



Notice of Request for Proposal

SOLICITATION # YH21-0018

CMS Interoperability and Patient Access Services

Procurement Officer:

Mr. Tracey Thomas
 Procurement Manager
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Issue Date: May 2, 2022

RFP DESCRIPTION:	CMS Interoperability and Patient Access Services
Pre-Proposal Conference:	A Pre-Proposal Conference has NOT been scheduled.
<p>Questions Due:</p> <p><i>Questions shall be submitted to the procurement on the Q&A form provided with this RFP. Answers will be posted publicly on the AHCCCS website in the form of a Solicitation Amendment for the benefit of all Potential Offerors.</i></p>	<p>May 20, 2022 by 3:00 PM Arizona Time</p>
<p>ALL OFFERORS MUST REQUEST</p> <p>ACCESS TO THE AHCCCS Secure File Share (ASFS):</p> <p><i>See Proposal Submission Instructions for details</i></p>	<p>May 27, 2022 by 3:00 PM Arizona Time</p>
<p>PROPOSAL DUE DATE:</p> <p><i>Proposals shall be submitted in accordance with this solicitation proposal instructions prior to the time and date indicated here, or as may be amended through a solicitation amendment.</i></p>	<p>June 17, 2022 by 3:00 PM ARIZONA TIME</p>

**Late proposals shall not be considered.
 OFFERORS ARE STRONGLY ENCOURAGED TO CAREFULLY READ THE ENTIRE SOLICITATION.**

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

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ATTACHMENTS and EXHIBITS BELOW ARE INCORPORATED INTO THIS SOLICITATION BY REFERENCE AND LOCATED WITH THE RFP HERE:

<https://www.azahcccs.gov/Resources/OversightOfHealthPlans/SolicitationsAndContracts/open.html>

Attachment A – Minimum Qualifications
Attachment B – Attestation Boycott of Israel
Attachment C – Intent to Bid
Attachment D – Pricing Schedule
Attachment E – Questions and Answers Form

OFFER AND ACCEPTANCE

OFFER

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

Arizona Transaction (Sales) Privilege Tax License No.:

For clarification of this offer, contact:

Name: _____

Federal Employer Identification No.:

Title: _____

E-Mail Address: _____

Phone: _____

Company Name

Signature of Person Authorized to Sign Offer

Address

Printed Name

City State Zip

Title

CERTIFICATION

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

1. The submission of the offer did not involve collusion or other anti-competitive practices.
2. The offeror shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, State Executive Order 2009-09 or A.R.S. §§ 41-1461 through 1465.
3. The offeror has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted offer. Failure to provide a valid signature affirming the stipulations required by this clause shall result in rejection of the offer. Signing the offer with a false statement shall void the offer, any resulting contract and may be subject to legal remedies provided by law.
4. The offeror _____ is / _____ is **not** a small business with less than 100 employees or has gross revenues of \$4 million or less.
5. The offeror is in compliance with A.R.S. § 18-132 when offering electronics or information technology products, services, or maintenance; and
6. The offeror certifies that it is not debarred from, or otherwise prohibited from participating in any contract awarded by federal, state, or local government.

ACCEPTANCE OF OFFER (to be completed by AHCCCS)

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

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

This contract shall henceforth be referred to as

Contract No. **YH21-0018**

AWARD DATE _____

CONTRACT SERVICE START DATE: **Upon CMS Approval (on or around x)**

MEGGAN LAPORTE, CPPO, MSW, AHCCCS Chief Procurement Officer

SCOPE OF WORK

1. AHCCCS/Med-QUEST OVERVIEW

AHCCCS

AHCCCS is the single state Medicaid agency for The State of Arizona. In that capacity it is responsible for operating the Title XIX and Title XXI programs through the state's 1115 Research and Demonstration Waiver, which was granted by the Centers for Medicare and Medicaid Services (CMS), U.S. Department of Health and Human Services (DHHS). AHCCCS provides coverage to approximately 2.2 million AHCCCS members in Arizona. Approximately 85 percent of AHCCCS members are enrolled with an MCO. The total fee-for-service (FFS) enrollment is approximately 255,436.

Over 86 percent of the AHCCCS program's expenditures in SFY 2021 were through managed care programs. AHCCCS contracts with managed care organizations (MCO) that are responsible for providing acute, long-term care, and behavioral health services. A list of contracted plans can be found here:

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

AHCCCS has a total fund budget for SFY 2022 of approximately \$18.3 billion. AHCCCS has over 110,000 active providers, such as individual medical and behavioral health practitioners, therapy disciplines, institutions, durable medical equipment companies and transportation entities. Additional information may be found on the AHCCCS website reporting page: <https://www.azahcccs.gov/Resources/Reports/federal.html>

Med-QUEST

Through an inter-state agreement, AHCCCS maintains the MMIS for the Hawaii Medicaid program (Med-QUEST; "MQD"). MQD provides coverage to approximately 440,000 members. Over 90% of the MQD program's expenditures are through managed care programs and 58 members are under fee-for-service. MQD contracts with managed care organizations (MCOs) that are responsible for providing acute, long-term care, and behavioral health services. MQD has approximately 12,500 active providers in Hawaii, such as individual medical and behavioral health practitioners, therapy disciplines, institutions, durable medical equipment companies, and transportation entities.

Additional information on the MQD FFS program may be found at: <https://medquest.hawaii.gov/en/members-applicants/fee-for-service.html>

2. BACKGROUND

In May 2020, two final rules were released from the US Department of Health and Human Service (HHS):

- Centers for Medicare and Medicaid Services (CMS) Interoperability and Patient Access rule (CMS-9115-F) <https://www.federalregister.gov/documents/2020/05/01/2020-05050/medicare-and-medicaid-programs-patient-protection-and-affordable-care-act-interoperability-and>
- Office of the National Coordinator for Health IT (ONC) 21st Century Cures Act Rule <https://www.federalregister.gov/documents/2020/05/01/2020-07419/21st-century-cures-act-interoperability-information-blocking-and-the-onc-health-it-certification>

The CMS rules aim to put patients in charge of their healthcare by providing easy access to their electronic health information (EHI). In addition, increased access to provider directory data by patients and their care team is expected to improve care coordination.

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The ONC rule upgrades standards for certified health IT to increase interoperability between systems. CMS incorporates ONC technical specifications into new requirements for CMS payers and providers, including standards-based application programming interfaces (API), to make provider directory information and patient data available.

3. PURPOSE OF THE REQUEST FOR PROPOSAL (RFP)

The purpose of this RFP is for Arizona and Hawaii fee-for-service (FFS) Medicaid and CHIP programs to procure a Contractor hosted and maintained solution that is compliant with the CMS Interoperability and Patient Access rule (CMS-9115-F) for a provider directory API and a patient access API together with an identity, access, and consent management solution for EHI. The Contractor's solution must comply with the CMS-9115-F Rule and remain current in accordance with CMS and ONC standards and implementation guides as they are updated through the federal regulatory and state guidance processes. For more information on the CMS patient access and provider directory API requirements, see <https://www.cms.gov/Regulations-and-Guidance/Guidance/Interoperability/index>

CMS and ONC regulations will expand with updated technical standards and additional required content. The Contractor shall implement these changes, such as those proposed in CMS-9123-P, available at <https://www.federalregister.gov/documents/2020/12/18/2020-27593/medicaid-program-patient-protection-and-affordable-care-act-reducing-provider-and-patient-burden-by>, or when guidance is issued by CMS or the state.

All deliverables required in this RFP are for the life of the contract.

This RFP is for an all-inclusive contract and the awarded Contractor shall not request additional funding from AHCCCS or MQD to cover the costs of state or federally mandated changes in order to remain up to date as required for the solution, system specifications or other issues that involve AHCCCS/MQD contracted vendors or members.

Parties to this Contract

The awarded Contract will be between two (2) parties, the Arizona Health Care Cost Containment System ("AHCCCS" or the "State") and the awarded Contractor. While AHCCCS serves as the authorized entity and lead agency, MQD and the State of Hawaii are involved in the project and have an interest in the collaboration between the parties. For the purposes of this Contract, the term "Agencies" or "AHCCCS/MQD" will refer to AHCCCS and MQD.

4. LEGAL AUTHORITY

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

5. OFFEROR MINIMUM QUALIFICATIONS TO BID:

Offerors shall meet the following minimum qualifications specified below.

Experience/Expertise

- The Offeror must have implemented a fully operational API in six (6) months or less within the last three (3) years.
- The Offeror must have experience in working with a Medicaid FFS program within the last three (3) years.
- The Offeror must have experience working with a minimum of three (3) state government healthcare IT related projects within the last five (5) years.
- The Offeror must have its FEDRAMP (Federal Risk and Authorization Management Program) SSP (System Security Plan) OR completed The State of Arizona Baseline Infrastructure Security Controls 2017

SCOPE OF WORK

<https://aset.az.gov/arizona-baseline-security-controls-2016-excel> and receive authorization from The State of Arizona Department of Administration.

6. CONTRACTOR RESPONSIBILITIES

6.1. The Contractor shall be responsible for providing the following project components that must meet all current and future applicable requirements in 42 CFR 431.60, 42 CFR 431.70, 42 CFR 457.730, and 42 CFR 457.760. The Contractor shall comply with the current and future federally mandated rules that pertain to interoperability.

6.2. Any reference to a section of the code of federal regulations (CFR) means that section may be updated over the life of this contract. The Contractor shall stay current and update all areas of the hosted solution as the regulations change. These changes shall be completed at no additional cost to AHCCCS/MQD.

6.3. Technical Components of Proposed Solution

6.3.1. The Contractor must provide a cloud hosted, software-as-a-service API solution that is currently commercially available, ready to use, and is fully compliant with the CMS Interoperability and Patient Access rule (CMS-9115-F).

6.3.2. The Contractor must provide all technical components as outlined below:

- 6.3.2.1. Patient access API,
- 6.3.2.2. Provider directory API,
- 6.3.2.3. Member portal, consent and identity management,
- 6.3.2.4. Medicaid patient and provider data ,
- 6.3.2.5. Third party application support,
- 6.3.2.6. Technical support and training,
- 6.3.2.7. Privacy and security requirements,
- 6.3.2.8. System maintenance, and
- 6.3.2.9. Member resources regarding privacy and security.

7. TECHNICAL SOLUTION REQUIREMENTS

Technical requirements for the solution are outlined below. Requirements are divided into the following categories:

- 7.1. Overall architecture,
- 7.2. Solution components,
- 7.3. Façade or repository / ETL,
- 7.4. Identity management / OAuth-OpenID workflows,
- 7.5. APIs and FHIR adapters,
- 7.6. Third-party apps,
- 7.7. Hosting and security,
- 7.8. Metadata and monitoring, and
- 7.9. Other technical requirements.

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7.1 Overall Architecture	
TECH-01	The Contractor shall provide a detailed architecture diagram that describes the hosted solution, its components, and the workflow.
TECH-02	The Contractor, and Contractor's processes and systems, shall adhere to any federally mandated technical standard changes and shall notify AHCCCS/MQD within two (2) weeks of mandated change. The contract is an all-inclusive contract which includes federal and/or state mandated change and updates. The Contractor shall not request any additional funding for any changes or updates that are requested or required under this contract.
TECH-03	The Contractor shall provide environments that segregate all Arizona and Hawaii data from the beginning of the contract through the end of the contract and prior to any data transfer testing.
7.2 Solution Components	
TECH-04	The Contractor must/shall complete end-to-end solution with detailed processes that address the CMS Interoperability and Patient Access final rule requirements that encompasses design/development time, runtime, integration and transformations, security, deployment of information, communication, and capabilities.
TECH-05	The Contractor shall provide two self-service webpages (one for AHCCCS and one for MQD) with AHCCCS/MQD branding capabilities for customer and developer support administration tools and documentation, such as system availability, technical and support documentation and issue submission and resolution processes.
TECH-06	The Contractor shall design, develop, implement, maintain, secure and remain up to date with the technologies and specifications found in the CMS Interoperability and Patient Access Final Rule (CMS-9115-F) that reference 42 CFR § 431.60, 42 CFR § 457.730 ,42 CFR § 431.70, and 42 CFR § 457.760, and any applicable Code of Federal Regulations (CFR) references found within those CFR's or any successor statute or regulation.
TECH-07	API documentation requirements. As specified in 42 CFR § 431.60 and 42 CFR § 457.730 paragraph (d), the Contractor shall design, develop and provide documentation for each API publicly accessible in the manner specified in the regulation to include at a minimum: (1) API syntax, function names, required and optional parameters supported and their data types/structures, exceptions and exception handling methods and their returns; (2) the software components and configurations that an application must use in order to successfully interact with the API and process its response(s); and (3) all applicable technical requirements and attributes necessary for an application to be registered with any authorization server(s) deployed in conjunction with the API.
7.3 Façade or Repository / ETL	
TECH-08	The Contractor shall, for the patient access API, at a minimum, support integration of AHCCCS/MQD data to be accessible content as required in 42 CFR 431.60(b) and 42 CFR 457.730(b) including: (1) data concerning adjudicated claims, including claims data for payment decisions that may be appealed, were appealed, or are in the process of appeal, and provider remittances and member cost-sharing pertaining to such claims, no later than (1) business day after a claim is processed;

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	<p>(2) encounter data no later than one (1) business day after receiving the data from providers, other than MCOs, PIHPs, and PAHPS, compensated on the basis of capitation payments;</p> <p>(3) clinical data, including laboratory results, that is not maintained but if maintained by AHCCCS/MQD in the future, no later than one (1) business day after the data is received by AHCCCS/MQD; and</p> <p>(4) information about covered outpatient drugs and updates to such information, including AHCCCS/MQD and Contractor drug lists, no later than one (1) business day after the effective date of any such information. The data described above shall be accessible through the APIs twenty-four (24) hours per day, seven (7) days per week, 365 days per year, excluding scheduled downtime and approved maintenance times.</p>
TECH-09	<p>Within the first thirty (30) days of the contract, the Contractor must provide and maintain data transfer specifications and technical plans for data ingestion, data quality, aggregation, normalization and conversion to CMS mandated technical requirements at 42 CFR 431.60(c) and 42 CFR 457.730(c), which, at the time of writing this RFP, include the following technical standards and implementation specifications: HL7 FHIR Release 4.0.1, HL7 FHIR US Core Implementation Guide STU 3.1.0, HL7 SMART Application Launch Framework Implementation Guide Release 1.0.0, including mandatory support for the “SMART Core Capabilities,” FHIR Bulk Data Access (Flat FHIR) (v1.0.0: STU 1), including mandatory support for the “group-export” “Operation Definition,” OpenID Connect Core 1.0, incorporating errata set 1, and USCDI version 1.</p>
TECH-10	<p>The Contractor shall accept SFTP batch transfer of data through columnar pipe delimited flat files.</p>
TECH-11	<p>The Contractor shall assist in troubleshooting technical issues, data issues, remediation steps, and reprocess transactions as required.</p>
TECH-12	<p>The Contractor shall upload all data (new or updated) from AHCCCS/MQD and make available through the APIs within twenty-four (24) hours of receipt.</p>
TECH-13	<p>For the patient access API, as specified in 42 CFR § 431.60 and 42 CFR § 457.730 paragraph (g)(1)(i) and (ii), the Contractor must comply with the requirements of paragraphs (a) through (f) of 42 CFR § 431.60 and 42 CFR § 457.730 with regard to data with a date of service on or after January 1, 2016, that are maintained by AHCCCS/MQD.</p>
TECH-14	<p>The Contractor’s solution must provide and be able to view the overall data quality status and assess metrics of a given domain and highlight which fields have had the most errors or are consistently not meeting agreed upon quality thresholds within the prior month. Also include if any errors/research sent to data owners or stewards are late. Contractor shall highlight all of the available dashboard metrics and widgets available.</p>
TECH-15	<p>The Contractor’s solution for the patient access API must be able to update claims data that was originally in a pending status or has been revised due to a resubmission.</p>
TECH-16	<p>The Contractor’s solution for the patient access API must be able to implement changes/updates to any of the data set templates, at no additional cost to AHCCCS/MQD.</p>
TECH-17	<p>The Contractor’s solution for the patient access API must be able to manage access to the data and the amount of history to be provided to the requestor based on their request date and enrollment status at the time of request.</p>
TECH-18	<p>The Contractor’s solution for the patient access API must have an Extracted\Transformed\Loaded (ETL) process for data that resides in an existing data store or in a different data store that was populated using approved, secured, and supported technologies.</p>

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7.4 Consent and Identity Management / OAuth-OpenID Workflows	
TECH-19	For the patient access API, the Contractor’s solution must support a white-labeled (state Medicaid program branded) member consent app; and maintain consent management rule mandates and all third-party client application registration services, and CMS mandated security protocols, including the ability to change previously provided consent.
TECH-20	All data collection devices shall be encrypted using FIPS 140-3 compliant mechanisms and shall: <ul style="list-style-type: none"> • Utilize a secure log in process with unique user identification, • Serve as a device to facilitate data transfer and not store any client data, and • Automatically log out the user after 15 minutes of inactivity
TECH-21	The Contractor shall permit access to the solution based on assigned user roles. The Contractor shall work with AHCCCS/MQD in the development, assignment and management of user roles.
TECH-22	The Contractor shall, for the patient access API, design, develop and implement on behalf of AHCCCS and MQD an identity management solution that maintains a rigorous authentication and authorization framework based on best practices and CMS mandates including standards identified in the Interoperability and Patient Access rule (CMS-9115-F) within the first 120 calendar days of the contract. Update and maintain a rigorous authentication and authorization framework for the life of the contract.
TECH-23	The Contractor’s solution for the patient access API must contain refresh tokens, with the ability to support at least ninety (90) calendar days.
TECH-24	The Contractor’s solution for the patient access API must support OAuth2 Scopes for more granular access to member data (e.g. per FHIR Resource).
TECH-25	The Contractor’s solution for the patient access API must be able to generate and apply a Part 2 (42 CFR Part 2) consent for disclosure of substance use disorder records prior to allowing access to Part 2 records.
TECH-26	The Contractor’s solution for the patient access API must be able to restrict access to certain records based on patient consent level.
7.5 APIs and FHIR Adapters	
TECH-27	The Contractor shall, for patient access API, as specified in 42 CFR § 431.60(a) and 42 CFR § 457.730(a), implement and maintain a standards-based Application Programming Interface (API) that permits third-party applications to retrieve, with the approval and at the direction of a current AHCCCS/MQD member or the AHCCCS/MQD member’s personal representative, accessible content defined in 42 CFR 431.60(b) and 42 CFR 457.730(b) through the use of common technologies and without special effort from the AHCCCS/MQD member.
TECH-28	The Contractor shall, as specified in 42 CFR § 431.60 and 42 CFR § 457.730 paragraph (b)(1), make data concerning adjudicated claims, including claims data for payment decisions that may be appealed, were appealed, or are in the process of appeal, and provider remittances and member cost-sharing pertaining to such claims, accessible no later than one (1) business day after a claim is processed through the API.
TECH-29	The Contractor shall, as specified in 42 CFR § 431.60 and 42 CFR § 457.730 paragraph (b)(2), make encounter data accessible no later than one (1) business day after AHCCCS/MQD receives the data from providers, other than encounter data from MCOs, PIHPs, and PAHPs, compensated based on capitated payments.

