



Notice of Request for Proposal

SOLICITATION # YH21-0002

Housing Administration Services

Procurement Officer:

Name: Cynthia Smolens

Title: Senior Procurement Specialist

AHCCCS

701 E. Jefferson, MD5700

Phoenix, Arizona 85034

Telephone: 602-541-1142

E-Mail: procurement@azahcccs.gov

Issue Date: October 7, 2020

LOCATION: ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM ADMINISTRATION (AHCCCS)

Procurement Office (First Floor)

701 E. Jefferson, MD 5700

Phoenix, AZ 85034

DESCRIPTION:

ARIZONA HOUSING PROGRAM "AHP" ADMINISTRATION SERVICES

PROPOSAL DUE DATE:

November 19, 2020

AT 3:00 P.M.

ARIZONA TIME

PRE-PROPOSAL CONFERENCE:

A Pre-Proposal Conference has **NOT** been scheduled.

QUESTIONS about this solicitation shall be submitted to the Procurement Officer in writing via email by **October 21, 2020 at 5:00 PM** ARIZONA TIME on the QUESTIONS AND ANSWERS FORM provided with this RFP. Answers to questions will be posted publically with the RFP in the form of a Solicitation Amendment for the benefit of all potential Offerors.

Offerors will be required to submit their proposals through the AHCCCS SFTP Server. The deadline to request access to the AHCCCS SFTP server is: **Wednesday, November 4, 2020.**

In accordance with A.R.S. § 36-2906, which is incorporated herein by reference, competitive sealed proposals must be submitted in accordance with this solicitation proposal instructions prior to the time and date indicated above. **Late proposals shall not be considered and will be rejected.**

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

OFFERORS ARE STRONGLY ENCOURAGED TO CAREFULLY READ THE ENTIRE SOLICITATION.

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EXHIBITS BELOW ARE INCORPORATED INTO THIS SOLICITATION BY REFERENCE AND LOCATED HERE:
<https://www.azahcccs.gov/Resources/OversightOfHealthPlans/SolicitationsAndContracts/open.html>

Exhibit A - Proposal Submission Instructions

Other Reference Materials and Templates are located in the Bidders' Library and can be found here:
<https://www.azahcccs.gov/Resources/OversightOfHealthPlans/SolicitationsAndContracts/bidderslibrary.html>

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. § 41-3532 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. _____.

CONTRACT SERVICE START DATE: _____.

AWARD DATE: _____.

MEGGAN LAPORTE, CPPO, MSW, AHCCCS Chief Procurement Officer

SCOPE OF WORK

1. AHCCCS OVERVIEW (as of 2020)

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). As of August, 2020, AHCCCS provides coverage to over 2 million Members in Arizona. AHCCCS also administers several Non-Title XIX programs funded by State only appropriations and Federal grants received from the Substance Abuse and Mental Health Services Administration (SAMHSA) under DHHS. The majority of AHCCCS programmatic expenditures are administered through Managed Care programs. For more information on AHCCCS please visit: <https://www.azahcccs.gov/AHCCCS/AboutUs/>.

AHCCCS contracts with Managed Care Organizations (MCOs) including, but not limited to, Regional Behavioral Health Authorities (RBHAs), AHCCCS Complete Care (ACCs), and Arizona Long Term Care System (ALTCS) plans that are responsible for providing acute and behavioral health services. For more information on AHCCCS' programs and covered services please visit: <https://www.azahcccs.gov/AHCCCS/AboutUs/programdescription.html>. A list of AHCCCS' contracted plans can be found here: <https://azweb.statemedicaid.us/HealthPlanLinksNet/HPLinks.aspx>.

AHCCCS has a total fund budget for State Fiscal Year (SFY) 2020 of approximately \$14.3 billion. AHCCCS has over 97,000 active providers in Arizona, such as individual medical and behavioral health practitioners, therapy disciplines, institutions, durable medical equipment companies, and transportation entities. Additional information may be found on the AHCCCS website reporting page: <https://www.azahcccs.gov/Resources/Reports/federal.html>.

2. PROJECT OR SERVICE OVERVIEW/BACKGROUND

This RFP is to administer the AHCCCS Housing Program, or AHP.

AHCCCS recognizes that housing, integrated with coordinated wrap-around services, is critical in addressing a prominent Social Risk Factor of Health (SRFoH), especially for Members with a designation of Serious Mental Illness (SMI) or with other acute behavioral health needs or risk factors. To address this need, the State Legislature allocates Non-Title XIX/XXI General Fund money to AHCCCS annually to provide permanent supportive housing. For State Fiscal Year 2021, the State allocation is \$28 million and will provide housing for approximately 3,000 of its Members throughout Arizona.

The AHCCCS Housing Program (AHP) consists of the Permanent Supportive Housing and housing support programs funded through these funds and overseen by AHCCCS. The majority of AHCCCS available housing funding is reserved for Members with a designation of SMI, although limited housing is provided for some individuals without an SMI designation, but still considered having General Mental Health/Substance Abuse Disorder (GMH/SUD) needs. For persons with GMH/SUD needs, housing priority is focused on those persons also identified as High Need/High Cost (HNHC) as identified by the MCOs based upon service utilization including crisis or emergency services and/or services addressing complex chronic physical, developmental, or behavioral conditions. For a limited number of units within the AHP, eligibility is further based upon receipt of specific behavioral health services such as an Assertive Community Treatment (ACT) Team. All AHP housing is community based permanent supportive housing where a Member should have a renewable lease, the Member has right of entry and exit (not restricted by program) and services are voluntary on the Member's election. Housing subsidies are provided for permanent supportive housing in both scattered site units (Scattered Site Program) as well as for dedicated site based units (Community Living Program). All subsidized rental units must meet minimum standards of health and safety, as determined by Federal Housing Quality Standards (FQS), and have a reasonable rent based on market standards. Housing subsidies are currently paid to the landlord directly by the contracted Regional Behavioral Health Authority (RBHA) or their provider on behalf of the Member/household. The Member is expected to pay up to 30% of any income toward their rent with the balance subsidized by the program. AHP does not include any Behavioral Health Residential Facilities, Group Homes, or other licensed clinical residential settings. In addition to housing subsidies, AHP funding also provides for housing related supports and payment such as deposits, move in assistance, eviction prevention, and damages related to Member occupancy. Funds for these purposes are

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limited based on budget availability.

Supportive services are critical to housing stability and the related benefits of permanent supportive housing. To this end, AHCCCS and AHP promote a Housing First model based upon SAMHSA principles of permanent supportive housing. Supportive services for Members in AHCCCS subsidized housing are determined by their provider and generally provided through Medicaid and other reimbursable services supplied by the MCOs and their provider networks.

At the present time, funding and housing administration for each of three Geographic Service Areas (GSAs) is performed by the single AHCCCS contracted RBHA in each GSA. For a map of GSAs please visit:

<https://www.azahcccs.gov/Members/BehavioralHealthServices/>. Although the majority of individuals with a designation of SMI are enrolled with a RBHA for integrated physical and behavioral health services, other Members, with and without a designation of SMI, that are enrolled in other AHCCCS MCOs or Fee for Service programs, may access housing through the designated RBHA for the GSA in which the Member resides. Under RBHA oversight, some housing administrative functions may be provided by the RBHAs providers who also operate housing units or by sub contracted housing administrative services. Procedures for housing administration may vary by RBHA and GSA. For more information about the RBHAs and behavioral health services please visit:
<https://www.azahcccs.gov/AHCCCS/Initiatives/CareCoordination/behavioralhealth.html>.

AHCCCS also administers the Arizona SMI Housing Trust Fund (SMI HTF) of approximately \$2 million per year, which is primarily used to acquire, construct, and rehabilitate housing for persons with a designation of SMI, but may also be utilized for rental subsidies (per Laws 2019, 1st Regular Session, Chapter 270). Housing acquired or rehabilitated through the Arizona SMI Housing Trust Fund is required to provide capacity for Members with a designation of SMI through the AHP. The SMI HTF will continue to be administered by AHCCCS, and not be part of the services requested in this RFP. Units developed or acquired with SMI HTF resources are governed by Covenants, Conditions & Restrictions (CC&R) requiring their occupancy by persons with a designation of SMI and Members often also receive AHP subsidies. AHP subsidies for these units are currently funded and administered by the RBHAs.

The AHCCCS Housing Program also provides housing funds for American Indian or Alaskan Native Members enrolled with Tribal Regional Behavioral Health Authorities (TRBHAs). TRBHA housing funds will continue to be administered by AHCCCS and managed by the TRBHA and are therefore not included in this RFP. Eligible American Indian Members and other Fee for Service AHCCCS Members may access housing subsidies through the housing administration process for which information is being solicited herein.

AHCCCS Housing Subsidy Programs are governed by the AHCCCS Contractor Operations Manual (ACOM), Policy 448. A proposed draft of this policy and a related AHCCCS Permanent Supportive Housing Guidebook (“Draft AHCCCS Permanent Supportive Housing (PSH) Guidebook”) based upon the proposed revised policy are included in the Bidders’ Library on the AHCCCS website where this RFP is published. The Contractor will work with AHCCCS and its MCOs to implement and operationalize the expectations described in the policy and the Draft AHCCCS PSH Guidebook.

3. PURPOSE OF THE RFP

The purpose of this RFP is to procure statewide housing administration from a qualified organization for the operation and management services for the AHP effective October 1, 2021. In contracting for statewide AHP Housing Administrative Services, it is the intent of AHCCCS to: 1) increase the quantity and quality of Member housing options; 2) ensure legal compliance and the availability of safe, decent, stable housing that supports Members’ service plan goals; 3) standardize operation and delivery of AHP housing processes to improve transparency, increase access for all eligible Members and reduce administrative and programmatic barriers to housing placement and retention; 4) achieve cost efficiency and effectiveness to maximize AHCCCS resources; and 5) develop innovative permanent supportive housing options and practices to meet the needs of AHCCCS Members.

