



Notice of Request for Proposal

SOLICITATION # YH21-0004

MES Modernization Roadmap Consultant

AHCCCS Procurement Officer:

Meggan LaPorte
 Chief Procurement Officer
 E-Mail: procurement@azahcccs.gov

Issue Date: Friday, April 9, 2021

RFP DESCRIPTION:	MES MODERNIZATION ROADMAP CONSULTANT
PROPOSAL DUE DATE: Proposals shall be submitted in accordance with this solicitation proposal instructions prior to the time and date indicated here, or as may be amended through a solicitation amendment.	Friday, June 4, 2021 At 3:00 PM ARIZONA TIME
Pre-Proposal Conference:	A Pre-Proposal Conference has <u>NOT</u> been scheduled.
Questions concerning this solicitation shall be submitted to the procurement officer named above in writing, on the Q&A form provided with this RFP. Answers will be posted on the AHCCCS website in the form of a Solicitation Amendment for the benefit of all Potential Offerors.	First Round Questions: Friday April 23, 2021 , 5:00 PM Arizona Time Second Round (Follow up only on initial responses) Friday May 15, 2021 5:00 PM Arizona Time
Access to the SFTP Server	No Later than Tuesday, May 18, 2021 5:00 PM Arizona Time

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

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

TABLE OF CONTENTS

1.	Offer and Acceptance Signature Page	Page 3
2.	Scope of Work	Page 4
3.	Definition of Terms	Page 18
4.	Uniform Instructions to Offerors	Page 22
5.	Special Instructions to Offerors	Page 27
	▪ Anticipated Procurement Timeline	Page 27
6.	Uniform Terms and Conditions	Page 34
7.	Special Terms and Conditions	Page 42
8.	Special Terms and Conditions Insurance Requirements	Page 48
	<i>End of Solicitation</i>	<i>Page 52</i>

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

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

Attachment A –Cost Proposal
Attachment B – Boycott of Israel Attestation
Exhibit A –Proposal Submission Instructions
Questions and Answers Form

OFFER AND ACCEPTANCE

OFFER

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

Arizona Transaction (Sales) Privilege Tax License No.:

For clarification of this offer, contact:

Name:

Federal Employer Identification No.:

Title:

E-Mail Address:

Phone:

Company Name

Signature of Person Authorized to Sign Offer

Address

Printed Name

City

State

Zip

Title

CERTIFICATION

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

1. The submission of the offer did not involve collusion or other anti-competitive practices.
2. The Offeror shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, State Executive Order 2009-09 or A.R.S. § 41-1461 through 1465.
3. The Offeror has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted offer. Failure to provide a valid signature affirming the stipulations required by this clause shall result in rejection of the offer. Signing the offer with a false statement shall void the offer, any resulting contract and may be subject to legal remedies provided by law.
4. The Offeror _____ is / _____ is **not** a small business with less than 100 employees or has gross revenues of \$4 million or less.
5. The Offeror is in compliance with A.R.S. § 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. **YH21-0004**

AWARD DATE: _____

CONTRACT SERVICE START DATE: **Upon CMS Approval on or around October 1, 2021 or as directed by AHCCCS**

MEGGAN LAPORTE, CPPO, MSW, AHCCCS Chief Procurement Officer

SCOPE OF WORK

1. OVERVIEW of AHCCCS and Med-QUEST

AHCCCS

AHCCCS is the single state Medicaid agency for the State of Arizona. In that capacity it is responsible for operating the Title XIX and Title XXI programs through the State's 1115 Research and Demonstration Waiver, which was granted by the Centers for Medicare and Medicaid Services (CMS), U.S. Department of Health and Human Services. As of March 1, 2021, AHCCCS provides coverage to approximately 2.2 million members in Arizona.

Over 86 percent of the AHCCCS program's expenditures in SFY 2020 were through managed care programs. AHCCCS contracts with Managed Care Organizations (MCO) that are responsible for providing Acute, Long-Term Care, and Behavioral Health Services. A list of contracted plans can be found here: <https://azweb.statemedicaid.us/HealthPlanLinksNet/HPLinks.aspx> As of March 1, 2021, approximately 85 percent of AHCCCS members are enrolled with an MCO.

The program has a total fund budget for SFY 2021 of approximately \$17.1 billion. AHCCCS has over 104,000 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>

Med-QUEST

Through an Inter-State Agreement, AHCCCS supports processing for the Hawaii Medicaid program (Med-QUEST; "MQD"). Med-QUEST is the single state Medicaid agency for the State of Hawaii. In that capacity, Med-QUEST 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 CMS, U.S. Department of Health and Human Services. Med-QUEST provides eligible low-income adults and children access to health and medical coverage through managed care plans. The QUEST program is designed to provide Quality care, Universal access, Efficient utilization, Stabilizing costs, and to Transform the way health care is provided to recipients. Their mission is to empower Hawai'i's residents to improve and sustain wellbeing by developing, promoting and administering innovative and high-quality healthcare programs with aloha. Med-QUEST provides coverage to approximately 411,000 members in Hawaii. Hawaii's Medicaid program is delivered primarily as a managed care model through Quest Integration (QI) program. There remains a very small, residual, FFS component. Med-QUEST has over 12,500 active providers in Hawaii, such as independent and group medical and behavioral health practitioners, institutions, and durable medical equipment companies. Additional information may be found on the Med-QUEST website reporting page: <https://medquest.hawaii.gov/en/resources/reports.html>

Parties to this Contract

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

2. PROJECT OR SERVICE OVERVIEW/BACKGROUND

AHCCCS' existing Prepaid Medicaid Management Information System (PMMIS) is a traditional, legacy solution comprised of a number of sub-systems and services enabling critical Medicaid business processes and functions. It is

SCOPE OF WORK

called “Prepaid” because the program in Arizona, and later Hawaii, has always been primarily managed care. However, both states still have a small number of fee-for-service (FFS) claims processing.

