call center activities/functions.
Subcontractor travel budget	None
Expected deliverable(s) to be provided to prime contractor	Regularly updated training materials, course development and delivery support.
Subcontractor Cost (amount included in proposal)	

**Expand Schedule as Needed**

**Public Consulting Group LLC**

**Note: PCG will not utilize consultants in the delivery of the Data Broker Services**

**Appendix A-2  
Operational Pricing Proposals  
Operational Pricing Schedule 4**



Consultant(s) Listing	
1	(Consultants Name) <span style="float: right;">None</span>
Types of Services	
Detailed explanation of need for consultant(s) and service(s) to be provide to prime contractor	
Consultant travel budget	
Expected deliverable(s) to be provided to prime contractor	
Consultant cost (amount included in proposal)	

**Expand Schedule as Needed**



**TEXAS**  
Health and Human Services

# Appendix A-3

**Note:**

Rows, columns and cells highlighted in yellow contain live formulas that link the entire spreadsheet together. Please do not hardcode numbers into the yellow highlighted areas. If additional row, columns or cells are needed please ensure formulas are correctly linked.

**04/20/2022 Update**

A-3\_1 Updated Assumptions  
Added 6 months to the first operational year.

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**Appendix A-3**

**Predictive Analytics and ID Authentication Operational Pricing Proposals**  
**Predictive Analytics and ID Authentication Operational Pricing Schedule 1**  
**Transitional/Developmental and Ongoing Operational Estimating Assumptions**

**Predictive Analytics - Assumptions**

<p>It is assumed that the predictive analytics component will be rolled out to all users under the current Data Broker contract. Therefore, there will not be a transition needed for this function.</p>	<p>Document major assumptions made while estimating work effort and assessing impacts. Things to consider:</p> <ul style="list-style-type: none"> <li>- How will HHSC be involved. What tasks are we expected to perform.</li> <li>- Factors not included in estimate</li> <li>- Assumption of reusable assets including current knowledge</li> </ul>
<p><del>Assumes a 1 to 1 relationship to the number of combined reports as assumed in operations</del></p>	
<p>Assumes a 0.68 to 1 relationship of predictive reports to combined reports. i.e. - number of combined reports times 0.68 to obtain the number of predictive reports.</p>	
<p>This is based on analysis of the third predictive analytics pilot.</p>	
<p>Assumption that the number of data source transactions per Predictive report is 1:1, except for TransUnion Household Composition.</p>	
<p>For TransUnion Household Composition, the volume is reduced by 35% as it is performed at the household level, not individual level. (i.e. Number of Predictive Reports * 0.65).</p>	
<p>See Appendix A-4 Operations tab for further tabulation of the assumptions. These assumptions are utilized in A-4_3.</p>	
<p>Added 6 months to the first operational year.</p>	

**Risks**

<p> </p>	<p>Define all risks identified as part of the estimate and impact assessment. Pay particular attention to risks that would change the estimate.</p>
<p> </p>	
<p> </p>	
<p> </p>	

**Issues**

<p> </p>	<p>Define all issues identified as part of the estimate and impact assessment.</p>
<p> </p>	
<p> </p>	
<p> </p>	

**Questions**

<p> </p>	<p>Define all open questions identified as part of the estimate and impact assessment.</p>
<p> </p>	
<p> </p>	
<p> </p>	

Note that Predictive Analytics and ID Authentication must be as treated as individual stand-alone solutions and priced as such.

## ID Authentication - Assumptions

<p>The ID Authentication process and system that is currently being used will continue to be utilized. Therefore, there will not be a transition of the ID Authentication service.</p>	<p>Document major assumptions made while estimating work effort and assessing impacts. Things to consider:</p> <ul style="list-style-type: none"> <li>- How will HHSC be involved. What tasks are we expected to perform.</li> <li>- Factors not included in estimate</li> <li>- Assumption of reusable assets including current knowledge</li> </ul>
<p>Assumes 180,079 monthly transactions based on the monthly average number of Authentications between September 2020 and August 2021. A 1.5% annual per-transaction pricing increase included.</p>	

### Risks

	<p>Define all risks identified as part of the estimate and impact assessment. Pay particular attention to risks that would change the estimate.</p>
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### Issues

	<p>Define all issues identified as part of the estimate and impact assessment.</p>
--	--

### Questions

	<p>Define all open questions identified as part of the estimate and impact assessment.</p>
--	--

Note that Predictive Analytics and ID Authentication must be as treated as individual stand-alone solutions and priced as such.



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**Appendix A-3**  
**Predictive Analytics and ID Authentication Operational Pricing Proposals**  
**Predictive Analytics and ID Authentication Operational Pricing Schedule 2**

Summary Budget Information by Component						
	Operational Year 1 (12 months)	Operational Year 2 (12 months)	Operational Year 3 (12 months)	Operational Year 4 (12 months)	Operational Year 5 (12 months)	Total Operational Fees
<b>Predictive Analytics</b>	\$ 152,040.00	\$ 152,040.00	\$ 152,040.00	\$ 152,040.00	\$ 152,040.00	\$ 760,200.00
<b>ID Authentication</b>	\$ 106,167.00	\$ 106,167.00	\$ 106,167.00	\$ 106,167.00	\$ 106,167.00	\$ 530,835.00

Contract Impact	
<b>Summary:</b>	
Predictive Analytics	\$ 35,781,430.21
ID Authentication	\$ 4,873,043.91
<b>Fixed Price:</b>	
Predictive Analytics	\$ 760,200.00
ID Authentication	\$ 530,835.00
<b>Variable Price:</b>	
Predictive Analytics	\$ 35,021,230.21
ID Authentication	\$ 4,342,208.91

**Note that Predictive Analytics and ID Authentication must be treated as individual stand-alone solutions and priced as such.**

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Predictive Analytics and ID Authentication Operational Pricing Proposals  
 Predictive Analytics and ID Authentication Operational Pricing Schedule 3



Hourly Rate and Number of Hours by Functional Area and Position Classification

Predictive Analytics	All Inclusive Hourly Rate	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Operational Year 1 Sub-Total
<b>1. (functional area)</b>														
Account Director	\$ 295.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 3,540.00
	<i>Provides overall contract oversight and participates in Governance meetings</i>													
Project Manager	\$ 255.00	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	\$ 32,130.00
	<i>Directs project activities status communications manages project staff</i>													
Associate Project Manager	\$ 180.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	\$ 12,960.00
	<i>Assists project manager manages status reporting communications SAR/IVAR and KPR management</i>													
<b>Sub Total</b>		<b>17.50</b>	<b>17.50</b>	<b>17.50</b>	<b>17.50</b>	<b>17.50</b>	<b>17.50</b>	<b>17.50</b>	<b>17.50</b>	<b>17.50</b>	<b>17.50</b>	<b>17.50</b>	<b>17.50</b>	<b>\$ 48,630.00</b>
<b>2. (functional area)</b>														
IT Manager	\$ 250.00	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	\$ 1,500.00
	<i>Provides oversight of the infrastructure and IT staff</i>													
Software Engineering Manager	\$ 250.00	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	\$ 1,500.00
	<i>Provides IT support staff and management</i>													
IT SME	\$ 200.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	\$ 33,600.00
	<i>Provides solution architecture and manages the work of the development and operations</i>													
Delivery Manager	\$ 97.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 1,164.00
	<i>Oversees the delivery of development activities</i>													
Software Engineering Lead	\$ 180.00	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	\$ 5,400.00
	<i>Provides technical direction to all development and operational IT support</i>													
Functional Lead	\$ 180.00	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	\$ 1,080.00
	<i>Provides system interact on direction to all development and operational IT support</i>													
Software Engineer	\$ 97.00	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	\$ 4,074.00
	<i>Provides system software IT support for development and operations</i>													
QA Engineer	\$ 97.00	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	\$ 1,746.00
	<i>Supports quality reviews of system including testing and test reviews</i>													
DBA	\$ 118.00	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	\$ 2,124.00
	<i>Supports the database definition operations backup and restore</i>													
Cloud Engineer	\$ 105.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 1,260.00
	<i>Provides AWS support to the development and operations of the system</i>													
Developers	\$ 97.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	\$ 3,492.00
	<i>Provides development of the system bug identification and resolution ad hoc support and overall operational support</i>													
<b>Sub Total</b>		<b>29.50</b>	<b>29.50</b>	<b>29.50</b>	<b>29.50</b>	<b>29.50</b>	<b>29.50</b>	<b>29.50</b>	<b>29.50</b>	<b>29.50</b>	<b>29.50</b>	<b>29.50</b>	<b>29.50</b>	<b>\$ 56,940.00</b>
<b>3. (functional area)</b>														
Training Manager	\$ 85.00	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	\$ 510.00
	<i>Manages the development of the training modules</i>													
Training Developer	\$ 80.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 960.00
	<i>Provides development support of the web based training modules</i>													
Operations Policy Lead	\$ 185.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 1,980.00
	<i>Works with the project management in the overall management of the operations of the system</i>													
Business Analyst	\$ 165.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	\$ 27,720.00
	<i>Provides analytic support in the monitoring of the system research of anomalies and support of ad hoc requests</i>													
QA Lead	\$ 142.00	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	\$ 12,780.00
	<i>Provides support in ensuring that the system is of quality nature including spot checks of the system and readiness reviews</i>													
Reporting Lead	\$ 210.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 2,520.00
	<i>Supports the ongoing and ad hoc reporting needs</i>													
<b>Sub Total</b>		<b>25.00</b>	<b>25.00</b>	<b>25.00</b>	<b>25.00</b>	<b>25.00</b>	<b>25.00</b>	<b>25.00</b>	<b>25.00</b>	<b>25.00</b>	<b>25.00</b>	<b>25.00</b>	<b>25.00</b>	<b>\$ 46,470.00</b>
<b>Grand Total</b>		<b>72.00</b>	<b>72.00</b>	<b>72.00</b>	<b>72.00</b>	<b>72.00</b>	<b>72.00</b>	<b>72.00</b>	<b>72.00</b>	<b>72.00</b>	<b>72.00</b>	<b>72.00</b>	<b>72.00</b>	<b>152,040.00</b>

**Expand Rows as Needed** (keep formulas consistent)  
 Positions in each business functional area (functional area) should be aggregated by position classification. List all position classification that will be providing services for the specific functional areas. Please refer to the functional area as defined elsewhere in this document. Include a written narrative and additional supporting schedules justifying

Note that Predictive Analytics and ID Authentication must be treated as individual stand alone solutions and priced as such.

ID Authentication	All Inclusive Hourly Rate	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Operational Year 1 Sub Total
<b>1. (functional area)</b>														
Account Director	\$ 295.00	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	\$ 1,770.00
		<i>Provides overall contract oversight and participates in Governance meetings</i>												
Project Manager	\$ 255.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	\$ 27,540.00
		<i>Directs project activities status communications manages project staff</i>												
Associate Project Manager	\$ 180.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	\$ 15,120.00
		<i>Assists project manager manages status reporting communications SAR/VAR and KPR management</i>												
<b>Sub Total</b>		<b>16.50</b>	<b>16.50</b>	<b>16.50</b>	<b>16.50</b>	<b>16.50</b>	<b>16.50</b>	<b>16.50</b>	<b>16.50</b>	<b>16.50</b>	<b>16.50</b>	<b>16.50</b>	<b>16.50</b>	<b>\$ 44,430.00</b>
<b>2. (functional area)</b>														
IT Manager	\$ 250.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	\$ 750.00
		<i>Provides oversight of the infrastructure and IT staff</i>												
Software Engineering Manager	\$ 250.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	\$ 750.00
		<i>Provides IT support staff and management</i>												
IT SME	\$ 200.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	\$ 21,600.00
		<i>Provides solution architecture and manages the work of the development and operations</i>												
Delivery Manager	\$ 97.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 1,164.00
		<i>Oversees the delivery of development activities</i>												
Software Engineering Lead	\$ 180.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 2,160.00
		<i>Provides technical direction to all development and operational IT support</i>												
Functional Lead	\$ 180.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	\$ 540.00
		<i>Provides system interaction direct on to all development and operational IT support</i>												
Software Engineer	\$ 97.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	\$ 2,328.00
		<i>Provides system software IT support for development and operations</i>												
QA Engineer	\$ 97.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 1,164.00
		<i>Supports quality reviews of system including testing and test reviews</i>												
DBA	\$ 118.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 1,416.00
		<i>Supports the database definition operations backup and restore</i>												
Cloud Engineer	\$ 105.00	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	\$ 630.00
		<i>Provides AWS support to the development and operations of the system</i>												
Developers	\$ 97.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	\$ 2,328.00
		<i>Provides development of the system bug identification and resolution ad hoc support and overall operational support</i>												
<b>Sub Total</b>		<b>18.25</b>	<b>18.25</b>	<b>18.25</b>	<b>18.25</b>	<b>18.25</b>	<b>18.25</b>	<b>18.25</b>	<b>18.25</b>	<b>18.25</b>	<b>18.25</b>	<b>18.25</b>	<b>18.25</b>	<b>\$ 34,830.00</b>
<b>3. (functional area)</b>														
Training Manager	\$ 85.00	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	\$ 510.00
		<i>Manages the development of the training modules</i>												
Training Developer	\$ 80.00	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	\$ 720.00
		<i>Provides development support of the web based training modules</i>												
Operations Policy Lead	\$ 165.00	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	\$ 1,485.00
		<i>Works with the project management in the overall management of the operations of the system</i>												
Business Analyst	\$ 165.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	\$ 17,820.00
		<i>Provides analytic support in the monitoring of the system research of anomalies and support of ad hoc requests</i>												
QA Lead	\$ 142.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	\$ 5,112.00
		<i>Provides support in ensuring that the system is of quality nature including spot checks of the system and readiness reviews</i>												
Reporting Lead	\$ 210.00	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	\$ 1,260.00
		<i>Supports the ongoing and ad hoc reporting needs</i>												
<b>Sub Total</b>		<b>14.50</b>	<b>14.50</b>	<b>14.50</b>	<b>14.50</b>	<b>14.50</b>	<b>14.50</b>	<b>14.50</b>	<b>14.50</b>	<b>14.50</b>	<b>14.50</b>	<b>14.50</b>	<b>14.50</b>	<b>\$ 26,907.00</b>
<b>Grand Total</b>		<b>49.25</b>	<b>49.25</b>	<b>49.25</b>	<b>49.25</b>	<b>49.25</b>	<b>49.25</b>	<b>49.25</b>	<b>49.25</b>	<b>49.25</b>	<b>49.25</b>	<b>49.25</b>	<b>49.25</b>	<b>106,167.00</b>

Expand Rows as Needed (keep formulas consistent)

Positions in each business functional area (functional area) should be aggregated by position classification. List all position classification that will be providing services for the specific functional areas. Please refer to the functional area as defined elsewhere in this document. Include a written narrative and additional supporting schedules justifying the proposed FTE's including, but not limited to, the number of proposed FTE's, the start date, the operational functions to be performed, the number of weeks necessary to train staff for the respective duties, the number of weeks to perform readiness reviews with HHSC program staff, etc.

Note that Predictive Analytics and ID Authentication must be treated as individual stand alone solutions and priced as such.



Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24	Operational Year 2 Sub-Total
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 3,540.00
10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	\$ 32,130.00
6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	\$ 12,960.00
17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50	\$ 48,630.00
0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	\$ 1,500.00
0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	\$ 1,500.00
14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	\$ 33,600.00
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 1,164.00
2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	\$ 5,400.00
0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	\$ 1,080.00
3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	\$ 4,074.00
1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	\$ 1,746.00
1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	\$ 2,124.00
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 1,260.00
3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	\$ 3,492.00
29.50	29.50	29.50	29.50	29.50	29.50	29.50	29.50	29.50	29.50	29.50	29.50	\$ 56,340.00
0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	\$ 510.00
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 960.00
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 1,980.00
14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	\$ 27,720.00
7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	\$ 12,780.00
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 2,520.00
25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	\$ 46,470.00
72.00	72.00	72.00	72.00	72.00	72.00	72.00	72.00	72.00	72.00	72.00	72.00	152,040.00

Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24	Operational Year 2 Sub Total
0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	\$ 1,770.00
9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	\$ 27,540.00
7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	\$ 15,120.00
16.50	16.50	16.50	16.50	16.50	16.50	16.50	16.50	16.50	16.50	16.50	16.50	\$ 44,430.00
0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	\$ 750.00
0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	\$ 750.00
9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	\$ 21,600.00
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 1,164.00
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 2,160.00
0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	\$ 540.00
2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	\$ 2,328.00
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 1,164.00
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 1,416.00
0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	\$ 630.00
2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	\$ 2,328.00
18.25	18.25	18.25	18.25	18.25	18.25	18.25	18.25	18.25	18.25	18.25	18.25	\$ 34,830.00
0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	\$ 510.00
0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	\$ 720.00
0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	\$ 1,485.00
9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	\$ 17,820.00
3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	\$ 5,112.00
0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	\$ 1,260.00
14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	\$ 26,907.00
49.25	49.25	49.25	49.25	49.25	49.25	49.25	49.25	49.25	49.25	49.25	49.25	106,167.00

Month 25	Month 26	Month 27	Month 28	Month 29	Month 30	Month 31	Month 32	Month 33	Month 34	Month 35	Month 36	Operational Year 3 Sub-Total
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 3,540.00
10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	\$ 32,130.00
6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	\$ 12,960.00
17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50	\$ 48,630.00
0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	\$ 1,500.00
0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	\$ 1,500.00
14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	\$ 33,600.00
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 1,164.00
2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	\$ 5,400.00
0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	\$ 1,080.00
3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	\$ 4,074.00
1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	\$ 1,746.00
1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	\$ 2,124.00
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 1,260.00
3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	\$ 3,492.00
29.50	29.50	29.50	29.50	29.50	29.50	29.50	29.50	29.50	29.50	29.50	29.50	\$ 56,940.00
0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	\$ 510.00
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 960.00
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 1,980.00
14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	\$ 27,720.00
7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	\$ 12,780.00
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 2,520.00
25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	\$ 46,470.00
72.00	72.00	72.00	72.00	72.00	72.00	72.00	72.00	72.00	72.00	72.00	72.00	152,040.00

Month 25	Month 26	Month 27	Month 28	Month 29	Month 30	Month 31	Month 32	Month 33	Month 34	Month 35	Month 36	Operational Year 3 Sub Total
0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	\$ 1,770.00
9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	\$ 27,540.00
7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	\$ 15,120.00
16.50	16.50	16.50	16.50	16.50	16.50	16.50	16.50	16.50	16.50	16.50	16.50	\$ 44,430.00
0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	\$ 750.00
0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	\$ 750.00
9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	\$ 21,600.00
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 1,164.00
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 2,160.00
0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	\$ 540.00
2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	\$ 2,328.00
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 1,164.00
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 1,416.00
0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	\$ 630.00
2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	\$ 2,328.00
18.25	18.25	18.25	18.25	18.25	18.25	18.25	18.25	18.25	18.25	18.25	18.25	\$ 34,830.00
0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	\$ 510.00
0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	\$ 720.00
0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	\$ 1,485.00
9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	\$ 17,820.00
3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	\$ 5,112.00
0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	\$ 1,260.00
14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	\$ 26,907.00
49.25	49.25	49.25	49.25	49.25	49.25	49.25	49.25	49.25	49.25	49.25	49.25	106,167.00



Month 37	Month 38	Month 39	Month 40	Month 41	Month 42	Month 43	Month 44	Month 45	Month 46	Month 47	Month 48	Operational Year 4 Sub-Total
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 3,540.00
10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	\$ 32,130.00
6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	\$ 12,960.00
17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50	\$ 48,630.00
0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	\$ 1,500.00
0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	\$ 1,500.00
14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	\$ 33,600.00
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 1,164.00
2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	\$ 5,400.00
0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	\$ 1,080.00
3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	\$ 4,074.00
1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	\$ 1,746.00
1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	\$ 2,124.00
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 1,260.00
3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	\$ 3,492.00
29.50	29.50	29.50	29.50	29.50	29.50	29.50	29.50	29.50	29.50	29.50	29.50	\$ 56,940.00
0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	\$ 510.00
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 960.00
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 1,980.00
14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	\$ 27,720.00
7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	\$ 12,780.00
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 2,520.00
25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	\$ 46,470.00
72.00	72.00	72.00	72.00	72.00	72.00	72.00	72.00	72.00	72.00	72.00	72.00	152,040.00

Month 37	Month 38	Month 39	Month 40	Month 41	Month 42	Month 43	Month 44	Month 45	Month 46	Month 47	Month 48	Operational Year 4 Sub Total
0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	\$ 1,770.00
9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	\$ 27,540.00
7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	\$ 15,120.00
16.50	16.50	16.50	16.50	16.50	16.50	16.50	16.50	16.50	16.50	16.50	16.50	\$ 44,430.00
0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	\$ 750.00
0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	\$ 750.00
9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	\$ 21,600.00
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 1,164.00
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 2,160.00
0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	\$ 540.00
2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	\$ 2,328.00
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 1,164.00
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 1,416.00
0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	\$ 630.00
2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	\$ 2,328.00
18.25	18.25	18.25	18.25	18.25	18.25	18.25	18.25	18.25	18.25	18.25	18.25	\$ 34,830.00
0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	\$ 510.00
0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	\$ 720.00
0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	\$ 1,485.00
9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	\$ 17,820.00
3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	\$ 5,112.00
0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	\$ 1,260.00
14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	\$ 26,907.00
49.25	49.25	49.25	49.25	49.25	49.25	49.25	49.25	49.25	49.25	49.25	49.25	106,167.00