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To achieve these goals, AHCCCS is seeking an entity that has intimate knowledge of, experience with, and the organizational capacity to administer a voucher/subsidy program. This includes experience and expertise in providing excellent customer service and appropriate service delivery to special populations including but not limited to persons determined to be seriously mentally ill, experiencing homelessness or persons with disabilities.

For the purposes of this RFP, the AHP includes the administration of the following services and programs funded by Non-Title XIX/XXI SMI Housing funds:

- Scattered Site Program – AHP funds utilized to provide housing subsidy vouchers to allow Members to identify and lease housing in community. The program serves persons determined SMI as well as Members with GMH/SUD needs.
- Community Living Program – AHP funds used to provide rental subsidies in fixed site or group leased facilities purchased with AHCCCS SMI Housing Trust Funds to house persons determined SMI. This includes some specific units dedicated to Members also participating in intensive service programs (e.g., Assertive Care Teams (ACT))
- Eviction Prevention and Housing Support Activities – AHP funding can provide limited support for other housing related expenses beyond permanent supportive housing rental subsidies. Key activities may include emergency rent assistance or eviction prevention, housing move in kits (not to include furniture), reimbursement to landlords for member caused damages, landlord recruitment efforts, and move in and/or utility deposits.
- Special Projects: Through partnerships, AHCCCS provides operational support and/or administrative funding to support Continuum of Care or other housing subsidy programs that are dedicated to serving persons determined SMI and receiving services through the RBHA.

The Contractor will not be responsible for or cover any licensed behavioral health residential or other long term care facilities, grant funded housing programs or housing funds provided directly to the Tribal Regional Behavioral Health Authorities.

4. LEGAL AUTHORITY

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

5. CONTRACTOR RESPONSIBILITIES

The Contractor shall:

- 5.1. **Timing** – Be prepared to begin operations of the AHP on October 1, 2021. This will include the ability to disburse existing AHP subsidies on October 1, 2021;
- 5.2. **General Requirements - AHP Expectations and Covered Programs**
 - 5.2.1. Administer the AHP in accordance with (1) the specific requirements of this contract, (2) in compliance with all current and future Federal, State, and local housing laws; and 3) in compliance with AHCCCS ACOM 448 and associated documents including the Draft AHCCCS PSH Housing Guidebook. All applicable legal, regulatory, and other requirements are not stated in their entirety in this Scope of work. Rather, the scope of work identifies core functions the Contractor shall administer in accordance with its approved Project Management Plan and the identified special programs. The Contractor's accomplishment of these objectives shall be measured by the stated performance standards. For the purposes of this contract, the Contractor will provide administrative services described here for the following AHP Permanent Supportive Housing elements and sub-programs funded with State Non-Title XIX/XXI Housing General Funds and Supported Housing Funds:
 - 5.2.1.1. Scattered site rental subsidies;
 - 5.2.1.2. Community Living Program rental subsidies including facility based projects purchased with AHCCCS SMI Housing Trust Fund assets;

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- 5.2.1.3. Eviction Prevention and housing support programs including: move in, deposit and utility assistance, damage reimbursement and short term rent assistance/eviction prevention. The Contractor shall establish a system, policies, and an annual budget recommendation to AHCCCS to support these program elements. Funding for these programs is discretionary and contingent on availability of funds;
- 5.2.1.4. Administrative support and coordination for special partnerships and collaborative projects (e.g., bridge funding, HUD Continuum of Care SMI designated units).

5.3. **AHP Housing Administration Roles and Functions**

The following is a list of functional areas with a non-exhaustive listing of the key duties the Contractor shall perform in each area. The Contractor shall:

- 5.3.1 Program Participant and Occupancy Services – Solicit and coordinate referrals from MCOs and providers, verify housing eligibility determination, manage waitlists including implementation of AHCCCS identified waitlist priorities, match waitlist Members with available program vacancies, select and notify Members from the waitlists, issue vouchers and approve housing search process, provide briefings, accurately calculate Member Housing Assistance Payment (HAP) contracts and tenant contributions, execute leases, issue monthly HAP rental subsidy and other direct payments to landlords or owners, conduct annual re-certifications, issue legal notices, evaluate reasonable accommodation requests, process lease and subsidy terminations, and provide quality customer service to participants;
 - 5.3.1.1 Verification of Eligibility – Work with the MCOs, AHCCCS, and the providers to establish a system to verify referred Members’ program eligibility including mental health status and housing need. This process will conform with HIPAA and Member confidentiality standards and policies. The Contractor will work with MCOs to establish a process and documentation for securing releases necessary to coordinate housing referrals, eligibility determination, waitlist and selection, housing search and placement and supportive services and other AHP related processes.
- 5.3.2 Inspections – Be responsible for scheduling and conducting timely Housing Quality Standard (HQS) inspections of housing units prior to leasing, at re-certification, or as needed to ensure safe, quality homes for tenants and potential tenants in the AHP Program. Ensure adequate staffing levels with appropriate training on HQS standards.
- 5.3.3 Unit Standards and Payment Standards Determination – Establish unit standard and payment standards including rent reasonableness determinations, annual review of utility allowances, deposits, tenant rent, and subsidy calculations;
 - 5.3.3.1 Reasonable Rent Determination – Establish a system for rent reasonableness determination which may include but is not limited to the use of a third party service or contract. Contractor must provide AHCCCS documentation of how it will determine rent reasonableness and any software to be used, subject to AHCCCS review and approval. The Contractor will be responsible for the cost associated with the use and/or development of this software or any other alternative. Any study and system must fully comply with 24 CFR Part 982.507, Rent to Owner, 24 CFR Part 985.3, SEMAP Reasonable Rent Determination, PIH Notice 2003-12 (HA) and PIH Notice 2005-1 (HA) and related HUD requirements.
 - 5.3.3.2 Update, publish, and maintain up to date methodologies to establish appropriate local fair market rents, utility allowances and other payment standards. These may be based on published HUD or other industry recognized standards. The Contractor will inform AHCCCS and secure approval from AHCCCS on any substantive changes in fair market rents or other housing payment standards or allowances prior to implementing new standards.
- 5.3.4 Landlord Coordination and Increased Housing Opportunities – Establish processes and materials to engage and retain landlord participation in AHP programs including targeted outreach, relationship

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- management, and administering damages reimbursements if funds are available in order to ensure adequate housing availability for timely housing placement, support Member choice and avoid clustering or concentrating AHP scattered site participants in a given facility or project
- 5.3.4.1 Setting up a program to achieve a broader range of statewide housing opportunities for Members assisted by the AHCCCS Housing Subsidy Program, including housing opportunities that are integrated into all communities and neighborhoods.
 - 5.3.4.2 Maintain an inventory of all Community Living Programs, fixed site, or units restricted to persons determined SMI and ensure that they are maintained so as to be habitable and safe. This includes units funded through AHP Non-Title XIX/XXI General Fund money as well as any HUD Continuum of Care or other subsidies that are restricted to SMI referrals.
 - 5.3.4.3 Maintain a database or resource list of statewide landlords and properties that have or will rent to the AHP program to assist Members in identifying rental properties at which to apply their subsidy voucher.
 - 5.3.4.4 Updating/developing informational materials on the AHCCCS Housing Subsidy Program and formulating and implementing an AHCCCS approved plan to disseminate to the community, including but not limited to, municipal leaders, property owners, program participants, and neighborhood groups, information regarding the voucher program. All materials and program materials shall be reviewed and approved by AHCCCS prior to distribution into the communities.
 - 5.3.4.5 Implement a landlord/owner outreach and recruitment effort to recruit owners of rental housing to inform them about the advantages of participating in the program, education about participation in the AHP and serving its Members, and in particular, the improvements to program operations being implemented under the contract. The Contractor will conduct landlord orientations, draft and send appropriate introductory letters for the program, distributing housing notices, and promoting the program through a website or other media.
 - 5.3.4.6 Establish processes and collaboration with the MCOs for resolution of landlord complaints or ensure adequate programmatic responses and assistance to Member housing issues or behavioral health crises to improve Member and landlord retention.
- 5.3.5 Legal Compliance – Implementing policies and process to ensure AHP complies with all applicable Federal and State legal standards including but not limited to the Fair Housing Act, Equal Opportunity in Housing and Employment, Civil Rights Acts, Equal Access Act, Americans with Disabilities Act (ADA), Violence Against Women Act (VAWA), and the Arizona Residential Landlord Tenant Act.
- 5.3.5.1 Non-Discrimination – In addition to compliance with other pertinent Federal laws and regulations, the Contractor shall ensure compliance with Title VI of the Civil Rights Act of 1964, Section 1557 of the Affordable Care Act, and 45 CFR 92.8, which requires, in part, that the Contractor notify its Members of the following upon request and at no cost: 1) That oral interpretation is available for any language, 2) That written translation is available in each prevalent non-English language identified by AHCCCS, 3) That auxiliary aids and services are available for Members with disabilities, 4) How Members may access the services above, and 5) For all significant communications and publications for Members, post the notice specified in 45 CFR 92.8(a) along with taglines in the top 15 languages spoken by individuals with Limited English Proficiency in the State as identified by AHCCCS. The notice shall also be placed in a prominent location of the Contractor’s website accessible from the home page of the Contractor’s website.
- 5.3.6 Financial Management – Maintain financial systems, processes, and controls necessary to make timely and accurate payment of AHP subsidy payments and other obligations, maintaining accurate monitoring and reporting, assisting with preparation of annual audits, general budgets, and required AHCCCS financial submissions; and ensuring AHP expenditures do not exceed allocated AHP funding.