The system was built on 1980s technology (CA IDEAL using CA DATACOM database) and took more than five (5) years to design, develop, and implement. The system first went live in 1990 and has been modified throughout the years to accommodate changes in Medicaid and Arizona’s approach to healthcare for its members. In SYF 1999, Arizona and Hawaii entered into an agreement where Arizona would provide MMIS services for Hawaii. In support of Arizona’s agreement with Hawaii, Arizona operates a copy of PMMIS called HPMMIS. Both are maintained by AHCCCS and reside on the Arizona mainframe.

The new web-based Provider Management and Electronic Visit Verification (EVV) systems are in the process of being implemented. AHCCCS also operates an enterprise data warehouse (EDW) and a portal application, labeled “WEB” in the graphic below, maintained by AHCCCS that provides general services to providers. AHCCCS has several other programs, systems, and services that interact with or depend on the PMMIS to provide additional functionality and services. Chief among them are the separate AHCCCS and MQD eligibility systems, HEAplus, and KOLEA respectively.

The graphic below shows a high-level overview of the systems landscape. The orange blocks are vendor managed systems and the blue and grey blocks are maintained by AHCCCS staff. WEB, EVV, and PMS are primarily used by providers. HEAplus and KOLEA are primarily used by applicants and members and the EDI system is for systems interoperability and exchanges with outside systems.