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TECH-30	The Contractor shall, as specified in 42 CFR § 431.60(b)(3) and 42 CFR § 457.730(b)(3), make clinical data, including laboratory results, if AHCCCS/MQD maintains any such data, accessible no later than one (1) business day after the data is received by AHCCCS/MQD; to current AHCCCS/MQD members or the AHCCCS/MQD member’s personal representative through the API.
TECH-31	The Contractor shall, as specified in 42 CFR § 431.60(b)(4) and 42 CFR § 457.730(b)(4), make information about covered outpatient drugs and updates to such information, including, where applicable, preferred drug list information, any tiered formulary structure, and/or UM procedure that pertains to those drugs, accessible no later than one (1) calendar day after receipt of the information or updates to such information from the AHCCCS/MQD PBMs. The states’ PBMs update the approved drug lists, which are updated frequently, including daily, weekly, and quarterly. The Contractor will be provided with all of the drug lists used by AHCCCS and MQD including Medicare Part B Drug Lists.
TECH-32	The Contractor shall, as specified in 42 CFR § 431.60(c)(1) and 42 CFR § 457.730(c)(1), implement, maintain, and use API technology conformant with 45 CFR § 170.215.
TECH-33	The Contractor shall, as specified in 42 CFR § 431.60(c)(2) and 42 CFR § 457.730(c)(2), conduct routine testing and monitoring, and update as appropriate, to ensure the API functions properly, including assessments to verify that the API technology is fully and successfully implementing privacy and security features such as, but not limited to, those required to comply with HIPAA privacy and security requirements in 45 CFR parts 160 and 164, 42 CFR parts 2 and 3, and other applicable law such as Arizona state law, best practices, and AHCCCS/Med-QUEST policies protecting the privacy and security of individually identifiable data.
TECH-34	The Contractor shall, as specified in 42 CFR § 431.60(c)(3) and 42 CFR § 457.730(c)(3), comply with the content and vocabulary standards at 45 CFR 170.213, 45 CFR part 162, and 42 CFR 423.160 where such standards are applicable to the data type or element, unless alternate standards are required by other applicable law.
TECH-35	As specified in 42 CFR § 431.60(c)(4) and 42 CFR § 457.730(c)(4), the Contractor may use an updated version of any standard or all standards required under 42 CFR § 431.60 paragraphs (c)(1) or (3) where the use of the updated version of the standard is required by other applicable law and as specified at 42 CFR § 431.60 and 42 CFR § 457.730 paragraph (c)(4)(ii)(A),(B) or (C).
TECH-36	Provider Directory API – technical requirements. As specified in 42 CFR § 431.70(a) and 42 CFR § 457.760(a), the Contractor shall implement and maintain a publicly accessible, standards-based Application Programming Interface (API) that is conformant with the technical requirements at 42 CFR § 431.60(c) and 42 CFR § 457.730(c), excluding the security protocols related to user authentication and authorization and any other protocols that restrict the availability of this information to particular persons or organizations, the documentation requirements at 42 CFR § 431.60(d) and 42 CFR 457.730(d), and is accessible via a public-facing digital endpoint on or through AHCCCS/ MQD websites.
TECH-37	Provider Directory API – content requirements. As specified in 42 CFR § 431.70(b) and 42 CFR § 457.760 paragraph (b), the Contractor’s solution for the Provider Directory within the API must provide a complete and accurate listing of AHCCCS/MQD provider information as specified in section 1902(a)(83) of the Social Security Act, including provider names, addresses, phone numbers, and specialties, and this shall be updated no later than every thirty (30) calendar days after AHCCCS/MQD receives new provider information or updates to provider directory information.

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TECH-38	The Contractor’s solution shall/must provide the provider remittance and member cost sharing information for all FFS claims including All Inclusive Rates (AIR) or any other alternative payment methodology at which AHCCCS reimburses.
TECH-39	The Contractor’s solution shall/must provide ongoing updates beyond phase 1 and 2 implementations and during the life of the contract. These include: <ul style="list-style-type: none"> • All new Da Vinci use cases • New FHIR implementation guides
TECH-40	The Contractor’s solution must provide a validation process for FHIR resource data structures.
TECH-41	The Contractor’s solution for the patient access API must be able to translate/facilitate translation of payer claims data to CARIN or Common Payer Consumer Data Set.
7.6 Third Party Apps Management	
TECH-42	The Contractor shall vet and onboard third-party developers and third-party application access controls for those that wish to utilize AHCCCS/MQD data. This will include onboarding, controls, and requests.
TECH-43	The Contractor shall maintain a dedicated email and/or phone number for third-party developer inquiries and support on behalf of AHCCCS/MQD.
TECH-44	API Access Denial or Discontinuation Policies and Procedures. As specified in 42 CFR § 431.60(e) and 42 CFR § 457.730(e), the Contractor shall create, maintain, and document a process to deny or discontinue any third-party application's connection to the API required under 42 CFR § 431.60(a) or 42 CFR 457.730(a) if the Contractor: <ol style="list-style-type: none"> (1) reasonably determines, consistent with its security risk analysis under 45 CFR part 164 subpart C, that allowing an application to connect or remain connected to the API would present an unacceptable level of risk to the security of protected health information on the Contractor’s or state’s systems; and (2) makes this determination using objective, verifiable criteria that are applied fairly and consistently across all applications and developers through which AHCCCS/MQD beneficiaries seek to access their electronic health information as defined at 45 CFR 171.102, including but not limited to criteria that may rely on automated monitoring and risk mitigation tools.
7.7 Hosting and Security	
TECH-45	The Contractor shall manage, monitor, and ensure the information security of API's, user authentication access, member identity management and matching, that is equal to or exceeds CMS mandated security protocols which at the time of writing this RFP are OpenID Connect Core 1.0 incorporating Errata set 1 and HL7 SMART Application Launch Framework Implementation Guide Release 1.0.0, including mandatory support for the “SMART Core Capabilities.”
TECH-46	The Contractor shall at all times comply with FEDRAMP (Federal Risk and Authorization Management Program), SSP (System Security Plan) or state of Arizona Baseline Infrastructure Security Controls and MARS-E or HI-TRUST compliance while in control of AHCCCS/MQD data.
TECH-47	The Contractor’s solution shall have a performance monitoring dashboard that shall be available 99.95% of the time, twenty- four (24) hours a day, seven (7) days a week, including planned downtime. Availability is calculated as follows: availability percentage = unplanned downtime (total downtime-approved downtime) divided by total time (24X7). This performance monitoring

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	dashboard shall be available within thirty (30) calendar days of the time at which the solution goes from the development and test environment to the production environment.
TECH-48	Except for scheduled downtime and approved maintenance times, the Contractor's solution shall be available 99.95% of the time, twenty-four (24) hours a day; seven (7) days a week, including planned downtime. Availability is calculated as follows: availability percentage = unplanned downtime (total downtime-approved downtime) divided by total time (24X7).
TECH-49	The Contractor shall provide and support non-disruptive rules-based data archival and subsequent retrieval. The solution shall not be unavailable for extended periods of time during the archival process as defined by AHCCCS/MQD.
TECH-50	The Contractor shall provide and support non-disruptive rules-based data purging. The solution shall not be unavailable for extended periods of time during the purge process as defined by AHCCCS/MQD.
TECH-51	The Contractor shall provide and support non-disruptive rules-based data restoration. The solution shall not be unavailable for extended periods of time during the purge restore process as defined by AHCCCS/MQD.
TECH-52	The Contractor shall ensure data received from real-time interfaces shall be accessible in the solution within three (3) seconds at least 99.95% of the time; excluding batch interface updates. Performance is measured by a predefined sample measuring timestamp data was received to the time data is available to query in the solution database or presented to the user via a user interface.
TECH-53	The Contractor's solution shall accommodate a user interface response time of two (2) seconds or less per discrete transaction.
TECH-54	The Contractor shall ensure all of the required interfaces for the solution operate in accordance with requirements outlined in the contract and without degradation in performance.
TECH-55	The Contractor shall prevent any user or system administrator from having a shared account.
TECH-56	The Contractor shall ensure the confidentiality, privacy, and security of all AHCCCS/MQD data passing through the Contractor and sub-contractor networks.
TECH-57	The Contractor shall ensure that all data, regardless of its location, is encrypted at rest and in transit.
TECH-58	<p>The Contractor shall maintain a hosted support environment where customer service agents, including those at AHCCCS or MQD, can review emulated data from the API endpoint in support of our members. This hosted support environment shall be available within thirty (30) calendar days of the time at which the solution goes from the development and test environment to the production environment.</p> <ul style="list-style-type: none"> • The environment must emulate data that the member can view through the API, • Data must be refreshed in this environment near real time of AHCCCS or MQD data refreshes with data refreshes not to exceed twenty-four (24) hours, and • This environment needs to be accessible by web browser for non-technical staff to query and view what data the member can access via the API endpoint.
TECH-59	The Contractor's solution must include enhancements to the FHIR server to enhance performance, scalability, and security.
TECH-60	The Contractor's solution must provide interactive documentation and a test environment with nonproduction/deidentified test data to allow API consumers to easily try out published APIs.

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TECH-61	<p>The Contractor shall ensure member resources be posted within thirty (30) calendar days of the time at which the solution goes from the development and test environment to the production environment. The Contract shall provide privacy and security information in accordance with 42 CFR 431.60(f) and 42 CFR 457.730(f) that is at a 6th grade reading level, including but not limited to English, Spanish, and Navajo languages and other languages as identified by AHCCCS/MQD in an ADA compliant format in an easily accessible location on or a link through the AHCCCS and MQD public websites and through other appropriate mechanisms through which AHCCCS/MQD ordinarily communicates with current and former AHCCCS/MQD members seeking to access their health information held by AHCCCS/MQD. The educational resources shall be in non-technical, simple, and easy-to-understand language explaining at a minimum:</p> <ol style="list-style-type: none"> (1) general information on steps the individual may consider taking to help protect the privacy and security of their health information, including factors to consider in selecting an application, including secondary uses of data, and the importance of understanding the security and privacy practices of any application to which they will entrust their health information; and (2) an overview of which types of organizations or individuals are and are not likely to be HIPAA covered entities, the oversight responsibilities of OCR and FTC, and how to submit a complaint to (i) the HHS Office for Civil Rights (OCR); and (ii) the Federal Trade Commission (FTC).
TECH-62	<p>The Contractor shall maintain environments to perform solution validation, integration testing and data migration to determine overall production readiness. Each environment shall include all the components to support the intended purpose of that environment. Any component not replicated in a designated environment shall be disclosed to AHCCCS/MQD with a written explanation as to why this shall not affect the inherent use of the environment for its intended purpose.</p>
7.8 Metadata and Monitoring	
TECH-63	<p>The Contractor shall, upon processing and posting to the patient access and provider directory APIs, electronically send to AHCCCS/MQD data transfer confirmation receipt files and provide data processing reports to indicate any data ingestion failures the same calendar day as processing occurred.</p>
TECH-64	<p>The Contractor shall monitor for data security using industry standard controls and mechanisms.</p>
TECH-65	<p>The Contractor shall monitor for network and API endpoint security using industry standard controls.</p>
TECH-66	<p>The Contractor shall report all potential fraud, waste, and abuse to AHCCCS/MQD immediately.</p>
TECH-67	<p>The Contractor shall provide reporting that identifies usage anomalies or users who may have misused the solution immediately as per 42 CFR 431.60(e).</p>
TECH-68	<p>The Contractor shall provide current and historical information about user access and all solution changes through an audit capability on a timeline as defined by AHCCCS/MQD.</p>
TECH-69	<p>The Contractor shall make data available regarding API utilization from the prior month that includes at least the following in a pipe delimited file:</p> <ul style="list-style-type: none"> • AHCCCS or MQD member ID, • Date and time the member accessed the API,

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	<ul style="list-style-type: none"> • What information was accessed (examples are provider directory, formulary, claim history), and • What third party application or browser accessed the API
TECH-70	The Contractor shall ensure API utilization data will be made available to AHCCCS/MQD within ten (10) calendar days after the close of every month for the prior month. Monthly reporting of this data will continue through the life of the contract.
TECH-71	The Contractor shall perform routine monitoring using software tools to measure the efficiency of online storage access and take corrective action as needed (including performance adjustments to equipment and software, or file placement as required to maximize availability, efficiency, and other attributes of service).
7.9 Other Technical Requirements	
TECH-72	<p>The Contractor shall develop and maintain up-to-date design documentation and API technical/functional documentation. Initial documentation shall be submitted within sixty (60) calendar days of contract award for AHCCCS/MQD review and approval. Documentation shall be updated and submitted for AHCCCS/ MQD review and approval ten (10) business days prior to implementation of a change.</p> <p>This documentation shall include, at a minimum:</p> <ul style="list-style-type: none"> • Third party application management policies and procedures, • Identity and access management policies and procedures, • Consent management policies and procedures, • Solution functional documentation, • Business rules documentation, • Configurable items documentation, and • Source-to-target mapping document
TECH-73	<p>The Contractor shall ensure the solution includes, at no additional cost, potential interoperability regulation changes including, but not limited to those in CMS-9123-P:</p> <ul style="list-style-type: none"> • Extension of payer-to-payer exchange requirement to FFS programs, • Addition of a payer-to-payer API, • Inclusion of pending, denied and active prior authorization information, • Additions to the provider API, and • Inclusion of lab data
TECH-74	<p>The Contractor shall generate a monthly System Availability report, by the 10th calendar day of each month, that is sent to AHCCCS/MQD and includes at minimum the following data points in a pipe delimited file:</p> <ul style="list-style-type: none"> • Server Name and Information Type (example, Arizona Provider Directory) • Server Status (Example: Up or Down) • Start Datetime • End Datetime • Total Duration in Minutes (End Datetime - Start Datetime = Total Duration in Minutes) • Identifier for planned versus unplanned downtime

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8. APPROACH AND METHODOLOGY

8.1. Project Management

- 8.1.1. The Contractor, in coordination and with direction from the AHCCCS/MQD project manager, shall coordinate all project management aspects of the engagement to ensure successful delivery of the solution with the AHCCCS/MQD project manager and an independent verification & validation (IV&V) vendor. The Contractor's project manager shall coordinate with the AHCCCS/MQD project manager, as well as any other vendor(s) necessary to complete the project. The Contractor and AHCCCS/MQD project manager shall conduct meetings to discuss issues, risks, project progress, solution changes, resource changes, and other areas specific to the scope of work and manage to a schedule agreed to by the state.
- 8.1.2. The Contractor, in coordination and with direction from the AHCCCS/MQD project manager, shall maintain AHCCCS/ MQD templates for designing, developing, implementing, and maintaining an integrated project management plan (PMP). The states may agree to use the Contractors' templates. The purpose of the project management plan is to provide a comprehensive baseline of what needs to be achieved by the project, how it is to be achieved, who will be involved, how it will be reported and measured and how project information will be communicated. It shall serve as a reference for decision-making and clarifications. All relevant project plans including but not limited to the Communication Plan, Change Management Plan, Staffing Management Plan, Quality Management Plan, and Risk and Issue Management Plan are incorporated into the project management plan. The project management plan shall be a living document that evolves as the project progresses. The project management plan is to be made available via AHCCCS SharePoint and updated timely with the latest relevant information by the Contractor and with content approval from AHCCCS/MQD. The project management plan may be broken into separate documents, but all documents shall be considered sections of the project management plan.
- 8.1.3. The Contractor, in coordination and with direction from the AHCCCS/MQD project manager, is responsible for designing, developing, implementing, and maintaining a work breakdown structure (WBS) and project schedule. The project schedule shall identify realistic person hours of effort for each task and identify planned completion dates for all deliverables and milestones. Additionally, the project schedule shall include start and end dates of major phases, key project milestones, integration points, cross solution dependencies, and sufficient information to support the AHCCCS/MQD reporting requirements. The project schedule shall be continually refined and updated as the project progresses and shall retain the baseline for comparative reporting. At the time that this RFP was written AHCCCS/MQD has been using MS Project for project schedules.

8.2. Requirements are divided into the following categories:

- 8.2.1. General Project Management Requirements
- 8.2.2. Project Management Plan
- 8.2.3. Communication Management
- 8.2.4. Change Management
- 8.2.5. Quality Management
- 8.2.6. Risk and Issue Management
- 8.2.7. Project Schedule
- 8.2.8. Meetings/ Status Reporting

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8.2.1 General Project Management Requirements

PROJ-01	The Contractor acknowledges that AHCCCS may not be able to meet the time frames specified in a project management plan (PMP) or project schedule or that AHCCCS/MQD may determine that it is necessary to delay and/or modify the timing and sequencing of the implementation. While AHCCCS is committed to the project and shall use reasonable efforts to provide staff and resources necessary to satisfy all such time frames, AHCCCS shall not be held responsible or deemed in default for any delays in solution implementation provided AHCCCS uses its reasonable efforts to accomplish its designated responsibilities and obligations as set forth in the PMP.
PROJ-02	In addition, AHCCCS and/or MQD have the authority to delay implementation and installation of the solution, or any part thereof. The Contractor agrees to adjust the PMP and project schedule deadlines to consider any AHCCCS and/or MQD or Contractor caused delays; provided, however, that the Contractor shall continue to perform all activities not affected by AHCCCS and/or MQD caused delay. In the event AHCCCS' adjustment to the timeline causes the Contractor scheduling conflicts or personnel unavailability, AHCCCS and/or MQD shall determine a revised schedule in collaboration with the Contractor and the Contractor shall prepare a revised schedule at the direction of the states which may delay the commencement and completion dates of the project and shall take into consideration the readjusted time frames and any necessary resequencing of the activities. Such readjustment, rescheduling or modification of the project shall be at no additional cost to AHCCCS and/or MQD.
PROJ-03	The Contractor shall use the AHCCCS/MQD agreed upon tool(s). AHCCCS will provide an electronic document repository on AHCCCS's SharePoint site for project documents and deliverables. The Contractor, AHCCCS/MQD staff and other Contractors with the appropriate security level shall upload/attach new or revised versions of documents. The repository shall perform version control and allow users to view all prior versions. The electronic document repository shall be established in the first thirty (30) calendar days of the contract.
PROJ-04	Support AHCCCS/MQD in all project oversight and project status reporting requirements of the Arizona Department of Administration as described in A.R.S. § 18-104.
PROJ-05	Support AHCCCS/MQD in all program governance activities, as necessary. This entails establishing processes, procedures, and a structure for communication, implementation, monitoring, and ensuring that policies and best practices are followed.
PROJ-06	The Contractor shall contribute to the AHCCCS/MQD SharePoint site technical and non-technical project artifacts for the Contractor's solution components, including requirements, use cases, user stories, storyboards, design documents, supplemental specifications, test cases, test scripts, test results, user, and solution training documentation at the AHCCCS/MQD team's direction.

8.2.2 Project Management Plan

PROJ-07	The Contractor, in coordination and with direction from the AHCCCS/MQD project manager and IVV, will design, develop, implement, and maintain a project management plan (PMP). The initial detailed integrated PMP shall be submitted in the first thirty (30) calendar days of the contract and is subject to approval by AHCCCS/MQD.
PROJ-08	The Contractor shall provide a detailed project management plan and structure that includes, at a minimum, all areas discussed in the scope of work and incorporates all activities described in the RFP.
PROJ-09	The project management plan shall be aligned with the Project Management Institute's (PMI) design of a project management plan (PMP) and include at a minimum the following subsidiary plans:

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	<ul style="list-style-type: none"> • Communication Plan • Change Management Plan • Staffing Management Plan • Quality Management Plan • Risk and Issue Management Plan <p>The PMP and all its subsidiary plans are to be developed by the Contractor, with direction from the AHCCCS/MQD project manager, and must be approved by AHCCCS and MQD.</p>
8.2.3 Communication Management	
PROJ-10	The communication plan is a subsidiary of the PMP. The Contractor’s communication plan shall comprehensively identify the Contractor’s outreach and education strategies throughout the solution implementation and term of the Contract.
PROJ-11	The Contractor’s communication plan shall address the outreach and communications to stakeholders, including AHCCCS/MQD, AHCCCS/MQD contracted health plans, members/families, providers, and other interested parties. The Contractor will also make all outreach and communications to stakeholders, members/families, and providers in English, Spanish, and Navajo and other languages as identified by AHCCCS/MQD.
PROJ-12	<p>The Contractor’s communication plan shall cover:</p> <ul style="list-style-type: none"> • The requirements set forth in 42 CFR § 431.60(f) and 42 CFR § 431.70(f) • Key planned stakeholder communications through the program development and implementation • Third party application communication related to the purpose and use of the solution, including: <ul style="list-style-type: none"> ○ Technical and supporting documentation ○ Issue submission and resolution process ○ System availability ○ Notifications to users of solution downtime due to solution updates and scheduled maintenance ○ Communication with Medicaid/CHIP beneficiaries will be via the website identified by AHCCCS/MQD
PROJ-13	The Contractor’s communication plan shall include the key message, targeted audience for the communication, the communication method(s) or format(s) to be used, and the timing and frequency of the communication. This plan is to be developed by the Contractor and must be approved by AHCCCS and MQD.
PROJ-14	The Contractor shall work with AHCCCS/MQD on branding the solution (including a logo) and shall develop and maintain a website and materials where all communication and educational tools and other pertinent solution information will be posted on the AHCCCS and MDQ website.
8.2.4 Change Management	
PROJ-15	Coordinate with AHCCCS/MQD and with all other Contractors as required by AHCCCS/MQD, to support the program-level change management process consistent with the change management plan.
PROJ-16	The change management plan shall describe the offeror’s processes and procedures for change request and change control throughout the engagement. These processes and procedures will clearly outline how the change advisory board will be structured.
PROJ-17	The Contractor’s staffing management plan shall describe in detail the project governance structure, including how staffing levels will be maintained throughout the project.