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Key activities include: timely financial analysis; check runs for landlord and vendor payments; monitoring and reporting of AHP; accurate and timely rental and utility payments; assistance with preparation of voucher programs year-end audit; and as it relates to programs, general ledger maintenance; preparation of annual budgets, spending plans, funding requisitions and other financial information outlined in ACOM Policy 448 and/or requested by AHCCCS on an ad hoc basis.

- 5.3.6.1 Unclaimed Property – The Contractor is responsible for managing unclaimed property for checks that have not been claimed, distributed, or cashed in accordance with the laws of the State of Arizona.
- 5.3.7 Data Tracking and Reporting – Establish processes for data gathering and timely reporting including the creation of dashboards or other standard reporting tools, data analysis, ad hoc reports as necessary, and establishment of performance benchmarks and standards necessary to evaluate and improve programmatic, operational and financial performance of the AHP at system, program element, project, and Member levels.
 - 5.3.7.1 Housing Management System and Program Software – Implement an appropriate Housing Management Information System (HMIS) to allow coordination with the three Arizona HUD Continua of Care (CoCs): Maricopa, Tucson/Pima, and Balance of State;
 - 5.3.7.1.1 Key HMIS functions in the AHP may include coordination or verification of referrals and eligibility, identification of Members determined SMI in experiencing homelessness, location of Members for housing vacancies, supporting Continua of Care homeless record keeping and tracking housing outcomes for AHP Members experiencing homelessness. The Contractor shall provide a plan for the number of licenses needed to perform the necessary tasks and will be responsible for any fees related to HMIS access and use.
 - 5.3.7.1.2 The Contractor shall have the capability of utilizing Arizona’s statewide closed-loop referral system and integrating data after it has been deployed, anticipated for October 2021 implementation.
 - 5.3.7.1.3 If an Offeror has ideas for other or additional recommended applications that could or should be used in the performance of the required services, these applications should be identified and described in the RFP proposal submitted.
- 5.3.8 Service Coordination – Coordinate with AHCCCS Managed Care Organizations, their provider networks and the Member’s treatment team to develop effective processes and communication for AHP housing referrals, housing eligibility determination including mental health care criteria, securing of releases of information for coordination of housing and Medicaid reimbursable wrap around supportive services for Members in housing to ensure effective housing placement and housing retention of Members;
- 5.3.9 AHP Hearing, Grievances, and Appeals – Establish and manage due process for housing related grievances and appeals related to AHP operational and programmatic decisions including hearings, notices, documentation and reasonable accommodations for persons with disabilities or consistent with principles of cultural competency including for those with Limited English Proficiency;
- 5.3.10 Special Programs/New Funding – AHCCCS often receives Notices of Funding Availability, invitations to collaborate or allocation of funding opportunities by the State of Arizona or other State departments related to expanding Housing opportunities for AHP target or other special populations. In the event of new funding availability or special projects related to housing subsidies or the AHP program, AHCCCS may ask the Contractor to prepare recommendations or provide input on behalf of the AHCCCS Housing Department to assist in the preparation of response to requests for proposals or in the development of new housing subsidy programs or opportunities. Depending on the funding and award, these funds and/or programs may become part of the AHP programs administered by the Contractor.

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- 5.3.11 AHP Stakeholder Input and Feedback – Work closely with AHCCCS and its stakeholders, including, but not limited to, AHP participants/Members, MCOs, providers, AHCCCS staff and peer organizations, to improve and operationalize standardized policies and procedures and implement strategies to improve accountability, service quality and resolve deficiencies resulting in a high-performing housing subsidy program.
- 5.3.12 Cultural Competency – The Contractor shall:
- 5.3.12.1 Ensure that AHP applicants and participants are provided contracted housing services without regard to race, color, national origin, sex, sexual orientation, gender identity, age, or disability and will not use any policy or practice that has the effect of discriminating on the basis of race, color, or national origin, sex, sexual orientation, gender identity, age, or disability [45 CFR Part 92];
 - 5.3.12.2 Be knowledgeable of the historical, cultural, social, economic, political, and other events that affect the behavioral health of the diverse populations served under this Contract and consider how culture, faith, spiritual beliefs, gender identity, sexual orientation, and other cultural beliefs or history may impact AHP activities;
 - 5.3.12.3 Ensure that AHP Housing programs and processes are conducted in a culturally competent manner to all participants, including those with Limited English Proficiency (LEP) and diverse cultural and ethnic backgrounds, disabilities, regardless of gender, sexual orientation, or gender identity. The Contractor shall implement a program in line with best practices including the Culturally and Linguistically Appropriate Services (CLAS) mandates, and guidelines and recommendations;
 - 5.3.12.4 Ensure that staff, particularly staff that have direct contact with AHP participants, are sufficiently trained to provide services in a culturally competent manner to individuals. Additionally, the Contractor shall ensure all staff receives Cultural Competency training during new employee orientation and annually thereafter.
- 5.3.13 Administrative Plan – The Contractor shall be responsible for creating an Administrative Plan detailing the Contractor’s specific standard operational policies, processes, procedures, forms and other key information on how the above Housing Administration duties will be implemented and performed. The Administrative Plan shall, at a minimum:
- 5.3.13.1 Provide specific operating procedures and practices for implementing and performing the duties described in this scope of work;
 - 5.3.13.2 Identify staff Members responsible for performing required activities under the Scope of Work;
 - 5.3.13.3 Be consistent with AHCCCS ACOM Policy 448 and related Housing Guidance Documentation;
 - 5.3.13.4 Reflect and incorporate evidence based practices, governmental (e.g., HUD PHA standards) and/or housing industry standards as appropriate;
 - 5.3.13.5 Include annual performance standards and measures;
 - 5.3.13.6 Include local policies established for AHCCCS;
 - 5.3.13.7 Include processes for annual review and update of Administrative Plan. The contractor will provide a draft of Administrative Plan with proposed changes and updates to AHCCCS at least three months prior to the end of the fiscal year for approval. The Administrative Plan and its revisions must be available for public review and comment prior to submission to AHCCCS.
 - 5.3.13.8 Incorporate housing authority policy on matters for which the housing authority has discretion to establish local policies. These policies must:
 - 5.3.13.8.1 Incorporate Housing First principles (as defined in the AHCCCS 448 Housing Policy);

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- 5.3.13.8.2 Reduce barriers to housing especially for persons with mental illness or other disabilities; and
- 5.3.13.8.3 Facilitate Members accessing and maintaining permanent supportive housing.

5.4 READINESS ACTIVITIES

The Contractor will perform and adhere to the following requirements prior in the “preparatory period” prior to the start of contracted the Housing Administration Services in order to successfully transition to and implement the services described herein. The Contractor shall:

- 5.4.1 **Readiness Timing** – The preparatory period will begin at execution of an award and contract.
- 5.4.2 **Post-Award Conference** – Within ten (10) working days of approval by AHCCCS, attend an orientation and planning session with the Housing Workgroup at the time and place designated by the Procurement Officer.
- 5.4.3 **Project Manager Assignment** – Assign a Project Manager for the management of the project. The Project Manager shall, for the readiness/transition period, as well as the entire period of contract performance, have substantial physical presence in Arizona and meet with or hold a conference call with the designated AHCCCS representative at a frequency agreed upon to discuss the steps to be taken to perform the work. The Contractor may engage and supervise additional staff under the Project Manager to perform the duties required under the contract. The Contractor shall ensure that all products and results meet the acceptance criteria described in the contract. The Contractor shall ensure that reports with performance metrics are submitted weekly and comprehensive performance reports are submitted monthly, outlining progress, status, problems and issues encountered, and resolutions to problems and issues in the performance of this contract and the program. AHCCCS reserves the right to request that additional information be included in the reports if it deems necessary and/or change the frequency of the reports.
- 5.4.4 **Transition Plan** – Within thirty (30) days of award, provide the AHCCCS Housing Department with a detailed Transition Plan to assume all operations of the Housing Subsidy Program. The AHCCCS Housing Workgroup and Director of Housing Programs will review and approve the plan and milestones. The Transition Plan shall include strategies, defined time frames and milestones for key activities including:
 - 5.4.4.1 Establish timeframes and frequency of meetings and reporting related to transition;
 - 5.4.4.2 Establish a housing data system to track persons housed, HAP information and other key housing data;
 - 5.4.4.3 Review current RBHA housing records and information which will be provided and reviewed with the selected Contractor after a contract is signed. The Contractor shall review current tenant and vendor files and interview appropriate RBHA Housing Department employees to transition to new procedures regarding recordkeeping and operations to allow for a smooth transition while maintaining program operations for currently assisted Members, and an expected date for assuming complete control of the operations;
 - 5.4.4.4 Develop financial and payment systems and budgetary controls;
 - 5.4.4.5 Establish program and operational standards and processes including referral process, housing eligibility determination, waitlist protocols and prioritization, briefings and housing search functions, inspections, rent determinations, lease up procedures, and termination processes;
 - 5.4.4.6 Establish contacts with all MCOs and programs to establish communication, processes and procedures for coordination of Housing Administrator services and supportive services;
 - 5.4.4.7 Develop a communication plan for the public as well notices to AHP participating stakeholders including MCO, providers and current referral providers, landlords, housed Members, and waitlist participants regarding change in Administrator and requirements

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related to transition activities and timelines for programmatic continuity. The Communication plan should describe activities, purpose, intended audience, frequency, and communication media (e.g., webinars, meetings, newsletters, outreach and educational activities, etc.).