Month 49	Month 50	Month 51	Month 52	Month 53	Month 54	Month 55	Month 56	Month 57	Month 58	Month 59	Month 60	Operational Year 5 Sub-Total	Total Operational Period
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 3,540.00	\$ 17,700.00
10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	\$ 32,130.00	\$ 180,650.00
6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	\$ 12,960.00	\$ 64,800.00
17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50	\$ 48,630.00	\$ 243,150.00
0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	\$ 1,500.00	\$ 7,500.00
0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	\$ 1,500.00	\$ 7,500.00
14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	\$ 33,600.00	\$ 188,000.00
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 1,164.00	\$ 5,820.00
2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	\$ 5,400.00	\$ 27,000.00
0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	\$ 1,080.00	\$ 5,400.00
3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	\$ 4,074.00	\$ 20,370.00
1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	\$ 1,746.00	\$ 8,730.00
1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	\$ 2,124.00	\$ 10,620.00
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 1,260.00	\$ 6,300.00
3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	\$ 3,492.00	\$ 17,460.00
29.50	29.50	29.50	29.50	29.50	29.50	29.50	29.50	29.50	29.50	29.50	29.50	\$ 56,940.00	\$ 284,700.00
0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	\$ 510.00	\$ 2,550.00
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 960.00	\$ 4,800.00
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 1,980.00	\$ 9,900.00
14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	\$ 27,720.00	\$ 138,600.00
7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	\$ 12,780.00	\$ 63,900.00
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 2,520.00	\$ 12,600.00
25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	\$ 46,470.00	\$ 232,350.00
72.00	72.00	72.00	72.00	72.00	72.00	72.00	72.00	72.00	72.00	72.00	72.00	152,040.00	760,200.00

Month 49	Month 50	Month 51	Month 52	Month 53	Month 54	Month 55	Month 56	Month 57	Month 58	Month 59	Month 60	Operational Year 5 Sub Total	Total Operational Period
0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	\$ 1,770.00	\$ 8,850.00
9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	\$ 27,540.00	\$ 137,700.00
7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	\$ 15,120.00	\$ 75,600.00
16.50	16.50	16.50	16.50	16.50	16.50	16.50	16.50	16.50	16.50	16.50	16.50	\$ 44,430.00	\$ 222,150.00
0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	\$ 750.00	\$ 3,750.00
0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	\$ 750.00	\$ 3,750.00
9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	\$ 21,600.00	\$ 108,000.00
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 1,164.00	\$ 5,820.00
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 2,160.00	\$ 10,800.00
0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	\$ 540.00	\$ 2,700.00
2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	\$ 2,328.00	\$ 11,640.00
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 1,164.00	\$ 5,820.00
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$ 1,416.00	\$ 7,080.00
0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	\$ 630.00	\$ 3,150.00
2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	\$ 2,328.00	\$ 11,640.00
18.25	18.25	18.25	18.25	18.25	18.25	18.25	18.25	18.25	18.25	18.25	18.25	\$ 34,830.00	\$ 174,150.00
0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	\$ 510.00	\$ 2,550.00
0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	\$ 720.00	\$ 3,600.00
0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	\$ 1,485.00	\$ 7,425.00
9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	\$ 17,820.00	\$ 89,100.00
3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	\$ 5,112.00	\$ 25,560.00
0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	\$ 1,260.00	\$ 6,300.00
14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	\$ 26,907.00	\$ 134,535.00
49.25	49.25	49.25	49.25	49.25	49.25	49.25	49.25	49.25	49.25	49.25	49.25	106,167.00	530,835.00

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**Appendix A-3**  
**Predictive Analytics and ID Authentication Operational Pricing Proposals**  
**Predictive Analytics and ID Authentication Operational Pricing Schedule 4**

Predictive Analytics Subcontractor(s) Listing	
1	Media Riders Inc.
	Types of Services
	Detailed explanation of need for sub-contractor and service(s) to be provide to prime contractor
	Subcontractor travel budget
	Expected deliverable(s) to be provided to prime contractor
	Subcontractor Cost (amount included in proposal)

**Expand Schedule as Needed**

**Note that Predictive Analytics and ID Authentication must be treated as individual stand-alone solutions and priced as such.**

ID Authentication Subcontractor(s) Listing	
1	Media Riders Inc.
Types of Services	Training development and delivery
Detailed explanation of need for sub-contractor and service(s) to be provide to prime contractor	Media Riders will be relied upon to staff, manage, and operate ID Authentication training and user support/call center activities/functions.
Subcontractor travel budget	None
Expected deliverable(s) to be provided to prime contractor	Regularly updated training materials, course development and delivery support.
Subcontractor Cost (amount included in proposal)	

**Expand Schedule as Needed**

**Note that Predictive Analytics and ID Authentication must be treated as individual stand-alone solutions and priced as such.**

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**Note: PCG will not utilize consultants in the delivery of the Predictive Analytics Services**

**Appendix A-3**



**Predictive Analytics and ID Authentication Operational Pricing Proposals  
 Predictive Analytics and ID Authentication Operational Pricing Schedule 5**

Predictive Analytics Consultant(s) Listing	
1	(Consultants Name) <span style="float: right;">None</span>
	Types of Services
	Detailed explanation of need for consultant(s) and service(s) to be provide to prime contractor
	Consultant travel budget
	Expected deliverable(s) to be provided to prime contractor
	Consultant cost (amount included in proposal)

**Expand Schedule as Needed**

**Note that Predictive Analytics and ID Authentication must be treated as individual stand-alone solutions and priced as such.**

**Note: PCG will not utilize consultants in the delivery of the ID Authentication Services**



ID Authentication Consultant(s) Listing	
1	(Consultants Name) <span style="float: right;">None</span>
	Types of Services
	Detailed explanation of need for consultant(s) and service(s) to be provide to prime contractor
	Consultant travel budget
	Expected deliverable(s) to be provided to prime contractor
	Consultant cost (amount included in proposal)

**Expand Schedule as Needed**

**Note that Predictive Analytics and ID Authentication must be treated as individual stand-alone solutions and priced as such.**



# Appendix A-4 ----->

**Note:**

Rows, columns and cells highlighted in yellow contain live formulas that link the entire spreadsheet together. Please do not hardcode numbers into the yellow highlighted areas. If additional row, columns or cells are needed please ensure formulas are correctly linked.

## 04/20/2022 Update

Applied assumption as noted in A-3_1 to the variable transactions tabulated in A-4_3	
Number of Combined Reports (most recent 12 months from production 4/2021 - 3/2022)	637,659
Number of Combined Reports utilized in Predictive Analytics	637,659
Ratio of Predictive Reports to Combined Reports (see note below)	68%
Number of Predictive Reports	433,608

Please note that there are multiple combined reports per predictive report.

The 68% ratio of Predictive Reports to Combined reports is assumed and was obtained by analyzing the activity in the third pilot of Predictive Analytics. In the third pilot, there were 4,652 combined reports supporting 3,144 predictive reports.

Assume that the number of data source transactions per Combined Report used in Predictive Analytics is 1:1, except for Experian Fraud Shield and TransUnion Household Composition.

The Experian Fraud Shield is being proposed to only be ran on new applicants. For renewals, this data source may not provide additional information than that which was reviewed during the initial application.

It is assumed that 50% of all activity would be associated with renewals.

TransUnion Household Composition is only accessed once per Predictive Analytics Report as it is used at the household level.

<b>LexisNexis Property</b>		
	LexisNexis Property is accessed for each Combined Report used in Predictive Analytics	
	Number of LexisNexis Property Transactions	637,659
<b>Experian Fraud Shield</b>		
	Experian Fraud Shield is accessed only for new applications used in Predictive Analytics, i.e. not for renewals	0.5
	Number of Experian Fraud Shield Transactions	318,830
<b>Experian Income Insight</b>		
	Experian Income Insight is accessed for each Combined Report used in Predictive Analytics	
	Number of Experian Income Insight Transactions	637,659
<b>TransUnion Household Composition</b>		
	TransUnion Household Composition is accessed only once per Predictive Reports	
	Number of TransUnion Household Composition Transactions	433,608
<b>TransUnion Premium Employment</b>		
	TransUnion Premium Employment is accessed for each Combined Report used in Predictive Analytics	
	Number of TransUnion Premium Employment Transactions	637,659
<b>Credit Profile Changes</b>		
	Lowered Experian Credit Profile rate to match the previously proposed rate for TransUnion Credit Profile.	
	Removed TransUnion Credit Profile data source as only one is necessary.	
<b>04/22/2022 Update</b>		
	Updated the headers in all tabs to reflect 12 months in Year 1	

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Note: PCG will not have a Transition and therefore, there are no milestones or expenses for this phase.

Appendix A-4  
 Pricing Summary  
 Pricing Summary 1  
 Data Broker Services  
 RFO No. HHS0009514



Fixed Administrative Fees for Transition	
<b>Data Broker Services</b>	
<b>By Key Milestones</b>	<b>Fixed Fee</b> (Transition Months)
None	\$ -
<b>Total Fixed Fees</b>	<b>\$ -</b>

**Expand Schedule as Needed** (keep formulas consistent)  
 Please refer to the Key Milestones as defined elsewhere in this document. If more milestones are needed add rows and link appropriately

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**Appendix A-4  
Pricing Summary  
Pricing Summary 2  
Data Broker Services  
RFO No. HHS0009514**



<b>Fixed Administrative Fees for Operations</b>	
<b>Data Broker Services</b>	
	<b>Annual Fixed Fee</b>
Operational Year 1	\$ 600,126.00
Operational Year 2	\$ 600,126.00
Operational Year 3	\$ 600,126.00
Operational Year 4	\$ 600,126.00
Operational Year 5	\$ 600,126.00

<b>Fixed Administrative Fees for Predictive Analytics Operations (if any)</b>	
<b>Data Broker Services</b>	
	<b>Annual Fixed Fee</b>
Operational Year 1	\$ 152,040.00
Operational Year 2	\$ 152,040.00
Operational Year 3	\$ 152,040.00
Operational Year 4	\$ 152,040.00
Operational Year 5	\$ 152,040.00

<b>Fixed Administrative Fees for ID Authentication Operations (if any)</b>	
<b>Data Broker Services</b>	
	<b>Annual Fixed Fee</b>
Operational Year 1	\$ 106,167.00
Operational Year 2	\$ 106,167.00
Operational Year 3	\$ 106,167.00
Operational Year 4	\$ 106,167.00
Operational Year 5	\$ 106,167.00

<b>Total Fixed Administrative Fees for the Contract</b>	
<b>Data Broker Services</b>	
	<b>Annual Fixed Fee</b>
Operational Year 1	\$ 858,333.00
Operational Year 2	\$ 858,333.00
Operational Year 3	\$ 858,333.00
Operational Year 4	\$ 858,333.00
Operational Year 5	\$ 858,333.00

Appendix A-4  
 Pricing Summary  
 Pricing Summary 3  
 Data Broker Services  
 RFO No. HHS0009514



Variable Administrative Fees for Operations						
Data Broker Services	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Variable Fee Descriptio	Transaction Fee	Transaction Fee	Transaction Fee	Transaction Fee	Transaction Fee	
TWC	\$ 10,000.00	\$ 10,150.00	\$ 10,302.25	\$ 10,456.78	\$ 10,613.64	
Assumed Annual Transaction Volume	12	12	12	12	12	60
Total Cost	\$ 120,000.00	\$ 121,800.00	\$ 123,627.00	\$ 125,481.41	\$ 127,363.63	\$ 618,272.03
TDCJ	\$ 10,000.00	\$ 10,150.00	\$ 10,302.25	\$ 10,456.78	\$ 10,613.64	
Assumed Annual Transaction Volume	12	12	12	12	12	60
Total Cost	\$ 120,000.00	\$ 121,800.00	\$ 123,627.00	\$ 125,481.41	\$ 127,363.63	\$ 618,272.03
EBT	\$ 10,000.00	\$ 10,150.00	\$ 10,302.25	\$ 10,456.78	\$ 10,613.64	
Assumed Annual Transaction Volume	12	12	12	12	12	60
Total Cost	\$ 120,000.00	\$ 121,800.00	\$ 123,627.00	\$ 125,481.41	\$ 127,363.63	\$ 618,272.03
DPS	\$ 10,000.00	\$ 10,150.00	\$ 10,302.25	\$ 10,456.78	\$ 10,613.64	
Assumed Annual Transaction Volume	12	12	12	12	12	60
Total Cost	\$ 120,000.00	\$ 121,800.00	\$ 123,627.00	\$ 125,481.41	\$ 127,363.63	\$ 618,272.03
OAG	\$ 10,000.00	\$ 10,150.00	\$ 10,302.25	\$ 10,456.78	\$ 10,613.64	
Assumed Annual Transaction Volume	12	12	12	12	12	60
Total Cost	\$ 120,000.00	\$ 121,800.00	\$ 123,627.00	\$ 125,481.41	\$ 127,363.63	\$ 618,272.03
NDNH	\$ 10,000.00	\$ 10,150.00	\$ 10,302.25	\$ 10,456.78	\$ 10,613.64	
Assumed Annual Transaction Volume	12	12	12	12	12	60
Total Cost	\$ 120,000.00	\$ 121,800.00	\$ 123,627.00	\$ 125,481.41	\$ 127,363.63	\$ 618,272.03
SAVE	\$ 10,000.00	\$ 10,150.00	\$ 10,302.25	\$ 10,456.78	\$ 10,613.64	
Assumed Annual Transaction Volume	12	12	12	12	12	60
Total Cost	\$ 120,000.00	\$ 121,800.00	\$ 123,627.00	\$ 125,481.41	\$ 127,363.63	\$ 618,272.03
eDRS	\$ 10,000.00	\$ 10,150.00	\$ 10,302.25	\$ 10,456.78	\$ 10,613.64	
Assumed Annual Transaction Volume	12	12	12	12	12	60
Total Cost	\$ 120,000.00	\$ 121,800.00	\$ 123,627.00	\$ 125,481.41	\$ 127,363.63	\$ 618,272.03
Lottery Commission	\$ 10,000.00	\$ 10,150.00	\$ 10,302.25	\$ 10,456.78	\$ 10,613.64	
Assumed Annual Transaction Volume	12	12	12	12	12	60
Total Cost	\$ 120,000.00	\$ 121,800.00	\$ 123,627.00	\$ 125,481.41	\$ 127,363.63	\$ 618,272.03
HUB	\$ 10,000.00	\$ 10,150.00	\$ 10,302.25	\$ 10,456.78	\$ 10,613.64	
Assumed Annual Transaction Volume	12	12	12	12	12	60
Total Cost	\$ 120,000.00	\$ 121,800.00	\$ 123,627.00	\$ 125,481.41	\$ 127,363.63	\$ 618,272.03
LexisNexis Residency Verification	\$ 0.35	\$ 0.36	\$ 0.36	\$ 0.37	\$ 0.37	
Assumed Annual Transaction Volume	7,651,908	7,651,908	7,651,908	7,651,908	7,651,908	38,259,540
Total Cost	\$ 2,678,167.80	\$ 2,718,722.91	\$ 2,759,278.02	\$ 2,800,598.33	\$ 2,842,683.82	\$ 13,799,450.89
Experian Credit Profile	\$ 1.50	\$ 1.52	\$ 1.55	\$ 1.57	\$ 1.59	
Assumed Annual Transaction Volume	2,448	2,448	2,448	2,448	2,448	12,240
Total Cost	\$ 3,672.00	\$ 3,727.08	\$ 3,782.89	\$ 3,839.69	\$ 3,897.22	\$ 18,918.88
TransUnion Credit Profile	\$ 1.50	\$ 1.52	\$ 1.55	\$ 1.57	\$ 1.59	
Assumed Annual Transaction Volume	1,224	1,224	1,224	1,224	1,224	11,016
Total Cost	\$ 1,836.00	\$ 1,836.00	\$ 1,836.00	\$ 1,836.00	\$ 1,836.00	\$ 17,082.88
Accuity Asset Verification	\$ 4.95	\$ 5.02	\$ 5.10	\$ 5.18	\$ 5.25	
Assumed Annual Transaction Volume	65,892	65,892	65,892	65,892	65,892	329,460
Total Cost	\$ 326,165.40	\$ 331,061.18	\$ 336,029.43	\$ 341,070.17	\$ 346,183.39	\$ 1,680,509.57

Volume adjusted  
 \$0.25 rate reduction 04/20/2022  
 Line item deleted 04/20/2022. Only one credit profile source is needed.

Note: TWC, TDCJ, EBT, DPS, OAG, NDNH, SAVE, eDRS, Lottery and TWN via the HUB are unlimited volume at a flat monthly fee.

Variable Administrative Fees for Predictive Analytics Operations						
Data Broker Services	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Variable Fee Descriptio	Transaction Fee	Transaction Fee	Transaction Fee	Transaction Fee	Transaction Fee	
LexisNexis Property Assumed Annual Transaction Volume	\$ 0.29	\$ 0.30	\$ 0.30	\$ 0.31	\$ 0.31	
Total Cost	\$ 2,219,053.32	\$ 2,295,572.40	\$ 2,330,005.99	\$ 2,365,204.76	\$ 2,400,403.54	\$ 11,610,240.01
Experian Fraud Shield Assumed Annual Transaction Volume	\$ 0.29	\$ 0.29	\$ 0.30	\$ 0.30	\$ 0.31	
Total Cost	\$ 1,109,526.66	\$ 1,126,360.86	\$ 1,143,195.06	\$ 1,160,411.85	\$ 1,177,628.64	\$ 5,717,123.06
Experian Income Insight W2 Assumed Annual Transaction Volume	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.13	\$ 0.13	
Total Cost	\$ 918,228.96	\$ 932,002.39	\$ 945,775.83	\$ 960,314.45	\$ 974,853.08	\$ 4,731,174.72
Trans Union Household Comp Assumed Annual Transaction Volume	\$ 0.17	\$ 0.17	\$ 0.18	\$ 0.18	\$ 0.18	
Total Cost	\$ 884,560.32	\$ 898,088.89	\$ 911,617.46	\$ 925,146.03	\$ 939,194.93	\$ 4,558,607.63
Trans Union Premium Employment Assumed Annual Transaction Volume	\$ 0.17	\$ 0.17	\$ 0.18	\$ 0.18	\$ 0.18	
Total Cost	\$ 1,300,824.36	\$ 1,320,719.32	\$ 1,340,614.28	\$ 1,360,509.24	\$ 1,381,169.39	\$ 6,703,836.60
First American Property (fixed fee) Assumed Annual Transaction Volume	\$ 27,500.00	\$ 27,912.50	\$ 28,331.19	\$ 28,756.16	\$ 29,187.50	
Total Cost	\$ 330,000.00	\$ 334,950.00	\$ 339,974.28	\$ 345,073.92	\$ 350,250.00	\$ 1,700,248.20

Volume Adjusted  
Volume Adjusted  
Volume Adjusted  
Volume Adjusted  
Volume Adjusted

Note: First American Property Data is unlimited volume at a flat monthly fee.

Variable Administrative Fees for ID Authentication Operations						
Data Broker Services	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Variable Fee Descriptio	Transaction Fee	Transaction Fee	Transaction Fee	Transaction Fee	Transaction Fee	
LexisNexis Identity Authentication Assumed Annual Transaction Volume	\$ 0.39	\$ 0.40	\$ 0.40	\$ 0.41	\$ 0.41	
Total Cost	\$ 842,769.72	\$ 855,519.31	\$ 868,268.91	\$ 881,234.59	\$ 894,416.38	\$ 4,342,208.91

Total Variable Administrative Fee Costs for the Contract						
Data Broker Services	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Variable Fee Descriptio	Transaction Fee	Transaction Fee	Transaction Fee	Transaction Fee	Transaction Fee	
Total Cost	\$ 11,812,968.54	\$ 12,034,724.34	\$ 12,214,812.15	\$ 12,398,217.09	\$ 12,584,316.66	\$ 61,045,038.78

The Vendor must include assumptions utilized to calculate the monthly variable fees included above with the overall pricing assumptions required in Section 2.2.10.7.4

**Assumptions**

See tab "Appendix A-4 Operations" for detailed assumptions  
 Operations volumes are based on average actuals over the past 12 months.  
 ID Authentication volumes are based on average actuals over the past 12 months.

Note: A 1.5% inflationary factor has been applied to the rates listed above.