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PROJ-18	The project governance structure shall identify AHCCCS/MQD resources that are necessary for the Contractor to implement and operate the solution.
PROJ-19	The Contractor shall identify all key positions in the project governance structure and provide specific descriptions of their roles and responsibilities. The Contractor shall include the percentage of the staff member's time devoted to this project during solution development and after implementation. At a minimum key positions include the following; <ul style="list-style-type: none"> • Project manager • Project team leaders • Project sponsor • Executive sponsor
PROJ-20	The Contractor shall provide AHCCCS/MQD with the resumes and the following contact information for individuals holding key positions: the individual's name, the individual's telephone number, the individual's email address, and the individual's location. The Contractor shall notify AHCCCS/MQD within one (1) business day of any changes to key personnel or changes to key personnel contact information. AHCCCS/MQD will review descriptions of qualifications against roles and responsibilities and approve the personnel selected for the key positions.
PROJ-21	The Contractor shall employ sufficient staffing and utilize appropriate resources from Day 1 of the contract award to achieve contractual compliance.
PROJ-22	All changes to the staffing management plan over the life of the contract shall be approved by AHCCCS/MQD. The initial plan is to be approved prior to implementation.
PROJ-23	The Contractor's key personnel positions may not be vacant for more than ten (10) business days without a qualified substitute (temporary replacement). A qualified substitute shall be in place no more than ten (10) business days after the separation date of the vacating resource. The definition of a qualified substitute is someone meeting the requirements of the RFP and approved by AHCCCS/MQD.
8.2.5 Quality Management	
PROJ-24	The quality management plan shall describe how quality will be managed throughout the project, including policies, processes, and quality standards to be used for deliverables and processes.
PROJ-25	The quality management plan shall identify the activities that will be used to monitor and verify deliverables and processes to meet the defined quality standards. The quality management plan with approval from the Contractor/AHCCCS/MQD.
8.2.6 Risk and Issue Management	
PROJ-26	The Contractor's risk and issue management plan shall describe the processes and procedures used to identify and mitigate risks, as well as to identify and resolve any issues. This plan is to be developed by the Contractor and must be approved by AHCCCS and MQD. This plan is to include updating and sharing of a RAID register/log for tracking purposes.
PROJ-27	The Contractor shall utilize an issue management tracking system that provides, at a minimum, the following: <ul style="list-style-type: none"> • Description of the issue • Steps to recreate the issue • Priority of the issue • Dependencies and plans for resolution • Staff responsibility assignments • Impact severity

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	<ul style="list-style-type: none"> • Contact name and contact information for the issue • Targeted and actual resolution dates • Resolution action summary <p>The Contractor must be able to send this information to AHCCCS/MQD through SFTP batch transfer using a pipe delimited flat file weekly.</p>
PROJ-28	The Contractor shall document the discovery of all risks issues as well as document communication, tracking, and resolution of all risks and issues throughout the duration of the contract.
PROJ-29	The risk and issue management plan shall include the criteria to be used to establish the priority of an issue. AHCCCS/MQD shall provide final approval over the process and criteria prior to implementation. AHCCCS/MQD shall make the final determination regarding issue priority in all cases. The risk and issue management plan will establish timeframes to maintain ongoing communication with AHCCCS/MQD from the point in time when an issue is identified and concluding when the issue is resolved.
PROJ-30	Have an acceptable documented risk mitigation plan submitted to AHCCCS/MQD within five (5) business days of risk identification for 100% of high or critical risks. AHCCCS/MQD shall determine the level of criticality of each risk.
PROJ-31	The Contractor shall collaborate with AHCCCS/MQD to ensure effective communication regarding issue identification and resolution to impacted stakeholders as appropriate.
8.2.7 Project Schedule	
PROJ-32	The Contractor and AHCCCS/MQD project manager shall develop and maintain a detailed project schedule. This document communicates the work that needs to be performed, the resources performing the work and the period in which that work needs to be performed. It lists all the tasks to be completed by the Contractor and AHCCCS/MQD staff and lists project resources by project team member name. Also included with the project schedule is a Gantt chart that is aligned with the scope of the work outlined in this RFP to be integrated and coordinated with the AHCCCS/MQD project schedule. The initial detailed project schedule, WBS, and Gantt chart shall be submitted in the first thirty (30) calendar days of the contract and is subject to approval by AHCCCS/MQD.
8.2.8 Meetings / Status Reporting	
PROJ-33	The Contractor, in coordination and with direction from the AHCCCS/MQD project manager, shall coordinate the project initiation kick-off meeting with key stakeholders and the AHCCCS/MQD Project team within five (5) business days of contract award.
PROJ-34	The Contractor is responsible for the capture and dissemination to AHCCCS/MQD of all agendas, meeting minutes and documentation necessary for successful execution of the project as determined by AHCCCS/MQD RACI (Responsible Accountable Consulted Informed) Matrix, which is a responsibility assignment matrix (RAM). Meeting minutes shall be distributed within two (2) business days following the meeting. Agendas, meeting minutes from prior meetings and documentation to be reviewed before the meeting shall be sent: <ul style="list-style-type: none"> • Non-recurring meetings: forty-eight (48) hours prior • Recurring meetings: twenty-four (24) hours prior
PROJ-35	The Contractor shall participate in weekly (at a minimum) status meetings with AHCCCS/MQD staff during the initial phase of implementation to answer questions, discuss issues/concerns and resolve problems. This meeting may move to monthly once the initial implementation of the solution is complete and as determined appropriate by AHCCCS/MQD.
PROJ-36	The Contractor shall provide written status reports to the AHCCCS/MQD project manager weekly. At a minimum, the status report shall contain:

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	<ul style="list-style-type: none"> • A description of each item and the completion status of the project in terms of the approved project plan (schedule and cost, if applicable) • Updated Requirements Traceability Matrix (mapping RFP requirements to work performed and demonstrated) • Updated User Stories (mapped to the RTM demonstrating how each requirement will be met) • Updated Test Cases (mapped to all functional and technical requirements in the RTM) • Updated project schedule • The plans for activities scheduled for the next reporting period • The status of all deliverables, with percentage of completion determined by AHCCCS • Time ahead or behind schedule for applicable tasks • Risk and Issue tracking, including a risk analysis of actual and perceived problems • Testing status and test results to include test cases executed, test cases passed/failed, defects opened/resolved, severity, priority, expected vs actual results, steps to reproduce, environment, covered User Stories, testing dates • Strategic changes to the Project Plan, if any • An executive summary that summarizes the key points of the project and highlights the major deliverables of the project. This summary will describe any results, conclusions, and project recommendations.
PROJ-37	The Contractor shall participate in necessary meetings with the stakeholders and/or other contractors.
PROJ-38	The Contractor shall work with the AHCCCS/MQD Project Management Team and all other contractor(s) to give an accurate reporting of the project status.
PROJ-39	The Contractor shall track and report on remediation and rebuild to satisfy defects, bugs, and issues identified and resolved, in conjunction with AHCCCS/MQD. If rework hours appear to jeopardize on-time release delivery, the Contractor shall present a written mitigation plan to AHCCCS/MQD including the provision of additional resources at no additional cost to AHCCCS/MQD.
PROJ-40	The Contractor shall develop and submit a monthly SLA report card no later than the 5 th calendar day of the month following each reporting period. This report shall include self-reported compliance with SLAs as outlined in Section 10
PROJ-41	The Contractor shall perform demonstrations of work completed corresponding to the Requirements Traceability Matrix at regular intervals to be coordinated with the AHCCCS/MQD Project Manager. AHCCCS/MQD will approve work and determine percent completion of requirements demonstrated within 5 business days.

8.3. Testing

8.3.1. Testing will consist of any and all activities to create, test, and deliver the solution. AHCCCS/MQD understand that testing activities may overlap depending on the project methodology and Software Development Life Cycle (SDLC) proposed and approved. AHCCCS/MQD will define the level of testing that the state's Quality Assurance team will be expected to conduct (i.e., passive validation review of data vs.

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active execution of test cases). AHCCCS/MQD plans to perform UAT on all system or solution updates as part of the contract and has final approval on acceptance testing.

- 8.3.2. The Contractor will deliver a master test plan to AHCCCS/MQD for approval that describes each type of testing to be performed, as well as the sequence, resources, and acceptance criteria.
- 8.3.3. Additionally, the Contractor will develop an operational readiness review (ORR) plan that addresses the activities and processes to be used to assess the solution's readiness for go live. The Contractor will provide a formal assessment of solution readiness prior to production implementation, including demonstration of meeting all AHCCCS/MQD and CMS requirements.

8.3.1 Testing General

8.3.1 Testing General	
TEST-01	The Contractor shall perform and/or support testing cycles throughout the project and post implementation support in accordance with the quality management plan and system test plan. Planned testing cycles may include, but are not limited to, the following: <ul style="list-style-type: none"> • Construction and unit testing • System testing • Integration testing • Interface testing • Regression testing • Performance testing • User acceptance testing • Operational readiness testing
TEST-02	The Contractor will be responsible for developing solution requirements, including a requirements traceability matrix (RTM) that tracks requirements through testing and acceptance. The RTM shall be submitted within thirty (30) calendar days of contract award and be approved by AHCCCS/MQD. Test results shall be traced to the use case/user story and design documentation being tested.
TEST-03	The Contractor shall plan and execute testing for all inbound and outbound interfaces, ensure accurate and secure data transmission between AHCCCS/MQD, and the solution. The Contractor will coordinate with external entities as appropriate.
TEST-04	The Contractor shall ensure, in order to release code to UAT or production, it shall meet the minimum acceptable defect levels: Critical: 100% have been resolved; High: 100% have been resolved. AHCCCS/MQD has final approval on defining a critical or high defect level.
TEST-05	The Contractor shall identify and resolve interdependencies that restrict or impede required testing of by AHCCCS/MQD and the solution. Unless otherwise identified by AHCCCS/MQD, strategies to resolve interdependencies shall be reviewed and approved by AHCCCS/MQD prior to implementing the resolution strategy.
TEST-06	The Contractor shall perform testing and present the results for each of the following test levels: performance test results, system test results, parallel test results, regression test results, and integration test results.
TEST-07	The Contractor's approach to establishing testing environments shall not impact AHCCCS/MQD's ability to conduct continuous UAT in a separate, dedicated environment.
TEST-08	The Contractor shall facilitate UAT by: <ul style="list-style-type: none"> • Providing test cases and test scripts from previous test level • Supplying a requirement traceability matrix

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	<ul style="list-style-type: none"> • Providing AHCCCS/MQD UAT test cases that cover all scenarios in the requirement traceability matrix • Providing a dedicated UAT environment and maintaining the environment • Providing test data • Refreshing test data, executing processes, and migrating releases or code fixes as requested or on an agreed-upon schedule • Providing a repository for all testing documentation, including scenarios and test results
TEST-09	The Contractor shall provide AHCCCS/MQD resources or their designee access to test cases, test results, and defect tracking. AHCCCS/MQD reserves the right to inspect artifacts and results at any time.
TEST-10	AHCCCS/MQD reserves the right to conduct independent testing of the solution at any time. The Contractor shall cooperate with AHCCCS/MQD or its designee, and provide environments, data, and technical support for independent testing.
TEST-11	The Contractor shall work proactively with AHCCCS/MQD's designated testing resources to review all test results and provide the necessary solution and functional information to create verification procedures and user acceptance test cases. Verification procedures and UAT Test Cases shall be submitted in the first sixty (60) calendar days of the contract and are subject to approval by AHCCCS/MQD.
TEST-12	The Contractor shall coordinate with AHCCCS/MQD's and specific subsystem owners to conduct integration testing.
TEST-13	The Contractor shall develop test criteria and algorithms for expected outcomes prior to production of reports.
TEST-14	The Contractor shall ensure that the project schedule includes and allocates sufficient time to AHCCCS/MQD's user acceptance testing activities relative to the detailed scope of work, requirements and gaps, the number of manually executed test cases, and the complexity of solution integration. The Contractor shall be responsible for extended user acceptance testing if the proposed testing duration is not sufficient for AHCCCS/MQD to validate the solution.
TEST-15	The Contractor shall deliver a source-to-target mapping document that describes all the data elements being sent from the state's source system to the Contractor's target solution. This shall include any data transformation rules in which the Contractor solution aggregates and/or normalizes data in cases where the data element value differs from source to target.
TEST-16	<p>The Contractor shall ensure that state quality assurance testers have access and training to all required technical tools necessary to actively test or conduct validation on the Contractor solution. This includes the following:</p> <ul style="list-style-type: none"> • Ability to view results at all API endpoints, including a member interface • Ability to query the Contractor UAT environment, if required
TEST-17	As specified in 42 CFR § 431.60 and 42 CFR § 457.730 paragraph (c)(2), conduct routine testing and monitoring, and update as appropriate, to ensure the API functions properly, including assessments to verify that the API technology is fully and successfully implementing privacy and security features such as, but not limited to, those required to comply with HIPAA privacy and security requirements in 45 CFR parts 160 and 164, 42 CFR parts 2 and 3, and other applicable law such as Arizona state law, best practices, and AHCCCS/Med-QUEST policies protecting the privacy and security of individually identifiable data.
8.3.2 Master Test Plan	
TEST-18	<p>The Contractor's master test plan shall:</p> <ul style="list-style-type: none"> • Document and guide the approach to testing throughout the life cycle of the project

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	<ul style="list-style-type: none"> • Include a plan to do “live” testing with a sample of members and providers • Explain how each phase of testing is determined to be complete. Include any formal reports and/or debriefings that shall be conducted and specific testing tools that shall be used • Specify the testing cycles that will be utilized • Include the definition of test philosophy, including objectives, required or types of testing, and basic strategy
TEST-19	<p>The master test plan shall include the Contractor’s strategy for:</p> <ul style="list-style-type: none"> • Maintaining testing environments to facilitate all testing cycles and testing needs • Reporting impacts resulting from changes implemented through the change management process • Creating and populating the test database and maintaining the files during the iterative testing collaboration • Sharing of test cases with AHCCCS /MQD, its staff and its designees to support applicable testing cycles
TEST-20	<p>The Contractor’s master test plan shall explain:</p> <ul style="list-style-type: none"> • The processes and procedures that shall be used for releasing testing results, data reduction and analysis, and review of test results • How pass-fail criteria and testing time frames are established • How testing results shall be tracked • The process that shall be used to establish acceptance criteria that determines whether a phase of testing has been completed. Criteria shall include items such as number and types (severity/ priority) of defects.
TEST-21	<p>The Contractor shall develop and submit the Master Test Plan within the first sixty (60) calendar days of the contract. The master test plan is subject to approval by AHCCCS/MQD.</p>
8.3.3 Operational Readiness	
TEST-22	<p>The Contractor shall develop an operational readiness review (ORR) plan that includes:</p> <ul style="list-style-type: none"> • Extensive checklists for each functional area containing items related to the preparedness of that function
TEST-23	<p>The operational readiness review plan, including checklists, shall be submitted to AHCCCS/MQD for review and approval within thirty (30) calendar days of contract award.</p>
TEST-24	<p>The Contractor shall conduct an operational readiness review that demonstrates all solution requirements from AHCCCS/MQD, and CMS have been met, and the solution is ready for go live.</p>
TEST-25	<p>The operational readiness review must include a volume test of thirty (30) calendar days of production capacity volumes to demonstrate the solution and Contractor staff are prepared for full production.</p>
TEST-26	<p>The Contractor shall document all issues, problems and defects identified through the ORR and report these issues back to AHCCCS/MQD.</p>
TEST-27	<p>The Contractor shall propose solutions for all issues, problems and defects identified through the ORR and provide a timeline for resolving any and all issues.</p>
TEST-28	<p>The Contractor shall prepare and submit an ORR report that demonstrates the solution and the Contractor’s readiness to begin operations. This report must be submitted within fourteen (14) calendar days of the time at which the solution moves from the test environment to the production environment.</p>

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8.4. Training and Knowledge Transfer

- 8.4.1. The Contractor shall be responsible for providing initial and ongoing training throughout the life of the contract to ensure API Developers, AHCCCS/MQD staff, providers and members understand and can successfully use the solution. Training for AHCCCS/MQD shall also include the ability to test the solution. All training materials should meet ADA guidelines.
- 8.4.2. This covers the overall approach to training users of the solution, including AHCCCS/MQD staff, providers and members, and/or member guardians. The training plan includes the types of training to be utilized, training activities, and identification of the training materials to be produced.

KNOW-01	The Contractor shall develop and deliver a training plan within sixty (60) calendar days of contract award to AHCCCS/MQD for review and approval.
KNOW-02	The training plan shall detail all activities required to efficiently, accurately, and effectively train all identified AHCCCS/MQD staff and member users. This should include remote and in person training options, recorded sessions, and training materials all of which can be posted to the AHCCCS/MQD websites.
KNOW-03	The Contractor shall provide training and training materials for AHCCCS/MQD Quality Assurance Testers a minimum of fourteen (14) calendar days prior to User Acceptance Testing activities.
KNOW-04	The Contractor shall provide training and training materials for AHCCCS/MQD staff identified to provide technical support and customer service for the solution a minimum of fourteen (14) calendar days prior to Go Live.
KNOW-05	The Contractor shall provide training and training materials for members in an accessible format for Members to self-train as needed upon Go Live.
KNOW-06	The Contractor shall provide initial and quarterly training (and materials) for members throughout the life of the contract, beginning upon Go Live.
KNOW-07	The Contractor shall update training and training materials within thirty (30) calendar days of any solution changes, as necessary.
KNOW-08	The Contractor shall provide a repository of training materials in an online and recorded format for activities conducted over live web meetings for both AHCCCS/MQD, providers and members to access as needed.
KNOW-09	The Contractor shall ensure all member-facing training materials are at a 6th grade reading level in English, Spanish, and Navajo languages and other languages as identified by AHCCCS/MQD.
KNOW-10	The Contractor shall provide in an easily accessible location on or a link through the AHCCCS and MQD public websites and through other appropriate mechanisms through which it ordinarily communicates with current and former AHCCCS/MQD members seeking to access their health information held by AHCCCS/MQD, educational resources in non-technical, simple and easy-to-understand language. This environment shall be available within thirty (30) calendar days of the time at which the solution goes from the development and test environment to the production environment.

8.5. Privacy and Security

- 8.5.1. The Contractor (and/or any subcontractor) will be responsible for the privacy and security requirements below for the Solution throughout the engagement. See the **Business Associate Addendum** for additional

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details. For all Solutions that will process, store, or transmit restricted or confidential data, see the additional requirements in PVS-14 – PVS-15. For Solutions that will process, store, or transmit data from the Federal Hub, see additional requirements in PVS-16 – PVS-17.

AHCCCS/MQD shall determine the level of criticality for incidences in consultation with the Contractor. Following contract award, AHCCCS/MQD shall supply contact information to the Contractor for reporting incidences.

For all Solutions:	
PVS-01	The Solution shall be compliant with NIST 800-53 at the moderate level, the Minimum Acceptable Risk Standards for Exchanges (MARS-E), or its equivalent.
PVS-02	The Contractor shall comply with AHCCCS/MQD information security requirements and employ appropriate security controls in accordance with applicable laws, Executive Orders, directives, policies, regulations, standards, and guidance.
PVS-03	The Contractor shall establish and maintain security and privacy policies and procedures for how data is stored, handled, and accessed within the Contractor environment.
PVS-04	As part of the proposal submission, the Contractor shall submit a security and privacy assessment and SSAE-18 assessment or its equivalent.
PVS-05	<p>Ninety (90) calendar days before the Solution enters production and annually thereafter, the Contractor shall:</p> <ul style="list-style-type: none"> • Have a security and privacy assessment and penetration testing conducted by an independent, third-party contractor, approved by AHCCCS/MQD, who is qualified by the federal government to perform assessments on computers that access federal information and has experience performing security assessments with other government agencies. • The penetration test report results shall be submitted to AHCCCS/MQD and any major or critical vulnerabilities mitigated. • The Security and Privacy Controls Assessment Report (SAR) shall be submitted to AHCCCS/MQD within twenty-four (24) hours of finalizing the report.
PVS-06	The Contractor shall encrypt data to and from the Contractor environment using FIPS 140-3 compliant encryption technologies.
PVS-07	The Contractor shall be responsible for monitoring emerging information security threats and vulnerabilities and the necessary remediation.
PVS-08	The Contractor shall resolve all identified high and medium vulnerabilities within the timeframes specified by the requirements noted in PVS-01 above, unless otherwise approved in writing by AHCCCS/MQD. Low vulnerabilities shall be discussed prior to resolution. Only those issues that AHCCCS/MQD deems important shall need to be remediated.
PVS-09	Before the Solution enters production, the Contractor shall provide complete Solution documentation, onsite training and training manuals, desk level procedures and practices to avoid security breaches.
PVS-10	The Contractor shall provide a written report and assessment to AHCCCS/MQD within twelve (12) hours following the identification of any security incident detailing all actions taken concerning the incident, including the type of incident, the current status, and any potential impact(s).