- 5.4.5 **Project Management Plan** – Establish and maintain a complete Project Management Plan that shall require the prior written approval of the AHCCCS Housing Workgroup and Director of Housing Programs. The Project Management Plan shall be submitted within sixty (60) days of award. The Project Management Plan shall:
- 5.4.5.1 Be used to manage, track, and evaluate the Contractors performance. Weekly project status updates and other project updates to be determined.
 - 5.4.5.2 Consist of the timelines, control policies, and procedures in accordance with standard industry practices for project administration, execution, and tracking. This should include a RAID Log (Risks Assumptions, Issues, and Dependencies Log) with strategies for assessing, tracking, and mitigating project risks.
 - 5.4.5.3 Include the Contractor’s plan and budget for providing Statewide Housing Administrative Services. The plan will include the projected number of additional offices, telepresence, or other strategy for providing the services described here across all current Geographic Service Areas.
 - A. At minimum, the Contractor will be required to establish at least one physical office in each of the defined AHCCCS GSAs (North, South, and Central) and must be able to demonstrate that staffing and presence can cover the full GSA;
 - B. In addition to physical office and presence in all GSAs, the Contractor may utilize other technologies or staffing strategies to supplement or enhance geographic coverage, accessibility and support for full statewide coverage including but not limited to websites, telepresence, phone hotlines/call centers, or mobile or virtual staffing.
 - 5.4.5.3.1 Whenever any changes are made to the Project Management Plan, the Contractor shall provide a complete copy to the designated AHCCCS representative within two (2) business days. If any major risks or potential delays are identified the Contractor must also notify the designated AHCCCS representative within two (2) business days. The Contractor shall retain copies of all documents and records for at least three (3) years after expiration of the contract, and shall present them to the AHCCCS designated representative, or his/her designee upon request.
 - 5.4.5.3.2 The Project Management Plan will also include the following:
 - A. **Project Schedule** – Identify and describe all tasks, deliverables, and appropriate milestones for the duration of the contract, as well as timeline dependencies for subsequent activities. The project schedule shall be expressed in calendar dates;
 - B. **Work Plan** – Identify and describe financial and other resources allocated to each task, deliverable or milestone and the rationale for project organization and other resources allocated to each task or activity;
 - C. **Staffing Plan** – Submit a Staffing Plan documenting all personnel and required qualifications (or job descriptions) to be used throughout the course of the contract. The Staffing Plan shall identify each individual staff Member title, the major tasks to be performed by each staff Member, and the percentage of time each staff Member shall devote to the Contract. The Staffing Plan shall include the rationale for staff

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utilization allocated to each task or activity. The Staffing Plan will also include Contractor's required onboarding and training plans including topics and frequency. The Staffing Plan will also include any background checks, fingerprinting or other necessary security procedures the Contractor will utilize to screen staff. AHCCCS shall review and approve in writing, or make comments and recommend changes to the Staffing Plan within thirty (30) days of its receipt. In the event that the PM requires additional time for review and approval, or to make comments, it shall notify the Contractor within the initial review period and provide a new date not to exceed thirty (30) days from the date of AHCCCS' notification. The Contractor will then have five (5) days to make changes unless otherwise agreed to by the Parties. Staff training will be an expense of the Contractor.

- D. **Quality Control Plan** – Submit a Quality Control Plan within ninety (90) of the contract award that documents how the selected respondent will monitor the quality of those housing processes and products executed by the selected respondent to ensure timely, accurate and effective housing administration and placement services. The Quality Control Plan shall be developed in accordance with commercial standards and requirements including applicable Section 8 Management Assessment Plan standards and shall detail the processes, procedures, and metrics to be employed for assuring quality. The methods to conduct and report on periodic and continuous internal audits of the Contractor's own processes shall be included. Such internal audits are necessary to verify the selected respondent's compliance with all aspects of the contract. The Quality Control Plan shall:
- 1) Document how to monitor employee performance in adhering to Federal laws, HUD regulations, applicable guidance, and the requirements of the contract, and compliance with the draft AHCCCS ACOM Policy 448;
 - 2) Include staff designated with responsibility for quality control in the various areas. The staff shall be responsible for auditing income and rent, inspections, and lead-paint compliance, rent reasonableness, referral, and waitlist processes, and housing assistance payments. Customer service provided by staff shall also be quality controlled by supervisors;
 - 3) Provide mechanisms to solicit and utilize feedback from key AHP stakeholders to improve services. Key stakeholders include but are not limited to Members participating in AHP program, housing providers, MCO Housing Administrators or other key staff, MCO contracted providers or referring entities, provider treatment team staff, and Members' peer supports or other housing advocates;
 - 4) Identify a standardized assessment tool (e.g. VI-SPDAT) that will be used to assess and document housing need for purposes of housing prioritization including persons determined SMI and GMH/SUD identified as High Need/High Cost in the AHP as outlined in the draft AHCCCS PSH Guidebook. The Housing Administrator will develop plan for incorporating assessment results in waitlist prioritization and

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housing eligibility process. AHCCCS will review and approve the proposed assessment tool as part of Quality Control Plan approval;

- 5) Document processes for tracking data and information acquired through the hearing and due process procedures for grievances and appeals related to the AHP and the Housing Administrator's management of the program for program improvement.

5.5 PERFORMANCE STANDARDS/REPORTING

All performance standards will be tracked at the AHP aggregate level, by geographic service area and by individual program or project for all elements of AHP program. AHCCCS will work with the Contractor to establish reporting mediums including submissions to AHCCCS, written reports, dashboards and/or web site based reporting and monitoring protocols for these criteria. Performance standards will be established for operations, programs/housing outcome, and finance as follows:

5.5.1 Operational and Quality Control Performance Standards – AHCCCS will adopt appropriate measurements to track performance of housing administration functions and operations including incorporation of performance standards. AHCCCS' Housing Workgroup and Director of Housing Programs will work with the Contractor to establish initial targets and benchmark performance. The following reports will be provided on a quarterly basis. Reports will be due within fifteen (15) days of the period being reported upon.

5.5.1.1 SEMAP – The AHP program will implement reporting on Section 8 Management Assessment Program (SEMAP) criteria. Each year, AHCCCS and the Contractor will establish benchmarks with a goal of achieving the HUD high performing standard in each applicable criteria (e.g., 98% utilization of units or budgeted AHP vouchers). While not all are applicable to the AHP program, the following SEMAP criteria measurements will be benchmarked, tracked and reported quarterly:

5.5.1.1.1 Proper selection of applicants from the housing choice voucher waiting list;

5.5.1.1.2 Sound determination of reasonable rent for each unit leased;

5.5.1.1.3 Establishment of timely payment standards within the required range of the HUD fair market rent for new and existing landlords;

5.5.1.1.4 Accurate verification of Member/household income;

5.5.1.1.5 Timely annual reexaminations of Member/household income;

5.5.1.1.6 Correct calculation of the tenant share of the rent and the housing assistance payment;

5.5.1.1.7 Maintenance and use of a current schedule of allowances for tenant utility costs;

5.5.1.1.8 Ensure units comply with the housing quality standards before Member/households enter into leases and PHAs enter into housing assistance contracts;

5.5.1.1.9 Timely annual housing quality inspections;

5.5.1.1.10 Performing of quality control inspections to ensure housing quality;

5.5.1.1.11 Ensure that landlords and tenants promptly correct housing quality deficiencies; and

5.5.1.1.12 Ensure that all available housing choice vouchers are used

5.5.1.2 In addition to SEMAP criteria, the Contractor will also:

5.5.1.2.1 Maintain quarterly inventory of project based/CLP housing units and CC&R use requirements for SMI Members;

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- 5.5.1.2.2 Demonstrate that Members determined SMI and other AHP scattered site program participants are not clustered or concentrated in specific properties or buildings;
 - 5.5.1.2.3 Quarterly Report: Contractor will provide quarterly progress reports that shall consist of a narrative report that details the work performed by the Contractor during the previous months in relation to the scope of work and items identified here and shall include:
 - A. Executive Summary – Contractor will provide monthly dashboard or summary overview report of key indicators and metrics including leasing, referrals, Utilization, wait list numbers, inspections, and finance. AHCCCS will work with Housing Contractor to finalize content and format including possible electronic dashboard availability;
 - B. Contract Information – Contractor, contract number, expiration date, title, contract program manager and telephone number, name of contract officer's representative);
 - C. Status of Work in Progress – Reports on the status of implementation of each of the major components - Performance Standards Design and Monitoring, Quality Control Plan;
 - D. Monitoring, secondary quality control reviews, and other surveys or reviews;
 - E. Problems or Constraints Encountered during the Reporting Period (e.g., schedule, cost, miscellaneous, etc.);
 - F. Suggested solutions to problems or constraints during the reporting period;
 - G. Previously identified problems or constraints and their solutions (status);
 - H. Changes to the organization, methodology, schedule, or contract;
 - I. Significant communications with other Contractors of AHCCCS;
 - J. Proposed communication brochures and pamphlets for AHCCCS approval; and
 - K. Planned Activities for Next Reporting Period.
- 5.5.2 **Program Outcomes** – AHCCCS will establish criteria and performance standards for the programmatic outcomes to demonstrate the success in assisting members attain and maintain housing. Reporting will be completed on a quarterly basis and be due within fifteen (15) days of the end of the period being reported upon. AHCCCS will work with the Contractor to establish benchmarks and metrics for programmatic evaluation and monitoring with the goal of defining and achieving high performance standards. Key data points and metrics to be tracked and reported will include:
- 5.5.2.1 Program population demographics including race/ethnicity (including possible demographic disparities), age, mental health status (SMI v. GMH/SUD), family status or household Members, gender, referral source, or other fields that may be added at a later time;
 - 5.5.2.2 Number of new Members placed in housing;
 - 5.5.2.3 Number of persons leaving and remaining in the program during the reporting period;
 - 5.5.2.4 Housing retention rates (% of persons remaining in their unit during the reporting period);
 - 5.5.2.5 Reasons for Members leaving housing;
 - 5.5.2.6 AHP Length of Stay reports by Member and average for all Members;
 - 5.5.2.7 Grievances and appeals data;
 - 5.5.2.8 Waitlist information:
 - 5.5.2.8.1 Total number of referrals/applications and source;