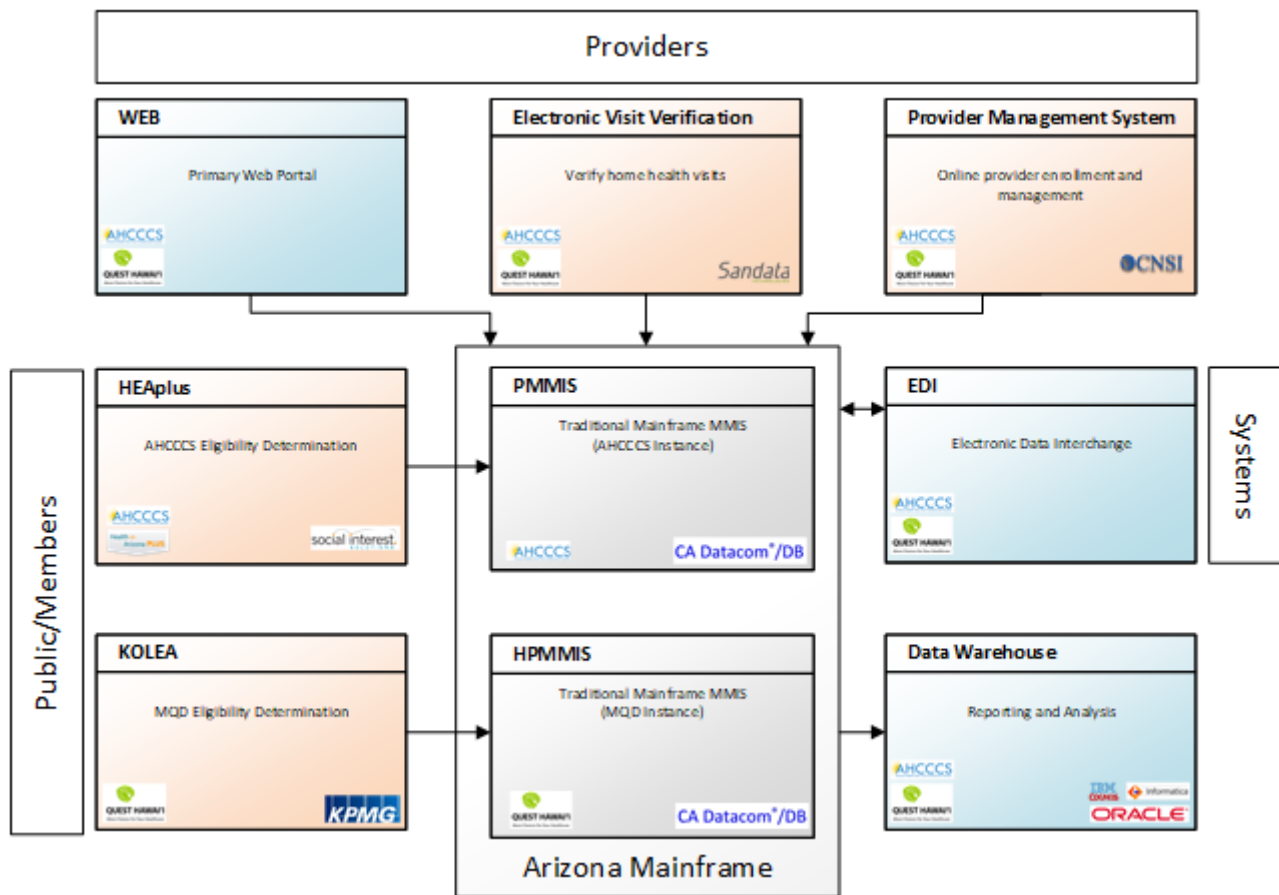


Figure 1: PMMIS/HPMMIS System Overview

SCOPE OF WORK

In 2016, CMS issued regulations which represent a fundamental shift in the approach states must use to procure, implement, and obtain certification for their MMIS. The new modular approach championed by CMS involves packaging a business process or group of processes into a distinct “module” with open interfaces which can easily be integrated with other modules to create a flexible, service-oriented architecture. Because the modules are independent components, they can be replaced in the future more easily and with lower risk than a traditional “big-bang” MMIS replacement. The modular approach also enables State Medicaid Agencies to design and conduct a sequenced procurement and deployment of an end-to-end MMIS solution, prioritizing the implementation of modules based on business needs.

Modularity offers many benefits to AHCCCS and MQD, such as the ability to adapt to changes in state and federal policy, new programs and initiatives, and technological advancements in a timely and cost-effective manner. It will allow AHCCCS and MQD to focus on “best-of-breed”, interoperable solutions. However, with the introduction of more vendors and solution options, a modular approach also brings a much higher level of complexity to the acquisition, implementation, and ongoing management of the PMMIS and a high number of the associated systems and services. As a result of the increased complexity associated with modularity, as well as the number of active projects across Arizona’s Medicaid Enterprise System, the Agencies need a comprehensive strategy and enterprise approach that provides a structured decision-making framework and roadmap not only for PMMIS transformation, but also charts the impact to the broader Medicaid Enterprise System (MES).

3. LEGAL AUTHORITY

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

4. PURPOSE OF THE RFP

The purpose of this Request for Proposal (RFP) is to solicit proposals for modularity planning consulting services. AHCCCS is leading this joint undertaking with MQD to begin the process of updating their 30-year-old Pre-Paid Medicaid Management Information System shared by both states through modular system development and integration. The Agencies are seeking experience and technical expertise to successfully develop a long-term strategic MES Modernization Roadmap (Roadmap). In addition, the Contractor shall also be required to update the AHCCCS 2016 MITA SS-A and harmonize it with the 2019 SS-A performed by MQD.

The Roadmap should be holistic, looking at technological, budgetary, staffing, and business process challenges the Agencies will face as they convert from a single, monolithic mainframe system into the modular approach advocated by CMS. The Roadmap will be used to develop documentation required by CMS and state authorities, such as the MMIS Concept of Operations, Advanced Planning Documents, Requirements and Design Documents, and so forth. It will also be used to guide the Agencies in their annual budget requests, resource planning, and other project planning activities.

To prepare the Roadmap, the Contractor shall apply a structured approach that considers:

- Both Agencies’ short- and long-term goals, priority initiatives, and the vision and expected outcomes of the MES modernization.
- The current state of the enterprise relative to the desired future state to identify areas of change, including a review of business processes, MITA maturity, MMIS spending and performance, and internal capabilities.

SCOPE OF WORK

- The impact on and ability to interact functionally with or benefit other systems and initiatives.
- The ability of the market to support the vision for the MES modernization with modular offerings versus custom development.
- The grouping and sequencing of modules for federal funding requests, procurement, and implementation to support the MES modernization.

The scope of work includes assessment and foundational groundwork to develop the new Medicaid Enterprise Modular Conceptual Design, the new Modular Operating Model, and the Roadmap (core modules, sequence of implementation, justification/ROI, and estimated timeline). The Contractor will also be required to develop scopes of work identified to be implemented either internally by state staff, or outsourced. For the scopes of work the Contractor shall develop all necessary requirements and federal documentation required for initiating projects.

IMPORTANT: The Contractor (including any subcontractors and any company affiliates) awarded as a result of this solicitation (“MES Roadmap Contractor”) could potentially be precluded from being awarded future contracts that directly result from this solicitation. The Agencies understand that the modular world is something that is constantly changing and could take decades to implement. As such, the potential preclusions are something that may need to be negotiated with the successful Offeror. For example, if it is determined that an Enterprise Project Management Office (EPMO) Vendor is needed, the MES Roadmap Contractor may choose not to write the Scope of Work required to procure the EMPO vendor if they desire to bid on that RFP.

5. REQUIREMENTS

5.1 Kickoff Meeting

The Contractor shall outline the purpose and requirements of the project and prepare a presentation to conduct a kickoff meeting within thirty (30) calendar days of the contract award, or as directed by the Agencies. The Contractor shall work with the Agencies to identify stakeholder participants and conduct a kickoff meeting with the identified MES stakeholders. The kickoff meeting will set the stage for the project and communicate the upcoming activities and timeline for completing the project. The kickoff meeting will be held as directed by the Agencies, which may include in person, in Phoenix, Arizona, and include all identified stakeholders, primarily staff from the Agencies’ executive, business, project management, procurement and technical areas, and other stakeholders as needed. The Contractor shall have the ability to conduct kickoff meeting and all future meetings via video conferencing provided by the contractor. All Contractor’s key personnel shall be present in person, or as directed by the Agencies, for the kickoff meeting. The agenda, presentation, and any other meeting materials will be developed with input from the Agencies’ project staff. The final agenda, presentation, and meeting materials shall be provided for review and approval by the Agency’s Project Manager at least five (5) business days prior to the scheduled meeting date. The presentation shall include, but not be limited to, the following:

- Welcome and Introductions
- Review of Contractor Team Structure and Key Staff
- Review of Project Goals and Objectives
- Project Approach
- Project Activities and Artifacts
- Project Timelines
- Next Steps

SCOPE OF WORK

Meeting notes, including attendee list, decisions, and action items, shall be captured by the Contractor and provided to the Project Manager to review and approve for distribution within two (2) business days of the kickoff meeting.