Public Consulting Group LLC

**Appendix A-4  
Pricing Summary  
Pricing Summary 4  
Data Broker Services  
RFO No. HHS0009514**



<b>Catalog Pricing for Operations and Predictive Analytics Operations</b>	
<b>Activity</b>	<b>All-inclusive Hourly Labor Rate</b>
<b>Non-technical Operations (individually list service levels)</b>	
Account Director	\$ 295.00
Project Manager	\$ 255.00
Associate Project Manager	\$ 180.00
Training Manager	\$ 85.00
Training Developer	\$ 80.00
Operations Policy Lead	\$ 165.00
Business Analyst	\$ 165.00
QA Lead	\$ 142.00
Reporting Lead	\$ 210.00
	<b>\$ -</b>
<b>Other Administrative Services (individually list service levels)</b>	
IT Manager	\$ 250.00
Software Engineering Manager	\$ 250.00
IT SME	\$ 200.00
Delivery Manager	\$ 97.00
Software Engineering Lead	\$ 180.00
Functional Lead	\$ 180.00
Software Engineer	\$ 97.00
QA Engineer	\$ 97.00
DBA	\$ 118.00
Cloud Engineer	\$ 105.00
Developer	\$ 97.00

**Expand Schedule as Needed**

Public Consulting Group LLC

Texas Health and Human Services Commission  
 Data Broker Services  
 RFO NO. HHS0009514



TOTAL PRICE SUMMARY

Description	Base Contract Term				Optional Extension Years			Total Price Base term & Extensions (includes Transition)	
	Transition (0 months)	Year 1 (12 months)	Year 2 (12 months)	Year 3 (12 months)	Total Price Initial Term	Year 4 (12 months)	Year 5 (12 months)		Total Price Extensions
Total Operational Transition Fees	\$0				\$0				\$0
Operational Summary		\$600,126	\$600,126	\$600,126	\$1,800,378	\$600,126	\$600,126	\$1,200,252	\$3,000,630
Predictive Analytics	\$0	\$152,040	\$152,040	\$152,040	\$456,120	\$152,040	\$152,040	\$304,080	\$760,200
ID Authentication	\$0	\$106,167	\$106,167	\$106,167	\$318,501	\$106,167	\$106,167	\$212,334	\$530,835
Variable Fee Total		\$11,812,969	\$12,034,724	\$12,214,812	\$36,062,505	\$12,398,217	\$12,584,317	\$24,982,534	\$61,045,039
<b>Total Price Base term &amp; Extensions (includes Transition)</b>	<b>\$0</b>	<b>\$12,671,302</b>	<b>\$12,893,057</b>	<b>\$13,073,145</b>	<b>\$38,637,504</b>	<b>\$13,256,550</b>	<b>\$13,442,650</b>	<b>\$26,699,200</b>	<b>\$65,336,704</b>



**TEXAS**  
**Health and Human Services**

**Cecile Young, Executive Commissioner**

**HEALTH AND HUMAN SERVICES COMMISSION CONTRACT NO.  
HHS000951400001**

**Attachment E, HHS Contract Affirmations Vendor V 2.2**

**HEALTH AND HUMAN SERVICES**  
**Contract Number HHS000951400001**  
**Attachment E CONTRACT AFFIRMATIONS**

For purposes of these Contract Affirmations, HHS includes both the Health and Human Services Commission (HHSC) and the Department of State Health Services (DSHS). System Agency refers to HHSC, DSHS, or both, that will be a party to this Contract. These Contract Affirmations apply to all Contractors and Grantees (referred to as “Contractor”) regardless of their business form (e.g., individual, partnership, corporation).

By entering into this Contract, Contractor affirms, without exception, understands, and agrees to comply with the following items through the life of the Contract:

- 1.** Contractor represents and warrants that these Contract 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 and any related Solicitation.

**2. Complete and Accurate Information**

Contractor represents and warrants that all statements and information provided to HHS are current, complete, and accurate. This includes all statements and information in this Contract and any related Solicitation Response.

**3. Public Information Act**

Contractor understands that HHS will comply with the Texas Public Information Act (Chapter 552 of the Texas Government Code) as interpreted by judicial rulings and opinions of the Attorney General of the State of Texas. Information, documentation, and other material prepared and submitted in connection with this Contract or any related Solicitation may be subject to public disclosure pursuant to the Texas Public Information Act. In accordance with Section 2252.907 of the Texas Government Code, Contractor is required to make any information created or exchanged with the State pursuant to the Contract, and not otherwise excepted from disclosure under the Texas Public Information Act, available in a format that is accessible by the public at no additional charge to the State.

**4. Contracting Information Requirements**

Contractor represents and warrants that it will comply with the requirements of Section 552.372(a) of the Texas Government Code. Except as provided by Section 552.374(c) of the Texas Government Code, the requirements of Subchapter J (Additional Provisions Related to Contracting Information), Chapter 552 of the Government Code, may apply to the Contract and the Contractor agrees that the Contract can be terminated if the Contractor knowingly or intentionally fails to comply with a requirement of that subchapter.

**5. Assignment**

- A. Contractor shall not assign its rights under the Contract or delegate the performance of its duties under the Contract without prior written approval from System Agency. Any attempted assignment in violation of this provision is void and without effect.
- B. Contractor understands and agrees the System Agency may in one or more transactions assign, pledge, or transfer the Contract. Upon receipt of System Agency's notice of assignment, pledge, or transfer, Contractor shall cooperate with System Agency in giving effect to such assignment, pledge, or transfer, at no cost to System Agency or to the recipient entity.

**6. Terms and Conditions**

Contractor accepts the Solicitation terms and conditions unless specifically noted by exceptions advanced in the form and manner directed in the Solicitation, if any, under which this Contract was awarded. Contractor agrees that all exceptions to the Solicitation, as well as terms and conditions advanced by Contractor that differ in any manner from HHS' terms and conditions, if any, are rejected unless expressly accepted by System Agency in writing.

**7. HHS Right to Use**

Contractor agrees that HHS has the right to use, produce, and distribute copies of and to disclose to HHS employees, agents, and contractors and other governmental entities all or part of this Contract or any related Solicitation Response as HHS deems necessary to complete the procurement process or comply with state or federal laws.

**8. Release from Liability**

Contractor generally releases from liability and waives all claims against any party providing information about the Contractor at the request of System Agency.

**9. Dealings with Public Servants**

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 or any related Solicitation, or related Solicitation Response.

**10. Financial Participation Prohibited**

Under Section 2155.004, Texas Government Code (relating to financial participation in preparing solicitations), Contractor certifies that the individual or business entity named in this Contract and any related Solicitation Response is not ineligible to receive this Contract and acknowledges that this Contract may be terminated and payment withheld if this certification is inaccurate.

**11. Prior Disaster Relief Contract Violation**

Under Sections 2155.006 and 2261.053 of the Texas Government Code (relating to convictions and penalties regarding Hurricane Rita, Hurricane Katrina, and other disasters), the Contractor certifies that the individual or business entity named in this Contract and any related Solicitation Response is not ineligible to receive this Contract

and acknowledges that this Contract may be terminated and payment withheld if this certification is inaccurate.

**12. Child Support Obligation**

Under Section 231.006(d) of the Texas Family Code regarding child support, Contractor certifies that the individual or business entity named in this Contract and any related Solicitation Response is not ineligible to receive the specified payment and acknowledges that the Contract may be terminated and payment may be withheld if this certification is inaccurate. If the certification is shown to be false, Contractor may be liable for additional costs and damages set out in 231.006(f).

**13. Suspension and Debarment**

Contractor certifies that it and its principals are not suspended or debarred from doing business with the state or federal government as listed on the *State of Texas Debarred Vendor List* maintained by the Texas Comptroller of Public Accounts and the *System for Award Management (SAM)* maintained by the General Services Administration. 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 any, if payment in whole or in part is from federal funds.

**14. Excluded Parties**

Contractor certifies that it is not listed in the prohibited vendors list authorized by Executive Order 13224, "*Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism*," published by the United States Department of the Treasury, Office of Foreign Assets Control.'

**15. Foreign Terrorist Organizations**

Contractor represents and warrants that it is not engaged in business with Iran, Sudan, or a foreign terrorist organization, as prohibited by Section 2252.152 of the Texas Government Code.

**16. Executive Head of a State Agency**

In accordance with Section 669.003 of the Texas Government Code, relating to contracting with the executive head of a state agency, Contractor certifies that it is not (1) the executive head of an HHS agency, (2) a person who at any time during the four years before the date of this Contract was the executive head of an HHS agency, or (3) a person who employs a current or former executive head of an HHS agency.

**17. Human Trafficking Prohibition**

Under Section 2155.0061 of the Texas Government Code, Contractor certifies that the individual or business entity named in this Contract is not ineligible to receive this Contract and acknowledges that this Contract may be terminated and payment withheld if this certification is inaccurate.

**18. Franchise Tax Status**

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.

**19. Debts and Delinquencies**

Contractor agrees that any payments due under this Contract shall be applied towards any debt or delinquency that is owed to the State of Texas.

**20. Lobbying Prohibition**

Contractor represents and warrants that payments to Contractor and Contractor's receipt of appropriated or other funds under this Contract or any related Solicitation 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).

**21. Buy Texas**

Contractor agrees to comply with Section 2155.4441 of the Texas Government Code, requiring the purchase of products and materials produced in the State of Texas in performing service contracts.

**22. Disaster Recovery Plan**

Contractor agrees that upon request of System Agency, Contractor shall provide copies of its most recent business continuity and disaster recovery plans.

**23. Computer Equipment Recycling Program**

If this Contract is for the purchase or lease of computer equipment, then Contractor certifies that it is in compliance with Subchapter Y, Chapter 361 of the Texas Health and Safety Code related to the Computer Equipment Recycling Program and the Texas Commission on Environmental Quality rules in 30 TAC Chapter 328.

**24. Television Equipment Recycling Program**

If this Contract is for the purchase or lease of covered television equipment, then Contractor certifies that it is compliance with Subchapter Z, Chapter 361 of the Texas Health and Safety Code related to the Television Equipment Recycling Program.

**25. Cybersecurity Training**

- A. Contractor represents and warrants that it will comply with the requirements of Section 2054.5192 of the Texas Government Code relating to cybersecurity training and required verification of completion of the training program.
- B. Contractor represents and warrants that if Contractor or Subcontractors, officers, or employees of Contractor have access to any state computer system or database, the Contractor, Subcontractors, officers, and employees of Contractor shall complete cybersecurity training pursuant to and in accordance with Government Code, Section 2054.5192.



**26. Restricted Employment for Certain State Personnel**

Contractor acknowledges that, pursuant to Section 572.069 of the Texas Government Code, a former state officer or employee of a state agency who during the period of state service or employment participated on behalf of a state agency in a procurement or contract negotiation involving Contractor may not accept employment from Contractor before the second anniversary of the date the Contract is signed or the procurement is terminated or withdrawn.

**27. No Conflicts of Interest**

- A. Contractor represents and warrants that it has no actual or potential conflicts of interest in providing the requested goods or services to System Agency under this Contract or any related Solicitation and that Contractor's provision of the requested goods and/or services under this Contract and any related Solicitation will not constitute an actual or potential conflict of interest or reasonably create an appearance of impropriety.
- B. Contractor agrees that, if after 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.

**28. Fraud, Waste, and Abuse**

Contractor understands that HHS does not tolerate any type of fraud, waste, or abuse. Violations of law, agency policies, or standards of ethical conduct will be investigated, and appropriate actions will be taken. Pursuant to Texas Government Code, Section 321.022, if the administrative head of a department or entity that is subject to audit by the state auditor has reasonable cause to believe that money received from the state by the department or entity or by a client or contractor of the department or entity may have been lost, misappropriated, or misused, or that other fraudulent or unlawful conduct has occurred in relation to the operation of the department or entity, the administrative head shall report the reason and basis for the belief to the Texas State Auditor's Office (SAO). All employees or contractors who have reasonable cause to believe that fraud, waste, or abuse has occurred (including misconduct by any HHS employee, Grantee officer, agent, employee, or subcontractor that would constitute fraud, waste, or abuse) are required to immediately report the questioned activity to the Health and Human Services Commission's Office of Inspector General. Contractor agrees to comply with all applicable laws, rules, regulations, and System Agency policies regarding fraud, waste, and abuse including, but not limited to, HHS Circular C-027.

A report to the SAO must be made through one of the following avenues:

- SAO Toll Free Hotline: 1-800-TX-AUDIT
- SAO website: <http://sao.fraud.state.tx.us/>

All reports made to the OIG must be made through one of the following avenues:

- OIG Toll Free Hotline 1-800-436-6184
- OIG Website: ReportTexasFraud.com
- Internal Affairs Email: InternalAffairsReferral@hhsc.state.tx.us
- OIG Hotline Email: OIGFraudHotline@hhsc.state.tx.us.
- OIG Mailing Address: Office of Inspector General  
Attn: Fraud Hotline  
MC 1300  
P.O. Box 85200  
Austin, Texas 78708-5200

## 29. Antitrust

The undersigned affirms under penalty of perjury of the laws of the State of Texas that:

- A. in connection with this Contract and any related Solicitation Response, neither I nor any representative of the Contractor has violated any provision of the Texas Free Enterprise and Antitrust Act, Tex. Bus. & Comm. Code Chapter 15;
- B. in connection with this Contract and any related Solicitation Response, neither I nor any representative of the Contractor has violated any federal antitrust law; and
- C. neither I nor any representative of the Contractor has directly or indirectly communicated any of the contents of this Contract and any related Solicitation Response to a competitor of the Contractor or any other company, corporation, firm, partnership or individual engaged in the same line of business as the Contractor.

## 30. Legal and Regulatory Actions

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 in numbered paragraph 1 of these Contract Affirmations within the five (5) calendar years immediately preceding execution of this Contract or the submission of any related Solicitation Response 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 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 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 System Agency's consideration of entering into this Contract. In addition, Contractor acknowledges this is a continuing disclosure requirement. Contractor represents and warrants that Contractor shall notify 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 System Agency shall constitute breach of contract and may result in immediate contract termination.

**31. No Felony Criminal Convictions**

Contractor represents that neither Contractor nor any of its employees, agents, or representatives, including any subcontractors and employees, agents, or representative of such subcontractors, have been convicted of a felony criminal offense or that if such a conviction has occurred Contractor has fully advised System Agency in writing of the facts and circumstances surrounding the convictions.

**32. Unfair Business Practices**

Contractor represents and warrants that it has not been the subject of allegations of Deceptive Trade Practices violations under Chapter 17 of the Texas Business and Commerce Code, or allegations of any unfair business practice in any administrative hearing or court suit and that Contractor has not been found to be liable for such practices in such proceedings. Contractor certifies that it has no officers who have served as officers of other entities who have been the subject of allegations of Deceptive Trade Practices violations or allegations of any unfair business practices in an administrative hearing or court suit and that such officers have not been found to be liable for such practices in such proceedings.

**33. Entities that Boycott Israel**

Contractor represents and warrants that (1) it does not, and shall not for the duration of the Contract, boycott Israel or (2) the verification required by Section 2271.002 of the Texas Government Code does not apply to the Contract. If circumstances relevant to this provision change during the course of the Contract, Contractor shall promptly notify System Agency.

**34. E-Verify**

Contractor certifies that for contracts for services, Contractor shall utilize the U.S. Department of Homeland Security's E-Verify system during the term of this Contract to determine the eligibility of:

1. all persons employed by Contractor to perform duties within Texas; and
2. all persons, including subcontractors, assigned by Contractor to perform work pursuant to this Contract within the United States of America.

**35. Former Agency Employees – Certain Contracts**

If this Contract is an employment contract, a professional services contract under Chapter 2254 of the Texas Government Code, or a consulting services contract under Chapter 2254 of the Texas Government Code, in accordance with Section 2252.901 of the Texas Government Code, Contractor represents and warrants that neither Contractor nor any of Contractor's employees including, but not limited to, those authorized to provide services under the Contract, were former employees of an HHS Agency during the twelve (12) month period immediately prior to the date of the execution of the Contract.

**36. Disclosure of Prior State Employment – Consulting Services**

If this Contract is for consulting services,

A. In accordance with Section 2254.033 of the Texas Government Code, a Contractor providing consulting services who has been employed by, or employs an individual who has been employed by, System Agency or another State of Texas agency at any time during the two years preceding the submission of Contractor's offer to provide services must disclose the following information in its offer to provide services. Contractor hereby certifies that this information was provided and remains true, correct, and complete:

1. Name of individual(s) (Contractor or employee(s));
2. Status;
3. The nature of the previous employment with HHSC or the other State of Texas agency;
4. The date the employment was terminated and the reason for the termination; and
5. The annual rate of compensation for the employment at the time of its termination.

B. If no information was provided in response to Section A above, Contractor certifies that neither Contractor nor any individual employed by Contractor was employed by System Agency or any other State of Texas agency at any time during the two years preceding the submission of Contractor's offer to provide services.

**37. Abortion Funding Limitation**

Contractor understands, acknowledges, and agrees that, pursuant to Article IX of the General Appropriations Act (the Act), to the extent allowed by federal and state law, money appropriated by the Texas Legislature may not be distributed to any individual or entity that, during the period for which funds are appropriated under the Act:

1. performs an abortion procedure that is not reimbursable under the state's Medicaid program;
2. is commonly owned, managed, or controlled by an entity that performs an abortion procedure that is not reimbursable under the state's Medicaid program; or
3. is a franchise or affiliate of an entity that performs an abortion procedure that is not reimbursable under the state's Medicaid program.

The provision does not apply to a hospital licensed under Chapter 241, Health and Safety Code, or an office exempt under Section 245.004(2), Health and Safety Code. Contractor represents and warrants that it is not ineligible, nor will it be ineligible during the term of this Contract, to receive appropriated funding pursuant to Article IX.

**38. Funding Eligibility**

Contractor understands, acknowledges, and agrees that, pursuant to Chapter 2272 (eff. Sept. 1, 2021, Ch. 2273) of the Texas Government Code, except as exempted under that Chapter, HHSC cannot contract with an abortion provider or an affiliate of an abortion provider. Contractor certifies that it is not ineligible to contract with HHSC under the terms of Chapter 2272 (eff. Sept. 1, 2021, Ch. 2273) of the Texas Government Code.

**39. Prohibition on Certain Telecommunications and Video Surveillance Services or Equipment (2 CFR 200.216)**

Contractor certifies that the individual or business entity named in this Response or Contract is not ineligible to receive the specified Contract or funding pursuant to 2 CFR 200.216.

**40. COVID-19 Vaccine Passports**

Pursuant to Texas Health and Safety Code, Section 161.0085(c), Contractor certifies that it does not require its customers to provide any documentation certifying the customer's COVID-19 vaccination or post-transmission recovery on entry to, to gain access to, or to receive service from the Contractor's business. Contractor acknowledges that such a vaccine or recovery requirement would make Contractor ineligible for a state-funded contract.

**41. Entities that Boycott Energy Companies**

In accordance with Senate Bill 13, Acts 2021, 87th Leg., R.S., pursuant to Section 2274.002 of the Texas Government Code (relating to prohibition on contracts with companies boycotting certain energy companies), Contractor represents and warrants that: (1) it does not, and will not for the duration of the Contract, boycott energy companies or (2) the verification required by Section 2274.002 of the Texas Government Code does not apply to the Contract. If circumstances relevant to this provision change during the course of the Contract, Contractor shall promptly notify System Agency.

**42. Entities that Discriminate Against Firearm and Ammunition Industries**

In accordance with Senate Bill 19, Acts 2021, 87th Leg., R.S., pursuant to Section 2274.002 of the Texas Government Code (relating to prohibition on contracts with companies that discriminate against firearm and ammunition industries), Contractor verifies that: (1) it does not, and will not for the duration of the Contract, have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association or (2) the verification required by Section 2274.002 of the Texas Government Code does not apply to the Contract. If circumstances relevant to this provision change during the course of the Contract, Contractor shall promptly notify System Agency.

**43. Security Controls for State Agency Data**

In accordance with Senate Bill 475, Acts 2021, 87th Leg., R.S., pursuant to Texas Government Code, Section 2054.138, Contractor understands, acknowledges, and agrees that if, pursuant to this Contract, Contractor is or will be authorized to access, transmit, use, or store data for System Agency, Contractor is required to meet the security controls the System Agency determines are proportionate with System Agency's risk under the Contract based on the sensitivity of System Agency's data and that Contractor must periodically provide to System Agency evidence that Contractor meets the security controls required under the Contract.



**44. Cloud Computing State Risk and Authorization Management Program (TX-RAMP)**

In accordance with Senate Bill 475, Acts 2021, 87th Leg., R.S., pursuant to Texas Government Code, Section 2054.0593, Contractor acknowledges and agrees that, if providing cloud computing services for System Agency, Contractor must comply with the requirements of the state risk and authorization management program and that System Agency may not enter or renew a contract with Contractor to purchase cloud computing services for the agency that are subject to the state risk and authorization management program unless Contractor demonstrates compliance with program requirements. If providing cloud computing services for System Agency that are subject to the state risk and authorization management program, Contractor certifies it will maintain program compliance and certification throughout the term of the Contract.

**45. Office of Inspector General Investigative Findings Expert Review**

In accordance with Senate Bill 799, Acts 2021, 87th Leg., R.S., if Texas Government Code, Section 531.102(m-1)(2) is applicable to this Contract, Contractor affirms that it possesses the necessary occupational licenses and experience.

**46. Contract for Professional Services of Physicians, Optometrists, and Registered Nurses**

In accordance with Senate Bill 799, Acts 2021, 87th Leg., R.S., if Texas Government Code, Section 2254.008(a)(2) is applicable to this Contract, Contractor affirms that it possesses the necessary occupational licenses and experience.

**47. Foreign-Owned Companies in Connection with Critical Infrastructure**

If Texas Government Code, Section 2274.0102(a)(1) (relating to prohibition on contracts with certain foreign-owned companies in connection with critical infrastructure) is applicable to this Contract, pursuant to Government Code Section 2274.0102, Contractor certifies that neither it nor its parent company, nor any affiliate of Contractor or its parent company, is: (1) majority owned or controlled by citizens or governmental entities of China, Iran, North Korea, Russia, or any other country designated by the Governor under Government Code Section 2274.0103, or (2) headquartered in any of those countries.