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- 5.5.2.8.2 Number of unduplicated persons on waitlist (new and continuing; by SMI and GMH/SUD members);
 - 5.5.2.8.3 Average length of time on waitlist
 - 5.5.2.8.4 Number of persons removed from waitlist and reason;
 - 5.5.2.8.5 Length of time from placement on waitlist to /briefing issuance of voucher;
 - 5.5.2.8.6 Length of time from issuance of voucher to inspection;
 - 5.5.2.8.7 Length of time from inspection to move in;
 - 5.5.2.8.8 Total time from acceptance to move-in.
 - 5.5.2.9 Number and percentage of AHP housed Members/households contributing to rent with income from:
 - 5.5.2.9.1 Employment;
 - 5.5.2.9.2 Benefits or other mainstream entitlement program;
 - 5.5.2.9.3 Average tenant payment;
 - 5.5.2.10 Number and percentage of persons with identified service provider and release of information;
 - 5.5.2.11 Eviction Prevention/Housing Support Activities:
 - 5.5.2.11.1 Number of households served/provided eviction prevention support/funds;
 - 5.5.2.11.2 Cost per eviction prevention payment;
 - 5.5.2.11.3 Move in support provided – persons served/cost;
 - 5.5.2.11.4 Type of support provided (e.g., back rent, deposit, etc.);
 - 5.5.2.11.5 Damages payments to landlord by subsidy type; and
 - 5.5.2.12 Client satisfaction surveys
- 5.5.3 **Financial Management** – AHCCCS will require that the Contractor have adequate financial management and controls in place. AHCCCS will require annual audit processes as well as regular reporting and monitoring to assess the following:
- 5.5.3.1 Contractor’s staff has thorough knowledge of AHP and subsidized housing financial management including payment standards;
 - 5.5.3.2 The Contractor shall develop and maintain internal controls and systems to separately account for AHCCCS related revenue and expenses and non-AHCCCS related revenue and expenses by type and program and manage, record, and report funds in accordance with the practices, procedures, and standards in the State of Arizona Accounting Manual. Key accounting policies or requirements include:
 - 5.5.3.2.1 Maintain accuracy of general ledger by reconciling activity and making adjustments as needed. Contractor’s responsibility is limited to its own entries;
 - 5.5.3.2.2 Maintain source documentation and files that support the financial transactions recorded in the general ledger, providing an audit trail;
 - 5.5.3.2.3 Monitor available budget authority as allocated from AHCCCS, for current and planned utilization and manage available funding in order to continuously provide housing to AHP participants throughout the funding period;
 - 5.5.3.2.4 Prepare and update leasing projections and costs throughout the year using HUD two year forecasting tool or other equivalent methodology; and
 - 5.5.3.2.5 Report AHP program participant rent contributions received and disbursed including source of income if known.
 - 5.5.3.3 Contractor is responsible for preparing and issuing weekly and monthly HAP and Utility Adjustment Payments to landlords and tenants. The Contractor will establish appropriate segregated banking accounts for AHP payment purposes.
 - 5.5.3.4 Prepare and distribute annual 1099 statements to vendors.
 - 5.5.3.5 Respond to any IRS penalties in relation to 1099 records.

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5.5.3.6 Required Financial Reporting:

- 5.5.3.6.1 Contractor Expenditure Reports (CER) – Monthly reimbursement of direct expenses as well as any Contractor expenses and fees will require submission of CER form with appropriate documentation of expenditure including at minimum amounts paid and payee, housing/occupancy logs and, if requested, copies of proof of payment. AHCCCS will work with the Contractor to finalize the CER format and necessary documentation. CER will be submitted 10 (ten) days following end of period upon which billing is being submitted. CER will include the following supporting documentation:
 - A. Leasing Report – This report summarizes units under lease and expenses as of the 1st of the month for AHP and its component programs/activities (scattered site subsidies, CLP, housing supportive services, and other projects). The report should also include breakout by GSA;
 - B. HAP Expense Reconciliation – A reconciliation of all total rents owed, tenant contributions and HAP payments for AHP.
- 5.5.3.6.2 Submit annual audited financial statements, audited by an independent Certified Public Accountant and prepared in accordance with Generally Accepted Auditing Standards (GAAS), separately identifying AHP revenue and expenditures within six (6) month after the end of the fiscal year;
- 5.5.3.6.3 Notify and reimburse AHCCCS within thirty (30) days when the Contractor identifies an overpayment by AHCCCS;
- 5.5.3.6.4 Prepare and distribute annual 1099 statements to vendors and respond to any penalties related to 1099 records;
- 5.5.3.6.5 Annual Housing Spending Plan – At least three months prior to the end of the State Fiscal Year, the Contractor will provide a report that must include: 1) Description of any proposed project changes, reductions or enhancements to capacity or services; 2) a proposed budget for the upcoming year with funding allocations and unit/service projections for each program type (e.g., CLP, scattered site, etc.) and GSA; 3) description of environmental issues or local need; 4) description of all leveraged funds or collaborations; 5) summary presentation of any success or performance metrics; and 6) the Housing Administrator’s request or justification for amendment of fee structure. The Annual Housing Spending Plan will be reviewed and approved by AHCCCS.
- 5.5.3.6.6 Ad Hoc Reports – In addition to reports and criteria described here, AHCCCS reserves the right to request ad hoc reports for additional AHP evaluation, to respond to legislative or internal or external stakeholder inquiries or for other reasonable purposes. In making ad hoc reporting requests, AHCCCS will work with the Contractor to develop meaningful and appropriate reports in a timely manner.
- 5.5.3.6.7 AHCCCS has the right, at any time during the term of this Contract, to request financial or other information from the Contractor;
- 5.5.3.6.8 AHCCCS will not be responsible for payment to the Contractor for any purchases, expenditures, or subcontracts made by the Contractor in anticipation of funding;
- 5.5.3.6.9 Contractor shall accept payment by wire or National Automated Clearing House Association (NACHA) transfer;

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- 5.5.3.6.10 AHCCCS is not liable for any error or delay in transfer or indirect or consequential damages arising from the use of the electronic funds transfer process where payments are made by electronic funds transfer;
- 5.5.3.6.11 Payments may be adjusted when an error is discovered and may make a payment adjustment through a corresponding decrease in a Contractor's payment or by processing an additional payment to the Contractor;
- 5.5.3.6.12 In accordance with A.R.S. §35-190, Non-Title XIX/XXI General Fund money is appropriated by the Legislature and must be expended (based on dates of service) by June 30 of each year at both the Contractor and contracted provider levels. Any General Fund money allocated for housing must be spent in accordance with approved housing plan.

5.5.4 **Other Financial Management Terms:**

AHCCCS will monitor Contractor housing operations, program and financial outcomes as documented above. AHCCCS may monitor or audit the Contractor's data should it be determined that the metrics indicate inappropriate operational, quality control, program, or financial performance;

6. DELIVERABLES

<u>Report Type</u>	<u>Timeframe</u>	<u>Report Name</u>	<u>Due</u>	<u>Scope of Work Section</u>
Operational, Finance, Program, or Administrative				
Administrative	Annually reviewed	Administrative Plan		5.3.13.7
Preparatory	30 days from award	Transition Plan		5.4.4
	60 days from award	Project Management Plan		5.4.5
	90 days from award	Quality Control Plan		5.4.5.3.2D
Operational/Programmatic	Quarterly	SEMAP Reporting	15 th day following end of reporting period	5.5.1.1
	Quarterly	Project Based Housing Inventory and CC&R Status	15 th day following end of reporting period	5.5.1.2.1
	Quarterly	Documentation on SMI Density/Clustering	15 th day following end of reporting period	5.5.1.2.4
	Quarterly	Progress Report - Narrative	15 th day following end of reporting period	5.5.1.2.5
Program Outcomes	Quarterly	Program Reporting and Metrics	15 th day following end of reporting period	5.5.2

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<u>Report Type</u> Operational, Finance, Program, or Administrative	<u>Timeframe</u>	<u>Report Name</u>	<u>Due</u>	<u>Scope of Work Section</u>
Financial Management	Monthly	CER and supporting documentation for Reimbursement	10 days following end of period upon which billing is being submitted.	5.5.3.6.1
	Quarterly	HAP Expense Reconciliation	15 th day following end of reporting period	5.5.3.6.1B
	Annual	Submission of Annual 3d party Audit	w/in six (6) months of the end of the fiscal year	5.5.3.6.2
	Annually	Housing Spending Plan	w/in three (3) months prior to the end of the fiscal year	5.5.3.6.5

7. PRICING AND OFFEROR PAYMENT

7.1. Payment for this Contract will consist of two components:

- 1) Cost Reimbursement – The Contractor will be reimbursed for all eligible fees paid on behalf of AHP Members including third party landlords and housing providers including rents, deposits, fees, damages, and other housing expenses as approved by AHCCCS.
- 2) Administrative Service Fee – This fee shall be calculated as cost per occupied AHP unit per month (PUPM). This per unit per month fee shall include the total of all of the Contractor’s operational costs associated with the delivery of the service including start up (year one only), staffing, mileage, insurance, other administrative costs, and profit/overhead.

7.2 Payment Terms:

1. On a monthly basis, the Contractor shall submit a Contractor Expenditure Report (CER) and supporting documentation to AHCCCS for reimbursement. The monthly CER shall show: 1) monthly direct housing payments incurred; and 2) Contractor’s monthly administrative service fee;
2. AHCCCS will issue a single monthly payment to the Contractor that includes both the Cost Reimbursement and the Administrative Service Fees;
3. Each CER shall provide the following information, as applicable:
 - a. AHCCCS’ assigned contract number;
 - b. Adequate supporting documentation attached including housing occupancy logs and financial information demonstrating subsidies paid and units occupied;
 - c. Name of AHCCCS contact person (or program person) for this contract;
 - d. Date(s) services were performed;
 - e. Signature and title of authorized representative; and
 - f. AHCCCS may develop additional supporting documentation forms in conjunction with Contractor upon award.