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PVS-11	The Contractor shall perform patching and corrections related to security vulnerabilities of a critical nature within three (3) calendar days and those of a major nature within ten (10) business days.
PVS-12	The Contractor shall report to the State any instances of unauthorized access to or potential disclosure of Personal Identifiable Information (PII) or Protected Health Information (PHI) in the custody or control of the Contractor. Any such report shall be made by the Contractor within twenty-four (24) hours after the Unauthorized Disclosure has come to the attention of the Contractor. The Contractor shall take all necessary measures to halt any further Unauthorized Disclosures. The Contractor, at the sole discretion of the State, shall provide no cost credit monitoring services for individuals whose PII or PHI was affected by the Unauthorized Disclosure. The Contractor shall bear the cost of notification to all individuals affected by the Unauthorized Disclosure, including individual letters and public notice. The remedies set forth in this Section are not exclusive and are in addition to any claims or remedies available to this State under this Contract.
PVS-13	For all persons identified to have access to the Solution and data prior to execution of the contract and throughout the life of the agreement, the Contractor shall complete and submit the following: <ul style="list-style-type: none"> • AHCCCS Electronic Data Exchange Request Form • External User Affirmation Statement
For Solutions that will process, store, or transmit restricted or confidential data:	
PVS-14	The Contractor shall be subject to U.S. Federal laws and regulations protecting Personally Identifiable Information (PII).
PVS-15	As part of the proposal submission, the Contractor shall provide proof of compliance with all the following requirements, at the standards that are current for each requirement, and submit supporting information of compliance to AHCCCS/MQD. Proof of compliance is subject to approval by AHCCCS/MQD. In the situation of a conflicting requirement or standard, the more stringent requirement shall apply. <ul style="list-style-type: none"> • HIPAA Privacy and Security – specifically CFR Title 45 Public Welfare, Parts 155.260 and 164 – Security and Privacy. • Arizona security standards and policies set by ADOA/ASET.
For Solutions that will process, store, or transmit data from the Federal hub:	
PVS-16	As part of the proposal submission, the Contractor shall provide proof of compliance with all the following requirements, at the standards that are current for each requirement, and submit supporting information of compliance to AHCCCS/MQD. Proof of compliance is subject to approval by AHCCCS/MQD. In the situation of a conflicting requirement or standard, the more stringent requirement shall apply. <ul style="list-style-type: none"> • HIPAA Privacy and Security – specifically CFR Title 45 Public Welfare, Parts 155.260 and 164 – Security and Privacy. • Arizona security standards and policies set by ADOA/ASET. • All applicable ACA requirements and standards, including MARS-E.

SCOPE OF WORK

PVS-17	The Contractor shall provide all MARS-E compliance documentation within the timeframes indicated in the Artifacts and Timelines document.
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8.6. Continuity of Operations and Recovery

The Contractor shall maintain continuity of business operations and delivery of services to members and AHCCCS/MDQ staff. This includes recovery from unexpected events and the threat of such occurrences that may negatively and significantly impact operations and service delivery.

COR-01	The Contractor shall develop a Continuity of Operations and Recovery Plan (CORP) to be submitted within thirty (30) calendar days from contract award for approval by AHCCCS/MQD.
COR-02	The Contractor shall review, test, and update the CORP at least annually. At a minimum, the test shall include comprehensive tabletop exercises. Test results shall be provided to AHCCCS/MQD within thirty (30) calendar days of test completion.
COR-03	The Contractor shall ensure its staff is familiar and trained on the CORP.
COR-04	At a minimum, the CORP will contain planning and training for the following: <ul style="list-style-type: none"> • Electronic/telephonic failure • Complete loss of use of the Contractor’s main site and any satellite offices, in and out of state • Loss of primary computer system/records • Communication between the Contractor and AHCCCS/MQD in the event of a business disruption • Periodic testing (at least annually)
COR-05	The Contractor’s CORP shall address short- and long-term restoration, relocation, or replacement of resources necessary to ensure the smooth continuation of operations related to AHCCCS/MQD data. Such resources may include, among others, communications, supplies, transportation, space, power and environmental controls, documentation, people, data, software, and hardware.
COR-06	The Contractor’s CORP shall address the rapid restoration, relocation, or replacement of resources associated with the data in the case of a disaster or other business interruption.
COR-07	The Contractor’s CORP shall address backing up and storing data at a location sufficiently remote from the facilities at which the Contractor maintains all data in case of loss of that data at the primary site. The Contractor’s CORP shall identify the location where the data shall be stored.
COR-08	The Contractor shall provide an alternate business site if the Contractor's primary business site becomes unsafe or inoperable. The alternate business site shall be fully operational within two (2) calendar days of the primary business site becoming unsafe or inoperable.
COR-09	The Contractor shall provide and support redundancy, disaster recovery and business continuity as outlined in this statement of work.
COR-10	In the event of an unscheduled system downtime, the Contractor shall meet a recovery time objective (RTO) of four (4) hours—downtime shall not exceed four (4) hours. Availability shall be restored using approved procedures in the CORP.
COR-11	The Contractor shall meet a recovery point objective (RPO) of one (1) hour—loss of restored data shall not exceed one (1) hour from the time of incident detection.

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8.7. Maintenance and Operations

Maintenance and Operations phase begins from date of “Go Live”. The Contractor shall be responsible for ongoing maintenance and operations throughout the contract terms:

MNO-01	The Contractor attests there shall not be any additional costs to AHCCCS/ MQD from the Contractor to remain up to date with federally required updates relating to the solution.
MNO-02	The Contractor shall communicate to and receive approval from AHCCCS/MQD for any planned downtime due to scheduled upgrades or maintenance, outside the normal maintenance window, a minimum of ten (10) business days prior to downtime.
MNO-03	Resolve all errors within the following timeframes: <ul style="list-style-type: none"> • Priority 0 Errors (solution unavailable) — notification to the impacted state within thirty (30) minutes, status of error every thirty (30) minutes until the corrective action plan is approved, corrective action plan within two (2) hours. • Priority 1 Errors (serious solution production issues) — notification to the impacted state within thirty (30) minutes, status of error every one (1) hour until the corrective action plan is approved, corrective action plan within two (2) hours. • Priority 2 Errors (significant solution production issue where work around is available) — notification to the impacted state within thirty (30) minutes, status of error twice a calendar day until the corrective action plan is approved, corrective action plan within twenty-four (24) hours. • Priority 3 Errors (all other solution issues) — notification to the impacted state within thirty (30) minutes if during scheduled business hours otherwise beginning of next business day, status of error every twenty-four (24) hours until the corrective action plan is approved; corrective action plan shall define the agreed-upon schedule between the selected Contractor and the impacted state.
MNO-04	All priority levels shall be subject to AHCCCS/MQD review and approval.
MNO-05	The Contractor shall have a designated and dedicated person who is responsible for the day-to-day operation of the AHCCCS/MQD System. This person will serve as the point of contact for AHCCCS/MQD.
MNO-06	The Contractor shall generate a quarterly operational report that includes at least the following by the 10 th calendar day of the month following the quarter: <ul style="list-style-type: none"> • Summary of issue management tracking system reporting from PROJ-27 and results of any associated user support performance metrics • Any anticipated changes to the project team • Summary of any planned updates/upgrades to the solution or any planned outages for solution maintenance
MNO-07	The Contractor shall develop a maintenance and operations plan that describes the processes for ongoing maintenance and testing of the solution. The plan shall be submitted for AHCCCS/MQD review and approval within sixty (60) calendar days of contract award.
MNO-08	The Contractor shall ensure that 100 percent of all critical priority tickets (enhancements, deficiencies, maintenance, research, configuration and mass adjustments) are completed and implemented by the required implementation date.

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8.8. Technical Support

The Contractor shall be responsible for providing technical support for the solution throughout the duration of the contract.

SUPT-01	The Contractor shall provide technical support Monday through Friday 8AM to 4PM MST, excluding AHCCCS/MQD and Federal holidays.
SUPT-02	The Contractor shall respond to all critical issues within one (1) hour.
SUPT-03	The Contractor shall respond to all non-critical issues within twenty-four (24) hours.
SUPT-04	The Contractor shall issue responses which contain the Contractor's assessment of issue impact to the solution, workarounds, and an estimate for resolution time.
SUPT-05	The Contractor shall develop and deliver a technical support plan within sixty (60) calendar days of contract award for AHCCCS/MQD review and approval. The technical support plan must include the Contractor's planning and approach to: <ul style="list-style-type: none"> • Help desk support • User assistance for functionality and use of the solution • Identification of solution errors • Action plan(s) and resolution timelines for all issues • Evaluation of solution effectiveness against go live criteria • Performance monitoring • Modification process and necessary knowledge

8.9. Certification

To support CMS Certification of the solution, the Contractor must comply with the following:

CERT-01	The Contractor shall support AHCCCS/MQD and participate in all CMS-required activities related to final certification of the solution in accordance with CMS Outcomes-Based Certification requirements.
CERT-02	The Contractor shall ensure all project activities, plans, and deliverables comply with the requirements of the CMS certification process.
CERT-03	The Contractor shall participate in all CMS-required activities for any operational readiness review and/or certification review to achieve CMS certification.
CERT-04	Should the Contractor's solution fail to meet federal requirements, the Contractor shall be liable for the difference between the maximum allowable enhanced FFP and that received by the state, including any losses due to loss of certification, failure to obtain approval retroactive to the operational start date, or delays in readiness to support certification.

8.10. Transition

The Contractor shall be responsible for assistance in transitioning services to a successor or AHCCCS/MQD at the end of the contract. The transition plan details the overall approach and high-level tasks required to successfully transition operations to another entity.

TRN-01	The Contractor shall develop and maintain a transition plan. The transition plan is due within sixty (60) calendar days of contract award to the successor for AHCCCS/MQD review and approval.
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TRN-02	The Contractor shall implement the transition plan and transition activities within six (6) months of the contract end date.
TRN-03	The Contractor shall train AHCCCS/MQD and successor stakeholders as necessary for successful adoption and operation of the solution, beginning at a minimum of thirty (30) calendar days prior to contract end.
TRN-04	The Contractor shall be responsible for and correct, at no additional cost, any defects introduced by the Contractor prior to transition at the time of transition.
TRN-05	The Contractor shall ensure no interruption of services to AHCCCS/MQD and members during transition, including operations and customer service.
TRN-06	The Contractor shall transition all AHCCCS/MQD data and system documentation to AHCCCS/MQD or successor.

8.11. DELIVERABLES

Deliverables required for this Contract are outlined below:

Deliverable #	Deliverable	Requirement No.	Due Date	Update Frequency
DEL-01	Project Management Plan (PMP)	PROJ-07	30 calendar days after contract starts	As needed, annually at minimum
DEL-02	Project Schedule	PROJ-32	30 calendar days after contract starts	As needed
DEL-03	Continuity of Operations and Recovery Plan (CORP)	COR-01	30 calendar days after contract starts	Annually
DEL-04	Operational Readiness Review Plan and Checklists	TEST-23	30 calendar days after contract starts	As needed
DEL-05	Kickoff Meeting	PROJ-33	5 business days after contract starts	One Time
DEL-06	Requirements Traceability Matrix	TEST-02	30 calendar days after contract starts	As needed
DEL-07	Weekly Status Meeting	PROJ-35	1 week after contract start	Weekly
DEL-08	Project Status Report	PROJ-04	1 week after contract start	Weekly
DEL-09	Solution Design, Technical, and Functional Documentation	TECH-72	60 calendar days after contract starts	Within 10 days of any implementations of a change
DEL-10	Security and privacy assessment and SSAE-18 assessment or its equivalent.	PVS-04	Pre-contract	Annual
DEL-11	Independent third-party penetration test results and Security and Privacy Controls Assessment Report (SAR)	PVS-05	90 calendar days prior to Go Live	See PVS-06
DEL-12	Independent third-party security and privacy assessment and penetration test	PVS-06	See PVS-05	Annually, within 24 hours of Report Finalization Following any changes that impact the security framework or architecture; When a new vulnerability exists

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Deliverable #	Deliverable	Requirement No.	Due Date	Update Frequency
DEL-13	Completed AHCCCS Electronic Data Exchange Request Form and External User Affirmation Statements for all persons with access to the Solution and data	PVS-14	Pre-contract	Annual
DEL-14	Proof of compliance with: HIPAA Arizona security standards and policies. All applicable ACA requirements and standards, including MARS-E.	PVS-16	Pre-contract	Annual, as needed
DEL-15	MARS-E Compliance documentation and FEDRAMP SSP or State of Arizona Baseline Infrastructure Security Controls	PVS-17	Pre-contract	Annual
DEL-16	Master Test Plan	TEST-21	60 calendar days after contract starts	As needed
DEL-17	Maintenance and Operations Plan	MNO-07	60 calendar days after contract starts	As needed
DEL-18	Technical Support Plan	SUPT-05	60 calendar days after contract starts	As needed
DEL-19	Training Plan	KNOW-01	60 calendar days after contract starts	As needed
DEL-20	Transition Plan	TRN-01	60 calendar days after contract starts	As needed
DEL-21	Operational Readiness Review Report	TEST-28	14 calendar days prior to Go Live	One Time
DEL-22	Training Delivery	KNOW-03 KNOW-04 KNOW-05 KNOW-06 KNOW-07	14 calendar days prior to UAT/Go Live	As needed; Within 30 calendar days of any implemented changes
DEL-23	API Utilization Report	TECH-70	10 th calendar day of the month following each month	Monthly
DEL-24	SLA Report Card	PROJ-40	5 th calendar day of the month following each month	Monthly
DEL-25	Monthly System Availability Report	TECH-74	10 th calendar day of the month following each month	Monthly
DEL-26	Quarterly Operational Report	MNO-06	10 th calendar day of the month following each quarter	Quarterly
DEL-27	Continuity of Operations/Recovery Testing	COR-02	1 year after contract award and within thirty (30) calendar days of CORP test completion	Annually

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Deliverable #	Deliverable	Requirement No.	Due Date	Update Frequency
DEL-28	Demonstrations of work performed	PROJ-41	60 calendar days after contract starts	As needed

8.12. Deliverables must meet the following requirements:

8.12.1. The Contractor shall provide deliverables that at a minimum meet the following quality standards:

- 8.12.1.1. Provide accurate and comprehensive content, reflecting the specific requirements for the deliverable,
- 8.12.1.2. Ensure appropriate technical level for the audience,
- 8.12.1.3. Utilize correct grammar, spelling, and versioning,
- 8.12.1.4. Ensure diagrams are clear, concise, and value added,
- 8.12.1.5. Adhere to and comply with industry-related standards, and
- 8.12.1.6. Appropriately define and reference information

8.12.2. The Contractor shall meet the due date for submission and acceptance of each deliverable, as indicated in the RFP. AHCCCS reserves the right to rescind or terminate this contract with the accepting party for failure to timely provide any one of the deliverables.

8.12.3. Intentional or inadvertent failure to provide pre-contracting deliverables by the due date, as indicated in this RFP, may result in a failure of consideration for this contract. AHCCCS reserves the right to rescind or terminate this contract with the accepting party for failure to timely provide any one of the deliverables.

8.12.4. The Contractor and AHCCCS/MQD shall establish and utilize a deliverable review and acceptance process agreed upon by the AHCCCS/MQD team that incorporates the following:

- 8.12.4.1. Review cycles shall be conducted and scaled to the size and complexity of the deliverables,
- 8.12.4.2. Deliverables will need to reflect coordination with the overall modular program and shall follow agreed upon change control processes,
- 8.12.4.3. Informal reviews and walkthroughs of draft and final deliverables are encouraged, and
- 8.12.4.4. Queuing up excessive deliverables for simultaneous review is unacceptable to AHCCCS/MQD

8.12.5. All deliverables are subject to AHCCCS/MQD review and approval prior to acceptance or completion.

8.12.6. The Contractor shall coordinate solution deliverable and milestone walkthroughs and participate in other solution walkthroughs as required by the AHCCCS/MQD.

8.12.7. For each Key Deliverable, the Contractor must develop a Deliverable Expectation Document (DED) and submit to AHCCCS/MQD for review and approval prior to starting development of any Key Deliverable. Each DED should include, at a minimum:

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- 8.12.7.1. Description of each section to be included in the deliverable.
- 8.12.7.2. Description of appendices, attachments, and exhibits.
- 8.12.7.3. Deliverable acceptance criteria with an annotated table of contents.

8.12.8. Once a Key Deliverable has been submitted, AHCCCS/MQD will review and provide comments within an agreed upon timeframe. After receiving state feedback, the Contractor shall have five (5) business days to review, accept, reply, or contest AHCCCS/MQD feedback, unless otherwise agreed upon by AHCCCS/MQD.

9. SERVICE LEVEL AGREEMENTS

The Contractor shall be responsible for maintaining the following Service Level Agreements (SLAs). Note that AHCCCS/MQD may choose to conduct an independent test of any of the performance metrics to validate the SLAs and the Contractor shall provide support necessary to support the independent audit. AHCCCS/MQD may also choose to define an exception process.

SLA-01	System Availability	<p>The solution shall be available 24 hours per day, 365 days per year (excluding scheduled maintenance downtime, as agreed upon). For the purposes of this SLA, “available” means users can access all features and functions of the solution. Penalties may be issued for failure to meet the SLA in any given month during the contract or renewal terms as outlined below:</p> <table border="1" data-bbox="516 894 1187 1192"> <thead> <tr> <th>Service Level (Monthly)</th> <th>Penalty Amount</th> </tr> </thead> <tbody> <tr> <td>99.95 – 100%</td> <td>No Penalty</td> </tr> <tr> <td>99.94 – 99%</td> <td>\$1,000</td> </tr> <tr> <td>98.99 – 97%</td> <td>\$2,000</td> </tr> <tr> <td>96.99 – 95%</td> <td>\$2,500</td> </tr> <tr> <td>94.99 – 93%</td> <td>\$5,000</td> </tr> <tr> <td>Below 93%</td> <td>\$10,000</td> </tr> </tbody> </table> <p>The data will come to AHCCCS through TECH-74 and be measured from there.</p>	Service Level (Monthly)	Penalty Amount	99.95 – 100%	No Penalty	99.94 – 99%	\$1,000	98.99 – 97%	\$2,000	96.99 – 95%	\$2,500	94.99 – 93%	\$5,000	Below 93%	\$10,000
Service Level (Monthly)	Penalty Amount															
99.95 – 100%	No Penalty															
99.94 – 99%	\$1,000															
98.99 – 97%	\$2,000															
96.99 – 95%	\$2,500															
94.99 – 93%	\$5,000															
Below 93%	\$10,000															
SLA-02	Batch Interfaces	<p>The Contractor shall make all inbound data accessible within 24 hours of receipt as required in TECH-12. Response times will be measured and reported by the Contractor, monthly, on the SLA Report Card, and for each batch with process times greater than 24 hours, AHCCCS/MQD may assess a penalty in the amount of \$2,500 for that month.</p>														
SLA-03	Real Time Interfaces	<p>Response times shall process at three (3) seconds for 99.95% of the time. Response times will be measured and calculated and reported by the Contractor, monthly, on the SLA Report Card and for process times less than 99.95%, AHCCCS/MQD may assess penalties in the amount of \$2,500 for that month.</p>														
SLA-04	User Interfaces: Web App	<p>Response times shall process at two (2) seconds per discrete transaction. Response times will be measured and reported by the Contractor, monthly, on the SLA report card and for process times less than 99.95%, AHCCCS/MQD may assess penalties in the amount of \$2,500 for that month.</p>														
SLA-05	Third-Party App Onboarding	<p>The Contractor shall have 30 calendar days to onboard third-party applications. Onboarding days will be measured and reported by the Contractor, monthly, on the SLA Report Card. If any onboarding takes longer than 30 calendar days, AHCCCS/MQD may assess a penalty in the amount of \$1,000 for every month that any onboarding is over the 30-calendar day benchmark.</p>														

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SLA-06	Defect Resolution	The Contractor shall resolve solution defects within the specified timeframe according to severity level. AHCCCS/MQD may assess a penalty in the amount indicated for each calendar day beyond the acceptable resolution time, on a monthly basis (not to exceed \$10,000 per month).															
		<table border="1" style="width: 100%; text-align: center;"> <thead> <tr> <th style="width: 33%;">Severity</th> <th style="width: 33%;">Resolution Time (calendar days)</th> <th style="width: 33%;">Penalty per Defect per Month</th> </tr> </thead> <tbody> <tr> <td>1 Critical</td> <td>2</td> <td>\$1000</td> </tr> <tr> <td>2 High</td> <td>60</td> <td>\$250</td> </tr> <tr> <td>3 Medium</td> <td>90</td> <td>\$100</td> </tr> <tr> <td>4 Low</td> <td>120</td> <td>\$50</td> </tr> </tbody> </table>	Severity	Resolution Time (calendar days)	Penalty per Defect per Month	1 Critical	2	\$1000	2 High	60	\$250	3 Medium	90	\$100	4 Low	120	\$50
		Severity	Resolution Time (calendar days)	Penalty per Defect per Month													
		1 Critical	2	\$1000													
		2 High	60	\$250													
3 Medium	90	\$100															
4 Low	120	\$50															
Severity Definitions are provided below:																	
<ol style="list-style-type: none"> 1. Critical - A mission critical defect that causes total failure of the tool or unrecoverable data loss. There is no acceptable work around. Example: API inaccessible; Federal mandated changes not effectuated in a timely manner, security violations. 2. High - A defect that results in severely impaired functionality. A work-around may exist, but it is not acceptable. Example: Incorrect business logic leading to data errors; data files from AHCCCS/MQD unable to load due to Contractor issues. 3. Medium - A defect that causes failure of non-critical nature. There is an acceptable work-around, or temporary impairment is acceptable. Example: Contractor generating errors in files received when such errors are not problematic; Contractor not sending response files upon receipt of uploaded data. 4. A defect of minor significance. Acceptable work-around exists or, if not, the impairment is minor and acceptable. Example: Font or layout display issues; typos/grammar. 																	
SLA-07	Disaster Recovery: Recovery Point Objective (RPO)	The Contractor shall maintain a RPO of one (1) hour. AHCCCS/MQD may assess a penalty in the amount of \$100 per hour for every hour the RPO is not met during the month. The Contractor shall provide a report showing the RPO was met.															
SLA-08	Disaster Recovery: Recovery Time Objective (RTO)	The Contractor shall provide an RTO of four (4) hours. AHCCCS/MQD may assess penalties in the amount of \$1,000 per hour for failure to meet the SLA.															
SLA-09	Contract Document Deliverable	Each deliverable defined in the contract shall be delivered to AHCCCS/MQD on or prior to the approved deliverable date. AHCCCS/MQD may assess penalties in the amount of \$500 per calendar day for failure to meet the SLA.															
SLA-10	Solution Implementation	The Contractor shall deliver the solution within the approved implementation timeline. Any unapproved schedule slippage not caused by AHCCCS/MQD may result in the assessment of penalties in the amount of \$1,000 per calendar day for failure to meet the SLA.															