**48. Critical Infrastructure Subcontracts**

For purposes of this Paragraph, the designated countries are China, Iran, North Korea, Russia, and any countries lawfully designated by the Governor as a threat to critical infrastructure. Pursuant to Section 113.002 of the Business and Commerce Code, Contractor shall not enter into a subcontract that will provide direct or remote access to or control of critical infrastructure, as defined by Section 113.001 of the Texas Business and Commerce Code, in this state, other than access specifically allowed for product warranty and support purposes to any subcontractor unless (i) neither the subcontractor nor its parent company, nor any affiliate of the subcontractor or its parent company, is majority owned or controlled by citizens or governmental entities of a designated country; and (ii) neither the subcontractor nor its parent company, nor any affiliate of the subcontractor or its parent company, is headquartered in a designated country. Contractor will notify the System Agency before entering into any subcontract that will provide direct or remote

access to or control of critical infrastructure, as defined by Section 113.001 of the Texas Business & Commerce Code, in this state.

**49. Enforcement of Certain Federal Firearms Laws Prohibited**

In accordance with House Bill 957, Acts 2021, 87th Leg., R.S., if Texas Government Code, Section 2.101 is applicable to Contractor, Contractor certifies that it is not ineligible to receive state grant funds pursuant to Texas Government Code, Section 2.103.

**50. Prohibition on Abortions**

Contractor understands, acknowledges, and agrees that, pursuant to Article II of the General Appropriations Act, (1) no funds shall be used to pay the direct or indirect costs (including marketing, overhead, rent, phones, and utilities) of abortion procedures provided by contractors of HHSC; and (2) no funds appropriated for Medicaid Family Planning, Healthy Texas Women Program, or the Family Planning Program shall be distributed to individuals or entities that perform elective abortion procedures or that contract with or provide funds to individuals or entities for the performance of elective abortion procedures. Contractor represents and warrants that it is not ineligible, nor will it be ineligible during the term of this Contract, to receive appropriated funding pursuant to Article II.

**51. False Representation**

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.

**52. False Statements**

Contractor represents and warrants that all statements and information prepared and submitted by Contractor in this Contract and any related Solicitation Response are current, complete, true, and accurate. Contractor acknowledges any false statement or material misrepresentation made by Contractor during the performance of this Contract or any related Solicitation is a material breach of contract and may void this Contract. Further, 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.

**53. Permits and License**

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, statutes, codes, and other laws that pertain to this Contract.

**54. Equal Employment Opportunity**

Contractor represents and warrants its compliance with all applicable duly enacted state and federal laws governing equal employment opportunities.



**55. Federal Occupational Safety and Health Law**

Contractor represents and warrants that all articles and services shall meet or exceed the safety standards established and promulgated under the Federal Occupational Safety and Health Act of 1970, as amended (29 U.S.C. Chapter 15).

**56. Signature Authority**

Contractor represents and warrants that the individual signing this Contract Affirmations document is authorized to sign on behalf of Contractor and to bind the Contractor.

**Signature Page Follows**

**Authorized representative on behalf of Contractor must complete and sign the following:**

william s. Mosakowski

---

**Legal Name of Contractor**

Public Consulting Group LLC

---

**Assumed Business Name of Contractor, if applicable (d/b/a or ‘doing business as’)**

---

**Texas County(s) for Assumed Business Name (d/b/a or ‘doing business as’)**  
**Attach Assumed Name Certificate(s) filed with the Texas Secretary of State and Assumed Name Certificate(s), if any, for each Texas County Where Assumed Name Certificate(s) has been filed.**

DocuSigned by:  
*William S. Mosakowski*  
F1468818E195471...

---

**Signature of Authorized Representative**

william s. Mosakowski

---

**Printed Name of Authorized Representative  
First, Middle Name or Initial, and Last Name**

148 State Street

---

**Physical Street Address**

---

**Mailing Address, if different**

617 426-2026

---

**Phone Number**

WSM@pcgus.com

---

**Email Address**

04-2942913

---

**Federal Employer Identification Number**

10429429136

---

**Texas Franchise Tax Number**

TPJKF9K5HNL5

---

**SAM.gov Unique Entity Identifier (UEI)**

February 24, 2023

---

**Date Signed**

President and CEO

---

**Title of Authorized Representative**

Boston, MA 021209

---

**City, State, Zip Code**

---

**City, State, Zip Code**

---

**Fax Number**

18-282-6909

---

**DUNS Number**

10429429136

---

**Texas Identification Number (TIN)**

0010600506

---

**Texas Secretary of State Filing  
Number**



# TEXAS

## Health and Human Services

**Health and Human Services (HHS)**  
**Uniform Terms and Conditions - Vendor**  
**Version 3.2**

Effective: April 2021

Responsible Office: Chief Counsel

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## ARTICLE I. DEFINITIONS AND INTERPRETIVE PROVISIONS

### 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, which documents changes to the Contract other than those permitted by Work Orders.

“Attachment” means documents, terms, conditions, or information added to this Contract following the Signature Document or included by reference and made a part of this Contract.

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

“Contractor” means the Party selected to provide the goods or Services to the State under this Contract.

“Deliverable” means a Work Product(s), including all reports and project documentation, 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.

“Goods” means supplies, materials, or equipment.

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

“Health and Human Services” or “HHS” includes the Department of State Health Services (DSHS), in addition to the Health and Human Services Commission.

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

“Intellectual Property Rights” means the worldwide proprietary rights or interests, including patent, copyright, trade secret, and trademark rights, as such rights may be evidenced by or embodied in:

- i. any idea, design, concept, personality right, method, process, technique, apparatus, invention, discovery, or improvement;



- ii. any work of authorship, including any compilation, computer code, website or web page design, literary work, pictorial work, or graphic work;
- iii. any trademark, service mark, trade dress, trade name, branding, or other indicia of source or origin;
- iv. domain name registrations; and
- v. any other proprietary or similar rights. The Intellectual Property Rights of a Party include all worldwide proprietary rights or interests that the Party may have acquired by assignment, by exclusive license, or by license with the right to grant sublicenses.

“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.

“Scope of Work” means the description of Services and Deliverables specified in the Contract and 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 (including any published addenda, exhibits, and Attachments) under which the goods or Services provided under the Contract were initially requested, which is incorporated by reference for all purposes in its entirety.

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

“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 the State Travel Management Program through the Texas Comptroller of Public Accounts website and 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, authorized representatives, and designees of those agencies. These agencies include: HHSC and the Department of State Health Services.

“Third Party IP” means the Intellectual Property Rights of any third party that is not a party to this Contract, and that is not a Subcontractor.

“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.

“Work Product” means any and all works, including work papers, notes, materials, approaches, designs, specifications, systems, innovations, improvements, inventions, software, programs, source code, documentation, training materials, audio or audiovisual recordings, methodologies, concepts, studies, reports, whether finished or unfinished, and whether or not included in the Deliverables, that are developed, produced, generated, or provided by Contractor in connection with Contractor’s performance of its duties under the Contract or through use of any funding provided under this Contract.

## 1.2 INTERPRETIVE PROVISIONS

- A. The meanings of defined terms include the singular and plural forms.
- 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, 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, 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. PAYMENT PROVISIONS

### 2.1 PROMPT PAYMENT

Payment shall be made in accordance with Chapter 2251 of the Texas Government Code, commonly known as the Texas Prompt Payment Act. Chapter 2251 of the Texas Government Code shall govern remittance of payment and remedies for late payment and non-payment.

### 2.2 ANCILLARY AND TRAVEL EXPENSES

- A. 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.
- B. 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 *Textravel* available at the Texas Comptroller of Public Accounts State Travel Management Program website.

### 2.3 NO QUANTITY GUARANTEES

The System Agency makes no guarantee of volume or usage of work under this Contract. All Work requested may be on an irregular and as needed basis throughout the Contract term.

### 2.4 TAXES

Purchases made for State of Texas use are exempt from the State Sales Tax and Federal Excise Tax. Contractor represents and warrants that it shall pay all taxes or similar amounts resulting from the Contract, including, but not limited to, any federal, State, or local income, sales or excise taxes of Contractor or its employees. System Agency shall not be liable for any taxes resulting from the contract.

## ARTICLE III. STATE AND FEDERAL FUNDING

### 3.1 EXCESS OBLIGATIONS PROHIBITED

The Contract is subject to termination or cancellation, without penalty to the System Agency, either in whole or in part, subject to the availability of state funds. System Agency is a state agency whose authority and appropriations are subject to actions of the Texas Legislature. If System Agency becomes subject to a legislative change, revocation of statutory authority, or lack of appropriated funds that would render either System Agency's or Contractor's delivery or performance under the Contract impossible or unnecessary, the Contract will be terminated or cancelled and be deemed null and void. In the event of a termination or cancellation under this Section, System Agency will not be liable to Contractor for any damages that are caused or associated with such termination, or cancellation, and System Agency will not be required to give prior notice.

### 3.2 NO DEBT AGAINST THE STATE

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

### 3.3 DEBT AND DELINQUENCIES

Contractor agrees that any payments due under the Contract shall be directly applied towards eliminating any debt or delinquency it has to the State of Texas including, but not limited to, delinquent taxes, delinquent student loan payments, and delinquent child support.

### 3.4 REFUNDS AND OVERPAYMENTS

- A. At its sole discretion, the System Agency may:
- i. withhold all or part of any payments to Contractor to offset overpayments, unallowable or ineligible costs made to the Contractor, or if any required financial status report(s) is not submitted by the due date(s); or,
  - ii. require Contractor to promptly refund or credit - within thirty (30) calendar days of written notice - any funds erroneously paid by System Agency which are not expressly authorized under the Contract.
- B. "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 shall 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 shall be completed in a manner consistent with standards under the terms of this Contract, in the applicable trade, profession, or industry; shall conform to or exceed the specifications set forth in the Contract; and all Deliverables shall be fit for ordinary use, of good quality, and with no material defects. If System Agency, in its sole discretion, determines Contractor has failed 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:

- i. Repair or replace all defective or damaged Work;
- ii. Refund any payment Contractor received from System Agency for all defective or damaged Work and, in conjunction therewith, require Contractor to accept the return of such Work; and,
- iii. Take necessary action to ensure that Contractor's future performance and Work conform to the Contract requirements.

### 4.2 GENERAL AFFIRMATIONS

Contractor certifies that, to the extent General Affirmations are incorporated into the Contract under the Signature Document, the Contractor has reviewed the General Affirmations and that Contractor is in compliance with all requirements.

### 4.3 FEDERAL ASSURANCES

Contractor certifies that, to the extent federal assurances are incorporated into the Contract under the Signature Document, the Contractor has reviewed the federal assurances and that Contractor is in compliance with all requirements.

### 4.4 FEDERAL CERTIFICATIONS

Contractor certifies that, to the extent federal certifications are incorporated into the Contract under the Signature Document, the Contractor has reviewed the federal certifications and that Contractor is in compliance with all requirements. In addition, Contractor certifies that it is and shall remain in compliance with all applicable federal laws, rules, and regulations, as they may pertain to this Contract.

## ARTICLE V. INTELLECTUAL PROPERTY

### 5.1 OWNERSHIP OF WORK PRODUCT

- A. All right, title, and interest in the Work Product, including all Intellectual Property Rights therein, is exclusively owned by System Agency. Contractor and Contractor's employees will have no rights in or ownership of the Work Product or any other property of System Agency.
- B. Any and all Work Product that is copyrightable under United States copyright law is deemed to be "work made for hire" owned by System Agency, as provided by Title 17 of the United States Code. To the extent that Work Product does not qualify as a "work made for hire" under applicable federal law, Contractor hereby irrevocably assigns and transfers to System Agency, its successors and assigns, the entire right, title, and interest in and to the Work Product, including any and all Intellectual Property Rights embodied therein or associated therewith, and in and to all works based upon, derived from, or incorporating the Work Product, and in and to all income, royalties, damages, claims and payments now or hereafter due or payable with respect thereto, and in and to all causes of action, either in law or in equity for past, present or future infringement based on the copyrights, and in and to all rights corresponding to the foregoing.
- C. Contractor agrees to execute all papers and to perform such other acts as System Agency may deem necessary to secure for System Agency or its designee the rights herein assigned.
- D. In the event that Contractor has any rights in and to the Work Product that cannot be assigned to System Agency, Contractor hereby grants to System Agency an exclusive, worldwide, royalty-free, transferable, irrevocable, and perpetual license, with the right to sublicense, to reproduce, distribute, modify, create derivative works of, publicly perform and publicly display, make, have made, use, sell and offer for sale the Work Product and any products developed by practicing such rights.
- E. The foregoing does not apply to Incorporated Pre-existing Works or Third-Party IP that are incorporated in the Work Product by Contractor. Contractor shall provide System Agency access during normal business hours to all Vendor materials, premises, and computer files containing the Work Product.



## 5.2 CONTRACTOR'S PRE-EXISTING WORKS

- A. To the extent that Contractor incorporates into the Work Product any works of Contractor that were created by Contractor or that Contractor acquired rights in prior to the Effective Date of this Contract (“**Incorporated Pre-existing Works**”), Contractor retains ownership of such Incorporated Pre-existing Works.
- B. Contractor hereby grants to System Agency an irrevocable, perpetual, non-exclusive, royalty-free, transferable, worldwide right and license, with the right to sublicense, to use, reproduce, modify, copy, create derivative works of, publish, publicly perform and display, sell, offer to sell, make and have made, the Incorporated Pre-existing Works, in any medium, with or without the associated Work Product.
- C. Contractor represents, warrants, and covenants to System Agency that Contractor has all necessary right and authority to grant the foregoing license in the Incorporated Pre-existing Works to System Agency.

## 5.3 THIRD PARTY IP

- A. To the extent that any Third Party IP is included or incorporated in the Work Product by Contractor, Contractor hereby grants to System Agency, or shall obtain from the applicable third party for System Agency's benefit, the irrevocable, perpetual, non-exclusive, worldwide, royalty-free right and license, for System Agency's internal business purposes only,
  - i. to use, reproduce, display, perform, distribute copies of, and prepare derivative works based upon such Third-Party IP and any derivative works thereof embodied in or delivered to System Agency in conjunction with the Work Product, and
  - ii. to authorize others to do any or all of the foregoing.
- B. Contractor shall obtain System Agency's advance written approval prior to incorporating any Third-Party IP into the Work Product, and Contractor shall notify System Agency on delivery of the Work Product if such materials include any Third Party IP.
- C. Contractor shall provide System Agency all supporting documentation demonstrating Contractor's compliance with this **Section 5.3**, including without limitation documentation indicating a third party's written approval for Contractor to use any Third Party IP that may be incorporated in the Work Product.

## 5.4 AGREEMENTS WITH EMPLOYEES AND SUBCONTRACTORS

Contractor shall have written, binding agreements with its employees and subcontractors that include provisions sufficient to give effect to and enable Contractor's compliance with Contractor's obligations under this **Article V**.

## 5.5 DELIVERY UPON TERMINATION OR EXPIRATION

No later than the first calendar day after the termination or expiration of the Contract or upon System Agency's request, Contractor shall deliver to System Agency all completed, or partially completed, Work Product, including any Incorporated Pre-existing Works, and any and all versions thereof. Contractor's failure to timely deliver such Work Product is a material breach of the Contract. Contractor will not retain any copies of the Work Product or any documentation or other products or results of Contractor's activities under the Contract without the prior written consent of System Agency.

## 5.6 SURVIVAL

The provisions and obligations of this **Article V** survive any termination or expiration of the Contract.

## 5.7 SYSTEM AGENCY DATA

- A. As between the Parties, all data and information acquired, accessed, or made available to Contractor by, through, or on behalf of System Agency or System Agency contractors, including all electronic data generated, processed, transmitted, or stored by Contractor in the course of providing data processing services in connection with Contractor's performance hereunder (the "**System Agency Data**"), is owned solely by System Agency.
- B. Contractor has no right or license to use, analyze, aggregate, transmit, create derivatives of, copy, disclose, or process the System Agency Data except as required for Contractor to fulfill its obligations under the Contract or as authorized in advance in writing by System Agency.
- C. For the avoidance of doubt, Contractor is expressly prohibited from using, and from permitting any third party to use, System Agency Data for marketing, research, or other non-governmental or commercial purposes, without the prior written consent of System Agency.
- D. Contractor shall make System Agency Data available to System Agency, including to System Agency's designated vendors, as directed in writing by System Agency. The foregoing shall be at no cost to System Agency.
- E. Furthermore, the proprietary nature of Contractor's systems that process, store, collect, and/or transmit the System Agency Data shall not excuse Contractor's performance of its obligations hereunder.

## ARTICLE VI. PROPERTY

### 6.1 USE OF STATE PROPERTY

- A. Contractor is prohibited from using State Property for any purpose other than performing Services authorized under the Contract.
- B. State Property includes, but is not limited to, System Agency's office space, identification badges, System Agency information technology equipment and networks (e.g., laptops, portable printers, cell phones, iPads or tablets, external hard drives, data storage devices, any System Agency-issued software, and the System Agency Virtual Private Network (VPN client)), and any other resources of System Agency.
- C. Contractor shall not remove State Property from the continental United States. In addition, Contractor may not use any computing device to access System Agency's network or e-mail while outside of the continental United States.
- D. Contractor shall not perform any maintenance services on State Property unless the Contract expressly authorizes such Services.
- E. During the time that State Property is in the possession of Contractor, Contractor shall be responsible for:
  - i. all repair and replacement charges incurred by State Agency that are associated with loss of State Property or damage beyond normal wear and tear, and



- ii. all charges attributable to Contractor's use of State Property that exceeds the Contract scope. Contractor shall fully reimburse such charges to System Agency within ten (10) calendar days of Contractor's receipt of System Agency's notice of amount due. Use of State Property for a purpose not authorized by the Contract shall constitute breach of contract and may result in termination of the Contract and the pursuit of other remedies available to System Agency under contract, at law, or in equity.

## **6.2 DAMAGE TO GOVERNMENT PROPERTY**

- A. In the event of loss, destruction, or damage to any System Agency or State of Texas owned, leased, or occupied property or equipment by Contractor or Contractor's employees, agents, Subcontractors, and suppliers, Contractor shall be liable to System Agency and the State of Texas for the full cost of repair, reconstruction, or replacement of the lost, destroyed, or damaged property.
- B. Contractor shall notify System Agency of the loss, destruction, or damage of equipment or property within one (1) business day. Contractor shall reimburse System Agency and the State of Texas for such property damage within 10 calendar days after Contractor's receipt of System Agency's notice of amount due.

## **6.3 PROPERTY RIGHTS UPON TERMINATION OR EXPIRATION OF CONTRACT**

In the event the Contract is terminated for any reason, or upon its expiration State Property remains the property of the System Agency and must be returned to the System Agency by the end date of the Contract or upon System Agency's request.

# **ARTICLE VII. WORK ORDERS**

## **7.1 WORK ORDERS**

If the Contract is for indefinite quantities of Services, as specified in the Signature Document, all Work will be performed in accordance with properly executed Work Orders.

## **7.2 PROPOSALS**

For Work Order contracts, the Contractor shall submit to System Agency separate proposals, including pricing and a project plan, for each Project.

## **7.3 RESPONSIBILITY**

For each approved Project, the Contractor shall be responsible for all Work assigned under the Work Order. 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 any other information or special conditions as may be necessary for the Work assigned.

## **7.4 TERMINATION**

If this Work Order is in effect on the day the Contract would otherwise expire, the Contract will remain in effect until this Work Order is terminated or expires; and the Contract and this Work Order may be amended after such termination or expiration to

extend the performance period or add ancillary deliverables or services, only to the extent necessary.

## **ARTICLE VIII. RECORD RETENTION, AUDIT, AND CONFIDENTIALITY**

### **8.1 RECORD MAINTENANCE AND RETENTION**

- A. Contractor shall 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.
- B. Contractor shall maintain and retain legible copies of this Contract and all records relating to the performance of the Contract including supporting fiscal documents adequate to ensure that claims for contract funds are in accordance with applicable State of Texas requirements. These records shall be maintained and retained by Contractor for a minimum of seven (7) years after the Contract expiration date or seven (7) years after the completion of all audit, claim, litigation, or dispute matters involving the Contract are resolved, whichever is later.

### **8.2 AGENCY'S RIGHT TO AUDIT**

- A. Contractor shall make available at reasonable times and upon reasonable notice, and for reasonable periods, work papers, reports, books, records, supporting documents kept current by Contractor pertaining to the Contract for purposes of inspecting, monitoring, auditing, or evaluating by System Agency and the State of Texas.
- B. In addition to any right of access arising by operation of law, Contractor and any of Contractor's affiliate or subsidiary organizations, or Subcontractors shall 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 shall 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 shall 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.
- C. If deemed necessary by the System Agency or any duly authorized authority, for the purpose of investigation or hearing, Contractor shall produce original documents related to this Contract.
- D. The System Agency and any duly authorized authority shall have the right to audit billings both before and after payment, and all documentation that substantiates the billings.

- E. Contractor shall include this provision concerning the right of access to, and examination of, sites and information related to this Contract in any Subcontract it awards.

### **8.3 RESPONSE/COMPLIANCE WITH AUDIT OR INSPECTION FINDINGS**

- A. Contractor must act to ensure its and its Subcontractors' 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 Services and Deliverables provided. Any such correction will be at Contractor's or its Subcontractor's sole expense. Whether Contractor's action corrects the noncompliance shall be solely the decision of the System Agency.
- B. As part of the Services, Contractor must provide to System Agency 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.