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- 7.3 All CER's shall be submitted to: bhsinvoices@azahcccs.gov with a cc sent to the AHCCCS Director of Housing Programs.
- 7.4 Total payments to the Contractor shall not exceed the total contracted AHP budget for the year. AHCCCS will work with the Contractor on an annual basis to establish the budget based upon available funding.
- 7.5 The Contractor shall be responsible for making monthly direct housing payments in a timely basis on the first of the month.
- 7.6 As part of the Transition Plan and prior to assuming the Housing Administrator duties, AHCCCS and the Contractor will determine an advance of funds to the Contractor to cover the first month of rents to be paid under the Contract. This amount will be determined based on information collected from the RBHAs during the transition period. This advance will be included in the first year's reconciliation of the total annual program budget which will represent payments made in October 2021 through June 2022.
- 7.7 At least once per State Fiscal Year, AHCCCS will reconcile year to date Contractor reimbursement and administrative service fees paid against CER documentation against actual program expenditures expenses and the program budget.
- 7.8 The Contractor shall be responsible for all direct and administrative costs in excess of the annual budget.

DEFINITIONS

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. **ACC:** Arizona Complete Care
4. **ADA:** Americans with Disabilities Act
5. **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.
6. **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.
7. **AHP:** AHCCCS Housing Program(s) are those funded by Arizona NXIX/XXI State SMI General Housing and Supported Housing funds
8. **AHP PARTICIPANT:** Members who have selected for AHP services or currently receiving subsidies.
9. **ALTCS:** Arizona Long Term Care System
10. **ARLTA: Arizona Residential Landlord Tenant Act** ARS 33, Chapter 10 – Arizona Revised Statutes governing residential leases and landlord and tenant duties and rights.
11. **ATTACHMENT:** Any item the Solicitation requires an Offeror to submit as part of the Offer.
12. **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.
13. **CC&R:** Covenants, Conditions & Restrictions; a common term used in real estate and in HOA (Homeowners Associations) management - it is a set of obligations and requirements that apply to any owner of the property (i.e.; HOA standards).
14. **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.
15. **CHIP:** Children's Health Insurance Program, called KidsCare in Arizona.
16. **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.

DEFINITIONS

17. **CONTRACT AMENDMENT:** A written document signed by the Procurement officer that is issued for the purpose of making changes in the contract.
18. **CONTRACTOR:** A person who has a contract with AHCCCS.
19. **COVENANTS, CONDITIONS & RESTRICTIONS (CC&Rs):** Limits and rules placed on a group of homes, apartments or condominium complex by a builder, developer, neighborhood association, or homeowners association.
20. **DAYS:** Calendar days unless otherwise specified. If a due date falls on a Saturday, Sunday or legal holiday, then the due date is considered the next business day. 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.
21. **EXHIBIT:** Any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.
22. **GMH/SUD:** General Mental Health and Substance Use Disorder
23. **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.
24. **HEALTH PLAN:** An organization which contracts with the AHCCCS Administration to administer the provision of a comprehensive package of AHCCCS covered acute and behavioral health care services to AHCCCS Members enrolled with the health plan. Synonymous with MCO.
25. **HUD:** The United States Department of Housing and Urban Development
26. **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.
27. **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.
28. **MAY:** Indicates something that is not mandatory but permissible.
29. **MCO:** Managed Care Organization. Synonymous with Health Plan.
30. **MEMBER:** For the purposes of this RFP, a Member is any individual who may be eligible for AHP housing services including persons determined SMI or GMH/SUD with housing needs. Member includes persons referred and applying for AHP housing or services as well as persons receiving AHP services, but not required to be Title XIX or Title XXI eligible.
31. **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).

DEFINITIONS

32. **NON-TITLE XIX/XXI:** State and other funding not related to Medicare (Title XIX of the Social Security Act) or the Children’s Health Insurance Program (CHIP)(Title XXI of the Social Security Act). For AHP, Non-Title XIX/XXI funding is primarily State General SMI Housing and Supported Housing funds.
33. **NTE:** Not-to-Exceed amount
34. **OFFER:** A response to a solicitation
35. **OFFEROR:** A vendor or person who responds to a Solicitation
36. **PERSON:** Any corporation, business, individual, union, committee, club or other organization or group of individuals.
37. **PHA:** Public Housing Authority; a government entity authorized to administer HUD housing programs
38. **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.
39. **RBHA:** Regional Behavioral Health Authority
40. **RELATED PARTY:** A party that has, or may have, the ability to control or significantly influence a Contractor, or a party that is, or may be, controlled or significantly influenced by a Contractor. “Related parties” include, but are not limited to, agents, managing employees, persons with an ownership or controlling interest in the disclosing entity, and their immediate families, subcontractors, wholly-owned subsidiaries or suppliers, parent companies, sister companies, holding companies, and other entities controlled or managed by any such entities or persons.
41. **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).
42. **SCOPE OF WORK:** Those provisions of this solicitation which specify the work and/or results to be achieved by the Contractor.
43. **SHALL, MUST:** Indicates a mandatory requirement. Failure to meet these mandatory requirements may result in the rejection of a proposal as non-responsive.
44. **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.
45. **SMI:** Seriously Mentally Ill; A condition as defined in A.R.S. §36-550 diagnosed in persons 18 years and older.
46. **SOLICITATION:** An Invitation for Bids (“IFB”), a Request for Proposals (“RFP”), or a Request for Quotations (“RFQ”).
47. **SOLICITATION AMENDMENT:** A written document that is authorized by the Procurement officer and issued for the purpose of making changes to the Solicitation.
48. **STATE:** The State of Arizona and AHCCCS

DEFINITIONS

49. **STATE FISCAL YEAR:** The period beginning with July 1 and ending June 30.
50. **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.
51. **TITLE XIX:** Title XIX of the Social Security Act means Medicaid as defined in 42 U.S.C. 7.19.
52. **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.
53. **TRBHA:** Tribal Regional Behavioral Health Authority
54. **VAWA:** Violence Against Women Act

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. Responses to inquiries will be answered in the form of a solicitation amendment. AHCCCS will respond to inquiries as it deems appropriate and is not obligated to respond to all inquiries submitted. 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 .xlsx (Microsoft Excel), .ppt and .pptx (Microsoft PowerPoint) and .pdf (Adobe

UNIFORM INSTRUCTIONS TO OFFERORS

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 at the sole discretion of AHCCCS.**
- 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 Offeror, 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

UNIFORM INSTRUCTIONS TO OFFERORS

shall include a letter with its Offer setting forth the name and address of the governmental unit, the effective date of this suspension or debarment, the duration of the suspension or debarment, and the relevant circumstances relating to the suspension or debarment. If suspension or debarment is currently pending, a detailed description of all relevant circumstances including the details enumerated above shall be provided.

- 3.10 Delivery (commodities only): Unless otherwise stated in the Contract, all prices shall be F.O.B. Destination and shall include all delivery and unloading at the destination.
- 3.11 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.
- 3.12 Offshore Performance of Work Prohibited: Any service 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 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. Offers shall be open and available to public inspection after Contract award, except for such portions deemed to be confidential in accordance with the procurement.
- 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

UNIFORM INSTRUCTIONS TO OFFERORS

- 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 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.

UNIFORM INSTRUCTIONS TO OFFERORS

- 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 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. Any protest of a solicitation shall be filed at least fourteen (14) calendar days before the due date of receipt of proposals. Any protest of an award shall be filed no later than ten (10) calendar days after the procurement officer makes the procurement file available for public inspection, which is typically the same day that award is made and procurement file is posted online. Any protest shall include all of the following:

- 7.1 The name, email address and telephone number of the protesting party;
- 7.2 The signature of the protesting party or its representative;
- 7.3 Identification of the purchasing agency and the Solicitation or Contract number;
- 7.4 A detailed statement of the legal and factual grounds of the protest including copies of relevant documents; and
- 7.5 The form of relief requested.

SPECIAL INSTRUCTIONS TO OFFERORS

1. Anticipated Procurement Schedule

All dates here are subject to change at any time.

Activity	Date
RFP Release	October 7, 2020
Pre-Proposal Conference	N/A
Offeror Questions Due	October 21, 2020
Deadline to request access to SFTP server	November 4, 2020
Offeror's Proposals Due	November 19, 2020
Final RFP Award (Subject to change)	January 2021
Services Start Date	October 1, 2021*

*Unless otherwise changed in writing by AHCCCS

2. Questions:

All questions concerning this solicitation shall be submitted **via email using the AHCCCS Q&A form found on the AHCCCS website, 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 the A.R.S. 36-2903 et seq., awards shall be made to the responsible Offeror(s) whose proposal is determined in writing to be the most advantageous to the State based upon the evaluation criteria.

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.

- 3.1 Method of Approach
- 3.2 Experience and Expertise
- 3.3 Pricing Proposal

With the exception of price or cost, 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 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.