10. NOTICES:

Any notices or correspondence related to this Contract shall be sent to the parties or their designees respectively as follows:

10.1. AHCCCS PROGRAM CONTACT:
 Mike Sisson, Chief Data Officer
 801 E Jefferson Street, MD 6500
 Phoenix, AZ 85034
 (602) 417- 4265
Mike.sisson@azahcccs.gov

10.2. AHCCCS PROCUREMENT CONTACT:
 Mr. Tracey Thomas
 Procurement Manager
 801 E. Jefferson Street, MD 5700
 Phoenix, AZ 85034

SCOPE OF WORK

(602) 417-4080

procurement@azahcccs.gov

11. PRICING

11.1. Pricing Schedule

Offeror shall provide a firm fixed price for each completed and accepted deliverable listed in the Attachment D: PRICING SCHEDULE. No additional payments shall be made for travel or per diem. The pricing shall be inclusive of all costs associated with the delivery of the service and includes staff time, mileage, insurance, and administrative cost. No additional fees will be paid by AHCCCS.

11.2. Retainage

All deliverable payments shall be subject to 15% retainage. Retained amounts due to Contractor shall be paid upon final project acceptance. The payment will be processed thirty calendar days after GO LIVE.

12. INVOICES

12.1. The Contractor shall submit a monthly invoice, or as otherwise indicated by AHCCCS, to the address listed below for fees associated with this contract. Deliverables are to be invoiced only upon completion and acceptance by AHCCCS/ MQD.

12.2. Each invoice shall provide the following information, as applicable:

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

12.3. Each invoice shall have adequate supporting documentation attached.

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

AHCCCS

Accounts Payable, MD 5400

AHCCCSDBFAdminPayables@azahcccs.gov

DEFINITION OF TERMS

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

1. **AAC:** Arizona Administrative Code
2. **ACA:** Affordable Care Act
3. **AGENCIES** (or “AHCCCS/MQD”) will refer to AHCCCS and MQD.
4. **AHCCCS:** The Arizona Health Care Cost Containment System – a managed health care program which pertains to health care services provided pursuant to A.R.S. 36-2903 et seq. and is also the name of the state agency.
5. **AHCCCS COVERED SERVICES:** Those services set forth in A.R.S. § § 36-2907 and 36-2939, A.A.C. Title 9 Chapter 22, Articles 2 and 12 and, Chapter 28, Articles 2 and 11.
6. **API:** Application Programming Interface.
7. **API DEVELOPER:** A third-party application developers that create interfaces to the API technology maintained in this contract.
8. **ATTACHMENT:** Any item the Solicitation requires an offeror to submit as part of the offer.
9. **BUSINESS DAY or BUSINESS DAYS:** A business day means a Monday, Tuesday, Wednesday, Thursday, or Friday unless a legal holiday falls on Monday, Tuesday, Wednesday, Thursday, or Friday. Computation of time begins the day after the event that triggers the period and includes all calendar days and the final day of the period. If the final day of the period is a weekend or legal holiday, the period is extended until the end of the next business day.
10. **BEST AND FINAL OFFER:** A revision to an Offer submitted after negotiations are completed that contains the offeror’s most favorable terms for price, service, and products to be delivered. Sometimes referred to as a Final Proposal Revision.
11. **CALENDAR DAY or CALENDAR DAYS:** A calendar day that includes weekends and holidays.
12. **CMS:** Centers for Medicare and Medicaid Services, an organization within the U.S. Department of Health and Human Services, which administers the Medicare and Medicaid programs and the state Children’s Health Insurance Program.
13. **CHIP:** Children’s Health Insurance Program, called KidsCare in Arizona.
14. **CHRONIC SLA FAILURE:** Repeated or persistent SLA failures, the occurrence of which is agreed by the parties to justify a remedy or remedies in addition to the award of SLA Credit(s), such as termination.
15. **CONTRACT:** The combination of the Solicitation, including the Instructions to Offerors, Contract Terms and Conditions, and Scope of Work; the Offer; any Best and Final Offers; any Solicitation Amendments or Contract Amendments; and any terms applied by law.

DEFINITION OF TERMS

16. **CONTRACT AMENDMENT:** A written document signed by the Procurement officer that is issued for the purpose of making changes in the contract.
17. **CONTRACTOR:** A person who has a contract with AHCCCS.
18. **CORP** – Continuity of Operations and Recovery Plan
19. **DEFECT:** Functional activity violates the design documentation or acceptance criteria of any user story that has already been implemented or accepted by the project team.
20. **EXHIBIT:** Any item labeled as an exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.
21. **FDSH:** Federal Data Services Hub. HEAplus interfaces with the FDSH to make several types of identity verifications.
22. **FEATURE/ENHANCEMENT:** Functional activity that does not violate the design documentation or acceptance criteria of any user story that has already been implemented or accepted by the project team.
23. **FFM:** Federally Facilitated Marketplace.
24. **FFP (FEDERAL FINANCIAL PARTICIPATION):** The Federal share of reimbursement for services provided in accordance with Federal requirements for school-based Medicaid services.
25. **FMAP (FEDERAL MEDICAL ASSISTANCE PERCENTAGE):** Defined in 42 CFR §433.10 Rates of FFP for Program Services, is the Federal matching assistance percentage used to calculate payment to the states for part of their expenditures for services under an approved state Plan.
26. **GRATUITY:** A payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.
27. **GO LIVE DATE:** The date that all or any part of the CMS Interoperability and Patient Access APIs are first available for use by AHCCCS/MQD in an operational, non-test environment, utilizing actual production data.
28. **HEALTH PLAN:** An organization that contracts with the AHCCCS/ MQD Administration to administer the provision of a comprehensive package of AHCCCS/ MQD covered acute and behavioral health care services to AHCCCS/MQD members enrolled with the health plan.
29. **KIDSCARE:** The State of Arizona’s Children’s Health Insurance Plan (CHIP) program.
30. **MATERIAL OMISSION:** A fact, data or other information excluded from a report, contract, etc. the absence of which could lead to erroneous conclusions following reasonable review of such report, contract, etc.
31. **MATERIALS:** All property, including equipment, supplies, printing, insurance and leases of property but does not include land, a permanent interest in land or real property or leasing space.
32. **MAY:** Indicates something that is not mandatory but permissible.

DEFINITION OF TERMS

33. **MCO:** Managed Care Organization. Synonymous with health plan.
34. **MQD:** State of Hawaii Department of Human Services Med-QUEST Division
35. **MEMBER:** An eligible individual who is or has been enrolled in AHCCCS, as specified in A.R.S. § 36-2931, § 36-2901, § 36-2901.01 and A.R.S. § 36- 2981. Also referred to as Title XIX/XXI member or Medicaid member.
36. **NATIONAL PROVIDER NUMBER:** This single, unique ID is used for billing purposes by the provider to all third-party payers, including billing for reimbursement under the DSC Program. All typical health care providers must have a 10-digit National Provider Identifier (NPI).
37. **NTE:** Not-to-Exceed amount.
38. **OFFER:** A response to a solicitation.
39. **OFFEROR:** A vendor or person who responds to a Solicitation.
40. **PERSON:** Any corporation, business, individual, union, committee, club or other organization or group of individuals.
41. **PERSONALLY IDENTIFIABLE INFORMATION (PII):** Any information about an individual maintained by an agency, including, but not limited to, education, financial transactions, medical history, and criminal or employment history and information which can be used to distinguish or trace an individual's identity, such as their name, Social Security Number, date and place of birth, mother's maiden name, biometric records, including any other personal information which can be linked to an individual.
42. **PROTECTED HEALTH INFORMATION (PHI):** Individually identifiable health information, as defined under the Health Insurance Portability and Accountability Act of 1996 (HIPAA).
43. **PROCUREMENT OFFICER:** The person, or his or her designee, duly authorized by the state and AHCCCS to enter into and administer Contracts and made written determinations with respect to the Contract.
44. **PROJECT:** The individual or collaborative enterprise that is carefully planned and designed to implement, update, and operate the solution.
45. **PROVIDER:** Any individual or entity that is engaged in the delivery of services, or ordering or referring for those services, and is legally authorized to do so by the state in which it delivers the services, as specified in 42 CFR 457.10 and 42 CFR 438.2.
46. **PUBLICLY ACCESSIBLE:** Any person using commonly available technology to browse the internet could access the information without any preconditions or additional steps, such as: a fee for access to the documentation; a requirement to receive a copy of the material via email; a requirement to register or create an account to receive the documentation; or a requirement to read promotional material or agree to receive future communications from the organization making the documentation available.
47. **RELATED PARTY:** A party that has, or may have, the ability to control or significantly influence a contractor, or a party that is, or may be, controlled or significantly influenced by a contractor. "Related parties" include, but are not limited to, agents, managing employees, persons with an ownership or controlling interest in the

DEFINITION OF TERMS

disclosing entity, and their immediate families, subcontractors, wholly owned subsidiaries or suppliers, parent companies, sister companies, holding companies, and other entities controlled or managed by any such entities or persons.

48. **REQUIREMENT TRACEABILITY MATRIX (RTM):** a document that maps and traces user requirement with test cases. This document captures all requirements proposed by the client and requirement traceability in a single document, delivered at the conclusion of the software development life cycle.
49. **RFP:** Request for Proposal; a document prepared by AHCCCS which describes the services required and which instructs a prospective offeror how to prepare a response (proposal).
50. **SCOPE OF WORK:** Those provisions of this solicitation which specify the work and/or results to be achieved by the Contractor.
51. **SERVICE LEVEL AGREEMENT:** "Service Level Agreement" or "SLA" means the contractual quantitative standards set for service performance by the parties (e.g., response time, service quality, uptime).
52. **SERVICE LEVEL AGREEMENT CREDIT:** "SLA Credit" means the credit provided by a Contractor to AHCCCS/MQD for an SLA Failure.
53. **SERVICE LEVEL AGREEMENT FAILURE:** "SLA Failure" means the failure of the Contractor to meet its obligations under an SLA.
54. **SHALL, MUST:** Indicates a mandatory requirement. Failure to meet these mandatory requirements may result in the rejection of a proposal as non-responsive.
55. **SHOULD:** Indicates something that is recommended, but not mandatory. If the offeror fails to provide recommended information, the state may, at its sole option, ask the offeror to provide the information or evaluate the proposal without the information.
56. **SOLICITATION:** An Invitation for Bids ("IFB"), a Request for Proposals ("RFP"), or a Request for Quotations ("RFQ").
57. **SOLICITATION AMENDMENT:** A written document that is authorized by the Procurement Officer and issued for the purpose of making changes to the Solicitation.
58. **SOLUTION:** All hosted technologies used by the Contractor to operate and manage the specifications found in the most recent version of the CMS Interoperability and Patient Access Final Rule that reference API's, including 42 CFR § 431.60, 42 CFR § 457.730, 42 CFR § 431.70, and 42 CFR § 457.760, and any applicable Code of Federal Regulations (CFR) references found within those CFR's.
59. **STATE:** The State of Arizona and AHCCCS.
60. **STATE FISCAL YEAR:** The period beginning with July 1 and ending June 30.
61. **SUBCONTRACT:** Any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.

DEFINITION OF TERMS

62. **TITLE XIX:** Title XIX of the Social Security Act means Medicaid as defined in 42 U.S.C. 7.19.
63. **TITLE XXI:** Title XXI means the federal state Children's Health Insurance Program as established by Subtitle J of the Balanced Budget Act of 1997.
64. **UNAUTHORIZED DISCLOSURES:** To disclose information to an individual who is not authorized to receive it. "[A]n event involving the exposure of information to entities not authorized access to the information".

UNIFORM INSTRUCTIONS TO OFFERORS

1 **Definitions** – all definitions listed in the Definition of Terms.

2 **Inquiries:**

- 2.1 **Duty to Examine:** It is the responsibility of each Offeror to examine the entire Solicitation, seek clarification in writing (inquiries), and examine its Offer for accuracy before submitting an Offer. Lack of care in preparing an Offer shall not be grounds for modifying or withdrawing the Offer after the Offer due date and time.
- 2.2 **Solicitation Contact Person:** Any inquiry related to a Solicitation, including any requests for or inquiries regarding standards referenced in the Solicitation shall be directed solely to the Procurement Officer.
- 2.3 **Submission of Inquiries:** All inquiries related to the Solicitation are required to be submitted via email to the Procurement Officer listed on the front page of this solicitation and on the AHCCCS Q and A form. All responses to inquiries will be answered in the form of a solicitation amendment. Any inquiry related to a Solicitation shall refer to the appropriate Solicitation number, page and paragraph. Offerors are prohibited from contacting any State employee other than the Procurement Officer concerning the procurement while the solicitation and evaluation are in process.
- 2.4 **Timeliness:** Any inquiry or exception to the Solicitation shall be submitted as soon as possible and should be submitted no later than the date and time indicated on the Notice of Request for Proposal (RFP front page) for review and determination by AHCCCS. Failure to do so may result in the inquiry not being considered for a Solicitation Amendment.
- 2.5 **No Right to Rely on Verbal Responses:** Any inquiry that results in changes to the Solicitation shall be answered solely through a written Solicitation Amendment. An Offeror may not rely on verbal responses to its inquiries.
- 2.6 **Solicitation Amendments:** The Solicitation shall only be modified by a Solicitation Amendment.
- 2.7 **Pre-Offer Conference:** If a Pre-Offer Conference has been scheduled under this Solicitation, the date, time and location shall appear on the Solicitation cover sheet. Offerors should raise any questions they may have about the Solicitation at that time. An Offeror may not rely on any verbal responses to questions at the conference. Material issues raised at the conference that result in changes to the Solicitation shall be answered solely through a written Solicitation Amendment.
- 2.8 **Persons with Disabilities:** Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the Solicitation Contact Person. Requests shall be made as early as possible to allow time to arrange the accommodation.

3 **Offer Preparation:**

- 3.1 **Electronic Documents:** The Solicitation is provided in an electronic format. Offerors are responsible for clearly identifying any and all changes or modifications to any Solicitation documents upon submission. Any unidentified alteration or modification to any Solicitation, attachments, exhibits, forms, charts, or illustrations contained herein shall be null and void. Offeror's electronic files shall be submitted in a format acceptable to the State. Acceptable formats include .doc and .docx (Microsoft Word), .xls and

UNIFORM INSTRUCTIONS TO OFFERORS

- .xlsx (Microsoft Excel), .ppt and .pptx (Microsoft PowerPoint) and .pdf (Adobe Acrobat). Offerors wishing to submit files in any other format shall submit an inquiry to the Procurement Officer.
- 3.2 Evidence of Intent to be Bound: The Offer and Acceptance form within the Solicitation shall be submitted with the Offer and shall include a signature by a person authorized to sign the Offer. The signature shall signify the Offeror's intent to be bound by the Offer and the terms of the Solicitation and that the information provided is true, accurate, and complete. Failure to submit verifiable evidence of an intent to be bound, such as an original signature, may result in rejection of the Offer.
- 3.3 Exceptions to Terms and Conditions: All exceptions included with the Offer shall be submitted in a clearly identified separate section of the Offer in which the Offeror clearly identifies the specific paragraphs of the Solicitation where the exceptions occur. Any exceptions not included in such a section shall be without force and effect in any resulting Contract unless such exception is specifically accepted by the Procurement Officer in a written statement. The Offeror's preprinted or standard terms will not be considered by the State as a part of any resulting Contract.
- 3.3.1 All exceptions that are contained in the Offer may negatively impact an Offeror's susceptibility for award. An Offer that takes exception to any material requirement of the solicitation may be rejected.
- 3.4 Subcontracts: Offeror shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities in the Offer.
- 3.5 Cost of Offer Preparation: AHCCCS will not reimburse any Offeror the cost of responding to a Solicitation.
- 3.6 Federal Excise Tax: The State of Arizona is exempt from certain Federal Excise Tax on manufactured goods. Exemption Certificates will be provided by the State.
- 3.7 Provision of Tax Identification Numbers: Offerors are required to provide their Arizona Transaction Privilege Tax Number and/or Federal Tax Identification number, if applicable, in the space provided on the Offer and Acceptance Form.
- 3.7.1 Employee Identification: Offeror agrees to provide an employee identification number or social security number to the State for the purposes of reporting to appropriate taxing authorities, monies paid by the Department under this contract. If the federal identifier of the Offeror is a social security number, this number is being requested solely for tax reporting purposes and will be shared with only appropriate state and federal officials. This submission is mandatory under 26 U.S.C. § 6041A.
- 3.8 Identification of Taxes in Offer. The State of Arizona is subject to all applicable state and local transaction privilege taxes. All applicable taxes shall be identified as a separate item offered in the solicitation. When applicable, the tax rate and amount shall be identified on the price sheet.
- 3.9 Disclosure: If the firm, business, or person submitting this Offer has been debarred, suspended, or otherwise lawfully precluded from participating in any public procurement activity, including being disapproved as a subcontractor with any federal, state, or local government, or if any such preclusion from participation from any public procurement activity is currently pending, the Offeror shall fully explain the circumstances relating to the preclusion or proposed preclusion in the Offer. The Offeror shall include a letter with its Offer setting forth the name and address of the governmental unit, the

UNIFORM INSTRUCTIONS TO OFFERORS

effective date of this suspension or debarment, the duration of the suspension or debarment, and the relevant circumstances relating to the suspension or debarment. If suspension or debarment is currently pending, a detailed description of all relevant circumstances including the details enumerated above shall be provided.

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

4 Submission of Offer:

- 4.1 Offer and Acceptance: Offers shall include a signed Offer and Acceptance form. The Offer and Acceptance form shall be signed with a signature by the person authorized to sign the Offer, and shall be submitted no later than the Solicitation due date and time. Failure to return an Offer and Acceptance form may result in rejection of the Offer.
- 4.2 Solicitation Amendments: Each Solicitation Amendment shall be signed with an original signature by the person signing the Offer and shall be submitted no later than the Offer due date and time. Failure to return a signed copy of a material Solicitation Amendment may result in rejection of the Offer.
- 4.3 Offer Amendment or Withdrawal: An Offer may not be amended or withdrawn after the Offer due date and time except as otherwise provided under applicable law.
- 4.4 Public Record: All Offers submitted and opened are public records and must be retained by the State for a period of time in accordance with the law. for six (6) years. Offers shall be open and available to public inspection after Contract award, except for such portions Offers deemed to be confidential in accordance with the procurement. by the State.
- 4.5 Non-collusion, Employment, and Services: By signing the Offer and Acceptance Form or other official contract form, the Offeror certifies that:
- 4.5.1 The Offeror did not engage in collusion or other anti-competitive practices in connection with the preparation or submission of its Offer; and
 - 4.5.2 The Offeror does not discriminate against any employee or applicant for employment or person to whom it provides services because of race, color, religion, sex, national origin, or

UNIFORM INSTRUCTIONS TO OFFERORS

disability, and that it complies with all applicable federal, state and local laws and executive orders regarding employment.