### **8.4 STATE AUDITOR'S RIGHT TO AUDIT**

- A. The state auditor may conduct an audit or investigation of any entity receiving funds from the state directly under the Contract or indirectly through a subcontract under the Contract. The 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, under the direction of the legislative audit committee, 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 state auditor must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit.
- B. The Contractor shall comply with any rules and procedures of the state auditor in the implementation and enforcement of Section 2262.154 of the Texas Government Code.

### **8.5 CONFIDENTIALITY**

Contractor shall maintain as confidential and shall not disclose to third parties without System Agency's prior written consent, any System Agency information including but not limited to System Agency Data, System Agency's business activities, practices, systems, conditions and services. This section will survive termination or expiration of this Contract. The obligations of Contractor under this section will survive termination or expiration of this Contract. This requirement must be included in all subcontracts awarded by Contractor.

## **ARTICLE IX. CONTRACT REMEDIES AND EARLY TERMINATION**

### **9.1 CONTRACT REMEDIES**

To ensure Contractor's full performance of the Contract and compliance with applicable law, the System Agency reserves the right to hold Contractor accountable for breach of contract or substandard performance and may take remedial or corrective actions, including, but not limited to:

- i. suspending all or part of the Contract;
- ii. requiring the Contractor to take specific actions in order to remain in compliance with the Contract;

- iii. recouping payments made by the System Agency to the Contractor found to be in error;
- iv. suspending, limiting, or placing conditions on the Contractor's continued performance of Work; or
- v. imposing any other remedies, sanctions, or penalties authorized under this Contract or permitted by federal or state law.

## 9.2 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 the System Agency's notice of termination.

## 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 if the System Agency determines, in 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 System for Award Management (SAM) exclusion list will also constitute a material breach of 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.

## 9.4 CONTRACTOR RESPONSIBILITY FOR SYSTEM AGENCY'S TERMINATION COSTS

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.

# ARTICLE X. INDEMNITY

## 10.1 GENERAL INDEMNITY

- A. CONTRACTOR SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS THE STATE OF TEXAS AND SYSTEM AGENCY, AND/OR THEIR OFFICERS, AGENTS, EMPLOYEES, REPRESENTATIVES, CONTRACTORS, ASSIGNEES, AND/OR DESIGNEES FROM ANY AND ALL LIABILITY, ACTIONS, CLAIMS, DEMANDS, OR SUITS, AND ALL**

**RELATED COSTS, ATTORNEY FEES, AND EXPENSES ARISING OUT OF OR RESULTING FROM ANY ACTS OR OMISSIONS OF CONTRACTOR OR ITS AGENTS, EMPLOYEES, SUBCONTRACTORS, ORDER FULFILLERS, OR SUPPLIERS OF SUBCONTRACTORS IN THE EXECUTION OR PERFORMANCE OF THE CONTRACT AND ANY PURCHASE ORDERS ISSUED UNDER THE CONTRACT.**

- B. 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 FROM THE NEGLIGENT ACTS OF OMISSIONS OF THE SYSTEM AGENCY OR ITS EMPLOYEES.**
- C. For the avoidance of doubt, System Agency shall not indemnify Contractor or any other entity under the Contract.**

## **10.2 INTELLECTUAL PROPERTY**

**CONTRACTOR SHALL DEFEND, INDEMNIFY, AND HOLD HARMLESS THE SYSTEM AGENCY AND THE STATE OF TEXAS FROM AND AGAINST ANY AND ALL CLAIMS, VIOLATIONS, MISAPPROPRIATIONS, OR INFRINGEMENT OF ANY PATENT, TRADEMARK, COPYRIGHT, TRADE SECRET, OR OTHER INTELLECTUAL PROPERTY RIGHTS AND/OR OTHER INTANGIBLE PROPERTY, PUBLICITY OR PRIVACY RIGHTS, AND/OR IN CONNECTION WITH OR ARISING FROM:**

- i. THE PERFORMANCE OR ACTIONS OF CONTRACTOR PURSUANT TO THIS CONTRACT;**
- ii. ANY DELIVERABLE, WORK PRODUCT, CONFIGURED SERVICE OR OTHER SERVICE PROVIDED HEREUNDER; AND/OR**
- iii. SYSTEM AGENCY'S AND/OR CONTRACTOR'S USE OF OR ACQUISITION OF ANY REQUESTED SERVICES OR OTHER ITEMS PROVIDED TO SYSTEM AGENCY BY CONTRACTOR OR OTHERWISE TO WHICH SYSTEM AGENCY HAS ACCESS AS A RESULT OF CONTRACTOR'S PERFORMANCE UNDER THE CONTRACT.**

## **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.**

## **ARTICLE XI. GENERAL PROVISIONS**

### **11.1 AMENDMENT**

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

### **11.2 INSURANCE**

- A. Unless otherwise specified in this Contract, Contractor shall 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 shall 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 shall 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.
- B. 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.

### **11.3 LIMITATION ON AUTHORITY**

- A. The authority granted to Contractor by the System Agency is limited to the terms of the Contract.
- B. Contractor shall not have any authority to act for or on behalf of the System Agency or the State of Texas except as expressly provided for in the Contract; no other authority, power, or use is granted or implied. Contractor may not incur any debt, obligation, expense, or liability of any kind on behalf of System Agency or the State of Texas.
- C. Contractor may not rely upon implied authority and is not granted authority under the Contract to:
- i. Make public policy on behalf of the System Agency;
  - ii. Promulgate, amend, or disregard administrative regulations or program policy decisions made by State and federal agencies responsible for administration of a System Agency program; or
  - iii. Unilaterally communicate or negotiate with any federal or state agency or the Texas Legislature on behalf of the System Agency regarding System Agency

programs or the Contract. However, upon System Agency request and with reasonable notice from System Agency to the Contractor, the Contractor shall assist the System Agency in communications and negotiations regarding the Work under the Contract with state and federal governments.

#### **11.4 LEGAL OBLIGATIONS**

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.

#### **11.5 CHANGE IN LAWS AND COMPLIANCE WITH LAWS**

Contractor shall comply with all laws, regulations, requirements and guidelines applicable to a vendor providing services and products required by the Contract to the State of Texas, as these laws, regulations, requirements and guidelines currently exist and as amended throughout the term of the Contract. System Agency reserves the right, in its sole discretion, to unilaterally amend the Contract to incorporate any modifications necessary for System Agency's compliance, as an agency of the State of Texas, with all applicable state and federal laws, regulations, requirements and guidelines.

#### **11.6 E-VERIFY PROGRAM**

Contractor certifies that for Contracts for Services, Contractor shall utilize the U.S. Department of Homeland Security's E-Verify system during the term of the Contract to determine the eligibility of:

- i. all persons employed by Contractor to perform duties within Texas; and
- ii. all persons, including subcontractors, assigned by the Contractor to perform Work pursuant to the Contract within the United States of America.

#### **11.7 PERMITTING AND LICENSURE**

At Contractor's sole expense, Contractor shall 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 shall be responsible for payment of all taxes, assessments, fees, premiums, permits, and licenses required by law. Contractor shall be responsible for payment of any such government obligations not paid by its Subcontractors during performance of this Contract.

#### **11.8 SUBCONTRACTORS**

Contractor may not subcontract any or all of the Work and/or obligations under the Contract without prior written approval of the System Agency. Subcontracts, if any, entered into by the Contractor shall be in writing and be subject to the requirements of the Contract. Should Contractor Subcontract any of the services required in the Contract, Contractor expressly understands and acknowledges that in entering into such Subcontract(s), System Agency is in no manner liable to any subcontractor(s) of Contractor. In no event shall this provision relieve Contractor of the responsibility for



ensuring that the services performed under all Subcontracts are rendered in compliance with the Contract.

### **11.9 INDEPENDENT CONTRACTOR**

Contractor and Contractor's employees, representatives, agents, Subcontractors, suppliers, and third-party service providers shall serve as independent contractors in providing the services under the Contract. Neither Contractor nor System Agency is an agent of the other and neither may make any commitments on the other party's behalf. Contractor shall have no claim against System Agency for vacation pay, sick leave, retirement benefits, social security, worker's compensation, health or disability benefits, unemployment insurance benefits, or employee benefits of any kind. The Contract shall not create any joint venture, partnership, agency, or employment relationship between Contractor and System Agency.

### **11.10 GOVERNING LAW AND VENUE**

This Contract shall be governed by and construed in accordance with the laws of the State of Texas, without regard to the conflicts of law provisions. The venue of any suit arising under the Contract is fixed in any court of competent jurisdiction of Travis County, Texas, unless the specific venue is otherwise identified in a statute which directly names or otherwise identifies its applicability to the System Agency.

### **11.11 SEVERABILITY**

If any provision of the Contract is held to be illegal, invalid or unenforceable by a court of law or equity, such construction will not affect the legality, validity or enforceability of any other provision or provisions of this Contract. It is the intent and agreement of the Parties this Contract shall be deemed amended by modifying such provision to the extent necessary to render it valid, legal and enforceable while preserving its intent or, if such modification is not possible, by substituting another provision that is valid, legal and enforceable and that achieves the same objective. All other provisions of this Contract will continue in full force and effect.

### **11.12 SURVIVABILITY**

Expiration or termination of the Contract for any reason does not release Contractor from any liability or obligation set forth in the Contract that is expressly stated to survive any such expiration or termination, that by its nature would be intended to be applicable following any such expiration or termination, or that is necessary to fulfill the essential purpose of the Contract, including without limitation the provisions regarding warranty, indemnification, confidentiality, and rights and remedies upon termination.

### **11.13 FORCE MAJEURE**

Neither Contractor nor System Agency shall be liable to the other for any delay in, or failure of performance of, any requirement included in the Contract caused by force majeure. The existence of such causes of delay or failure shall extend the period of performance until after the causes of delay or failure have been removed provided the non-performing party exercises all reasonable due diligence to perform. Force majeure is defined as acts of God, war, fires, explosions, hurricanes, floods, failure of transportation, or other causes that are beyond the reasonable control of either party and that by exercise of due foresight such party could not reasonably have been expected to

avoid, and which, by the exercise of all reasonable due diligence, such party is unable to overcome.

#### **11.14 DISPUTE RESOLUTION**

- A. The dispute resolution process provided for in Chapter 2260 of the Texas Government Code must be used to attempt to resolve any dispute arising under the Contract. If the Contractor's claim for breach of contract cannot be resolved informally with the System Agency, the claim shall be submitted to the negotiation process provided in Chapter 2260. To initiate the process, the Contractor shall submit written notice, as required by Chapter 2260, to the individual identified in the Contract for receipt of notices. Any informal resolution efforts shall in no way modify the requirements or toll the timing of the formal written notice of a claim for breach of contract required under §2260.051 of the Texas Government Code. Compliance by the Contractor with Chapter 2260 is a condition precedent to the filing of a contested case proceeding under Chapter 2260.
- B. The contested case process provided in Chapter 2260 is the Contractor's sole and exclusive process for seeking a remedy for an alleged breach of contract by the System Agency if the Parties are unable to resolve their disputes as described above.
- C. Notwithstanding any other provision of the Contract to the contrary, unless otherwise requested or approved in writing by the System Agency, the Contractor shall continue performance and shall not be excused from performance during the period of any breach of contract claim or while the dispute is pending. However, the Contractor may suspend performance during the pendency of such claim or dispute if the Contractor has complied with all provisions of Section 2251.051, Texas Government Code, and such suspension of performance is expressly applicable and authorized under that law.

#### **11.15 NO IMPLIED WAIVER OF PROVISIONS**

The failure of the System Agency to object to or to take affirmative action with respect to any conduct of the Contractor which is in violation or breach of the terms of the Contract shall not be construed as a waiver of the violation or breach, or of any future violation or breach.

#### **11.16 MEDIA RELEASES**

- A. Contractor shall not use System Agency's name, logo, or other likeness in any press release, marketing material, or other announcement without System Agency's prior written approval. System Agency does not endorse any vendor, commodity, or service. Contractor is not authorized to make or participate in any media releases or public announcements pertaining to this Contract or the Services to which they relate without System Agency's prior written consent, and then only in accordance with explicit written instruction from System Agency.
- B. 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.

### **11.17 NO MARKETING ACTIVITIES**

Contractor is prohibited from using the Work for any Contractor or third-party marketing, advertising, or promotional activities, without the prior written consent of System Agency. The foregoing prohibition includes, without limitation, the placement of banners, pop-up ads, or other advertisements promoting Contractor's or a third party's products, services, workshops, trainings, or other commercial offerings on any website portal or internet-based service or software application hosted or managed by Contractor as part of the Work.

### **11.18 PROHIBITION ON NON-COMPETE RESTRICTIONS**

Contractor shall 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.

### **11.19 SOVEREIGN IMMUNITY**

Nothing in the Contract shall be construed as a waiver of the System Agency's or the State's sovereign immunity. This Contract shall not constitute or be construed as a waiver of any of the privileges, rights, defenses, remedies, or immunities available to the System Agency or the State of Texas. The failure to enforce, or any delay in the enforcement of, any privileges, rights, defenses, remedies, or immunities available to the System Agency or the State of Texas under the Contract or under applicable law shall not constitute a waiver of such privileges, rights, defenses, remedies, or immunities or be considered as a basis for estoppel. System Agency does not waive any privileges, rights, defenses, or immunities available to System Agency by entering into the Contract or by its conduct prior to or subsequent to entering into the Contract.

### **11.20 ENTIRE CONTRACT AND MODIFICATION**

This 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.

### **11.21 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.

### **11.22 CIVIL RIGHTS**

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

- B. Contractor agrees to comply with all amendments to the above-referenced 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 aid, care, service or other benefits provided by Federal or State funding, or otherwise be subjected to discrimination.
- C. 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. State and federal 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, in appropriate languages other than English, in order to ensure that persons with limited English proficiency are effectively informed and can have meaningful access to programs, benefits, and activities.
- D. 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: <https://hhs.texas.gov/about-hhs/your-rights/civil-rights-office/civil-rights-posters>
- E. Contractor agrees to comply with Executive Order 13279, and its 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.
- F. Upon request, Contractor shall provide HHSC's Civil Rights Office with copies of the Contractor's civil rights policies and procedures.
- G. Contractor must notify HHSC's Civil Rights Office of any complaints of discrimination received relating to its performance under this Contract. This notice must be delivered no more than ten (10) calendar days after receipt of a complaint. Notice provided pursuant to this section 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  
Fax: (512) 438-5885  
Email: [HHSCivilRightsOffice@hhsc.state.tx.us](mailto:HHSCivilRightsOffice@hhsc.state.tx.us)

### **11.23 ENTERPRISE INFORMATION MANAGEMENT STANDARDS**

Contractor shall conform to HHS standards for data management as described by the policies of the HHS Chief Data and Analytics Officer. 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 HHS for ongoing data governance, strategic portfolio analysis, interoperability planning, and valuation of HHS System data assets.

#### **11.24 DISCLOSURE OF LITIGATION**

- A. The Contractor must disclose in writing to the contract manager assigned to this Contract any material civil or criminal litigation or indictment either threatened or pending involving the Contractor. "Threatened litigation" as used herein shall include governmental investigations and civil investigative demands. "Litigation" as used herein shall include administrative enforcement actions brought by governmental agencies. The Contractor must also disclose any material litigation threatened or pending involving Subcontractors, consultants, and/or lobbyists. For purposes of this section, "material" refers, but is not limited, to any action or pending action that a reasonable person knowledgeable in the applicable industry would consider relevant to the Work under the Contract or any development such a person would want to be aware of in order to stay fully apprised of the total mix of information relevant to the Work, together with any litigation threatened or pending that may result in a substantial change in the Contractor's financial condition.
- B. This is a continuing disclosure requirement; any litigation commencing after Contract Award must be disclosed in a written statement to the assigned contract manager within seven calendar days of its occurrence.

#### **11.25 NO THIRD-PARTY BENEFICIARIES**

The Contract is made solely and specifically among and for the benefit of the Parties named herein and their respective successors and assigns, and no other person shall have any right, interest, or claims hereunder or be entitled to any benefits pursuant to or on account of the Contract as a third-party beneficiary or otherwise.

#### **11.26 BINDING EFFECT**

The Contract shall inure to the benefit of, be binding upon, and be enforceable against, each Party and their respective permitted successors, assigns, transferees, and delegates.



# TEXAS

## Health and Human Services

**Health and Human Services (HHS)  
Additional Provisions  
Version 1.1  
Effective: June 1, 2021**

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## **ADDITIONAL PROVISIONS**

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

### **1. HHSC VENDOR ACCESS**

At HHSC's request, Contractor will allow parties interested in responding to other HHSC 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 HHSC solicitation.

### **2. HHSC APPROVAL OF STAFFING**

- A. Contractor shall not employ or contract with or permit the employment of unfit or unqualified persons or persons not skilled in the tasks assigned to them. The Contractor shall at all times employ sufficient labor to carry out functions and services in the manner and time prescribed by the Contract. The Contractor shall be responsible to HHSC for the acts and omissions of the Contractor's employees, agents (including, but not limited to, lobbyists) and Subcontractors and the Contractor shall enforce strict discipline among the Contractor's employees, agents (including, but not limited to, lobbyists) and Subcontractors performing the services under the Contract.
- B. Any person employed by the Contractor shall, at the written request of HHSC, and within HHSC's sole discretion, be removed immediately by the Contractor from work relating to the Contract.

### **3. TRADEMARK LICENSE**

HHSC grants to Contractor, for the term of the Contract, a limited non-exclusive, royalty-free, non-assignable, non-transferable license to reproduce HHSC's trademarks on published materials in the United States related to the performance of the Contract, provided that such license is expressly conditional upon, and subject to, the following:

- i. Contractor is in compliance with all provisions of the Contract;
- ii. Contractor's use of the trademarks is strictly in accordance with the quality standards and in conformance with the reproduction requirements set forth in Exhibit \_\_\_ or as otherwise communicated by HHSC;
- iii. Contractor takes no action to damage the goodwill associated with the trademarks, and refrains from any attempt to contest, attack, dispute, challenge, cancel and/or oppose HHSC's right, title and interest in the trademarks or their validity;
- iv. Contractor makes no attempt to sublicense any rights under this trademark license; and
- v. Contractor complies with any marking requests HHSC may make in relation to the trademarks, including without limitation to use the phrase "Registered Trademark", the registered trademark symbol "®" for registered trademarks, and the symbol "™" for unregistered trademarks.

#### **4. TRADEMARK OWNERSHIP**

Contractor acknowledges and agrees that the trademarks remain the exclusive property of HHSC, that all right, title and interest in and to the trademarks is exclusively held by HHSC, and all goodwill associated with such trademarks inures solely to HHSC.

#### **5. DISCOUNTS**

If Contractor at any time during the term of the Contract provides a discount on the final contract costs, Contractor will notify HHSC in writing at least ten (10) calendar days prior to the effective date of the discount. HHSC will generate a Purchase Order Change Notice and send a revised Purchase Order to Contractor.

#### **6. NOTICE OF CRIMINAL ACTIVITY AND DISCIPLINARY ACTIONS**

- A. Contractor shall immediately report in writing to its assigned HHSC contract manager when Contractor learns of or has any reason to believe it or any person with ownership or controlling interest in Contractor, or their agent, employee, subcontractor or volunteer who is providing services under this Contract has:
- i. Engaged in any activity that could constitute a criminal offense equal to or greater than a Class A misdemeanor or grounds for disciplinary action by a state or federal regulatory authority; or
  - ii. Been placed on community supervision, received deferred adjudication, or been indicted for or convicted of a criminal offense relating to involvement in any financial matter, federal or state program or felony sex crime.
- B. Contractor shall not permit any person who engaged, or was alleged to have engaged, in any activity subject to reporting under this section to perform direct client services or have direct contact with clients, unless otherwise directed in writing by the System Agency.

#### **7. NOTICE OF IRS OR TWC INSOLVENCY**

Contractor shall notify in writing its assigned HHSC contract manager of any insolvency, incapacity or outstanding unpaid obligations of Contractor owed to the Internal Revenue Service or the State of Texas, or any agency or political subdivision of the State of Texas within five days of the date of Contractor's becoming aware of such.

#### **8. NOTICE OF A LICENSE ACTION**

Contractor shall notify its assigned HHSC contract manager of any action impacting Contractor's license to provide services under this Contract within five days of becoming aware of the action and include the following:

- i. Reason for such action;
- ii. Name and contact information of the local, state or federal department or agency or entity;
- iii. Date of the license action; and
- iv. License or case reference number.

#### **9. PERFORMANCE INSIDE THE UNITED STATES**

- A. HHSC is responsible for administering several public programs that require the collection

and maintenance of information relating to persons who apply for and receive services from HHSC programs. This information consists of, among other things, personal financial and medical information and information designated “Confidential Information” under state and federal law and this Agreement. Some of this information may, within the limits of the law and this Agreement, be shared from time to time with Contractor or a subcontractor for purposes of performing the Services or providing the Deliverables under this Agreement.