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. Bidders' Library

The Bidders' Library may contain critical reference material and performance requirements to assist the Offeror to prepare a response to this Solicitation. References are made throughout this Solicitation to

SPECIAL INSTRUCTIONS TO OFFERORS

materials in the Bidders' Library, and Offerors are responsible for reviewing the contents of the Bidders' Library materials as if the materials were printed in full herein. Because AHCCCS may continue to update the Bidders' Library after this Solicitation is released, the Offeror is responsible for monitoring updates to the Bidders' Library. The Bidders' Library is located on the AHCCCS website at:

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

5. **Submission of Proposal**

The Offeror shall submit its proposal to the AHCCCS SFTP server in accordance with Exhibit A "PROPOSAL SUBMISSION INSTRUCTIONS." 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 AHCCCS SFTP server is: October 29, 2020. **SEE Exhibit A - Proposal Submission Instructions.**

6. **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 Narrative Proposal Experience and Expertise (page limited to 20)
- B2 Narrative Proposal Method of Approach (page limited to 40)
- B3 Cost Proposal

PART C

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

6.1 **Transmittal Letter:**

The Transmittal Letter must briefly summarize the Offeror's ability to supply the requested services that meet the requirements defined in the RFP Scope of Work. The letter must also contain a statement indicating the Offeror's willingness to provide the services subject to the terms and conditions set forth in the RFP.

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 Transmittal Letter. In the Transmittal Letter, please indicate 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.

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

SPECIAL INSTRUCTIONS TO OFFERORS

6.2 Narrative Proposal:

The Narrative Proposal must be broken into sections: Experience/Expertise and Method of Approach. The entirety of the Experience/Expertise Narrative Proposal and the Method of Approach Narrative Proposal must address the topics listed in Attachment B – Questionnaire,

6.3 Cost:

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

- 6.3.1 The proposed price shall be inclusive of all costs associated with the delivery of the service and includes staff time, mileage, insurance, and administrative cost. No additional fees will be paid by AHCCCS.
- 6.3.2 At any time in the evaluation process, pricing proposals may be reviewed, apart from the cost scoring process, for realistic and competitive pricing. Outside information may be utilized as deemed appropriate by the Procurement Officer including but not limited to:
 - 6.3.2.1 Other pricing proposals submitted for this RFP.
 - 6.3.2.2 Expenditures and pricing of any current or expired contract if the solicitation is a re-bid of a current service.
 - 6.3.2.3 Public or Independently obtained information based upon market research.
 - 6.3.2.4 Cost bids submitted by the Offeror in relation to any closely related procurement.
 - 6.3.2.5 Awarded Pricing obtained from other contracts held by the Offeror.
 - 6.3.2.6 Pricing obtained from other contracts for the same or similar service awarded by a public entity.
 - 6.3.2.7 Other information as deemed appropriate by the Procurement Officer.
- 6.3.3 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.

6.4 Intent to Provide Certificate of Insurance: The Offeror shall provide a brief statement that, if notified of contract award, the Offeror will submit to AHCCCS for review and acceptance, the applicable certificate/s of insurance as required within this RFP document, within five (5) business days of such notification.

6.5 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.

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

8. Financial Stability: The Offeror must be financially stable and shall attach three (3) concurrent years of annual financial statements audited or prepared by a Certified Public Accountant for the Offeror. The financial statements must include the most current year for which the audited or CPA prepared financial statements are available. The statements must include an Income Statement as well as a Balance Sheet

SPECIAL INSTRUCTIONS TO OFFERORS

showing assets, liabilities, and net worth of the entity. 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.

9. **Clarification of Offers:** AHCCCS may request clarification of an offer any time after receipt. Clarifications may be requested orally or in writing. If clarifications are requested orally, the Offeror shall confirm the request in writing. A request for clarifications shall not be considered a determination that the Offeror is susceptible for award.
10. **Negotiations:** Negotiations may be conducted orally or in writing at the discretion of AHCCCS. Negotiations may be conducted in order to improve offers in such areas of cost, price, specifications performance, or terms, to achieve best value for the State. Negotiations may include demonstrations (oral presentations). Award(s) may be made without negotiations; therefore, offers should be submitted on most favorable terms.
11. **Final Proposal Revisions /Best and Final Offers:** Written Final Proposal Revisions, or Best and Final Offers, will be requested from any Offeror with whom negotiations have been conducted, unless the Offeror has been determined not within the competitive range, not susceptible for award or non-responsible.
12. **Request for Confidential/Proprietary Determination:**
 - 12.1 If an Offeror believes that a specific portion of its bid, proposal, offer, specification, or protest contains information that should be withheld from public inspection due to confidentiality, the Offeror shall submit to the Procurement Officer a detailed legal analysis, prepared by legal counsel, which sets forth the bases for the requested non-disclosure and the specific harm or prejudice which may arise if disclosed. The analysis shall be presented to the Procurement Officer at the same time as the bid, proposal, offer, specification, or protest.
 - 12.2 An entire bid, proposal, offer, specification, or protest shall not be identified as confidential; only those very limited and distinct portions which are considered by the Offeror as confidential may be identified as such. Pricing shall not be considered as confidential.
 - 12.3 In the event that AHCCCS receives a request for disclosure of the information, AHCCCS 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.
 - 12.4 In addition to the required detailed legal analysis, the Offeror shall summarize in their Submittal Letter the distinct portions, including exact page numbers, of their document is requested to be kept confidential.
 - 12.5 If any pieces of your proposal are being requested to be kept confidential, and withheld from public viewing, please submit an additional redacted copy of the proposal, 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. **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

SPECIAL INSTRUCTIONS TO OFFERORS

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:

- 13.1 Whether the Offeror has had a contract within the last five (5) years that was terminated for cause due to breach or similar failure to comply with the terms of the contract;
- 13.2 Whether the Offeror has had a Contract that was terminated by AHCCCS for any reason;
- 13.3 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;
- 13.4 Whether the Offeror is legally qualified to contract with the State and the Offeror's financial, business, personnel, or other resources, including sub-Contractors;
 - 13.4.1 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 sub-Contractor of any public procurement unit or other governmental body.
- 13.5 Whether the Offeror promptly supplied all requested information concerning its responsibility;
- 13.6 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.
 - 13.6.1 Necessary offer components include: attachments, documents or forms to be submitted with the Offer, an indication of the intent to be bound, reasonable or acceptable approach to perform the Scope of Work, acknowledged Solicitation Amendments, references to include experience verification, adequacy of financial/business/personal or other resources to include a performance bond and stability including subcontractors and any other data specifically requested in the Solicitation;
- 13.7 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;
- 13.8 Whether the Offer limits the rights of the State;
- 13.9 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;
- 13.10 Whether the Offer materially changes the contents set forth in the Solicitation, which includes the Scope of Work, Terms and Conditions, or Instructions;
- 13.11 Whether the Offeror provides misleading or inaccurate information;
- 13.12 Whether the Offer fails to meet the minimum mandatory requirements of the RFP;
- 13.13 Whether the Offer satisfies the requirements of the RFP in a cost effective manner, as determined by AHCCCS;
- 13.14 Whether the Offeror's pricing is unrealistic, or unreasonably or unsubstantiatedly high; or
- 13.15 Any other criteria deemed appropriate by AHCCCS to determine if the Offer is in the best interest of the State.

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

- 14.1 Waive any immaterial mistake or informality,
- 14.2 Reject any or all Proposals, or portions thereof, and/or
- 14.3 Reissue the Request for Proposal.

UNIFORM TERMS AND CONDITIONS

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

2. **Contract Interpretation**

- 2.1 Arizona Law. The Arizona law applies to this Contract including, A.R.S. § 36-2906 and its implementing rules.
- 2.2 Implied Contract Terms. Each provision of law and any terms required by law to be in this Contract are a part of this Contract as if fully stated in it.
- 2.3 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.
- 2.4 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.
- 2.5 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.
- 2.6 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.

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

UNIFORM TERMS AND CONDITIONS

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.
- 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.

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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:

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

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- 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.
- 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

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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;
- 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.

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- 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 licenses 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.
- 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.

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- 8.3** Non-exclusive Remedies. The rights and the remedies of the State under this Contract are not exclusive.
- 8.4** Nonconforming Tender. Materials or services supplied under this Contract shall fully comply with the Contract. The delivery of materials or services or a portion of the materials or services that do not fully comply constitutes a breach of contract. On delivery of nonconforming materials or services, the State may terminate the Contract for default under applicable termination clauses in the Contract, exercise any of its rights and remedies under the Uniform Commercial Code, or pursue any other right or remedy available to it.
- 8.5** Right of Offset. The State shall be entitled to offset against any sums due the Contractor, any expenses or costs incurred by the State, or damages assessed by the State concerning the Contractor's non-conforming performance or failure to perform the Contract, including expenses, costs, and damages described in the Uniform Terms and Conditions.

9. Contract Termination

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

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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 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 Day):** The Procurement officer reserves the right to cancel the whole or any part of this contract due to failure by the Contractor to carry out any material obligation, term, or condition of the contract. The Procurement officer shall issue written notice to the Contractor for acting or failing to act in any of the following:
 - 5.1 The Contractor provides material that does not meet the specifications of the contract;
 - 5.2 The Contractor fails to adequately perform the services set forth in the specifications of the contract;
 - 5.3 The Contractor fails to complete the work required or furnish the materials required within the time stipulated by the contract;

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- 5.4 The Contractor fails to make progress in the performance of the contract and/or gives the Procurement officer reason to believe that the Contractor will not or cannot perform to the requirements of the contract;
 - 5.5 Upon receipt of the written notice of concern, the Contractor shall have a minimum of ten (10) days (Procurement officer may determine a longer period) to provide a satisfactory response to the Procurement officer. Failure on the part of the Contractor to adequately address all issues of concern may result in the Procurement officer resorting to any single or combinations of the following remedies.
 - 5.5.1 Cancel any contract;
 - 5.5.2 Reserve all rights or claims to damage for breach of any covenant of the contract;
 - 5.5.3 Perform any test or analysis on materials for compliance with the specifications of the contract. If the result of any test confirms a material no-compliance with the specifications, any reasonable expense of testing shall be borne by the Contractor;
 - 5.5.4 In case of default, the Procurement officer reserves the right to purchase materials, or to complete the required work in accordance with the 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 disputes arising under A.R.S. § Title 36, Chapter 29 shall be adjudicated in accordance with AHCCCS Rules.
 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 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.