During the project initiation, the Contractor and the Agencies will develop a mutually agreed upon work schedule including the division of responsibility between Agencies' staff and Contractor's staff. It is understood by the parties that the project work schedule shall be in place prior to any work being performed. Once this mutually agreed upon work schedule, which will identify specific time frames and deliverable target dates for this project, has been developed, it will be incorporated into and made a part of the contract. The dates in the work schedule will define the agreed upon period of performance. The parties acknowledge that the work schedule will evolve and change from time to time upon the mutual written agreement of both parties. The parties agree that the deliverables and schedule set forth in the latest version of the work schedule will take precedence over any prior plans.

Deliverable 5.1.1: Schedule and Narrative Workplan

5.2 Project Management

The Contractor shall manage the MES Roadmap Project in accordance with the Project Management Institute's (PMI) Project Management Body of Knowledge (PMBOK®), Sixth Edition or later versions as they are published. These standards are further refined by AHCCCS Enterprise Project Management Office (EPMO).

The Contractor shall submit all Project Management (PM) processes and templates to the Agency's Project Manager for approval prior to use on the project. In specific instances, AHCCCS Project Management processes and templates are mandated, and the Contractor will not have the option to submit alternatives for approval.

As with any EPMO or PMO operation, processes and templates may be amended from time to time to reflect process improvement or new guidance from the Centers for Medicare and Medicaid Services (CMS) or other industry standards.

AHCCCS operates a SharePoint site for project communications. The Contractor shall be expected to use this site, at least initially. However, since this scope of work includes improvements to communications for the sake of efficient operations, the Contractor will be expected to propose a better solution, as appropriate.

The Contractor shall hold weekly status meetings to update the Agencies on the status of the project, and any risks or issues that may be present.

The Contractor shall submit Deliverable Expectation Documents (DED) for each deliverable, which shall be approved by the affected Agency or Agencies. Deliverables will be approved based upon the approved DEDs.

Deliverable 5.2.1: Project Management Plan

5.3 Current State Assessment

The Contractor shall conduct a comprehensive current state assessment of Agencies' programs including business processes, technical architecture, and information architecture. In particular, the Agencies are seeking to identify how current business processes interact with the existing technical infrastructure or the absence thereof. This information will be used to develop the future state architecture and the Roadmap.

SCOPE OF WORK

The current state assessment shall include detailed visual and narrative descriptions of the current business processes including formal models that show the actions of each actor (user, system, interface, etc.) and their interactions with each other. The preferred method for modeling these processes is BPMN 2.0 using actor pools or “swimlanes”. Narrative descriptions will also be required for added detail. At a minimum, the assessment shall include elapsed times for business processes, resource constraints, and other issues of significant decision-making value for each process wherever possible. Also included is analysis of impacts to partners and stakeholders. For example, how do current operations affect providers and MCOs? Are there any impacts to members?

The current state assessment shall include all details necessary to update the MITA State Self-Assessments (SS-A) for both Agencies. The AHCCCS MITA SS-A was last updated in 2016, and the MQD SS-A was completed in October 2019. The current state assessment shall include a detailed discussion of risks for the overall current state of operations including systems, support and level of service, and their potential impact to stakeholders.

A list of the systems is outlined in requirement number CSA-007 below in Section 5.7.1.

The Contractor shall also conduct a skills assessment to determine the availability of skills to support the existing environment.

Deliverable 5.3.1: Current State Assessment Report

5.4 MES Modernization Roadmap and Implementation Plan

Upon completion of the Current State Review, the Contractor shall work with both Agencies to develop the future state vision for each, including combined and separate processes. The Contractor shall contribute experience and knowledge in Medicaid Enterprise System modernization and will be expected to conduct national research and provide expert advice on the future state of both enterprises.

The Contractor shall document the Agencies’ goals and objectives, create the module architecture, document options considered, and keep detailed minutes of all discussions. This information shall be reviewed with the Agencies and submitted as a formal deliverable.

At a minimum, the Roadmap shall include:

- 5.4.1 A 7-10-year strategic MES Roadmap with specific recommendations for the optimal MES Module procurement approach that addresses feasibility, associated costs and projected timelines of these recommendations supporting the Agencies’ acquisition and implementation strategy for modular components, including any recommendations for timing and/or utilizing cooperative contracts.
- 5.4.2 Recommendations on how the enterprise will need to change to promote MITA maturity and improve enterprise-wide technical architecture, governance processes, policies and practices, and business processes including, but not limited to, procurement and contract management, budget development and monitoring, and contracted resource strategies.
- 5.4.3 Recommendations for future state design, incorporating industry standards and best practices and description of how the Agencies will achieve that future state vision.
- 5.4.4 Recommendations for maintaining the MES Roadmap that tracks the status of its various components (planned or undergoing change as a result of business or technical projects).