5 **Evaluation:**

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

6 **Award:** AHCCCS shall award a Contract to the responsible and responsive Offeror whose proposal is determined most advantageous to the State under A.R.S. §36-2906 (R9-22 Article 6).

- 6.1 **Number or Types of Awards:** AHCCCS reserves the right to make multiple awards or to award a Contract by individual line items or alternatives, by group of line items or alternatives, or to make an aggregate award, or regional awards, whichever is deemed most advantageous to AHCCCS and to the State.
- 6.2 **Contract Inception:** An Offer does not constitute a contract nor does it confer any rights on the Offeror to the award of a Contract. A Contract is not created until the Offer is accepted in writing by the Procurement officer's signature on the Offer and Acceptance Form. A notice of award or of the intent to award shall not constitute acceptance of the Offer.
- 6.3 **Effective Date:** The effective date of this Contract shall be the date that the Procurement officer signs the Offer and Acceptance form or other official contract form, unless another date is specifically stated in the Contract.
- 6.4 A response to this Request for Proposal is an offer to contract with AHCCCS based upon the terms, conditions, scope of work and specifications of the RFP. All of the terms and conditions of the Contract are contained in this Solicitation, Solicitation amendments and subsequent Contract amendments, if any, signed by the AHCCCS Chief Procurement Officer. Proposals do not become Contracts unless and until they are accepted by the AHCCCS Chief Procurement Officer. The Proposal submitted by the Offeror will become part of the Contract with AHCCCS. A Contract is formed when the AHCCCS Chief Procurement Officer signs the award page and provides written notice of the award(s) to the Successful

UNIFORM INSTRUCTIONS TO OFFERORS

Offeror(s), and the Offeror accepts any special provisions to the Contract and the final rates awarded. All Offerors will be promptly notified of Contract award.

6.5 The Offeror should note that, if awarded a Contract, the Offeror must meet all AHCCCS requirements, irrespective of what is requested and evaluated through this Solicitation. The Proposal submitted by the Offeror will become part of the Contract with AHCCCS and the Offeror shall comply with all commitments and statements included in its RFP submission.

7 **Protests**: Any protest shall comply with and be resolved according to A.R.S. § 36-2906 and rules adopted thereunder. Protests shall be submitted via email to the AHCCCS Procurement officer.

SPECIAL INSTRUCTIONS TO OFFERORS

1. Anticipated Procurement Schedule

All dates here are subject to change at any time.

Activity	Date
RFP Release	May 2, 2022
Offeror Questions Due	May 20, 2022 by 3:00 pm Arizona Time
Deadline to request access to ASFS	May 27, 2022 by 3:00 pm Arizona Time
Offeror’s Proposals Due	June 17, 2022 by 3:00 pm Arizona Time
Anticipated RFP Award (Subject to CMS and State Approval)	October 1, 2022
Services Start Date	January 1, 2023

2. Questions:

All questions concerning this solicitation shall be submitted **via email using ATTACHMENT E AHCCCS Q&A form found on the AHCCCS website**, found with the solicitation document, to the Procurement Officer identified on the first page of this solicitation document. Offerors may not contact other AHCCCS employees concerning this solicitation.

3. Evaluation Criteria and Selection Process: In accordance with A.R.S. 36-2903 et seq., awards shall be made to the responsible offeror(s) whose proposal is determined in writing to be the most advantageous to the state based upon the evaluation criteria.

3.1. Proposals will be evaluated based upon the ability of the offeror to satisfy the requirements of the RFP in a cost-effective manner. The scored portions of the evaluation are listed in their relative order of importance. Any proposals not meeting the Minimum Qualifications will be disqualified and rejected.

- 3.1.1. Technical Solution Narrative Proposal
- 3.1.2. Approach and Methodology Narrative Proposal
- 3.1.3. Experience and Expertise Narrative Proposal
- 3.1.4. Pricing Proposal

3.2. Any proposal may be rejected by AHCCCS if it does not meet the minimum qualifications or mandatory requirements, does not satisfy the requirements of the RFP in a cost-effective manner, or is not in the best interest of the state. Exceptions to the Terms and Conditions, as stated in the Uniform Instructions, may impact an offeror’s susceptibility for award.

3.3. Notwithstanding any other provision of this Solicitation, AHCCCS expressly reserves the right to:

- 3.3.1. Waive any immaterial mistake or informality,
- 3.3.2. Reject any or all Proposals, or portions thereof, and/or
- 3.3.3. Reissue a Request for Proposal.

3.4. Evaluators will be focused on information expressly provided by the Offeror. No inferences or assumptions will be made by the evaluation team when scoring in order to evaluate information submitted by the Offeror which is not clear, explicit, or thoroughly presented. Use of contingent language such as ‘exploring’ or ‘taking under consideration’ will not be given any weight during the

SPECIAL INSTRUCTIONS TO OFFERORS

scoring evaluation process. A policy, brochure, or reference to a policy or manual does not constitute an adequate response and will not be given any weight during the scoring evaluation process.

- 3.5. It is the responsibility of the Offeror to examine the entire RFP, timely seek clarification of any requirement that may not be clear, and review all responses for accuracy before submitting its Proposal. The Proposal becomes a part of the Contract. Therefore, whatever information is stated in the Proposal may be evaluated either during the Proposal evaluation process or subsequently during other reviews. If any information contained inside an Offeror's proposal contradicts or does not comply with the solicitation requirements, the solicitation requirements prevail, unless otherwise accepted by AHCCCS in writing.

4. Submission of Proposal

The offeror shall submit its proposal to ASFS . Failure to follow the prescribed format for submission may result in AHCCCS determining that the submission is non-responsive.

The deadline to request access to the ASFS is: May 27, 2022.

Offerors must request access to ASFS by this date in order to submit a proposal.

Font and Margins

All proposals shall be submitted in Calibri 11 point font or larger with margins no less than ½”.

Page Limits

The Offeror has the discretion to include or exclude the narrative submission requirement text as a part of the Offeror's response; however, the required page limit applies regardless of whether or not the text is included. AHCCCS will only consider the information provided within the allotted page limit and permitted attachments, if any, in response to a specific submission requirement when evaluating the Offeror's Proposal. AHCCCS will not consider information outside the allotted page limit or any other information provided elsewhere in the Proposal when reviewing a specific response to an individual submission requirement.

5. Contents of Proposal:

The offeror's Proposal shall contain the following and be organized as follows (see Exhibit A Proposal Submission Instructions):

PART A

- A1 Transmittal Letter with list of portions to be kept confidential (if any)
- A2 Signed offer and Acceptance Page
- A3 Signed Solicitation Amendment(s)

PART B

- B1 Technical Solution Narrative Proposal (page limited to 30)
- B2 Approach and Methodology Narrative Proposal (page limited to 25)
- B3 Experience and Expertise Narrative Proposal (page limited to 20)
- B4 Pricing Schedule (Attachment D)
- B5 Minimum Qualifications Pass/Fail (Attachment A)

SPECIAL INSTRUCTIONS TO OFFERORS

PART C

- C1 Intent to provide insurance
- C2 Separate, signed, legal Analysis for Confidential /Proprietary Determination (if any)
- C3 Attestation of Boycott of Israel
- C4 Exceptions to any part of solicitation

NOTE: The following items do not count against page limits: Tables of Contents, Cover pages, Proposed Project Schedule, Org Chart and Resumes.

5.1. Transmittal Letter:

The Transmittal Letter must include the principal contact for the proposal along with an address, telephone number, fax number, and an e-mail address if that contact is different than the individual authorized for signature. A person authorized to commit the offeror to its representations and who can certify that the information offered in the proposal meets all general conditions must sign the letter.

In addition to the required detailed legal analysis, the Offeror shall summarize in their Transmittal Letter a list of distinct portions, including exact page numbers, of their document is requested to be kept confidential. See paragraph 12 of this section (below).

5.2. Narrative Proposal:

Narrative Proposals must be structured and numbered according to the RFP section numbers and headers as presented in the table below. Responses in each section must be addressed in the order given. Since the evaluators have already read the Scope of Work for the services described, it is not necessary for the offeror to repeat the exact language, nor to present a paraphrased version, as an original idea for a technical approach. The language of the narrative should be straightforward and limited to facts, solutions to problems, and plans of proposed action. The usage of technical language should be minimized and used only to describe a technical process.

Narrative Proposals will be evaluated based on the offeror's distinctive plan for providing these specialized services. The offeror shall utilize a written narrative or any other printed technique to demonstrate the ability to satisfy the Scope of Work. When appropriate, the Narrative Proposal should describe a logical progression of tasks and efforts starting with the initial steps or tasks to be accomplished and continuing until all proposed tasks are fully described.

The Narrative Proposal should be broken into three (3) files:

- B1 - Technical solution
- B2 - Approach/Methodology
- B3 - Experience and Expertise

The following tables define how the Narrative Proposals should be prepared, addressing the following Proposal Response Requirements.

SPECIAL INSTRUCTIONS TO OFFERORS

B1 - Technical Solution Narrative Proposal (PAGE LIMIT 30)		
Narrative Proposal Section Number	Narrative Proposal Section Header	Proposal Response Requirements
1	Executive Summary	Provide an executive summary that describes the ability to meet stated requirements, identifies any issues or deviations that impact the ability of the offeror to deliver the desired solution, and explains any offeror advantages or value-added features. NOTE: Value-added features must be included as a separate line in the Pricing Schedule.
2	Technical solution Requirements	The offeror shall respond point-by-point to all requirements in Scope of Work, Section 7. Describe in detail the offeror's approach to how the solution meets or will meet the requirement.
3	Software Maintenance	Describe the offeror's approach to maintenance, including: <ul style="list-style-type: none"> • Maintenance Releases and Patches • Upgrades, Customizations/Configurations • Release Cycles/Frequencies • Downtime
4	Warranty	Describe the offeror's warranty period and coverage/exclusions.
5	Privacy and Security	The offeror shall respond point-by-point to all requirements in Scope of Work, Section 8. Describe in detail the offeror's approach to how the solution meets or will meet the requirement.
6	FEDRAMP/Arizona Baseline Infrastructure Security Controls	The offeror shall provide its FEDRAMP (Federal Risk and Authorization Management Program) SSP (System Security Plan) OR complete The State of Arizona Baseline Infrastructure Security Controls 2017 https://aset.az.gov/arizona-baseline-security-controls-2016-excel and receive authorization from The State of Arizona Department of Administration.
7	Continuity of Operations and Recovery Plan (CORP)	The offeror shall respond point-by-point to all requirements in Scope of Work, Section 8.6. Describe in detail the offeror's approach to how the solution meets or will meet the requirement.
8	Architecture	<p>8.1 Describe the offeror's network architecture, including security levels, capacity, and connectivity points. Provide architectural diagrams and detail how the patient access and Provider Directory API CMS Final Rules are met.</p> <p>8.2 Describe the offeror's storage architecture, including security controls.</p> <p>8.3 Describe the architecture of the solution and supporting infrastructure including:</p> <ul style="list-style-type: none"> • Technical stack, including software products and programming languages • Load/performance testing products and how the solution provides for performance measurement by AHCCCS/MQD • Secure code reviews as they pertain to the Software Development Life Cycle strategy (SDLC) • Related architecture diagrams

SPECIAL INSTRUCTIONS TO OFFERORS

B1 - Technical Solution Narrative Proposal (PAGE LIMIT 30)

Narrative Proposal Section Number	Narrative Proposal Section Header	Proposal Response Requirements
		8.4 Describe the solution’s integration points with other datasets or applications, including external dependencies.
		8.5 Describe the solution’s flexibility for scalability.
		8.6 Describe the solution’s ability to provide high availability.
		8.7 Describe the offeror’s approach to enhancements, such as implementing changing technical and business requirements.
9	Data	9.1 Describe the Contractor's approach to hosting the solution: <ul style="list-style-type: none"> • Hosting Location • Geographical Distribution of Hosting Locations • If hosted by a third party, list the hosting party
		9.2 Describe the offeror’s experience with converting claims and encounter data to the FHIR standard: <ul style="list-style-type: none"> • FHIR implementation guides supported for claims, encounters, clinical, and provider directory data • If available, provide testing results to show conformance to the Da Vinci implementation guides
		9.3 Describe the solution’s FHIR adapters for claims and encounter data: <ul style="list-style-type: none"> • Pre-built or out-of-the box • Data formats and standards supported

B2-Approach/Methodology Narrative Proposal (PAGE LIMIT 25)

Narrative Proposal Section Number	Narrative Proposal Section Header	Proposal Response Requirements
1	Approach/Methodology	Describe the offeror’s approach to delivering the services outlined in the Scope of Work, Section 8. Approach and Methodology. Provide a response for each area in Section 8 (A-I).
2	Risk and Issue Management	Describe any risks to completing the project within the offeror’s proposed timeline, including how the offeror will mitigate these risks.
3	Proposed Project Schedule	Provide a detailed project schedule that includes all deliverables, work products, milestones, resources, and any additional activities the offeror proposes to successfully complete the engagement. (Not included in Page limits)
4	Technical Support	Describe the offeror’s typical SLAs, including response times, methods of contact, and support hours. Additionally, describe the offeror’s problem resolution/escalation procedures.

SPECIAL INSTRUCTIONS TO OFFERORS

B2-Approach/Methodology Narrative Proposal (PAGE LIMIT 25)

Narrative Proposal Section Number	Narrative Proposal Section Header	Proposal Response Requirements
5	Training	Describe the offeror’s training program, including initial and ongoing training throughout the contract duration.

B3 - Offeror Experience and Staffing Approach Narrative Proposal (PAGE LIMIT 20)

Narrative Proposal Section Number	Narrative Proposal Section Header	Proposal Response Requirements
1	Corporate Experience	Provide an overview of the offeror’s business history, including corporate structure. Describe the offeror’s qualifications and experience relevant to this project, including how the offeror meets the minimum corporate and technical requirements in the Scope of Work.
2	Staffing Approach	Describe the offeror’s staffing approach to completing this project. Identify Key Personnel, and provide proposed roles and responsibilities to complete the work, as well as a project Organizational Chart. Include résumés of all proposed staff indicating relevant experience and expertise as listed in this RFP (Org chart and résumés not included in page limit).
3	Detailed Experience	Project descriptions for similar projects that demonstrate the offeror’s experience with FHIR-based solution implementations connecting Third-Party Applications for claims, encounters, and/or medical data. Describe any Lessons Learned relevant to this engagement.
4	References	Provide a minimum of two (2) client references (name, title, email, and phone).

5.3. Pricing Proposal:

The evaluation will be based on the proposed prices, as indicated on Attachment A: Pricing Schedule submitted with offeror’s proposal.

- 5.3.1. The proposed price shall be inclusive of all costs associated with the delivery of the service and includes staff time, mileage, insurance, and administrative costs. No additional fees will be paid by AHCCCS.
- 5.3.2. Taxes: If the products and/or services specified require transaction privilege or use taxes, they shall be described and itemized separately on the offer. Arizona transaction privilege and use taxes shall not be considered for evaluation.
- 5.3.3. After award, the Contractor shall assist the state when developing invoicing schedules and budgetary requirements to be sent to CMS, FNS The State of Arizona, or other funding partners.

SPECIAL INSTRUCTIONS TO OFFERORS

- 5.3.4. At any time in the evaluation process, pricing proposals may be reviewed, apart from the scoring process, for realistic and competitive pricing. Outside information may be utilized as deemed appropriate by the Procurement Officer, including but not limited to:
- 5.3.4.1. Other pricing proposals submitted for this RFP.
 - 5.3.4.2. Expenditures and pricing of any current or expired contract if the solicitation is a re-bid of a current service.
 - 5.3.4.3. Public or independently obtained information based upon market research.
 - 5.3.4.4. Cost bids submitted by the offeror in relation to any closely related procurement.
 - 5.3.4.5. Awarded Pricing obtained from other contracts held by the offeror.
 - 5.3.4.6. Pricing obtained from other contracts for the same or similar service awarded by a public entity.
 - 5.3.4.7. Other information as deemed appropriate by the Procurement Officer.
- 5.3.5. At any time during the evaluation, but before award, AHCCCS may reject a proposal in part or in whole based upon unrealistically high or low pricing.
6. **Intent to Provide Certificate of Insurance:** The offeror shall provide a brief statement that, if notified of contract award, the offeror will submit to AHCCCS for review and acceptance, the applicable certificate/s of insurance as required within this RFP document, within five (5) business days of such notification.
7. **Additional Information (OPTIONAL):** The offeror may, at its option, submit any other pertinent information which would substantiate the offeror has the experience, expertise and capability to provide the required services. The intent is to allow flexibility to an offeror who may have desire to submit information that is not specifically requested by AHCCCS in the Special Instructions to Offerors as part of its Experience and Expertise submission and is NOT intended to allow any offeror to circumvent the page limits of any requirement. Any additional information that is received pursuant to this section must be contained exclusively in the Experience and Expertise section, and the submission MUST adhere to any prescribed page limits. Any pages submitted beyond the page limits for any submission requirement will not be reviewed by evaluators nor will it be included in the scored portion of the offeror's proposal.
8. **Presentations and Demonstrations:** AHCCCS will invite Offerors who are determined to be reasonably susceptible for award to give a presentation or show a demonstration of the product or service to the evaluation committee. If a proposal is rejected or deemed not susceptible for award, the Offeror will not be given the opportunity to present and will forfeit points award in this category.
9. **Financial Stability:** The offeror must be financially stable and if requested shall be able to substantiate the financial stability of its company. Upon written request from AHCCCS, the offeror shall submit an annual financial statement for itself, and parent company (if applicable) within five (5) business days of request. The state reserves the right to request additional documentation from the offeror and to request reports on financial stability from independent financial rating services. The state reserves the right to reject any offeror who does not demonstrate financial stability sufficient for the scope of this contract award.
10. **Clarification of Offers:** AHCCCS may request clarification of an offer any time after receipt. Clarifications may be requested orally or in writing. If clarifications are requested orally, the offeror shall confirm the request in writing. A request for clarifications shall not be considered a determination that the offeror is susceptible for award.
11. **Negotiations:** Negotiations may be conducted orally or in writing at the discretion of AHCCCS. Negotiations may be conducted in order to improve offers in such areas of cost, price, specifications performance, or

SPECIAL INSTRUCTIONS TO OFFERORS

terms, to achieve best value for the state. Negotiations may include demonstrations (oral presentations). Award(s) may be made without negotiations; therefore, offers should be submitted on most favorable terms.

12. Final Proposal Revisions /Best and Final Offers: Written Final Proposal Revisions, or Best and Final Offers, will be requested from any offeror with whom negotiations have been conducted, unless the offeror has been determined not within the competitive range, not susceptible for award or non-responsible.

13. Request for Confidential/Proprietary Determination:

- 13.1. If an offeror believes that a specific portion of its bid, proposal, offer, specification, or protest contains information that should be withheld from public inspection due to confidentiality, the offeror shall submit to the Procurement Officer a detailed legal analysis, prepared by legal counsel, which sets forth the bases for the requested non-disclosure and the specific harm or prejudice which may arise if disclosed. The analysis shall be presented to the Procurement Officer at the same time as the bid, proposal, offer, specification, or protest.
- 13.2. An entire bid, proposal, offer, specification, or protest shall not be identified as confidential; only those very limited and distinct portions which are considered by the offeror as confidential may be identified as such. Pricing shall not be considered as confidential.
- 13.3. In the event that AHCCCS receives a request for disclosure of the information, AHCCCS will disclose the information in accordance with law. Prior to disclosure, AHCCCS will inform the offeror of such request and provide the offeror a period of time to take action it deems appropriate to support non-disclosure. The offeror shall be responsible for any and all costs associated with the nondisclosure of the information.
- 13.4. In addition to the required detailed legal analysis, the offeror shall summarize in their Transmittal Letter the distinct portions, including exact page numbers, of their document is requested to be kept confidential.
- 13.5. If any pieces of your proposal are being requested to be kept confidential, and withheld from public viewing, please submit an additional redacted copy of the proposal, clearly listed as REDACTED in the file name. This will ensure that our office is crystal clear on which version of your proposal is acceptable for public viewing.
- 13.6. Regardless of a determination issued by the procurement officer, all portions of the Offeror's proposal, even pages that are proprietary, may be provided to CMS or other state or federal oversight agencies.