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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,
- 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.

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

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

15. Lobbying: No funds paid to the Contractor by AHCCCS, or interest earned thereon, shall be used for the purpose of influencing or attempting to influence an officer or employee of any Federal or State agency, a Member of the United States Congress or State Legislature, an officer or employee of a Member of the United States Congress or State Legislature in connection with awarding of any Federal or State contract, the making of any Federal or State grant, the making of any Federal or State loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any Federal or State contract, grant, loan, or cooperative agreement. The Contractor shall disclose if any funds other than those paid to the Contractor by AHCCCS have been used or will be used to influence the persons and entities indicated above and will assist AHCCCS in making such disclosures to CMS.

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.

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- 17. Non-exclusive Contract:** Any contract resulting from this solicitation shall be awarded with the understanding and agreement that it is for the sole convenience of AHCCCS. The State reserves the right to obtain like goods or services from another source when necessary.
- 18. Ownership of Information and Data:**
- 18.1** Any data or information system, including all software, documentation, and manuals, developed by Contractor pursuant to this contract, shall be deemed to be owned by AHCCCS. The Federal government reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, or otherwise use and to authorize others to use for Federal government purposes, such data or information system, software, documentation and manuals. Proprietary software which is provided at established catalog or market prices and sold or leased to the general public shall not be subject to the ownership or licensing provisions of this section.
- 18.2** Data, information, and reports collected or prepared by Contractor in the course of performing its duties and obligations under this contract shall be deemed to be owned by AHCCCS. The ownership provision is in consideration of Contractor's use of public funds in collecting or preparing such data, information, and reports. These items shall not be used by Contractor for any independent project of Contractor or publicized by Contractor without the prior written permission of the Procurement officer. Subject to applicable State and Federal laws and regulations, AHCCCS shall have full and complete rights to reproduce, duplicate, disclose, and otherwise use all such information. At the termination of the contract, Contractor shall make available all such data to the Procurement officer within thirty (30) days following termination of the contract or such longer period as approved by the Procurement officer. For purposes of this subsection, the term "data" shall not include Member medical records.
- 18.3** Except as otherwise provided in this section, if any copyrightable or patentable material is developed by Contractor in the course of performance of this contract, the Federal government, AHCCCS and the State of Arizona shall have a royalty-free, nonexclusive, and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use, the work for State or Federal government purposes. Contractor shall additionally be subject to the applicable provisions of 45 CFR Part 74 and 45 CFR Parts 6 and 8.
- 19. Records:**
- 19.1** In addition to the requirements set forth in this contract under the Uniform Terms and Conditions, all books and records shall be maintained to the extent and in such detail as required by AHCCCS Rules and Policies. The AHCCCS records management guidelines are located at: <http://www.azahcccs.gov>. Records shall include, but not be limited to, financial statements, case files (both hard copy and stored data), and other records specified by AHCCCS.
- 19.2** The Contractor shall make available at its office at all reasonable times during the term of this contract and the period set forth in in this section, any of its records for inspection, audit, or reproduction by any authorized representative of AHCCCS, State or Federal government.
- 19.3** The Contractor shall preserve and make available all records for a period of 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.

SPECIAL TERMS AND CONDITIONS

- 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 three (3) initial years with two (2) one-year options to extend, not to exceed a total contracting period of five (5) years. The terms and conditions of any such contract extension shall remain the same as the original contract, as amended. All contract extensions shall be through contract amendment, and shall be at the sole option of AHCCCS.
- 21.2** When the Procurement officer issues an amendment to extend the contract, the provisions of such extension will be deemed to have been accepted 60 days after the date of mailing by the Procurement officer, even if the extension amendment has not been signed by the Contractor, unless within that time the Contractor notifies the Procurement officer in writing that it refuses to sign the extension amendment. If the Contractor provides such notification, the Procurement officer will initiate contract termination proceedings.
- 21.3** If the Contractor chooses not to renew this contract, the Contractor may be liable for certain costs associated with the transition of its Members to a different Contractor. If the Contractor provides the Procurement Officer written notice of its intent not to renew this contract at least 180 days before its expiration, this liability for transition costs may be waived by the Procurement Officer.

22. 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.

- 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,

SPECIAL TERMS AND CONDITIONS

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 system 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 the AHCCCS on an annual basis of all Staff who has been background checked and approved to work on the Contract.

23. Warranty of Services: The Contractor warrants that all services provided under this contract will conform to the requirements stated herein. AHCCCS' acceptance of services provided by the Contractor shall not relieve the Contractor from its obligations under this warranty. In addition to its other remedies, the Procurement officer may, at the Contractor's expense, require prompt correction of any services failing to meet the Contractor's warranty herein. Services corrected by the Contractor shall be subject to all of the provisions of this contract in the manner and to the same extent as the services originally furnished.

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.

2.3 Minimum Scope and Limits of Insurance

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

2.3.1 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

INSURANCE REQUIREMENTS

- a. The policy shall include coverage for Sexual Abuse and Molestation (SAM). This coverage may be sub-limited to no less than \$500,000. The limits may be included within the General Liability limit or provided by separate endorsement with its own limits. If you are unable to obtain SAM coverage under your General Liability because the insurance market will not support it, it should be included with the Professional Liability.
- b. Contractor must provide the following statement on their Certificate(s) of Insurance: "Sexual Abuse and Molestation coverage is included" or "Sexual Abuse and Molestation coverage is not excluded."
- c. The policy shall be endorsed, as required by this written agreement, to include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor.
- d. Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

2.3.2 Business Automobile Liability

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

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

2.3.3 Workers' Compensation and Employers' Liability

- Workers' Compensation Statutory
- Employers' Liability
 - Each Accident \$1,000,000
 - Disease – Each Employee \$1,000,000
 - Disease – Policy Limit \$1,000,000
- a. Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.
- b. This requirement shall not apply to each Contractor or subcontractor that is exempt under A.R.S. § 23-901, and when such Contractor or subcontractor executes the

INSURANCE REQUIREMENTS

appropriate waiver form (Sole Proprietor or Independent Contractor).

2.3.4 Professional Liability (Errors and Omissions Liability)

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

- a. If SAM coverage is being provided under this policy then Contractor must provide the following statement on their Certificate(s) of Insurance: "Sexual Abuse and Molestation coverage is included" or "Sexual Abuse and Molestation coverage is not excluded." This coverage may be sub-limited to no less than \$500,000.
- b. In the event that the professional 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 that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.
- c. Policy shall cover professional misconduct or wrongful acts for those positions defined in the Scope of Work of this contract.

2.4 Additional Insurance Requirements

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

- 2.4.1 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).
- 2.4.2 Insurance provided by the Contractor shall not limit the Contractor's liability assumed under the indemnification provisions of this Contract.

2.5 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) businessdays 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).

2.6 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

INSURANCE REQUIREMENTS

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.

2.7 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.

2.7.1 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.

2.7.2 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.

2.7.3 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.

2.8 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 the Contract, proof from the Contractor that its subcontractors have the required coverage.

2.9 Approval and Modifications

AHCCCS, 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.

2.10 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 the unauthorized disclosure;
 - H. A description of corrective actions undertaken or planned to prevent future similar unauthorized use or disclosure;
 - I. An assessment of whether a breach, as defined in 45 CFR 164.402, including, if necessary, an assessment of the probability of harm, and

HIPAA Business Associates Addendum

J. Such other information, as may be reasonably requested by the AHCCCS Privacy Official.

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

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

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

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

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

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

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

2.8. To the extent Business Associate is to carry out one 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 DISCLOSURES BY BUSINESS ASSOCIATE

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

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

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).

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

HIPAA Business Associates Addendum

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

6. INDEMNIFICATION AND MISCELLANEOUS

HIPAA Business Associates Addendum

- 6.1. Indemnification:** Business Associate shall indemnify, hold harmless and defend AHCCCS from and against any and all claims, losses, liabilities, costs, civil and criminal penalties, and other expenses resulting from, or relating to, the acts or omissions of Business Associate, its employees, agents, and sub-contractors in connection with the representations, duties and obligations of Business Associate under this Addendum. The parties' respective rights and obligations under this Section shall survive termination of the Contract.
- 6.2. Regulatory References:** A reference in this Addendum to a section in the HIPAA rules means the section as in effect or as amended.
- 6.3. Amendment:** The parties agree to take such action as is necessary to amend this Addendum from time to time as is necessary for compliance with the requirements of the HIPAA rules or any other applicable law.
- 6.4. Interpretation:** Any ambiguity in this Addendum shall be interpreted to permit compliance with the HIPAA rules.

ATTACHMENT A: Boycott of Israel Attestation

Boycott of Israel Attestation

Provided separately on the AHCCCS website under Open Solicitations RFP YH21-0002. The Offeror shall complete this Attachment and submit with its Proposal.

ATTACHMENT B: QUESTIONNAIRE

Questionnaire that includes Experience and Expertise and Methodology.

Provided separately on the AHCCCS website under Open Solicitations RFP YH21-0002. The Offeror shall complete this Attachment and submit with its Proposal.

ATTACHMENT C: Pricing Schedule

1. PRICE PROPOSAL

See Attachment C: Price Spreadsheet provided separately on the AHCCCS website under Open Solicitations RFP YH21-0002. The Offeror shall complete this Attachment and submit with its Proposal.

2. RATE TERMS AND REVISIONS

Rates quoted will be for the initial three years of the contract. In the event AHCCCS exercises its sole option to renew the contract for additional periods, the AHCCCS procurement office will consider revisions in rates for each of the last two optional years of the contract, prior to extension of the contract term.

END OF SOLICITATION