SCOPE OF WORK

- 5.4.5 A complete discussion of each scope of work to be completed in order to realize future state. This includes modules, system integration, organizational change management, quality, collaboration and other topics necessary to realize the future state. For each scope or module:
- Provide a full description of the scope/module's function and purpose including requirements
 - Provide the scope/module's place in the order of actions and a justification
 - Provide an estimated cost for the scope/module including state resource consumption
 - Provide a plan to implement the scope/module including impacts to the existing environment and staff
- 5.4.6 A justification for the new functionality, its cost, and its place in the overall modernization schedule including a formal Return on Investment (ROI). Topics to be considered include, but are not limited to, available resources, maintenance and operations costs, and impacts to users, partners, and stakeholders
- 5.4.7 The Roadmap shall include a detailed discussion of the rationale behind the order of actions taken to include considerations of cost, benefit, risk mitigation, CMS requirements, and other items of interest as they arise.
- 5.4.8 A cost-benefit analysis for each module.
- 5.4.9 Outcome statements with metrics for success as described by CMS' outcomes-based certification process.

The Contractor shall synthesize findings into two final deliverables: 1) A MES Modernization Roadmap that lays out strategic priorities and intended outcomes for the modernization efforts; and 2) An Implementation Plan to guide the staff in executing the ongoing application of design to implement the recommendations of the Roadmap.

Deliverable 5.4.1: MES Modernization Roadmap

Deliverable 5.4.2: Implementation Plan

5.5 MITA Assessments

The Contractor shall perform needed updates to the respective MITA State Self-Assessments (SS-A) for each Agency. The AHCCCS SS-A was last updated in 2016, and the MQD SS-A in 2019. The Contractor shall apply the MITA framework to complete an Assessment and create a MITA SSA Report for Arizona and Hawaii. The purpose of the assessment is to enable the Agencies to increase IT system efficiencies through the reuse of systems and programs, and by facilitating data sharing among diverse health and human services program areas.

Deliverable 5.5.1: MITA-SSA Report for Arizona

Deliverable 5.5.2: MITA-SSA Report for Hawaii

5.6 Scopes of Work (Optional)

The Contractor may be required to draft Scopes of Work that will be used by the State to develop RFPs. These scopes may be used to procure the services that are identified and/or recommended in the Roadmap including but not limited to Enterprise Project Management Office (EPMO), Systems Integrator (SI), Independent, Validation and Verification (IV&V), Organizational Change Management (OCM), as well as other system modules and tools or services it recommends to the Agencies.

As stated above in Section 4 Purpose of the RFP, the Contractor (including any subcontractors and any company affiliates) awarded as a result of this solicitation ("MES Roadmap Contractor") could potentially be precluded from

SCOPE OF WORK

being awarded future contracts that directly result from this solicitation. The Agencies understand that the modular world is something that is constantly changing and could take decades to implement. As such, the potential preclusions are something that may need to be discussed with the successful Offeror. For example, if it is determined that an Enterprise Project Management Office (EPMO) Vendor is needed, the MES Roadmap Contractor may choose not to write the Scope of Work required to procure the EMPO vendor if they desire to bid on that RFP.

Deliverable 5.6.1: Scopes of Work

5.7 Development of Specifications

The Contractor shall compile all requirements into a master requirements traceability matrix (RTM) that details all requirements for both Agencies for all modules or subsequent procurements. This includes modules, systems integration, training, testing, quality, organizational change management, or any other actions to be taken by the Agencies or their other contractors.

Deliverable 5.7.1: Requirement Traceability Matrix

The MES Roadmap Vendor shall provide all requirements in the table below:

MES Modernization Roadmap Requirements Traceability Matrix		
Req ID	Category	Description
CSA-001	Current State Assessment	The Contractor shall conduct a comprehensive current state assessment of the MQD and AHCCCS programs including business processes, technical architecture, and information architecture.
CSA-002	Current State Assessment	The current state assessment shall include detailed visual and narrative descriptions of the current state business processes including formal models that show the actions of each actor (user, system, interface, etc.) and their interactions with each other.
CSA-003	Current State Assessment	The current state assessment shall include elapsed times for business processes, resource constraints, and other issues of significant decision-making value for each process wherever possible.
CSA-004	Current State Assessment	The current state assessment shall include an analysis of impacts to partners and stakeholders. For example, how do current operations affect providers and MCOs? Are there any impacts to members?
CSA-005	Current State Assessment	The current state assessment shall include all details necessary to update the MITA State Self-Assessments (SS-A) for both Agencies. The AHCCCS SS-A was last updated in 2016, and the MQD SS-A in 2019.
CSA-006	Current State Assessment	The current state assessment shall include a detailed discussion of risks for the overall current state of operations including systems, support and level of service, and their potential impact to stakeholders.