14. REJECTION of a PROPOSAL - Responsibility, Responsiveness, Susceptibility, and Best Interest

In accordance with applicable procurement regulations and best practices, at any time during the evaluation, AHCCCS may reject an Offer based upon a determination that Offeror is not responsible, or that the proposal is not responsive or, not susceptible for award. AHCCCS may reject the Offer if doing so is in the best interest of the State. When rejecting a proposal, AHCCCS may consider any of the following:

- 14.1. Whether the Offeror has had a contract within the last five (5) years that was terminated for cause due to breach or similar failure to comply with the terms of the contract;
- 14.2. Whether the Offeror has had a Contract that was terminated by AHCCCS for any reason;

SPECIAL INSTRUCTIONS TO OFFERORS

- 14.3. Whether the Offeror's record of performance includes factual evidence of failure to satisfy the terms of the Offeror's agreements with any party to a contract. Factual evidence may consist of documented vendor performance reports, customer complaints, and/or negative references;
- 14.4. Whether the Offeror is legally qualified to contract with the State and the Offeror's financial, business, personnel, or other resources, including sub-contractors;
 - 14.4.1. Legally qualified includes if the vendor or if key personnel have been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to being disapproved as a subcontractor of any public procurement unit or other governmental body.
- 14.5. Whether the Offeror promptly supplied all requested information concerning its responsibility;
- 14.6. Whether the Offer was sufficient to permit evaluation by the State, in accordance with the evaluation criteria identified in this Solicitation or other necessary offer components. Necessary offer components include: attachments, documents or forms to be submitted with the offer, an indication of the intent to be bound, reasonable or acceptable approach to perform the Scope of Work, acknowledged Solicitation Amendments, references to include experience verification, adequacy of financial/business/personal or other resources to include a performance bond and stability including subcontractors and any other data specifically requested in the Solicitation;
- 14.7. Whether the Offer was in conformance with the requirements contained in the Scope of Work, Terms and Conditions, and Instructions for the Solicitation including its Amendments and all documents incorporated by reference;
- 14.8. Whether the Offer limits the rights of the State;
- 14.9. Whether the Offer includes, or is subject to, unreasonable conditions, to include conditions upon the State necessary for successful Contract performance. The State shall be the sole determiner as to the reasonableness of a condition;
- 14.10. Whether the Offer materially changes the contents set forth in the Solicitation, which includes the Scope of Work, Terms and Conditions, or Instructions;
- 14.11. Whether the Offeror provides misleading or inaccurate information;
- 14.12. Whether the Offer fails to meet the minimum mandatory requirements of the RFP;
- 14.13. Whether the Offer satisfies the requirements of the RFP in a cost effective manner, as determined by AHCCCS;
- 14.14. Whether the Offeror's pricing is unrealistic, or unreasonably or unsubstantiatedly high or low; or
- 14.15. Any Whether or not the offer is in the best interest of the State; other criteria as deemed necessary and appropriate by AHCCCS to determine if the Offer is in the best interest of the State.

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

2. **Contract Interpretation**

- 2.1 Arizona Law. The Arizona law applies to this Contract including, A.R.S. § 36-2906 and its implementing rules.
- 2.2 Implied Contract Terms. Each provision of law and any terms required by law to be in this Contract are a part of this Contract as if fully stated in it.
- 2.3 Reserved
- 2.4 Relationship of Parties. The Contractor under this Contract is an independent Contractor. Neither party to this Contract shall be deemed to be the employee or agent of the other party to the Contract.
- 2.5 Severability. The provisions of this Contract are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition of the Contract.
- 2.6 No Parole Evidence. This Contract is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any terms used in this document and no other understanding either oral or in writing shall be binding.
- 2.7 No Waiver. Either party's failure to insist on strict performance of any term or condition of the Contract shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.

3. **Contract Administration and Operation**

- 3.1 Records. Under A.R.S. § 35-214 and § 35-215, the Contractor shall retain and shall contractually require each subcontractor to retain all data and other "records" relating to the acquisition and performance of the Contract for a period of five years after the completion of the Contract. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the Contractor shall produce a legible copy of any or all such records.
- 3.2 Non-Discrimination. The Contractor shall comply with State Executive Order No. 2009-09 and all other applicable Federal and State laws, rules and regulations, including the Americans with Disabilities Act.
- 3.3 Audit. Pursuant to ARS § 35-214, at any time during the term of this Contract and five (5) years thereafter, the Contractor's or any subcontractor's books and records shall be subject to audit by the State and, where applicable, the Federal Government, to the extent that the books and records relate to the performance of the Contract or Subcontract.
- 3.4 Facilities Inspection and Materials Testing. The Contractor agrees to permit access to its facilities, subcontractor facilities, and the Contractor's processes or services, at reasonable times for inspection of the facilities or materials covered under this Contract.

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

- 3.5 Notices. Notices to the Contractor required by this Contract shall be made by the State to the person indicated on the Offer and Acceptance form submitted by the Contractor unless otherwise stated in the Contract. Notices to the State required by the Contract shall be made by the Contractor to the Solicitation Contact Person indicated on the Solicitation cover sheet, unless otherwise stated in the Contract. An authorized Procurement Officer and an authorized Contractor representative may change their respective person to whom notice shall be given by written notice to the other and an amendment to the Contract shall not be necessary.
- 3.6 Advertising, Publishing and Promotion of Contract. The Contractor shall not use, advertise or promote information for commercial benefit concerning this Contract without the prior written approval of the Procurement Officer.
- 3.7 Property of the State. Any materials, including reports, computer programs, and other deliverables, created under this Contract are the sole property of the State. The Contractor is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. The Contractor shall not use or release these materials without the prior written consent of the State.
- 3.8 Ownership of Intellectual Property. Any and all intellectual property, including but not limited to copyright, invention, trademark, trade name, service mark, and/or trade secrets created or conceived pursuant to or as a result of this contract and any related subcontract ("Intellectual Property"), shall be work made for hire and the State shall be considered the creator of such Intellectual Property. The agency, department, division, board or commission of the State of Arizona requesting the issuance of this contract shall own (for and on behalf of the State) the entire right, title and interest to the Intellectual Property throughout the world. Contractor shall notify the State, within thirty (30) days, of the creation of any Intellectual Property by it or its subcontractor(s). Contractor, on behalf of itself and any subcontractor(s), agrees to execute any and all document(s) necessary to assure ownership of the Intellectual Property vests in the State and shall take no affirmative actions that might have the effect of vesting all or part of the Intellectual Property in any entity other than the State. The Intellectual Property shall not be disclosed by Contractor or its subcontractor(s) to any entity not the State without the express written authorization of the agency, department, division, board, or commission of the State of Arizona requesting the issuance of this contract.
- 3.9 Federal Immigration and Nationality Act. The Contractor shall comply with all federal, state and local immigration laws and regulations relating to the immigration status of their employees during the term of the contract. Further, the Contractor shall flow down this requirement to all subcontractors utilized during the term of the contract. The State shall retain the right to perform random audits of Contractor and subcontractor records or to inspect papers of any employee thereof to ensure compliance. Should the State determine that the Contractor and/or any subcontractors be found noncompliant, the State may pursue all remedies allowed by law, including, but not limited to; suspension of work, termination of the contract for default, and suspension and/or debarment of the Contractor.

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- 3.10 E-Verify Requirements. In accordance with A.R.S. § 41-4401, Contractor warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with A.R.S. § 23-214, Subsection A.
- 3.11 Offshore Performance of Work Prohibited. Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and involve access to secure or sensitive data or personal client data shall be performed within the defined territories of the United States. Unless specifically stated otherwise in the specifications, this paragraph does not apply to indirect or 'overhead' services, redundant back-up services, or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers.

4. Costs and Payments

- 4.1 Payments. Payments shall comply with the requirements of A.R.S. Titles 35 and 41, Net 30 days. Upon receipt and acceptance of goods or services, the Contractor shall submit a complete and accurate invoice for payment from the State within thirty (30) days.
- 4.2 Delivery. Unless stated otherwise in the Contract, all prices shall be F.O.B. Destination and shall include all freight delivery and unloading at the destination.
- 4.3 Applicable Taxes.
- 4.3.1 Payment of Taxes. The Contractor shall be responsible for paying all applicable taxes.
- 4.3.2 State and Local Transaction Privilege Taxes. The State of Arizona is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sale and are the responsibility of the seller to remit. Failure to collect such taxes from the buyer does not relieve the seller from its obligation to remit taxes.
- 4.3.3 Tax Indemnification. Contractor and all subcontractors shall pay all Federal, state and local taxes applicable to its operation and any persons employed by the Contractor. Contractor shall, and require all subcontractors to hold the State harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under Federal, and/or state and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.
- 4.3.4 IRS W9 Form. In order to receive payment the Contractor shall have a current I.R.S. W9 Form on file with the State of Arizona, unless not required by law.
- 4.4 Availability of Funds for the Next State fiscal year. Funds may not presently be available for performance under this Contract beyond the current state fiscal year. No legal liability on the part of the State for any payment may arise under this Contract beyond the current state fiscal year until funds are made available for performance of this Contract.
- 4.5 Availability of Funds for the current State fiscal year. Should the State Legislature enter back into session and reduce the appropriations or for any reason and these goods or services are not funded, the State may take any of the following actions:

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- 4.5.1 Accept a decrease in price offered by the Contractor;
- 4.5.2 Cancel the Contract; or
- 4.5.3 Cancel the contract and re-solicit the requirements.

5. Contract Changes

- 5.1 Amendments. This Contract is issued under the authority of the Procurement Officer who signed this Contract. The Contract may be modified only through a Contract Amendment within the scope of the Contract. Changes to the Contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by a person who is not specifically authorized by the procurement officer in writing or made unilaterally by the Contractor are violations of the Contract and of applicable law. Such changes, including unauthorized written Contract Amendments shall be void and without effect, and the Contractor shall not be entitled to any claim under this Contract based on those changes.
- 5.2 Subcontracts. The Contractor shall not enter into any Subcontract under this Contract for the performance of this contract without the advance written approval of the Procurement Officer. The Contractor shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities. The Subcontract shall incorporate by reference the terms and conditions of this Contract.
- 5.3 Assignment and Delegation. The Contractor shall not assign any right nor delegate any duty under this Contract without the prior written approval of the Procurement Officer. The State shall not unreasonably withhold approval.

6. Risk and Liability

- 6.1 Risk of Loss. The Contractor shall bear all loss of conforming material covered under this Contract until received by authorized personnel at the location designated in the purchase order or Contract. Mere receipt does not constitute final acceptance. The risk of loss for nonconforming materials shall remain with the Contractor regardless of receipt.
- 6.2 Indemnification.
 - 6.2.1 Contractor/Vendor Indemnification The parties to this contract agree that the State of Arizona, its departments, agencies, boards, and commissions shall be indemnified and held harmless by the Contractor for the vicarious liability of the State as a result of entering into this contract. However, the parties further agree that the State of Arizona, its departments, agencies, boards, and commissions shall be responsible for its own negligence. Each party to this contract is responsible for its own negligence.
- 6.3 Indemnification - Patent and Copyright. The Contractor shall indemnify and hold harmless the State against any liability, including costs and expenses, for infringement of any patent, trademark or copyright arising out of Contract performance or use by the State of materials furnished or work performed under this Contract. The State shall reasonably notify the Contractor of any claim for which it may be liable under this paragraph. If the Contractor is insured pursuant to A.R.S. § 41-621 and § 35-154, this section shall not apply.

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6.4 Force Majeure.

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

6.4.2 Force Majeure shall **not** include the following occurrences:

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

6.4.2.2 Late performance by a subcontractor unless the delay arises out of a force majeure occurrence in accordance with this force majeure term and condition; or

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

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

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

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

7. **Warranties**

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

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

7.2.1 Of a quality to pass without objection in the trade under the Contract description;

7.2.2 Fit for the intended purposes for which the materials are used;

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- 7.2.3 Within the variations permitted by the Contract and are of even kind, quantity, and quality within each unit and among all units;
- 7.2.4 Adequately contained, packaged and marked as the Contract may require; and
- 7.2.5 Conform to the written promises or affirmations of fact made by the Contractor.
- 7.3 Fitness. The Contractor warrants that any material supplied to the State shall fully conform to all requirements of the Contract and all representations of the Contractor, and shall be fit for all purposes and uses required by the Contract.
- 7.4 Inspection/Testing. The warranties set forth in subparagraphs 7.1 through 7.3 of this paragraph are not affected by inspection or testing of or payment for the materials by the State.
- 7.5 Compliance With Applicable Laws. The materials and services supplied under this Contract shall comply with all applicable Federal, state, and local laws, and the Contractor shall maintain all applicable license and permit requirements.
- 7.6 Survival of Rights and Obligations after Contract Expiration or Termination.
- 7.6.1 Contractor's Representations and Warranties. All representations and warranties made by the Contractor under this Contract shall survive the expiration or termination hereof. In addition, the parties hereto acknowledge that pursuant to A.R.S. § 12-510, except as provided in A.R.S. § 12-529, the State is not subject to or barred by any limitations of actions prescribed in A.R.S., Title 12, Chapter 5.
- 7.6.2 Purchase Orders. The Contractor shall, in accordance with all terms and conditions of the Contract, fully perform and shall be obligated to comply with all purchase orders received by the Contractor prior to the expiration or termination hereof, unless otherwise directed in writing by the Procurement Officer, including, without limitation, all purchase orders received prior to but not fully performed and satisfied at the expiration or termination of this Contract.

8. State's Contractual Remedies

- 8.1 Right to Assurance. If the State in good faith has reason to believe that the Contractor does not intend to, or is unable to perform or continue performing under this Contract, the Procurement Officer may demand in writing that the Contractor give a written assurance of intent to perform. Failure by the Contractor to provide written assurance within the number of Days specified in the demand may, at the State's option, be the basis for terminating the Contract under the Uniform Terms and Conditions or other rights and remedies available by law or provided by the contract.
- 8.2 Stop Work Order.
- 8.2.1 The State may, at any time, by written order to the Contractor, require the Contractor to stop all or any part, of the work called for by this Contract for period(s) of days indicated by the State after the order is delivered to the Contractor. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage.

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- 8.2.2 If a stop work order issued under this clause is canceled or the period of the order or any extension expires, the Contractor shall resume work. The Procurement Officer shall make an equitable adjustment in the delivery schedule or Contract price, or both, and the Contract shall be amended in writing accordingly.
- 8.3 Non-exclusive Remedies. The rights and the remedies of the State under this Contract are not exclusive.
- 8.4 Nonconforming Tender. Materials or services supplied under this Contract shall fully comply with the Contract. The delivery of materials or services or a portion of the materials or services that do not fully comply constitutes a breach of contract. On delivery of nonconforming materials or services, the State may terminate the Contract for default under applicable termination clauses in the Contract, exercise any of its rights and remedies under the Uniform Commercial Code, or pursue any other right or remedy available to it.
- 8.5 Right of Offset. The State shall be entitled to offset against any sums due the Contractor, any expenses or costs incurred by the State, or damages assessed by the State concerning the Contractor's non-conforming performance or failure to perform the Contract, including expenses, costs, and damages described in the Uniform Terms and Conditions.

9. Contract Termination

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

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written notice, the Contractor shall stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination and minimize all further costs to the State. In the event of termination under this paragraph, all documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State upon demand. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination. The cost principles and procedures provided in A.A.C. R2-7-701 shall apply.

9.5 Termination for Default.

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

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

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

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

10. Arbitration

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

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1. **Assignment of Contract and Bankruptcy:** This contract is voidable and subject to immediate cancellation by the Procurement officer upon Contractor becoming insolvent or filing proceedings in bankruptcy or assigning rights or obligations under this contract without the prior written consent of the Procurement Officer.
2. **Choice of Forum:** The parties agree that jurisdiction over any action arising out of or relating to this contract shall be brought or filed in a court of competent jurisdiction located in The State of Arizona.
3. **Conflict of Interest:** The Contractor shall not undertake any work that represents a potential conflict of interest, or which is not in the best interest of AHCCCS or the state without prior written approval by AHCCCS. The Contractor shall fully and completely disclose any situation that may present a conflict of interest. If the Contractor is now performing or elects to perform during the term of this contract any services for any AHCCCS health plan, provider or Contractor or an entity owning or controlling same, the Contractor shall disclose this relationship prior to accepting any assignment involving such party.
4. **Contract Cancellation (Immediate):** This contract is critical to AHCCCS, and the agency reserves the right to immediately cancel the whole or any part of this contract due to failure of the Contractor to carry out any material obligation, term, or condition of the contract. The Procurement officer shall issue a written notice of default effective at once and not deferred by any interval of time. Default shall be for acting or failing to act as in any of the following:
 - 4.1 The Contractor provides material that does not meet the specifications of the contract;
 - 4.2 The Contractor fails to adequately perform the services set forth in the specifications of the contract;
 - 4.3 The Contractor fails to complete the work required or furnish the materials required within the time stipulated in the contract;
 - 4.4 The Contractor fails to make progress in the performance of the contract and/or gives the Procurement officer reason to believe that the Contractor will not or cannot perform to the requirements of the contract;
 - 4.5 The Procurement officer may resort to any single or combination of the following remedies:
 - 4.5.1 Cancel any contract;
 - 4.5.2 Reserve all rights or claims to damage for breach of any covenants of the contract;
 - 4.5.3 Perform any test or analysis on materials for compliance with the specifications of the contract. If the result of any test confirms a material non-compliance with the specifications, any reasonable expense of testing shall be borne by the Contractor.
 - 4.5.4 In case of default, the Procurement officer reserves the right to purchase materials or to complete the required work in accordance with the Arizona Procurement Code. The Procurement Officer may recover reasonable excess costs from the Contractor by:
 - 4.5.4.1 Deduction from an unpaid balance;
 - 4.5.4.2 Collection against the bid and/or performance bond; or
 - 4.5.4.3 Any combinations of the above or any other remedies as provided by law.
5. **Contract Cancellation (Minimum 10 calendar days):** The Procurement Officer reserves the right to cancel the whole or any part of this contract due to failure by the Contractor to carry out any material obligation, term, or condition of the contract. The Procurement Officer shall issue written notice to the Contractor for acting or failing to act as in any of the following:
 - 5.1 The Contractor provides material that does not meet the specifications of the contract;
 - 5.2 The Contractor fails to adequately perform the services set forth in the specifications of the contract;

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- 5.3 The Contractor fails to complete the work required or furnish the materials required within the time stipulated by the contract;
 - 5.4 The Contractor fails to make progress in the performance of the contract and/or gives the Procurement Officer reason to believe that the Contractor will not or cannot perform to the requirements of the contract;
 - 5.5 Upon receipt of the written notice of concern, the Contractor shall have a minimum of ten (10) calendar days (Procurement Officer may determine a longer period) to provide a satisfactory response to the Procurement Officer. Failure on the part of the Contractor to adequately address all issues of concern may result in the Procurement Officer resorting to any single or combinations of the following remedies:
 - 5.5.1 Cancel any contract;
 - 5.5.2 Reserve all rights or claims to damage for breach of any covenant of the contract;
 - 5.5.3 Perform any test or analysis on materials for compliance with the specifications of the contract. If the result of any test confirms a material non-compliance with the specifications, any reasonable expense of testing shall be borne by the Contractor;
 - 5.5.4 In case of default, the Procurement Officer reserves the right to purchase materials, or to complete the required work in accordance with the Arizona Procurement Code. The Procurement Officer may recover reasonable excess costs from the Contractor by:
 - 5.5.4.1 Deduction from an unpaid balance;
 - 5.5.4.2 Collection against the bid and/or performance bond; or
 - 5.5.4.3 Any combination of the above or any other remedies as provided by law.
- 6. Contract Disputes:** Contract claims and disputes shall be adjudicated in accordance with state Law, AHCCCS Rules and this contract. Except as provided by 9 A.A.C. Chapter 22, Article 6, the exclusive manner for the Contractor to assert any dispute against AHCCCS shall be in accordance with the process outlined in 9 A.A.C. Chapter 34 and A.R.S. §36-2932.
- 6.1 All disputes, except as provided under 9 A.A.C. Chapter 22, Article 6, shall be filed in writing and be received by AHCCCS no later than sixty (60) days from the date of the disputed notice. All disputes shall state the factual and legal basis for the dispute.
 - 6.2 Pending the final resolution of any disputes involving this contract, the Contractor shall proceed with performance of this contract in accordance with AHCCCS' instructions, unless AHCCCS specifically, in writing, requests termination or a temporary suspension of performance.
- 7. Cooperation with other contractors:** AHCCCS may award other contracts for additional or related work and the contractor shall fully cooperate with such other contractors and AHCCCS employees or designated agents, and carefully fit its own work to such other contractors' work. Contractor shall not commit or permit any act which will interfere with the performance of work by any other contractor or by AHCCCS employees. AHCCCS shall equitably enforce this section to all contractors to prevent the imposition of unreasonable burdens on any contractor.
- 8. Confidentiality of Records and Disclosure of Confidential Information:**
- 8.1 The Contractor shall not, without prior written approval from AHCCCS, either during or after the performance of the services required by this contract, use, other than for such performance, or disclose to any person other than AHCCCS personnel with a need to know, any information, data, material, or exhibits created, developed, produced, or otherwise obtained during the course of the work required by this

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

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

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

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

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

10. **RFP and Contract Order of Precedence:** The parties to this contract shall be bound by all terms and conditions contained herein. For interpreting such terms and conditions the following sources shall have precedence in descending order: The Constitution and laws of the United States and applicable Federal regulations; the terms of the CMS Section 1115 waiver for The State of Arizona; the Arizona state Plan; the Constitution and laws of Arizona, and applicable state Rules; the terms of this Contract which consists of the RFP, the Proposal of the Successful offeror, and any best and final offer including any attachments, executed amendments and modifications; and AHCCCS policies and procedures.