- B. HHSC is legally responsible for maintaining the confidentiality and integrity of information relating to applicants and recipients of HHSC services and ensuring that any person or entity that receives such information—including Contractor and any subcontractor—is similarly bound by these obligations.
- C. In view of these obligations, and to ensure accountability, integrity, and the security of the information maintained by or for HHSC and the work performed on behalf of HHSC, HHSC requires that:
  - i. All work performed under this Agreement must be performed exclusively within the United States; and
  - ii. All information obtained by Contractor or a subcontractor under this Agreement must be stored and maintained within the United States.
- D. Further, HHSC forbids the performance of any work or the maintenance of any information relating or obtained pursuant to this Agreement to occur outside of the United States
- E. Meaning of “within the United States” and “outside the United States.”
  - i. As used in this Section, the term “within the United States” means any location inside the territorial boundaries comprising the republic of the United States of America, including of any of the 48 coterminous states in North America, the states of Alaska and Hawaii, and the District of Columbia.
  - ii. Conversely, the phrase “outside the United States” means any location that is not within the territorial boundaries comprising the republic of the United States of America, including of any of the 48 coterminous states in North America, the states of Alaska and Hawaii, and the District of Columbia.
- F. Maintenance of Confidential Information. Contractor and all subcontractors, vendors, agents, and service providers of or for Contractor must not allow any Confidential Information that Contractor receives from or on behalf of HHSC to be moved outside the United States by any means (physical or electronic) at any time, for any period of time, for any reason. Further Contractor and all subcontractors, vendors, agents, and service providers of or for Contractor must not permit any person to have remote access to HHSC information, systems, or Deliverables from a location outside the United States.

- G. Performance of Work under Agreement. Subject to the exceptions specified in paragraph H, below, Contractor and all subcontractors, vendors, agents, and service providers of or for Contractor must perform all services under the Agreement, including all tasks, functions, and responsibilities assigned and delegated to Contractor under this Agreement, within the United States. This obligation includes, but is not limited to, all Services, including but not limited to information technology services, processing, transmission, storage, archiving, data center services, disaster recovery sites and services, and customer support).
- H. The foregoing requirements will not preclude the acquisition or use of commercial off-the-shelf software that is developed outside the United States or hardware that is generically configured outside the United States. Further, the foregoing requirements will not preclude Contractor from acquiring, using, or reimbursing products or supplies that are manufactured outside the United States, provided such products or supplies are commercially available within the United States for acquisition or reimbursement by HHSC.
- I. Remedy. Contractor's violation of this Section will constitute a material breach of the Contract. Contractor will be liable to HHSC for all monetary damages, in the form of actual, consequential, direct, indirect, special and/or liquidated damages in accordance with this Agreement.

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# TEXAS

## Health and Human Services

**Health and Human Services (HHS)**  
**Uniform Terms and Conditions - Vendor**  
**Version 3.2**

Effective: April 2021

Responsible Office: Chief Counsel

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## ARTICLE I. DEFINITIONS AND INTERPRETIVE PROVISIONS

### 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, which documents changes to the Contract other than those permitted by Work Orders.

“Attachment” means documents, terms, conditions, or information added to this Contract following the Signature Document or included by reference and made a part of this Contract.

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

“Contractor” means the Party selected to provide the goods or Services to the State under this Contract.

“Deliverable” means a Work Product(s), including all reports and project documentation, 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.

“Goods” means supplies, materials, or equipment.

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

“Health and Human Services” or “HHS” includes the Department of State Health Services (DSHS), in addition to the Health and Human Services Commission.

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

“Intellectual Property Rights” means the worldwide proprietary rights or interests, including patent, copyright, trade secret, and trademark rights, as such rights may be evidenced by or embodied in:

- i. any idea, design, concept, personality right, method, process, technique, apparatus, invention, discovery, or improvement;

- ii. any work of authorship, including any compilation, computer code, website or web page design, literary work, pictorial work, or graphic work;
- iii. any trademark, service mark, trade dress, trade name, branding, or other indicia of source or origin;
- iv. domain name registrations; and
- v. any other proprietary or similar rights. The Intellectual Property Rights of a Party include all worldwide proprietary rights or interests that the Party may have acquired by assignment, by exclusive license, or by license with the right to grant sublicenses.

“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.

“Scope of Work” means the description of Services and Deliverables specified in the Contract and 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 (including any published addenda, exhibits, and Attachments) under which the goods or Services provided under the Contract were initially requested, which is incorporated by reference for all purposes in its entirety.

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

“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 the State Travel Management Program through the Texas Comptroller of Public Accounts website and 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, authorized representatives, and designees of those agencies. These agencies include: HHSC and the Department of State Health Services.

“Third Party IP” means the Intellectual Property Rights of any third party that is not a party to this Contract, and that is not a Subcontractor.

“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.

“Work Product” means any and all works, including work papers, notes, materials, approaches, designs, specifications, systems, innovations, improvements, inventions, software, programs, source code, documentation, training materials, audio or audiovisual recordings, methodologies, concepts, studies, reports, whether finished or unfinished, and whether or not included in the Deliverables, that are developed, produced, generated, or provided by Contractor in connection with Contractor’s performance of its duties under the Contract or through use of any funding provided under this Contract.

## 1.2 INTERPRETIVE PROVISIONS

- A. The meanings of defined terms include the singular and plural forms.
- 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, 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, 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. PAYMENT PROVISIONS**

### **2.1 PROMPT PAYMENT**

Payment shall be made in accordance with Chapter 2251 of the Texas Government Code, commonly known as the Texas Prompt Payment Act. Chapter 2251 of the Texas Government Code shall govern remittance of payment and remedies for late payment and non-payment.

### **2.2 ANCILLARY AND TRAVEL EXPENSES**

- A. 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.
- B. 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 *Textravel* available at the Texas Comptroller of Public Accounts State Travel Management Program website.

### **2.3 NO QUANTITY GUARANTEES**

The System Agency makes no guarantee of volume or usage of work under this Contract. All Work requested may be on an irregular and as needed basis throughout the Contract term.

### **2.4 TAXES**

Purchases made for State of Texas use are exempt from the State Sales Tax and Federal Excise Tax. Contractor represents and warrants that it shall pay all taxes or similar amounts resulting from the Contract, including, but not limited to, any federal, State, or local income, sales or excise taxes of Contractor or its employees. System Agency shall not be liable for any taxes resulting from the contract.

## **ARTICLE III. STATE AND FEDERAL FUNDING**

### **3.1 EXCESS OBLIGATIONS PROHIBITED**

The Contract is subject to termination or cancellation, without penalty to the System Agency, either in whole or in part, subject to the availability of state funds. System Agency is a state agency whose authority and appropriations are subject to actions of the Texas Legislature. If System Agency becomes subject to a legislative change, revocation of statutory authority, or lack of appropriated funds that would render either System Agency's or Contractor's delivery or performance under the Contract impossible or unnecessary, the Contract will be terminated or cancelled and be deemed null and void. In the event of a termination or cancellation under this Section, System Agency will not be liable to Contractor for any damages that are caused or associated with such termination, or cancellation, and System Agency will not be required to give prior notice.

### **3.2 NO DEBT AGAINST THE STATE**

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

### 3.3 DEBT AND DELINQUENCIES

Contractor agrees that any payments due under the Contract shall be directly applied towards eliminating any debt or delinquency it has to the State of Texas including, but not limited to, delinquent taxes, delinquent student loan payments, and delinquent child support.

### 3.4 REFUNDS AND OVERPAYMENTS

- A. At its sole discretion, the System Agency may:
- i. withhold all or part of any payments to Contractor to offset overpayments, unallowable or ineligible costs made to the Contractor, or if any required financial status report(s) is not submitted by the due date(s); or,
  - ii. require Contractor to promptly refund or credit - within thirty (30) calendar days of written notice - any funds erroneously paid by System Agency which are not expressly authorized under the Contract.
- B. "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 shall 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 shall be completed in a manner consistent with standards under the terms of this Contract, in the applicable trade, profession, or industry; shall conform to or exceed the specifications set forth in the Contract; and all Deliverables shall be fit for ordinary use, of good quality, and with no material defects. If System Agency, in its sole discretion, determines Contractor has failed 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:

- i. Repair or replace all defective or damaged Work;
- ii. Refund any payment Contractor received from System Agency for all defective or damaged Work and, in conjunction therewith, require Contractor to accept the return of such Work; and,
- iii. Take necessary action to ensure that Contractor's future performance and Work conform to the Contract requirements.

### 4.2 GENERAL AFFIRMATIONS

Contractor certifies that, to the extent General Affirmations are incorporated into the Contract under the Signature Document, the Contractor has reviewed the General Affirmations and that Contractor is in compliance with all requirements.

### 4.3 FEDERAL ASSURANCES

Contractor certifies that, to the extent federal assurances are incorporated into the Contract under the Signature Document, the Contractor has reviewed the federal assurances and that Contractor is in compliance with all requirements.

### 4.4 FEDERAL CERTIFICATIONS

Contractor certifies that, to the extent federal certifications are incorporated into the Contract under the Signature Document, the Contractor has reviewed the federal certifications and that Contractor is in compliance with all requirements. In addition, Contractor certifies that it is and shall remain in compliance with all applicable federal laws, rules, and regulations, as they may pertain to this Contract.

## ARTICLE V. INTELLECTUAL PROPERTY

### 5.1 OWNERSHIP OF WORK PRODUCT

- A. All right, title, and interest in the Work Product, including all Intellectual Property Rights therein, is exclusively owned by System Agency. Contractor and Contractor's employees will have no rights in or ownership of the Work Product or any other property of System Agency.
- B. Any and all Work Product that is copyrightable under United States copyright law is deemed to be "work made for hire" owned by System Agency, as provided by Title 17 of the United States Code. To the extent that Work Product does not qualify as a "work made for hire" under applicable federal law, Contractor hereby irrevocably assigns and transfers to System Agency, its successors and assigns, the entire right, title, and interest in and to the Work Product, including any and all Intellectual Property Rights embodied therein or associated therewith, and in and to all works based upon, derived from, or incorporating the Work Product, and in and to all income, royalties, damages, claims and payments now or hereafter due or payable with respect thereto, and in and to all causes of action, either in law or in equity for past, present or future infringement based on the copyrights, and in and to all rights corresponding to the foregoing.
- C. Contractor agrees to execute all papers and to perform such other acts as System Agency may deem necessary to secure for System Agency or its designee the rights herein assigned.
- D. In the event that Contractor has any rights in and to the Work Product that cannot be assigned to System Agency, Contractor hereby grants to System Agency an exclusive, worldwide, royalty-free, transferable, irrevocable, and perpetual license, with the right to sublicense, to reproduce, distribute, modify, create derivative works of, publicly perform and publicly display, make, have made, use, sell and offer for sale the Work Product and any products developed by practicing such rights.
- E. The foregoing does not apply to Incorporated Pre-existing Works or Third-Party IP that are incorporated in the Work Product by Contractor. Contractor shall provide System Agency access during normal business hours to all Vendor materials, premises, and computer files containing the Work Product.



## 5.2 CONTRACTOR'S PRE-EXISTING WORKS

- A. To the extent that Contractor incorporates into the Work Product any works of Contractor that were created by Contractor or that Contractor acquired rights in prior to the Effective Date of this Contract (“**Incorporated Pre-existing Works**”), Contractor retains ownership of such Incorporated Pre-existing Works.
- B. Contractor hereby grants to System Agency an irrevocable, perpetual, non-exclusive, royalty-free, transferable, worldwide right and license, with the right to sublicense, to use, reproduce, modify, copy, create derivative works of, publish, publicly perform and display, sell, offer to sell, make and have made, the Incorporated Pre-existing Works, in any medium, with or without the associated Work Product.
- C. Contractor represents, warrants, and covenants to System Agency that Contractor has all necessary right and authority to grant the foregoing license in the Incorporated Pre-existing Works to System Agency.

## 5.3 THIRD PARTY IP

- A. To the extent that any Third Party IP is included or incorporated in the Work Product by Contractor, Contractor hereby grants to System Agency, or shall obtain from the applicable third party for System Agency's benefit, the irrevocable, perpetual, non-exclusive, worldwide, royalty-free right and license, for System Agency's internal business purposes only,
  - i. to use, reproduce, display, perform, distribute copies of, and prepare derivative works based upon such Third-Party IP and any derivative works thereof embodied in or delivered to System Agency in conjunction with the Work Product, and
  - ii. to authorize others to do any or all of the foregoing.
- B. Contractor shall obtain System Agency's advance written approval prior to incorporating any Third-Party IP into the Work Product, and Contractor shall notify System Agency on delivery of the Work Product if such materials include any Third Party IP.
- C. Contractor shall provide System Agency all supporting documentation demonstrating Contractor's compliance with this **Section 5.3**, including without limitation documentation indicating a third party's written approval for Contractor to use any Third Party IP that may be incorporated in the Work Product.

## 5.4 AGREEMENTS WITH EMPLOYEES AND SUBCONTRACTORS

Contractor shall have written, binding agreements with its employees and subcontractors that include provisions sufficient to give effect to and enable Contractor's compliance with Contractor's obligations under this **Article V**.

## 5.5 DELIVERY UPON TERMINATION OR EXPIRATION

No later than the first calendar day after the termination or expiration of the Contract or upon System Agency's request, Contractor shall deliver to System Agency all completed, or partially completed, Work Product, including any Incorporated Pre-existing Works, and any and all versions thereof. Contractor's failure to timely deliver such Work Product is a material breach of the Contract. Contractor will not retain any copies of the Work Product or any documentation or other products or results of Contractor's activities under the Contract without the prior written consent of System Agency.

## 5.6 SURVIVAL

The provisions and obligations of this **Article V** survive any termination or expiration of the Contract.

## 5.7 SYSTEM AGENCY DATA

- A. As between the Parties, all data and information acquired, accessed, or made available to Contractor by, through, or on behalf of System Agency or System Agency contractors, including all electronic data generated, processed, transmitted, or stored by Contractor in the course of providing data processing services in connection with Contractor's performance hereunder (the "**System Agency Data**"), is owned solely by System Agency.
- B. Contractor has no right or license to use, analyze, aggregate, transmit, create derivatives of, copy, disclose, or process the System Agency Data except as required for Contractor to fulfill its obligations under the Contract or as authorized in advance in writing by System Agency.
- C. For the avoidance of doubt, Contractor is expressly prohibited from using, and from permitting any third party to use, System Agency Data for marketing, research, or other non-governmental or commercial purposes, without the prior written consent of System Agency.
- D. Contractor shall make System Agency Data available to System Agency, including to System Agency's designated vendors, as directed in writing by System Agency. The foregoing shall be at no cost to System Agency.
- E. Furthermore, the proprietary nature of Contractor's systems that process, store, collect, and/or transmit the System Agency Data shall not excuse Contractor's performance of its obligations hereunder.

## ARTICLE VI. PROPERTY

### 6.1 USE OF STATE PROPERTY

- A. Contractor is prohibited from using State Property for any purpose other than performing Services authorized under the Contract.
- B. State Property includes, but is not limited to, System Agency's office space, identification badges, System Agency information technology equipment and networks (e.g., laptops, portable printers, cell phones, iPads or tablets, external hard drives, data storage devices, any System Agency-issued software, and the System Agency Virtual Private Network (VPN client)), and any other resources of System Agency.
- C. Contractor shall not remove State Property from the continental United States. In addition, Contractor may not use any computing device to access System Agency's network or e-mail while outside of the continental United States.
- D. Contractor shall not perform any maintenance services on State Property unless the Contract expressly authorizes such Services.
- E. During the time that State Property is in the possession of Contractor, Contractor shall be responsible for:
  - i. all repair and replacement charges incurred by State Agency that are associated with loss of State Property or damage beyond normal wear and tear, and

- ii. all charges attributable to Contractor's use of State Property that exceeds the Contract scope. Contractor shall fully reimburse such charges to System Agency within ten (10) calendar days of Contractor's receipt of System Agency's notice of amount due. Use of State Property for a purpose not authorized by the Contract shall constitute breach of contract and may result in termination of the Contract and the pursuit of other remedies available to System Agency under contract, at law, or in equity.

## **6.2 DAMAGE TO GOVERNMENT PROPERTY**

- A. In the event of loss, destruction, or damage to any System Agency or State of Texas owned, leased, or occupied property or equipment by Contractor or Contractor's employees, agents, Subcontractors, and suppliers, Contractor shall be liable to System Agency and the State of Texas for the full cost of repair, reconstruction, or replacement of the lost, destroyed, or damaged property.
- B. Contractor shall notify System Agency of the loss, destruction, or damage of equipment or property within one (1) business day. Contractor shall reimburse System Agency and the State of Texas for such property damage within 10 calendar days after Contractor's receipt of System Agency's notice of amount due.

## **6.3 PROPERTY RIGHTS UPON TERMINATION OR EXPIRATION OF CONTRACT**

In the event the Contract is terminated for any reason, or upon its expiration State Property remains the property of the System Agency and must be returned to the System Agency by the end date of the Contract or upon System Agency's request.

# **ARTICLE VII. WORK ORDERS**

## **7.1 WORK ORDERS**

If the Contract is for indefinite quantities of Services, as specified in the Signature Document, all Work will be performed in accordance with properly executed Work Orders.

## **7.2 PROPOSALS**

For Work Order contracts, the Contractor shall submit to System Agency separate proposals, including pricing and a project plan, for each Project.

## **7.3 RESPONSIBILITY**

For each approved Project, the Contractor shall be responsible for all Work assigned under the Work Order. 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 any other information or special conditions as may be necessary for the Work assigned.

## **7.4 TERMINATION**

If this Work Order is in effect on the day the Contract would otherwise expire, the Contract will remain in effect until this Work Order is terminated or expires; and the Contract and this Work Order may be amended after such termination or expiration to

extend the performance period or add ancillary deliverables or services, only to the extent necessary.

## **ARTICLE VIII. RECORD RETENTION, AUDIT, AND CONFIDENTIALITY**

### **8.1 RECORD MAINTENANCE AND RETENTION**

- A. Contractor shall 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.
- B. Contractor shall maintain and retain legible copies of this Contract and all records relating to the performance of the Contract including supporting fiscal documents adequate to ensure that claims for contract funds are in accordance with applicable State of Texas requirements. These records shall be maintained and retained by Contractor for a minimum of seven (7) years after the Contract expiration date or seven (7) years after the completion of all audit, claim, litigation, or dispute matters involving the Contract are resolved, whichever is later.

### **8.2 AGENCY'S RIGHT TO AUDIT**

- A. Contractor shall make available at reasonable times and upon reasonable notice, and for reasonable periods, work papers, reports, books, records, supporting documents kept current by Contractor pertaining to the Contract for purposes of inspecting, monitoring, auditing, or evaluating by System Agency and the State of Texas.
- B. In addition to any right of access arising by operation of law, Contractor and any of Contractor's affiliate or subsidiary organizations, or Subcontractors shall 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 shall 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 shall 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.
- C. If deemed necessary by the System Agency or any duly authorized authority, for the purpose of investigation or hearing, Contractor shall produce original documents related to this Contract.
- D. The System Agency and any duly authorized authority shall have the right to audit billings both before and after payment, and all documentation that substantiates the billings.

- E. Contractor shall include this provision concerning the right of access to, and examination of, sites and information related to this Contract in any Subcontract it awards.

### **8.3 RESPONSE/COMPLIANCE WITH AUDIT OR INSPECTION FINDINGS**

- A. Contractor must act to ensure its and its Subcontractors' 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 Services and Deliverables provided. Any such correction will be at Contractor's or its Subcontractor's sole expense. Whether Contractor's action corrects the noncompliance shall be solely the decision of the System Agency.
- B. As part of the Services, Contractor must provide to System Agency 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.

### **8.4 STATE AUDITOR'S RIGHT TO AUDIT**

- A. The state auditor may conduct an audit or investigation of any entity receiving funds from the state directly under the Contract or indirectly through a subcontract under the Contract. The 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, under the direction of the legislative audit committee, 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 state auditor must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit.
- B. The Contractor shall comply with any rules and procedures of the state auditor in the implementation and enforcement of Section 2262.154 of the Texas Government Code.

### **8.5 CONFIDENTIALITY**

Contractor shall maintain as confidential and shall not disclose to third parties without System Agency's prior written consent, any System Agency information including but not limited to System Agency Data, System Agency's business activities, practices, systems, conditions and services. This section will survive termination or expiration of this Contract. The obligations of Contractor under this section will survive termination or expiration of this Contract. This requirement must be included in all subcontracts awarded by Contractor.

## **ARTICLE IX. CONTRACT REMEDIES AND EARLY TERMINATION**

### **9.1 CONTRACT REMEDIES**

To ensure Contractor's full performance of the Contract and compliance with applicable law, the System Agency reserves the right to hold Contractor accountable for breach of contract or substandard performance and may take remedial or corrective actions, including, but not limited to:

- i. suspending all or part of the Contract;
- ii. requiring the Contractor to take specific actions in order to remain in compliance with the Contract;



- iii. recouping payments made by the System Agency to the Contractor found to be in error;
- iv. suspending, limiting, or placing conditions on the Contractor's continued performance of Work; or
- v. imposing any other remedies, sanctions, or penalties authorized under this Contract or permitted by federal or state law.

## 9.2 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 the System Agency's notice of termination.

## 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 if the System Agency determines, in 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 System for Award Management (SAM) exclusion list will also constitute a material breach of 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.

## 9.4 CONTRACTOR RESPONSIBILITY FOR SYSTEM AGENCY'S TERMINATION COSTS

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.