SCOPE OF WORK

MES Modernization Roadmap Requirements Traceability Matrix

Req ID	Category	Description																								
CSA-007	Current State Assessment	<p>The systems to be assessed include the following plus any associated integration, utility, or otherwise dependent systems or technologies.</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">1. ALTCS Financial Eligibility (LEDS)</td> <td style="width: 50%;">13. Health Plan</td> </tr> <tr> <td>2. ALTCS General Inquiry/Maintenance</td> <td>14. Information Management</td> </tr> <tr> <td>3. ALTCS Medical Eligibility (CATS)</td> <td>15. KIDS CARE (KEDS)</td> </tr> <tr> <td>4. Case Management</td> <td>16. Finance</td> </tr> <tr> <td>5. Claims</td> <td>17. Recipient</td> </tr> <tr> <td>6. Data Warehouse</td> <td>18. References</td> </tr> <tr> <td>7. EDI</td> <td>19. Reinsurance</td> </tr> <tr> <td>8. Eligibility & Enrollment (HEAplus, KOLEA)</td> <td>20. Security</td> </tr> <tr> <td>9. Eligibility Quality Control/Fraud</td> <td>21. SVES - WTPY Request/Response</td> </tr> <tr> <td>10. Encounters</td> <td>22. System Service Request</td> </tr> <tr> <td>11. EVV</td> <td>23. UR/QA</td> </tr> <tr> <td>12. Provider (including vendor Provider Enrollment System)</td> <td>24. Web Application Platform (SWAT)</td> </tr> </table>	1. ALTCS Financial Eligibility (LEDS)	13. Health Plan	2. ALTCS General Inquiry/Maintenance	14. Information Management	3. ALTCS Medical Eligibility (CATS)	15. KIDS CARE (KEDS)	4. Case Management	16. Finance	5. Claims	17. Recipient	6. Data Warehouse	18. References	7. EDI	19. Reinsurance	8. Eligibility & Enrollment (HEAplus, KOLEA)	20. Security	9. Eligibility Quality Control/Fraud	21. SVES - WTPY Request/Response	10. Encounters	22. System Service Request	11. EVV	23. UR/QA	12. Provider (including vendor Provider Enrollment System)	24. Web Application Platform (SWAT)
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12. Provider (including vendor Provider Enrollment System)	24. Web Application Platform (SWAT)																									
CSA-008	Current State Assessment	Provide a System Architecture Document. The System Architecture Document includes a technical explanation of all aspects of the System including detailed architectural diagrams, data flows, component specifications, SaaS, COTS products and hosting environment details. The documentation shall detail all identified interfaces required for the proposed System to exchange data/information with the PMMIS/HPMMIS documentation and imaging storage systems.																								
CSA-009	Current State Assessment	All processes documented from this effort shall be compatible with Business Process Management and workflow technologies as these will be the primary integration vehicle to implement business processes by composing them from human interactions and coarse-grained services.																								
CSA-010	Current State Assessment	The Contractor shall perform a comparative analysis of the staffing currently in place with national norms. Each Agency shall be analyzed separately.																								
KIC-001	Kickoff	The Contractor shall outline the purpose and requirements of the project and prepare a presentation to conduct a kickoff meeting within 30 calendar days of the contract award, or as directed by the Agencies.																								
KIC-002	Kickoff	The Contractor shall work with the Agencies to identify stakeholder participants and conduct a kickoff meeting with the identified MES stakeholders.																								
KIC-003	Kickoff	The kickoff meeting will be held in person, as directed by the Agencies, in Phoenix, Arizona, and include all identified stakeholders, primarily staff from the Agencies' executive, business, project management, procurement, and technical areas and other stakeholders, as needed.																								
KIC-004	Kickoff	All Contractor key personnel shall be present in person for the kickoff meeting.																								
KIC-005	Kickoff	The agenda, presentation, and any other meeting materials will be developed with input from the Agencies' project staff.																								
KIC-006	Kickoff	The final agenda, presentation, and meeting materials shall be provided for review and approval of the Project Manager at least five (5) business days prior to the scheduled meeting date.																								

SCOPE OF WORK

MES Modernization Roadmap Requirements Traceability Matrix

Req ID	Category	Description
KIC-007	Kickoff	The presentation shall include, but not be limited to, the following: <ul style="list-style-type: none"> - Welcome and Introductions - Review of Contractor Team Structure and Key Staff - Review of Project Goals and Objectives - Project Approach - Project Activities and Artifacts - Project Timelines - Next Steps
KIC-008	Kickoff	Meeting notes, including attendee list, decisions, and action items, shall be captured by the Contractor and provided to the Project Manager to review and approve for distribution within two (2) business days of the kickoff meeting.
PM-001	Project Management	The Contractor shall manage the MES Roadmap project in accordance with the Project Management Institute's (PMI) Project Management Body of Knowledge (PMBOK®), Sixth Edition or later versions as they are published, and as modified by the AHCCCS Enterprise Project Management Office (EPMO)
PM-002	Project Management	The Contractor shall submit all project management (PM) processes and templates, and other project artifacts to the Project Manager for approval.
PM-003	Project Management	The Contractor shall develop and submit for approval a formal project management plan within 60 days of contract award. The project management plan shall include the following elements at a minimum: <ul style="list-style-type: none"> - Schedule and narrative workplan - Status report template - Risk management plan - Stakeholder management and engagement plan - Communication plan - Project templates
PM-004	Project Management	The Contractor shall hold weekly status meetings to update the Agencies on the status of the project, and any risks or issues that may be present.
PM-005	Project Management	The Contractor shall submit Deliverable Expectation Documents (DED) for each deliverable, which must be approved by the affected Agency or Agencies. Deliverables will be approved based upon the approved DEDs.
PM-006	Project Management	The state shall approve all resources assigned to the project. In the event the Contractor needs to replace any resource, such requests shall be submitted ten (10) business days in advance of the replacement taking effect. The Contractor's Key Personnel positions may not be vacant for more than ten (10) business days without a qualified substitute (temporary replacement). A qualified substitute shall be in place no more than ten (10) business days after the separation date of the vacating resource. The definition of a qualified substitute is someone meeting the requirements of the RFP. AHCCCS reserved the right to deny the proposed replacement if they do not meet the qualifications.
RMP-001	Roadmap	The Contractor shall work with the Agencies to develop the future state vision for each including combined and separate processes. The Contractor shall contribute experience and knowledge in Medicaid Enterprise System modernization and will be expected to conduct national research and provide expert advice on the future state of both enterprises.