10.1 The RFP consists of the following, in order of Precedence:

- 10.1.1 HIPAA Business Associates Agreement or Addendum (if included)
- 10.1.2 Special Terms and Conditions;
- 10.1.3 Uniform Terms and Conditions;
- 10.1.4 Statement or Scope of Work;
- 10.1.5 Attachments;
- 10.1.6 Exhibits;
- 10.1.7 Documents referenced or included in the Solicitation.
- 10.1.8 AHCCCS policies and procedures incorporated by reference.

10.2 The awarded Contract between AHCCCS and the Contractor consist of the following in order of Precedence:

- 10.2.1 All Contract Amendments issued after award in descending order,

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- 10.2.2 The Request for Proposal (RFP) as described above; and
- 10.2.3 The proposal submitted by the Contractor in response to the RFP including any Best and Final Offers.

10.3 In the event of a conflict in language between the Offeror's proposal (including any Best and Final Offers) and the RFP (including AHCCCS policies and procedures incorporated by reference), the provisions and requirements set forth and/or referenced in the RFP (including AHCCCS policies and procedures incorporated by reference) shall govern.

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

11. Administrative Changes

The Procurement Officer, or authorized designee, reserves the right to correct any obvious clerical, typographical or grammatical errors, as well as errors in party contact information (collectively, "Administrative Changes"), prior to or after the final execution of a Contract or Contract Amendment. Administrative Changes subject to permissible corrections include: misspellings, grammar errors, incorrect addresses, incorrect Contract Amendment numbers, pagination and citation errors, mistakes in the labeling of the rate as either extended or unit, and calendar date errors that are illogical due to typographical error. The Procurement Office shall subsequently notice the Contractor of corrections to administrative errors in a written confirmation letter with a copy of the corrected Administrative Change attached.

12. Fraud and Abuse:

- 12.1 It shall be the responsibility of the Contractor to report all cases of suspected fraud and abuse by subcontractors, Members, or employees. The Contractor shall provide written notification of all such incidents to the Procurement Officer.
- 12.2 As stated in A.R.S. § 13-2310, incorporated herein by reference, any person who knowingly obtains any benefit by means of false or fraudulent pretenses, representations, promises or material omissions is guilty of a class 2 felony.
- 12.3 Contractors are required to research potential overpayments identified by a fraud and abuse investigation or audit conducted by AHCCCS. After conducting a cost benefit analysis to determine if such action is warranted, the Contractor should attempt to recover any overpayments identified due to erroneous, false, or fraudulent billings.

13. Independent contractor and Employees of Contractor: The Contractor represents themselves to be an independent contractor offering such services to the general public and shall not represent themselves or their employees to be an employee of The State of Arizona and/or AHCCCS. Therefore, the Contractor shall assume all legal and financial responsibility for taxes, FICA, employee fringe benefits, workers compensation, employee insurance, etc. All employees of the Contractor employed or in performance of work under this Contract shall be employees of the Contractor at all times and not of AHCCCS. The Contractor shall comply with the Social Security Act, Workers' Compensation laws, and unemployment laws of The State of Arizona as well as Federal, state, and local legislation relevant to the Contractor's business.

14. Licenses: Contractor shall maintain in current status all Federal, state, and local licenses and permits required for the operation of the business conducted by the Contractor.

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- 15. Lobbying:** No funds paid to the Contractor by AHCCCS, or interest earned thereon, shall be used for the purpose of influencing or attempting to influence an officer or employee of any Federal or state agency, a member of the United States Congress or state Legislature, an officer or employee of a member of the United States Congress or state Legislature in connection with awarding of any Federal or state contract, the making of any Federal or state grant, the making of any Federal or state loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any Federal or state contract, grant, loan, or cooperative agreement. The Contractor shall disclose if any funds other than those paid to the Contractor by AHCCCS have been used or will be used to influence the persons and entities indicated above and will assist AHCCCS in making such disclosures to CMS.
- 16. No Guaranteed Quantities:** AHCCCS does not guarantee the Contractor any minimum or maximum quantity of services or goods to be provided under this contract.
- 17. Non-exclusive Contract:** Any contract resulting from this solicitation shall be awarded with the understanding and agreement that it is for the sole convenience of AHCCCS. The state reserves the right to obtain like goods or services from another source when necessary.
- 18. Ownership of Information and Data:**
- 18.1 Any data or information system, including all software, documentation, and manuals, developed by Contractor pursuant to this contract, shall be deemed to be owned by AHCCCS. The Federal government reserves a royalty free, nonexclusive, and irrevocable license to reproduce, publish, or otherwise use and to authorize others to use for Federal government purposes, such data or information system, software, documentation and manuals. Proprietary software which is provided at established catalog or market prices and sold or leased to the general public shall not be subject to the ownership or licensing provisions of this section.
- 18.2 Data, information, and reports collected or prepared by Contractor in the course of performing its duties and obligations under this contract shall be deemed to be owned by AHCCCS. The ownership provision is in consideration of Contractor's use of public funds in collecting or preparing such data, information, and reports. These items shall not be used by Contractor for any independent project of Contractor or publicized by Contractor without the prior written permission of the Procurement officer. Subject to applicable state and Federal laws and regulations, AHCCCS shall have full and complete rights to reproduce, duplicate, disclose, and otherwise use all such information. At the termination of the contract, Contractor shall make available all such data to the Procurement officer within thirty (30) calendar days following termination of the contract or such longer period as approved by the Procurement officer. For purposes of this subsection, the term "data" shall not include member medical records.
- 18.3 Except as otherwise provided in this section, if any copyrightable or patentable material is developed by Contractor in the course of performance of this contract, the Federal government, AHCCCS and The State of Arizona shall have a royalty free, nonexclusive, and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use, the work for state or Federal government purposes. Contractor shall additionally be subject to the applicable provisions of 45 CFR Part 74 and 45 CFR Parts 6 and 8.
- 19. Records:**
- 19.1 In addition to the requirements set forth in this contract under the Uniform Terms and Conditions, all books and records shall be maintained to the extent and in such detail as required by AHCCCS Rules and Policies. The AHCCCS records management guidelines are located at: <http://www.azahcccs.gov>. Records

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shall include, but not be limited to, financial statements, case files (both hard copy and stored data), and other records specified by AHCCCS.

19.2 The Contractor shall make available at its office at all reasonable times during the term of this contract and the period set forth in in this section, any of its records for inspection, audit, or reproduction by any authorized representative of AHCCCS, state or Federal government.

19.3 The Contractor shall preserve and make available all records for a period of five (5) years from the date of final payment under this contract except as provided below:

19.3.1 If this contract is completely or partially terminated, the records relating to the work terminated shall be preserved and made available for a period of five years from the date of any such termination.

19.3.2 Records that relate to grievances, disputes, litigation or the settlement of claims arising out of the performance of this contract, or costs and expenses of this contract to which exception has been taken by AHCCCS, shall be retained by the Contractor for a period of five years after the date of final disposition or resolution thereof.

19.3.3 Completed case files shall be scheduled for archive shipment to AHCCCS, as defined by AHCCCS Policy and Procedures.

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

21. Term of Contract and Option to Renew:

21.1 The initial term of this contract shall be for two (2) initial years with three (3) one-year options to extend, not to exceed a total contracting period of five (5) years. The terms and conditions of any such contract extension shall remain the same as the original contract, as amended. All contract extensions shall be through contract amendment, and shall be at the sole option of AHCCCS.

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

21.3 Contract amendments, including renewals, are subject to approval by the Centers for Medicare and Medicaid Services (CMS).

22. Staff Background Checks

For the purposes of this requirement, "Staff" is defined as any individual who is an employee, independent contractor, consultant or subcontractor of the contractor and who during their course of work on this Contract creates, maintains, uses, transmits, or has access to sensitive information as determined by AHCCCS, including but not limited to Personally Identifying Information as defined in the National Institute of Standards and Technology Special Publication 800-12 and Protected Health Information as defined in 45 C.F.R. 160.103.

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- 22.1 The Contractor shall, at its own expense, complete a background check on all Staff.
- 22.2 The background check shall be completed via a recognized law enforcement agency or qualified third party within thirty (30) days of assignment of Staff, and annually thereafter or as agreed to in writing by AHCCCS.
- 22.3 At minimum, the background check shall include criminal record information, employment history and information, and financial information. Staff may not be permitted to perform work under this contract if the individual has been convicted of or subject to civil penalties for theft, extortion, fraud, forgery, identity theft, perjury, misuse of personally identifiable information, or any similar or related offense.
- 22.4 The Contractor shall not allow any Staff to have access to the solution or data after thirty (30) days of assignment without clearance of their background check, unless otherwise agreed to in writing by AHCCCS.
- 22.5 The Contractor shall submit written confirmation to AHCCCS on an annual basis of all Staff who have been background checked and approved to work on the Contract.

23. WARRANTY

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

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

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

24. INTELLECTUAL PROPERTY

24.1 Ownership of Intellectual Property. Any and all intellectual property, including but not limited to copyright, invention, trademark, trade name, service mark, or trade secrets created or conceived solely pursuant to or as a result of this Contract and any related subcontract (collectively, the "Intellectual Property"), shall be work made for hire and the state shall be the owner of such Intellectual Property. The agency, department, division board or commission of The State of Arizona requesting the issuance of this Contract shall own (for and on behalf of the state) the entire right, title and interest to the Intellectual Property through the world. Software and other materials developed or otherwise obtained by or for Contractor or its affiliates independently of this Contract ("Independent materials") do not constitute Intellectual Property. If Contractor creates derivative works of independent materials, then the elements of such derivative works created pursuant to this Contract shall constitute Intellectual Property owned by the state. Contractor shall notify the state, within thirty (30) days of the creation of any Intellectual Property by it or its subcontractor(s). Contractor, on behalf of itself and any subcontractor(s), agrees to execute any and all document(s) necessary to assure ownership of the Intellectual Property vests in the state and shall take no

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affirmative actions that might have the effect of vesting all or part of the Intellectual Property in any entity other than the state, The Intellectual Property shall not be disclosed by Contractor or its subcontractor(s) to any entity not the state without the express written authorization of the agency, department, division, board or commission of The State of Arizona requesting the issuance of this Contract.

Notwithstanding the foregoing, if the state elects, in its sole and absolute discretion, to relinquish its ownership interest in any or all of the Intellectual Property, the state shall have the rights to use, modify, reproduce, release, perform, display, sublicense or disclose such Intellectual Property within state government and operations without restriction for any activity in which the state is a party (collectively, "Government Purpose Rights").

24.2 INTELLECTUAL PROPERTY INDEMNIFICATION

With respect solely to materials provided or proposed by Contractor or Contractor's agents, employees, or subcontractors (each a "Contractor Party") for the performance of this Contract, Contractor shall indemnify, defend and hold harmless the state its departments, agencies, boards, commissions, universities, officers, agents and employees (collectively, the "Indemnitee"), against any third-party claims for liability including but not limited to, reasonable costs and expenses, including attorneys' fees, for infringement or violation of any patent, trademark, copyright or trade security, by such materials or the state's use thereof.

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

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

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

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

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

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

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INSURANCE REQUIREMENTS

1. INDEMNIFICATION CLAUSE

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

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

2. INSURANCE REQUIREMENTS

- 2.1. Contractor and subcontractors shall procure and maintain, until all of their obligations have been discharged, including any warranty periods under this Contract, insurance against claims for injury to persons or damage to property arising from, or in connection with, the performance of the work hereunder by the Contractor, its agents, representatives, employees or subcontractors.
- 2.2. The Insurance Requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that arise out of the performance of the work under this Contract by the Contractor, its agents, representatives, employees or subcontractors, and the Contractor is free to purchase additional insurance.

3. MINIMUM SCOPE OF LIMITS OF INSURANCE

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

3.1. Commercial General Liability (CGL) – Occurrence Form

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

• General Aggregate	\$2,000,000
• Products – Completed Operations Aggregate	\$1,000,000
• Personal and Advertising Injury	\$1,000,000
• Damage to Rented Premises	\$50,000
• Each Occurrence	\$1,000,000

- 3.1.1. The policy shall be endorsed, as required by this written agreement, to include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials,

SPECIAL TERMS AND CONDITIONS

INSURANCE REQUIREMENTS

agents, and employees as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor.

- 3.1.2. Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

3.2. Workers' Compensation and Employers' Liability

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

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

3.3. Network Security (Cyber) and Privacy Liability

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

- 3.3.1. Such insurance shall include, but not be limited to, coverage for third party claims and losses with respect to network risks (such as data breaches, unauthorized access or use, ID theft, theft of data) and invasion of privacy regardless of the type of media involved in the loss of private information, crisis management and identity theft response costs. This should also include breach notification costs, credit remediation and credit monitoring, defense and claims expenses, regulatory defense costs plus fines and penalties, cyber extortion, computer program and electronic data restoration expenses coverage (data asset protection), network business interruption, computer fraud coverage, and funds transfer loss.
- 3.3.2. In the event that the Network Security and Privacy Liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract and, either continuous coverage will be maintained, or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.
- 3.3.3. The policy shall be endorsed, as required by this written agreement, to include The State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to vicarious liability of the insured arising out of the activities performed by or on behalf of the Contractor.

SPECIAL TERMS AND CONDITIONS INSURANCE REQUIREMENTS

- 3.3.4. Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of The State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

4. ADDITIONAL INSURANCE REQUIREMENTS

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

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

5. NOTICE OF CANCELLATION

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

6. ACCEPTABILITY OF INSURERS

Contractor's insurance shall be placed with companies licensed in the State of Arizona or hold approved non-admitted status on the Arizona Department of Insurance List of Qualified Unauthorized Insurers. Insurers shall have an "A.M. Best" rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

If the contractor utilizes the Social Service contractors Indemnity Pool ("SSCIP") or other prior approved insurance pool for insurance coverage, SSCIP or the other prior approved insurance pool is exempt from the A.M. Best's rating requirements listed in this section. If the contractor chooses to use SSCIP or another approved insurance pool as its insurance provider, the contractor would be considered in full compliance with insurance requirements relating to the A.M. Best rating requirements.

7. VERIFICATION OF COVERAGE

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

- 7.1. All such certificates of insurance and policy endorsements must be received by the State before work commences. The State's receipt of any certificates of insurance or policy endorsements that do not comply with this written agreement shall not waive or otherwise affect the requirements of this agreement.

SPECIAL TERMS AND CONDITIONS INSURANCE REQUIREMENTS

7.2. Each insurance policy required by this Contract must be in effect at, or prior to, commencement of work under this Contract. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

7.3. All certificates required by this Contract shall be sent directly to the Department. The State of Arizona project/contract number and project description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete copies of all insurance policies required by this Contract at any time.

8. SUBCONTRACTORS

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

9. APPROVAL AND MODIFICATIONS

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

10. EXCEPTIONS

In the event the Contractor or subcontractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a certificate of self-insurance. If the Contractor or subcontractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.

HIPAA Business Associates Addendum

Updated April 2020

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

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

1. DEFINITIONS

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

2. OBLIGATIONS AND ACTIVITIES OF BUSINESS ASSOCIATE

Business Associate agrees to:

- 2.1. Not use or disclose protected health information ("PHI") other than as permitted or required by this Addendum or as required by law;
- 2.2. Use appropriate safeguards, and comply with Subpart C of 45 CFR Part 164 with respect to electronic PHI, to prevent use or disclosure of protected health information other than as provided for by this Addendum;
- 2.3. Report to AHCCCS any use or disclosure of PHI not provided for by this Addendum of which it becomes aware, including breaches of unsecured protected health information as required at 45 CFR §164.410, and any security incident of which it becomes aware in the following manner;
 - 2.3.1. Reporting. Business Associate shall report to AHCCCS any use or disclosure of PHI that is not authorized by the Contract, by law, or in writing by AHCCCS. Business Associate shall make an initial report to the AHCCCS Privacy Official not more than twenty-four (24) hours after Business Associate learns of such unauthorized use or disclosure. The initial report shall include all of the following information to the extent known to the Business Associate at the time of the initial report:
 - A. A description of the nature of the unauthorized use or disclosure, including the number of individuals affected by the unauthorized use or disclosure;
 - B. A description of the PHI used or disclosed;
 - C. The date(s) on which the unauthorized use or disclosure occurred;
 - D. The date(s) on which the unauthorized use or disclosure was discovered;
 - E. Identify the person(s) who used or disclosed the PHI in an unauthorized manner;
 - F. Identify the person(s) who received PHI disclosed in an unauthorized manner;
 - G. A description of actions, efforts, or plans undertaken by the Business associate to mitigate the harm of unauthorized disclosure;
 - H. A description of corrective actions undertaken or planned to prevent future similar unauthorized use or disclosure;

HIPAA Business Associates Addendum

- I. An assessment of whether a breach, as defined in 45 CFR 164.402, including, if necessary, an assessment of the probability of harm, and
- J. Such other information, as may be reasonably requested by the AHCCCS Privacy Official.

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

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

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

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

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

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

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

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

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

3. PERMITTED USES AND DISLOSURES BY BUSINESS ASSOCIATE

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

3.2. Business Associate may use or disclose protected health information as required by law;

3.3. Business Associate agrees to make uses and disclosures and requests for protected health information consistent with Minimum Necessary, as required at 45 § CFR 164.502(b) and 164.514(d).

HIPAA Business Associates Addendum

- 3.4. Business Associate may not use or disclose protected health information in a manner that would violate Subpart E of 45 CFR Part 164 if done by AHCCCS, except for the specific uses and disclosures set forth below in (3.5 and 3.6);
- 3.5. Business Associate may use protected health information for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate; and
- 3.6. Business Associate may provide data aggregation services relating to the health care operations of AHCCCS.

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

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

5. TERM AND TERMINATION

- 5.1. Term: This Addendum is effective upon the effective date of the underlying Contract and shall terminate on the date AHCCCS terminates the contract for cause as authorized in paragraph (b) of this Section, or for any other reason permitted under the contract, whichever is sooner.
- 5.2. Termination for Cause: Business Associate authorizes termination of the Contract by AHCCCS if AHCCCS determines that Business Associate has breached a material term of this Addendum and Business Associate has not cured the breach or ended the violation within the time specified by AHCCCS.
- 5.3. Obligations of Business Associate Upon Termination: Upon termination, cancellation, expiration or other conclusion of the Contract, Business Associate, with respect to PHI received from AHCCCS, or created, maintained, or received by Business Associate on behalf of AHCCCS, shall:
 - 5.3.1. Retain only that PHI which is necessary for Business Associate to continue its proper management and administration or to carry out its legal responsibilities;
 - 5.3.2. Destroy or return to AHCCCS all remaining PHI that the Business Associate still maintains in any form;
 - 5.3.3. Continue to use appropriate safeguards and comply with Subpart C of 45 CFR Part 164 with respect to electronic PHI to prevent use or disclosure of the PHI, other than as provided for in this Section, for as long as Business Associate retains the PHI;
 - 5.3.4. Not use or disclose the PHI retained by Business Associate other than for the purposes for which such protected health information was retained and subject to the same conditions set out in this Addendum that applied prior to termination; and
 - 5.3.5. Destroy or return to AHCCCS the PHI retained by Business Associate when it is no longer needed by Business Associate for its proper management and administration or to carry out its legal and contractual responsibilities.

HIPAA Business Associates Addendum

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

6. INDEMNIFICATION AND MISCELLANEOUS

6.1. Indemnification: Business Associate shall indemnify, hold harmless and defend AHCCCS from and against any and all claims, losses, liabilities, costs, civil and criminal penalties, and other expenses resulting from, or relating to, the acts or omissions of Business Associate, its employees, agents, and sub-contractors in connection with the representations, duties and obligations of Business Associate under this Addendum. The parties' respective rights and obligations under this Section shall survive termination of the Contract.

6.2. Regulatory References: A reference in this Addendum to a section in the HIPAA rules means the section as in effect or as amended.

6.3. Amendment: The parties agree to take such action as is necessary to amend this Addendum from time to time as is necessary for compliance with the requirements of the HIPAA rules or any other applicable law.

6.4. Interpretation: Any ambiguity in this Addendum shall be interpreted to permit compliance with the HIPAA rules.

END OF SOLICITATION

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