# ARTICLE X. INDEMNITY

## 10.1 GENERAL INDEMNITY

- A. CONTRACTOR SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS THE STATE OF TEXAS AND SYSTEM AGENCY, AND/OR THEIR OFFICERS, AGENTS, EMPLOYEES, REPRESENTATIVES, CONTRACTORS, ASSIGNEES, AND/OR DESIGNEES FROM ANY AND ALL LIABILITY, ACTIONS, CLAIMS, DEMANDS, OR SUITS, AND ALL**

**RELATED COSTS, ATTORNEY FEES, AND EXPENSES ARISING OUT OF OR RESULTING FROM ANY ACTS OR OMISSIONS OF CONTRACTOR OR ITS AGENTS, EMPLOYEES, SUBCONTRACTORS, ORDER FULFILLERS, OR SUPPLIERS OF SUBCONTRACTORS IN THE EXECUTION OR PERFORMANCE OF THE CONTRACT AND ANY PURCHASE ORDERS ISSUED UNDER THE CONTRACT.**

- B. 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 FROM THE NEGLIGENT ACTS OF OMISSIONS OF THE SYSTEM AGENCY OR ITS EMPLOYEES.**
- C. For the avoidance of doubt, System Agency shall not indemnify Contractor or any other entity under the Contract.**

## **10.2 INTELLECTUAL PROPERTY**

**CONTRACTOR SHALL DEFEND, INDEMNIFY, AND HOLD HARMLESS THE SYSTEM AGENCY AND THE STATE OF TEXAS FROM AND AGAINST ANY AND ALL CLAIMS, VIOLATIONS, MISAPPROPRIATIONS, OR INFRINGEMENT OF ANY PATENT, TRADEMARK, COPYRIGHT, TRADE SECRET, OR OTHER INTELLECTUAL PROPERTY RIGHTS AND/OR OTHER INTANGIBLE PROPERTY, PUBLICITY OR PRIVACY RIGHTS, AND/OR IN CONNECTION WITH OR ARISING FROM:**

- i. THE PERFORMANCE OR ACTIONS OF CONTRACTOR PURSUANT TO THIS CONTRACT;**
- ii. ANY DELIVERABLE, WORK PRODUCT, CONFIGURED SERVICE OR OTHER SERVICE PROVIDED HEREUNDER; AND/OR**
- iii. SYSTEM AGENCY'S AND/OR CONTRACTOR'S USE OF OR ACQUISITION OF ANY REQUESTED SERVICES OR OTHER ITEMS PROVIDED TO SYSTEM AGENCY BY CONTRACTOR OR OTHERWISE TO WHICH SYSTEM AGENCY HAS ACCESS AS A RESULT OF CONTRACTOR'S PERFORMANCE UNDER THE CONTRACT.**

## **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.**

## **ARTICLE XI. GENERAL PROVISIONS**

### **11.1 AMENDMENT**

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

### **11.2 INSURANCE**

- A. Unless otherwise specified in this Contract, Contractor shall 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 shall 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 shall 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.
- B. 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.

### **11.3 LIMITATION ON AUTHORITY**

- A. The authority granted to Contractor by the System Agency is limited to the terms of the Contract.
- B. Contractor shall not have any authority to act for or on behalf of the System Agency or the State of Texas except as expressly provided for in the Contract; no other authority, power, or use is granted or implied. Contractor may not incur any debt, obligation, expense, or liability of any kind on behalf of System Agency or the State of Texas.
- C. Contractor may not rely upon implied authority and is not granted authority under the Contract to:
- i. Make public policy on behalf of the System Agency;
  - ii. Promulgate, amend, or disregard administrative regulations or program policy decisions made by State and federal agencies responsible for administration of a System Agency program; or
  - iii. Unilaterally communicate or negotiate with any federal or state agency or the Texas Legislature on behalf of the System Agency regarding System Agency

programs or the Contract. However, upon System Agency request and with reasonable notice from System Agency to the Contractor, the Contractor shall assist the System Agency in communications and negotiations regarding the Work under the Contract with state and federal governments.

#### **11.4 LEGAL OBLIGATIONS**

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.

#### **11.5 CHANGE IN LAWS AND COMPLIANCE WITH LAWS**

Contractor shall comply with all laws, regulations, requirements and guidelines applicable to a vendor providing services and products required by the Contract to the State of Texas, as these laws, regulations, requirements and guidelines currently exist and as amended throughout the term of the Contract. System Agency reserves the right, in its sole discretion, to unilaterally amend the Contract to incorporate any modifications necessary for System Agency's compliance, as an agency of the State of Texas, with all applicable state and federal laws, regulations, requirements and guidelines.

#### **11.6 E-VERIFY PROGRAM**

Contractor certifies that for Contracts for Services, Contractor shall utilize the U.S. Department of Homeland Security's E-Verify system during the term of the Contract to determine the eligibility of:

- i. all persons employed by Contractor to perform duties within Texas; and
- ii. all persons, including subcontractors, assigned by the Contractor to perform Work pursuant to the Contract within the United States of America.

#### **11.7 PERMITTING AND LICENSURE**

At Contractor's sole expense, Contractor shall 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 shall be responsible for payment of all taxes, assessments, fees, premiums, permits, and licenses required by law. Contractor shall be responsible for payment of any such government obligations not paid by its Subcontractors during performance of this Contract.

#### **11.8 SUBCONTRACTORS**

Contractor may not subcontract any or all of the Work and/or obligations under the Contract without prior written approval of the System Agency. Subcontracts, if any, entered into by the Contractor shall be in writing and be subject to the requirements of the Contract. Should Contractor Subcontract any of the services required in the Contract, Contractor expressly understands and acknowledges that in entering into such Subcontract(s), System Agency is in no manner liable to any subcontractor(s) of Contractor. In no event shall this provision relieve Contractor of the responsibility for

ensuring that the services performed under all Subcontracts are rendered in compliance with the Contract.

### **11.9 INDEPENDENT CONTRACTOR**

Contractor and Contractor's employees, representatives, agents, Subcontractors, suppliers, and third-party service providers shall serve as independent contractors in providing the services under the Contract. Neither Contractor nor System Agency is an agent of the other and neither may make any commitments on the other party's behalf. Contractor shall have no claim against System Agency for vacation pay, sick leave, retirement benefits, social security, worker's compensation, health or disability benefits, unemployment insurance benefits, or employee benefits of any kind. The Contract shall not create any joint venture, partnership, agency, or employment relationship between Contractor and System Agency.

### **11.10 GOVERNING LAW AND VENUE**

This Contract shall be governed by and construed in accordance with the laws of the State of Texas, without regard to the conflicts of law provisions. The venue of any suit arising under the Contract is fixed in any court of competent jurisdiction of Travis County, Texas, unless the specific venue is otherwise identified in a statute which directly names or otherwise identifies its applicability to the System Agency.

### **11.11 SEVERABILITY**

If any provision of the Contract is held to be illegal, invalid or unenforceable by a court of law or equity, such construction will not affect the legality, validity or enforceability of any other provision or provisions of this Contract. It is the intent and agreement of the Parties this Contract shall be deemed amended by modifying such provision to the extent necessary to render it valid, legal and enforceable while preserving its intent or, if such modification is not possible, by substituting another provision that is valid, legal and enforceable and that achieves the same objective. All other provisions of this Contract will continue in full force and effect.

### **11.12 SURVIVABILITY**

Expiration or termination of the Contract for any reason does not release Contractor from any liability or obligation set forth in the Contract that is expressly stated to survive any such expiration or termination, that by its nature would be intended to be applicable following any such expiration or termination, or that is necessary to fulfill the essential purpose of the Contract, including without limitation the provisions regarding warranty, indemnification, confidentiality, and rights and remedies upon termination.

### **11.13 FORCE MAJEURE**

Neither Contractor nor System Agency shall be liable to the other for any delay in, or failure of performance of, any requirement included in the Contract caused by force majeure. The existence of such causes of delay or failure shall extend the period of performance until after the causes of delay or failure have been removed provided the non-performing party exercises all reasonable due diligence to perform. Force majeure is defined as acts of God, war, fires, explosions, hurricanes, floods, failure of transportation, or other causes that are beyond the reasonable control of either party and that by exercise of due foresight such party could not reasonably have been expected to

avoid, and which, by the exercise of all reasonable due diligence, such party is unable to overcome.

#### **11.14 DISPUTE RESOLUTION**

- A. The dispute resolution process provided for in Chapter 2260 of the Texas Government Code must be used to attempt to resolve any dispute arising under the Contract. If the Contractor's claim for breach of contract cannot be resolved informally with the System Agency, the claim shall be submitted to the negotiation process provided in Chapter 2260. To initiate the process, the Contractor shall submit written notice, as required by Chapter 2260, to the individual identified in the Contract for receipt of notices. Any informal resolution efforts shall in no way modify the requirements or toll the timing of the formal written notice of a claim for breach of contract required under §2260.051 of the Texas Government Code. Compliance by the Contractor with Chapter 2260 is a condition precedent to the filing of a contested case proceeding under Chapter 2260.
- B. The contested case process provided in Chapter 2260 is the Contractor's sole and exclusive process for seeking a remedy for an alleged breach of contract by the System Agency if the Parties are unable to resolve their disputes as described above.
- C. Notwithstanding any other provision of the Contract to the contrary, unless otherwise requested or approved in writing by the System Agency, the Contractor shall continue performance and shall not be excused from performance during the period of any breach of contract claim or while the dispute is pending. However, the Contractor may suspend performance during the pendency of such claim or dispute if the Contractor has complied with all provisions of Section 2251.051, Texas Government Code, and such suspension of performance is expressly applicable and authorized under that law.

#### **11.15 NO IMPLIED WAIVER OF PROVISIONS**

The failure of the System Agency to object to or to take affirmative action with respect to any conduct of the Contractor which is in violation or breach of the terms of the Contract shall not be construed as a waiver of the violation or breach, or of any future violation or breach.

#### **11.16 MEDIA RELEASES**

- A. Contractor shall not use System Agency's name, logo, or other likeness in any press release, marketing material, or other announcement without System Agency's prior written approval. System Agency does not endorse any vendor, commodity, or service. Contractor is not authorized to make or participate in any media releases or public announcements pertaining to this Contract or the Services to which they relate without System Agency's prior written consent, and then only in accordance with explicit written instruction from System Agency.
- B. 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.

### **11.17 NO MARKETING ACTIVITIES**

Contractor is prohibited from using the Work for any Contractor or third-party marketing, advertising, or promotional activities, without the prior written consent of System Agency. The foregoing prohibition includes, without limitation, the placement of banners, pop-up ads, or other advertisements promoting Contractor's or a third party's products, services, workshops, trainings, or other commercial offerings on any website portal or internet-based service or software application hosted or managed by Contractor as part of the Work.

### **11.18 PROHIBITION ON NON-COMPETE RESTRICTIONS**

Contractor shall 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.

### **11.19 SOVEREIGN IMMUNITY**

Nothing in the Contract shall be construed as a waiver of the System Agency's or the State's sovereign immunity. This Contract shall not constitute or be construed as a waiver of any of the privileges, rights, defenses, remedies, or immunities available to the System Agency or the State of Texas. The failure to enforce, or any delay in the enforcement of, any privileges, rights, defenses, remedies, or immunities available to the System Agency or the State of Texas under the Contract or under applicable law shall not constitute a waiver of such privileges, rights, defenses, remedies, or immunities or be considered as a basis for estoppel. System Agency does not waive any privileges, rights, defenses, or immunities available to System Agency by entering into the Contract or by its conduct prior to or subsequent to entering into the Contract.

### **11.20 ENTIRE CONTRACT AND MODIFICATION**

This 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.

### **11.21 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.

### **11.22 CIVIL RIGHTS**

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



- B. Contractor agrees to comply with all amendments to the above-referenced 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 aid, care, service or other benefits provided by Federal or State funding, or otherwise be subjected to discrimination.
- C. 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. State and federal 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, in appropriate languages other than English, in order to ensure that persons with limited English proficiency are effectively informed and can have meaningful access to programs, benefits, and activities.
- D. 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: <https://hhs.texas.gov/about-hhs/your-rights/civil-rights-office/civil-rights-posters>
- E. Contractor agrees to comply with Executive Order 13279, and its 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.
- F. Upon request, Contractor shall provide HHSC's Civil Rights Office with copies of the Contractor's civil rights policies and procedures.
- G. Contractor must notify HHSC's Civil Rights Office of any complaints of discrimination received relating to its performance under this Contract. This notice must be delivered no more than ten (10) calendar days after receipt of a complaint. Notice provided pursuant to this section 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  
Fax: (512) 438-5885  
Email: [HHSCivilRightsOffice@hhsc.state.tx.us](mailto:HHSCivilRightsOffice@hhsc.state.tx.us)

### **11.23 ENTERPRISE INFORMATION MANAGEMENT STANDARDS**

Contractor shall conform to HHS standards for data management as described by the policies of the HHS Chief Data and Analytics Officer. 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 HHS for ongoing data governance, strategic portfolio analysis, interoperability planning, and valuation of HHS System data assets.

#### **11.24 DISCLOSURE OF LITIGATION**

- A. The Contractor must disclose in writing to the contract manager assigned to this Contract any material civil or criminal litigation or indictment either threatened or pending involving the Contractor. "Threatened litigation" as used herein shall include governmental investigations and civil investigative demands. "Litigation" as used herein shall include administrative enforcement actions brought by governmental agencies. The Contractor must also disclose any material litigation threatened or pending involving Subcontractors, consultants, and/or lobbyists. For purposes of this section, "material" refers, but is not limited, to any action or pending action that a reasonable person knowledgeable in the applicable industry would consider relevant to the Work under the Contract or any development such a person would want to be aware of in order to stay fully apprised of the total mix of information relevant to the Work, together with any litigation threatened or pending that may result in a substantial change in the Contractor's financial condition.
- B. This is a continuing disclosure requirement; any litigation commencing after Contract Award must be disclosed in a written statement to the assigned contract manager within seven calendar days of its occurrence.

#### **11.25 NO THIRD-PARTY BENEFICIARIES**

The Contract is made solely and specifically among and for the benefit of the Parties named herein and their respective successors and assigns, and no other person shall have any right, interest, or claims hereunder or be entitled to any benefits pursuant to or on account of the Contract as a third-party beneficiary or otherwise.

#### **11.26 BINDING EFFECT**

The Contract shall inure to the benefit of, be binding upon, and be enforceable against, each Party and their respective permitted successors, assigns, transferees, and delegates.



**Solicitation Number HHS0009514****Exhibit A. HHS SOLICITATION AFFIRMATIONS**

In this document, HHS includes both the Health and Human Services Commission (HHSC) and the Department of State Health Services (DSHS). System Agency refers to HHSC, DSHS, or both, that will be a party to any contract resulting from the Solicitation. In this document, the terms Respondent, Contractor, Applicant, and Vendor, when referring to the following affirmations (whether framed as certifications, representations, warranties, or in other terms) refer to Respondent, and the affirmations apply to all Respondents regardless of their business form (e.g., individual, partnership, corporation).

Respondent must provide information, as applicable, and affirms, without exception, as follows:

1. Respondent represents and warrants that all certifications, representations, warranties, and other provisions in this Affirmations and Solicitation Acceptance apply to Respondent and all of Respondent'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 Solicitation or any contract resulting from this Solicitation.
2. **Complete and Accurate Information.** Respondent represents and warrants that all statements and information provided to HHS are current, complete, and accurate. This includes all statements and information in this Solicitation Response.
3. **Public Information Act.** Respondent understands that HHS will comply with the Texas Public Information Act (Chapter 552 of the Texas Government Code) as interpreted by judicial rulings and opinions of the Attorney General of the State of Texas. Information, documentation, and other material prepared and submitted in connection with this Solicitation or any resulting contract may be subject to public disclosure pursuant to the Texas Public Information Act. In accordance with Section 2252.907 of the Texas Government Code, Respondent is required to make any information created or exchanged with the State pursuant to the contract, and not otherwise excepted from disclosure under the Texas Public Information Act, available in a format that is accessible by the public at no additional charge to the State.
4. **Contracting Information Requirements.** Respondent represents and warrants that it will comply with the requirements of Section 552.372(a) of the Texas Government Code. Except as provided by Section 552.374(c) of the Texas Government Code, the requirements of Subchapter J (Additional Provisions Related to Contracting Information), Chapter 552 of the Government Code, may apply to the contract and the Respondent agrees that the contract can be terminated if the Respondent knowingly or intentionally fails to comply with a requirement of that subchapter.
5. **Confidential or Proprietary Information.** Respondent acknowledges its obligation to specifically identify information it contends to be confidential or proprietary and, if Respondent designated substantial portions of its Solicitation Response or its entire Solicitation Response as confidential or proprietary, the Solicitation Response is subject to being disqualified.

6. **Binding Offer.** Respondent's Solicitation Response will remain a firm and binding offer for 240 days from the date the Solicitation Response is due.
7. **Assignment.** Respondent shall not assign its rights under the contract or delegate the performance of its duties under the contract without prior written approval from System Agency. Any attempted assignment in violation of this provision is void and without effect.
8. **Terms and Conditions.** Respondent accepts the Solicitation terms and conditions unless specifically noted by exceptions advanced in the form and manner directed in the Solicitation. No exceptions, terms, or conditions will be considered if not advanced in the form and manner directed in the Solicitation. Respondent agrees that all exceptions to the Solicitation as well as terms and conditions advanced by Respondent that differ in any manner from HHS' terms and conditions are rejected unless expressly accepted by System Agency in writing in a fully executed contract.
9. **HHS Right to Use.** Respondent agrees that HHS has the right to use, produce, and distribute copies of and to disclose to HHS employees, agents, and contractors and other governmental entities all or part of Respondent's Solicitation Response as HHS deems necessary to complete the procurement process or comply with state or federal laws.
10. **Release from Liability.** Respondent generally releases from liability and waives all claims against any party providing information about the Respondent at the request of HHS.
11. **Addenda and Amendments to Solicitation.** Respondent acknowledges all addenda and amendments to the Solicitation.
12. **Texas Bidder.** Respondent certifies that if a Texas address is shown as the address of Respondent on this Response, Respondent qualifies as a Texas Bidder as defined in Section 2155.444(c) of the Texas Government Code.
13. **Preferences.** Respondent represents and warrants that it qualifies for all preferences claimed under 34 Texas Administrative Code, Section 20.306 or Chapter 2155, Subchapter H of the Texas Government Code as indicated below (check applicable boxes):
  - Goods produced or offered by a Texas bidder that is owned by a Texas resident service-disabled veteran
  - Goods produced in Texas or offered by a Texas bidder that is not owned by a Texas resident service-disabled veteran
  - Agricultural products grown in Texas
  - Agricultural products offered by a Texas bidder
  - Services offered by a Texas bidder that is owned by a Texas resident service-disabled veteran
  - Services offered by a Texas bidder that is not owned by a Texas resident service-disabled veteran
  - Texas Vegetation Native to the Region
  - USA-produced supplies, materials or equipment
  - Products of persons with mental or physical disabilities
  - Products made of recycled, remanufactured, or environmentally sensitive materials including recycled steel

- Energy efficient products
- Rubberized asphalt paving material
- Recycled motor oil and lubricants
- Products produced at facilities located on formerly contaminated property
- Products and services from economically depressed or blighted areas
- Vendors that meet or exceed air quality standards
- Recycled or reused computer equipment of other manufacturers
- Foods of higher nutritional value
- Commercial production company or advertising agency located in Texas

- 14. Dealings with Public Servants.** Respondent 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 Solicitation Response, this Solicitation, or any contract resulting from this Solicitation.
- 15. Financial Participation Prohibited.** Under Section 2155.004, Texas Government Code (relating to financial participation in preparing solicitations), Respondent certifies that the individual or business entity named in this Response or contract is not ineligible to receive the specified contract and acknowledges that this contract may be terminated and payment withheld if this certification is inaccurate.
- 16. Prior Disaster Relief Contract Violation.** Under Sections 2155.006 and 2261.053 of the Texas Government Code (relating to convictions and penalties regarding Hurricane Rita, Hurricane Katrina, and other disasters), the Respondent certifies that the individual or business entity named in this bid or contract is not ineligible to receive the specified contract and acknowledges that this contract may be terminated and payment withheld if this certification is inaccurate.
- 17. Child Support Obligation.** Under Section 231.006(d) of the Texas Family Code regarding child support, Respondent certifies that the individual or business entity named in this Response is not ineligible to receive the specified payment and acknowledges that the contract may be terminated and payment may be withheld if this certification is inaccurate. Furthermore, any Respondent subject to Section 231.006 of the Texas Family Code must include in the Response the names and social security numbers (SSNs) of each person with at least 25% ownership of the business entity submitting the Response:

Name: <u>William S. Mosakowski</u>	SSN: <u>██████████</u>
Name: _____	SSN: _____
Name: _____	SSN: _____
Name: _____	SSN: _____

**FEDERAL PRIVACY ACT NOTICE:** This notice is given pursuant to the Federal Privacy Act. Disclosure of requested SSNs is required under Section 231.006(c) and Section 231.302(c)(2), Texas Family Code. The SSNs will be used to identify persons that may owe child support. The SSNs will be kept confidential to the fullest extent permitted by law.

If submitted by email, Responses containing SSNs must be encrypted. Failure by a Respondent to provide or encrypt the SSNs as required may result in disqualification of the Respondent's Response.