SCOPE OF WORK

MES Modernization Roadmap Requirements Traceability Matrix

Req ID	Category	Description
RMP-002	Roadmap	The Contractor shall document the Agencies' goals and objectives, module architecture, options considered, and keep detailed minutes of all discussions.
RMP-003	Roadmap	The Contractor shall deliver a report detailing the goals of the Agencies, the module architecture of the future system, and how these decisions were reached which includes discussions, rationale, expert analysis and national research
RMP-004	Roadmap	The Contractor shall develop the Modernization Roadmap which shall comprise an actionable plan for the modernization of the respective Agencies' processes.
RMP-005	Roadmap	The Roadmap shall include the order of actions to be executed, justifications for those actions, and the procurement schedule.
RMP-006	Roadmap	The Roadmap shall include analysis of existing skills requirements versus the availability of those skills and utilize this in the analysis of the order of actions and the justifications for technology changes.
RMP-007	Roadmap	The Roadmap shall include recommendations to the Agencies for staff management and augmentation both during the change period and for long-term support.
RMP-008	Roadmap	The Roadmap shall include a detailed discussion of each module including: - A thorough discussion of each new module, its functionality and the functionality it will replace or enhance - A scope of work for prospective vendors including all requirements and schedule - A plan to implement the new functionality and the associated cost, including the steps needed and resources consumed to discontinue the existing functionality - A justification for the new functionality, its cost, and its place in the overall modernization schedule including a formal Return on Investment (ROI). Topics to be considered include but are not limited to available resources, maintenance and operations costs, and impacts to users, partners and stakeholders
RMP-009	Roadmap	The modernization Roadmap shall include a detailed explanation of the rationale behind the order of actions recommended to include considerations of cost, available budget, benefit, risk mitigation, CMS requirements, and other items of interest as they arise.
RMP-010	Roadmap	The modernization Roadmap shall include a cost-benefit analysis for each module.
RMP-011	Roadmap	The modernization Roadmap shall be consistent with the CMS Technical Reference Architecture (TRA).
RMP-012	Roadmap	The modernization Roadmap shall be consistent with the current Medicaid Information Technology Architecture (MITA).
RMP-013	Roadmap	The modernization Roadmap shall be consistent with the current and future guidance regarding the Office of National Coordinators' Trusted Exchange Framework and Common Agreement (TEFCA).
RMP-014	Roadmap	It is expected that the new MES architecture will make use of business rules engines to separate rules management from core programming. The Contractor shall be expected to define a rules management and implementation architecture that provides central control with central or distributed execution as necessary for efficient operations.
RMP-015	Roadmap	The recommended architecture should provide support for failover redundancies and swapping of critical system components and critical data of all the system components.

SCOPE OF WORK

MES Modernization Roadmap Requirements Traceability Matrix

Req ID	Category	Description
RMP-016	Roadmap	The recommended architecture should provide central control and monitoring of the environment including access and security events, errors, and edits. The editing capabilities shall enhance and improve the ability of the Agencies to measure and improve quality over time.
RMP-017	Roadmap	The recommended architecture shall require components to be ready for deployment in various cloud computing environments, whether public, private, or hybrid.
RMP-018	Roadmap	The recommended architecture shall provide capacity estimates for storage requirements for all proposed environments.
RMP-019	Roadmap	The recommended architecture shall support a Service Oriented Architecture (SOA) and Enterprise Service Bus (ESB)-based system.
RMP-020	Roadmap	The recommended architecture shall leverage web services and adhere to key standards such as REST, SOAP, XML, UDDI, WSDL, BPEL, SAML, and other standards as detailed by the State.
RMP-021	Roadmap	The recommended architecture shall support processing of data in multiple formats such as XML, X12, HL7, NIEM and other industry standard formats.
RMP-022	Roadmap	The recommended architecture shall support rapid failover or redeployment in the event of planned or unplanned interruptions.
RMP-023	Roadmap	The recommended architecture shall support cloud-based technology where advantageous to maximize the efficient and effective utilization of technology.
RMP-024	Roadmap	The recommended architecture shall be web-based and require no installation on AHCCCS/MQD workstations.
RMP-025	Roadmap	Contractor shall recommend toolsets and/or outsourced solutions to manage communications, documents and project workflows for the execution of the Roadmap and ongoing support, re-procurement, and continuing modernization of the systems and business practices.
IMP-001	Implementation Plan	Include within each part of the Roadmap an implementation plan that includes migration of legacy functionality to the new system thus ensuring continuous operation throughout the system replacement process.
SOW-001	Scopes of Work	Scopes of Work resulting from this effort shall require that all business processes defined for such systems guarantee process and data integrity including asynchronous activities, reliable messaging, transactional processing, and timely restoration of service after outage.
SOW-002	Scopes of Work	Scopes of Work resulting from this activity shall be required to accommodate MITA changes that may occur through the life of the contract.
SOW-003	Scopes of Work	Scopes of Work resulting from this activity shall be required to ensure that plans and procedures are in place to meet audit and compliance requirements.
SOW-004	Scopes of Work	Scopes of Work resulting from this activity shall be required to include requirements for end of life or turnover of the contracted scope of work, to include in some cases transfer to a new vendor.