18. **Suspension and Debarment.** Respondent certifies that it and its principals are not suspended or debarred from doing business with the state or federal government as listed on the *State of Texas Debarred Vendor List* maintained by the Texas Comptroller of Public Accounts and the *System for Award Management (SAM)* maintained by the General Services Administration. 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 Respondent's subcontracts, if any, if payment in whole or in part is from federal funds.
19. **Excluded Parties.** Respondent certifies that it is not listed in the prohibited vendors list authorized by Executive Order 13224, "*Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism,*" published by the United States Department of the Treasury, Office of Foreign Assets Control.
20. **Foreign Terrorist Organizations.** Respondent represents and warrants that it is not engaged in business with Iran, Sudan, or a foreign terrorist organization, as prohibited by Section 2252.152 of the Texas Government Code.
21. **Executive Head of a State Agency.** In accordance with Section 669.003 of the Texas Government Code, relating to contracting with the executive head of a state agency, Respondent certifies that it is not (1) the executive head of an HHS agency, (2) a person who at any time during the four years before the date of the contract was the executive head of an HHS agency, or (3) a person who employs a current or former executive head of an HHS agency.
22. **Human Trafficking Prohibition.** Under Section 2155.0061 of the Texas Government Code, the Respondent certifies that the individual or business entity named in this Response or contract is not ineligible to receive the specified contract and acknowledges that this contract may be terminated and payment withheld if this certification is inaccurate.
23. **Franchise Tax Status.** Respondent 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.
24. **Debts and Delinquencies.** Respondent agrees that any payments due under any contract resulting from this Solicitation shall be applied towards any debt or delinquency that is owed to the State of Texas.
25. **Lobbying Prohibition.** Respondent represents and warrants that payments to Respondent and Respondent's receipt of appropriated or other funds under any contract resulting from this Solicitation 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).
26. **Buy Texas.** Respondent agrees to comply with Section 2155.4441 of the Texas Government Code, requiring the purchase of products and materials produced in the State of Texas in performing service contracts.

27. **Disaster Recovery Plan.** Respondent agrees that upon request of HHS, Respondent shall provide copies of its most recent business continuity and disaster recovery plans.
28. **Computer Equipment Recycling Program.** If Respondent is submitting a Response for the purchase or lease of computer equipment, then Respondent certifies that it is in compliance with Subchapter Y, Chapter 361 of the Texas Health and Safety Code related to the Computer Equipment Recycling Program and the Texas Commission on Environmental Quality rules in 30 TAC Chapter 328.
29. **Television Equipment Recycling Program.** If Respondent is submitting a Response for the purchase or lease of covered television equipment, then Respondent certifies that it is compliance with Subchapter Z, Chapter 361 of the Texas Health and Safety Code related to the Television Equipment Recycling Program.
30. **Cybersecurity Training.** Respondent represents and warrants that it will comply with the requirements of Section 2054.5192 of the Texas Government Code relating to cybersecurity training and required verification of completion of the training program.
31. **Restricted Employment for Certain State Personnel.** Respondent acknowledges that, pursuant to Section 572.069 of the Texas Government Code, a former state officer or employee of a state agency who during the period of state service or employment participated on behalf of a state agency in a procurement or contract negotiation involving Respondent may not accept employment from Respondent before the second anniversary of the date the contract is signed or the procurement is terminated or withdrawn.
32. **No Conflicts of Interest.** Respondent represents and warrants that it has no actual or potential conflicts of interest in providing the requested goods or services to System Agency under this Solicitation and any resulting contract and that Respondent's provision of the requested goods and/or services under this Solicitation and any resulting contract will not constitute an actual or potential conflict of interest or reasonably create an appearance of impropriety.
33. **Fraud, Waste, and Abuse.** Respondent understands that HHS does not tolerate any type of fraud, waste, or abuse. Violations of law, agency policies, or standards of ethical conduct will be investigated, and appropriate actions will be taken. Pursuant to Texas Government Code, Section 321.022, if the administrative head of a department or entity that is subject to audit by the state auditor has reasonable cause to believe that money received from the state by the department or entity or by a client or contractor of the department or entity may have been lost, misappropriated, or misused, or that other fraudulent or unlawful conduct has occurred in relation to the operation of the department or entity, the administrative head shall report the reason and basis for the belief to the Texas State Auditor's Office (SAO). All employees or contractors who have reasonable cause to believe that fraud, waste, or abuse has occurred (including misconduct by any HHS employee, Grantee officer, agent, employee, or subcontractor that would constitute fraud, waste, or abuse) are required to immediately report the questionable activity to the Health and Human Services Commission's Office of Inspector General. Respondent agrees to comply with all applicable laws, rules, regulations, and System Agency policies regarding fraud, waste, and abuse including, but not limited to, HHS Circular C-027.

A report to the SAO must be made through one of the following avenues:

- SAO Toll Free Hotline: 1-800-TX-AUDIT
- SAO website: <http://sao.fraud.state.tx.us/>



All reports made to the OIG must be made through one of the following avenues:

- OIG Toll Free Hotline 1-800-436-6184
- OIG Website: ReportTexasFraud.com
- Internal Affairs Email: InternalAffairsReferral@hhsc.state.tx.us
- OIG Hotline Email: OIGFraudHotline@hhsc.state.tx.us.
- OIG Mailing Address: Office of Inspector General

Attn: Fraud Hotline

MC 1300

P.O. Box 85200

Austin, Texas 78708-5200

- 34. Antitrust.** The undersigned affirms under penalty of perjury of the laws of the State of Texas that (a) in connection with this Response, neither I nor any representative of the Respondent has violated any provision of the Texas Free Enterprise and Antitrust Act, Tex. Bus. & Comm. Code Chapter 15; (b) in connection with this Response, neither I nor any representative of the Respondent has violated any federal antitrust law; and (c) neither I nor any representative of the Respondent has directly or indirectly communicated any of the contents of this Response to a competitor of the Respondent or any other company, corporation, firm, partnership or individual engaged in the same line of business as the Respondent.
- 35. Legal and Regulatory Actions.** Respondent 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 Respondent or any of the individuals or entities included in numbered paragraph 1 of this Affirmations and Solicitation Acceptance within the five (5) calendar years immediately preceding the submission of this Solicitation response that would or could impair Respondent's performance under any contract resulting from this Solicitation, relate to the contracted or similar goods or services, or otherwise be relevant to System Agency's consideration of entering into a contract. If Respondent is unable to make the preceding representation and warranty, then Respondent instead represents and warrants that it has included as a detailed attachment to this Solicitation Affirmations document a complete, detailed disclosure of any such court or governmental agency proceeding, investigation, or other action that would or could impair Respondent's performance under a contract awarded as a result of this Solicitation, relate to the contracted or similar goods or services, or otherwise be relevant to System Agency's consideration of entering into a contract. Respondent must identify here how many pages, if any, are attached: \_\_\_\_\_. Respondent acknowledges this is a continuing disclosure requirement. In addition, Respondent represents and warrants that, if awarded a contract as a result of this Solicitation, Respondent shall notify 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 System Agency shall constitute breach of contract and may result in immediate contract termination.
- 36. E-Verify.** Respondent certifies that for contracts for services, Respondent shall utilize the U.S. Department of Homeland Security's E-Verify system during the term of the contract to determine the eligibility of:
- A. all persons employed by Respondent to perform duties within Texas; and
  - B. all persons, including subcontractors, assigned by Respondent to perform work pursuant to the contract within the United States of America.

**37. Former Agency Employees – Certain Contracts.** If this Solicitation is for an employment contract, a professional services contract under Chapter 2254 of the Texas Government Code, or a consulting services contract under Chapter 2254 of the Texas Government Code, Respondent represents and warrants that neither Respondent nor any of Respondent's employees including, but not limited to, those authorized to provide services under the contract, were former employees of an HHS Agency during the twelve (12) month period immediately prior to the date of the execution of the contract.

**38. Disclosure of Prior State Employment – Consulting Services.** If this Solicitation is for consulting services,

A. In accordance with Section 2254.033 of the Texas Government Code, a Respondent offering to provide consulting services in response to this solicitation who has been employed by, or employs an individual who has been employed by, System Agency or another State of Texas agency at any time during the two years preceding the submission of Respondent's Solicitation Response must disclose the following information in its Solicitation Response and hereby certifies that this information is true, correct, and complete:

(1) Name of individual(s) (Respondent or employee(s)):

---

(2) Status (check one):  Respondent  Employee

(3) The nature of the previous employment with System Agency or the other State of Texas agency:

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(4) The date the employment was terminated and the reason for the termination:

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(5) The annual rate of compensation for the employment at the time of its termination: \_\_\_\_\_

If more than one individual is identified in A(1) above, Respondent must provide responses to A(2)-(5) as to each identified individual. To satisfy this requirement, Respondent must attach a separate page or pages, as necessary, and include the information required in Section A, including subsections (1)-(5). Respondent must identify here how many pages, if any, are attached: \_\_\_\_\_. Respondent acknowledges, agrees, and certifies that all information provided is true, correct, and complete on this and all attached pages.

B. If no information is provided in response to Section A above, Respondent certifies that neither Respondent nor any individual employed by Respondent was employed by System Agency or any other State of Texas agency at any time during the two years preceding the submission of Respondent's Solicitation Response.



- 39. Entities that Boycott Israel.** Pursuant to Section 2271.002 of the Texas Government Code, Respondent certifies that either (1) it meets an exemption criteria under Section 2271.002; or (2) it does not boycott Israel and will not boycott Israel during the term of the contract resulting from this Solicitation. If Respondent refuses to make that certification, Respondent shall state here any facts that make it exempt from the boycott certification:
- 

- 40. Abortion Funding Limitation.** Respondent understands, acknowledges, and agrees that, pursuant to Article IX of the General Appropriations Act (the Act), to the extent allowed by federal and state law, money appropriated by the Texas Legislature may not be distributed to any individual or entity that, during the period for which funds are appropriated under the Act: (1) performs an abortion procedure that is not reimbursable under the state's Medicaid program; (2) is commonly owned, managed, or controlled by an entity that performs an abortion procedure that is not reimbursable under the state's Medicaid program; or (3) is a franchise or affiliate of an entity that performs an abortion procedure that is not reimbursable under the state's Medicaid program. The provision does not apply to a hospital licensed under Chapter 241, Health and Safety Code, or an office exempt under Section 245.004(2), Health and Safety Code. Respondent represents and warrants that it is not ineligible, nor will it be ineligible during the term of the contract resulting from this Solicitation, to receive appropriated funding pursuant to Article IX.

- 41. Funding Eligibility.** Respondent understands, acknowledges, and agrees that, pursuant to Chapter 2272 (eff. Sept. 1, 2021, Ch. 2273) of the Texas Government Code, except as exempted under that Chapter, System Agency cannot contract with an abortion provider or an affiliate of an abortion provider. Respondent certifies that it is not ineligible to contract with System Agency under the terms of Chapter 2272 (eff. Sept. 1, 2021, Ch. 2273) of the Texas Government Code. If Respondent refuses to make that certification, Respondent shall state here any facts that make it exempt from the certification:
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- 42. Prohibition on Certain Telecommunications and Video Surveillance Services or Equipment (2 CFR 200.216).** Respondent certifies that the individual or business entity named in this Response or contract is not ineligible to receive the specified contract or funding pursuant to 2 CFR 200.216.

- 43. COVID-19 Vaccine Passports.** Pursuant to Texas Health and Safety Code, Section 161.0085(c), Respondent certifies that it does not require its customers to provide any documentation certifying the customer's COVID-19 vaccination or post-transmission recovery on entry to, to gain access to, or to receive service from the Respondent's business. Respondent acknowledges that such a vaccine or recovery requirement would make Respondent ineligible for a state-funded contract.
- 44. Entities that Boycott Energy Companies.** In accordance with Senate Bill 13, Acts 2021, 87th Leg., R.S., if Respondent is required to make a verification pursuant to Section 2274.002 of the Texas Government Code (relating to prohibition on contracts with companies boycotting certain energy companies), Respondent verifies that Respondent does not boycott energy companies and will not boycott energy companies during the term of the Contract. If Respondent does not make that verification, Respondent must state here why the verification is not required:
- 
- 45. Entities that Discriminate Against Firearm and Ammunition Industries.** In accordance with Senate Bill 19, Acts 2021, 87th Leg., R.S., if Respondent is required to make a verification pursuant to Section 2274.002 of the Texas Government Code (relating to prohibition on contracts with companies that discriminate against firearm and ammunition industries), Respondent verifies that it (1) does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and (2) will not discriminate during the term of the contract against a firearm entity or firearm trade association. If Respondent does not make that verification, Respondent must state here why the verification is not required:
- 
- 46. Security Controls for State Agency Data.** In accordance with Senate Bill 475, Acts 2021, 87th Leg., R.S., pursuant to Texas Government Code, Section 2054.138, Respondent understands, acknowledges, and agrees that if awarded a contract pursuant to this Solicitation and under which Respondent will be authorized to access, transmit, use, or store data for System Agency, Respondent is required to meet the security controls the System Agency determines are proportionate with System Agency's risk under the contract based on the sensitivity of System Agency's data and that Respondent must periodically provide to System Agency evidence that Respondent meets the security controls required under the contract.
- 47. Cloud Computing State Risk and Authorization Management Program.** In accordance with Senate Bill 475, Acts 2021, 87th Leg., R.S., pursuant to Texas Government Code, Section 2054.0593, Respondent acknowledges and agrees that, if providing cloud computing services for System Agency, Respondent must comply with the requirements of the state risk and authorization management program and that System Agency may not enter or renew a contract with a vendor to purchase cloud computing services for the agency that are subject to the state risk and authorization management program unless the vendor demonstrates compliance with program requirements. If

providing cloud computing services for System Agency that are subject to the state risk and authorization management program, Respondent certifies it will maintain program compliance and certification throughout the term of the Contract.

- 48. Foreign-Owned Companies in Connection with Critical Infrastructure.** If Texas Government Code, Section 2274.0102(a)(1) (relating to prohibition on contracts with certain foreign-owned companies in connection with critical infrastructure) is applicable to a contract resulting from this Solicitation, pursuant to Government Code Section 2274.0102, Respondent certifies that neither it nor its parent company, nor any affiliate of Respondent or its parent company, is: (1) majority owned or controlled by citizens or governmental entities of China, Iran, North Korea, Russia, or any other country designated by the Governor under Government Code Section 2274.0103, or (2) headquartered in any of those countries.
- 49. Critical Infrastructure Subcontracts.** For purposes of this Paragraph, the designated countries are China, Iran, North Korea, Russia, and any countries lawfully designated by the Governor as a threat to critical infrastructure. Pursuant to Section 113.002 of the Business and Commerce Code, Respondent shall not enter into a subcontract that will provide direct or remote access to or control of critical infrastructure, as defined by Section 113.001 of the Texas Business and Commerce Code, in this state, other than access specifically allowed for product warranty and support purposes to any subcontractor unless (i) neither the subcontractor nor its parent company, nor any affiliate of the subcontractor or its parent company, is majority owned or controlled by citizens or governmental entities of a designated country; and (ii) neither the subcontractor nor its parent company, nor any affiliate of the subcontractor or its parent company, is headquartered in a designated country. Respondent will notify the System Agency before entering into any subcontract that will provide direct or remote access to or control of critical infrastructure, as defined by Section 113.001 of the Texas Business & Commerce Code, in this state.
- 50. Enforcement of Certain Federal Firearms Laws Prohibited.** In accordance with House Bill 957, Acts 2021, 87th Leg., R.S., if Texas Government Code, Section 2.101 is applicable to Respondent, Respondent certifies that it is not ineligible to receive state grant funds pursuant to Texas Government Code, Section 2.103.
- 51. Prohibition on Abortions.** Respondent understands, acknowledges, and agrees that, pursuant to Article II of the General Appropriations Act, (1) no funds shall be used to pay the direct or indirect costs (including marketing, overhead, rent, phones, and utilities) of abortion procedures provided by contractors of HHSC; and (2) no funds appropriated for Medicaid Family Planning, Healthy Texas Women Program, or the Family Planning Program shall be distributed to individuals or entities that perform elective abortion procedures or that contract with or provide funds to individuals or entities for the performance of elective abortion procedures. Respondent represents and warrants that it is not ineligible, nor will it be ineligible during the term of the contract resulting from this Solicitation, to receive appropriated funding pursuant to Article II.
- 52. Public Information Act Copy.** Respondent understands, acknowledges, and agrees, that solicitation responses and contracts are subject to the Texas Public Information Act (PIA), Texas Government Code Chapter 552, and may be disclosed to the public upon

request or through posting on the System Agency's website, the LBB's website, or as otherwise required by law. Respondent certifies that it:

asserts that information provided in its response is exempt from disclosure under the PIA, and Respondent, therefore, has submitted a "Public Information Act Copy" as required under the solicitation; or

asserts that there is no information provided in its response that is exempt from disclosure under the PIA, and Respondent, therefore, has not submitted a "Public Information Act Copy."

- 53. No Felony Criminal Convictions.** Respondent represents that neither Respondent nor any of its employees, agents, or representatives, including any subcontractors and employees, agents, or representative of such subcontractors, have been convicted of a felony criminal offense or that if such a conviction has occurred Respondent has fully advised System Agency in writing of the facts and circumstances surrounding the convictions.
- 54. Unfair Business Practices.** Respondent represents and warrants that it has not been the subject of allegations of Deceptive Trade Practices violations under Chapter 17 of the Texas Business and Commerce Code, or allegations of any unfair business practice in any administrative hearing or court suit and that Respondent has not been found to be liable for such practices in such proceedings. Respondent certifies that it has no officers who have served as officers of other entities who have been the subject of allegations of Deceptive Trade Practices violations or allegations of any unfair business practices in an administrative hearing or court suit and that such officers have not been found to be liable for such practices in such proceedings.
- 55. False Representation.** Respondent understands, acknowledges, and agrees that any false representation or any failure to comply with a representation, warranty, or certification made by Respondent is subject to all civil and criminal consequences provided at law or in equity including, but not limited to, immediate termination of any contract resulting from this Solicitation.
- 56. Permits and Licenses.** Respondent 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, statutes, codes, and other laws that pertain to any contract resulting from this Solicitation.
- 57. False Statements.** Respondent represents and warrants that all statements and information prepared and submitted in this document are current, complete, true, and accurate. Submitting a Response with a false statement or material misrepresentations made during the performance of a contract is a material breach of contract and may void the submitted Response and any resulting contract.
- 58. Signature Authority.** By submitting this Response, Respondent represents and warrants that the individual submitting this document and the documents made part of this Response is authorized to sign such documents on behalf of the Respondent and to bind the Respondent under any contract that may result from the submission of this Response.

**Signature Page Follows**

**Authorized representative on behalf of Respondent must complete and sign the following:**

Public Consulting Group LLC

**Legal Name of Respondent**

N/A

**Assumed Business Name of Respondent, if applicable (d/b/a or 'doing business as')**

N/A

**Texas County(s) for Assumed Business Name (d/b/a or 'doing business as')**  
**Attach Assumed Name Certificate(s) filed with the Texas Secretary of State and Assumed Name Certificate(s), if any, for each Texas County Where Assumed Name Certificate(s) has been filed.**



10/26/2021

**Signature of Authorized Representative**

William S. Mosakowski

**Date Signed**

President/CEO

**Printed Name of Authorized Representative  
First, Middle Name or Initial, and Last Name**

148 State Street, 10th Floor

**Physical Street Address**

N/A

**Mailing Address, if different**

(617) 426-2026

**Phone Number**

pcheesman@pcgus.com

**Email Address**

04-2942913

**Federal Employer Identification Number**

10429429136

**Texas Franchise Tax Number**

Boston, MA 02109

**City, State, Zip Code**

N/A

**City, State, Zip Code**

(617) 426-4632

**Fax Number**

18-282-6909

**DUNS Number**

10429429136

**Texas Payee ID No. – 11 digits**

0010600506

**Texas Secretary of State Filing Number**

## **APPENDIX P – EXHIBIT C: FEDERAL ASSURANCES**

In the following pages, please find PCG's executed and signed *Exhibit C: Federal Assurances*.



[View Burden Statement](#)**ASSURANCES - NON-CONSTRUCTION PROGRAMS**

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0040), Washington, DC 20503.

**PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.**


**NOTE:** Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the awarding agency. Further, certain Federal awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project cost) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
4. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
6. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee- 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.
7. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
8. Will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.



9. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally-assisted construction subagreements.
10. Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
13. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.
15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.
16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.
19. Will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. 7104) which prohibits grant award recipients or a sub-recipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL 	TITLE President/CEO
APPLICANT ORGANIZATION Public Consulting Group LLC	DATE SUBMITTED 10/26/2021

## **APPENDIX Q – EXHIBIT C-1: CERTIFICATION REGARDING LOBBYING**

In the following pages, please find PCG's executed and signed *Exhibit C-1: Certification Regarding Lobbying*.

**CERTIFICATION REGARDING LOBBYING**

## Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

## Statement for Loan Guarantees and Loan Insurance

The undersigned states, to the best of his or her knowledge and belief, that:

If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions. Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

**\* APPLICANT'S ORGANIZATION**

Public Consulting Group LLC

**\* PRINTED NAME AND TITLE OF AUTHORIZED REPRESENTATIVE**

Prefix: Mr.

\* First Name: William

Middle Name: S.

\* Last Name: Mosakowski

Suffix:

\* Title: President/CEO

\* SIGNATURE: William S. Mosakowski

\* DATE: 10/26/2021