SCOPE OF WORK

MES Modernization Roadmap Requirements Traceability Matrix

Req ID	Category	Description
SOW-005	Scopes of Work	The Contractor may be required to write Scopes of Work that will be used by the State to develop RFPs. These RFPs will be used to procure the services that are identified and/or recommended in the Roadmap including but not limited to Systems Integrator (SI), Independent, Validation and Verification (IV&V), Organizational Change Management (OCM), as well as other system modules and tools or services it recommends to the Agencies. (Optional)
SEC-001	Security	For all persons having access to the System and data prior to execution of the contract and throughout the life of the agreement, the Contractor shall also complete and submit the following: <ul style="list-style-type: none"> • AHCCCS Electronic Data Exchange Request Form - https://www.azahcccs.gov/PlansProviders/Downloads/ISD/ElectronicDataExchangeForm.doc ; and • External User Affirmation Statement - https://www.azahcccs.gov/PlansProviders/Downloads/ISD/ExternalUserAffirmationStatement.pdf.
TRAIN-001	Training	The Contractor shall provide training throughout the project, as needed, to educate and enlighten team members and other stakeholders so that they may fully engage in project activities and decisions. This includes but is not limited to technical training on architectures, tools, and key technologies, training on industry standard best practices, CMS regulation and guidance, and special topics as the need arises.
MITA-001	MITA-SSA	The Contractor shall perform needed updates to the respective MITA State Self-Assessments (SS-A) for each Agency. The AHCCCS SS-A was last updated in 2016, and the MQD SS-A in 2019.
MITA-002	MITA-SSA	Working with a wide variety of business and technology stakeholders, the Contractor shall facilitate strategic planning efforts that will lay the foundation for creating a strategic architecture roadmap as part of the MITA SS-A Report Deliverable, including the steps for buildout and maturation of the CMS modularity initiative in Arizona and Hawaii through the MES modernization program.

6. PRICING

- 6.1 Offeror shall provide a firm fixed price for each deliverable listed in the **Attachment A: COST PROPOSAL**. No additional payments shall be made for travel or per diem.
- 6.1. Offeror may update Attachment A to add or remove interim deliverables and payment milestones for each major deliverable to align to their proposed methodology.

7. INVOICES

- 7.1. The Contractor shall submit a Deliverable Expectation Document (DED) Approval form (template to be provided by AHCCCS) for each deliverable milestone seeking payment in accordance with Attachment A: COST PROPOSAL. The purpose of the DED Approval form is to indicate that the Reviewer/Approvers or a

SCOPE OF WORK

designated representative, acknowledge the timely receipt of the deliverable(s) and that those deliverables were accepted by the project team. The Contractor will submit the DED Approval Form along with their invoice to the email address listed below for payment.

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

- AHCCCS' assigned contract number;
- Deliverable Description and Deliverable number
- Name of AHCCCS contact person (or program person) for this contract;
- Date(s) of delivery;
- Signature and title of authorized representative

7.3 Each invoice shall have adequate support documentation attached.

7.4 Unless otherwise described in the final contract, all invoices shall be submitted to:

AHCCCS

Accounts Payable, MD 5400

AHCCCSDBFAdminPayables@azahcccs.gov

8. PROJECT GOVERNANCE

AHCCCS is the lead state agency for this project and will conduct it in partnership with MQD to achieve the goals of the project. As equal partners in the procurement, MQD will contribute the unique perspective and needs of their agency and members' needs in achieving the goals of the project. Each Agency will have a Single Point of Contact that will be provided to the Contractor once the contract is awarded.

AHCCCS ISD is the lead division within AHCCCS for the project and is responsible for the success of the project through sound project management practices. AHCCCS ISD will hold ultimate decision-making authority, including project termination, while ensuring the equitable participation and consultation of all other members of the project team, steering committee, and executive committee.

The AHCCCS Procurement Office will guide all procurement efforts, serving as chair of the evaluation committee, and will have final decision on all matters related to applicable procurement laws and rules, and the content of all contracts. The AHCCCS Procurement Office will have final approval of all procurement documents (i.e. RFP, Answers to Questions, etc.), and will ensure that the documents are posted for solicitation in accordance with applicable procurement rules and agency practice. They will direct all communications with the vendor community during and after the procurement, until such time as an award is final and the project team is released to conduct the project activities with the vendor. The AHCCCS Chief Procurement Officer will determine the validity of the procurement activities and will advise the project team on best practices for all project procurements.

AHCCCS DMS and DHCM will contribute product expertise in support of the project goals and participate as members of the project team and evaluation team(s) as needed. Other agency divisions may be consulted by the project team, but are not considered as core members of the project.

DEFINITIONS

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

1. **AAC:** Arizona Administrative Code.
2. **AGENCIES:** AHCCCS and Med-QUEST
3. **AHCCCS:** The Arizona Health Care Cost Containment System – a managed healthcare program which pertains to healthcare services provided pursuant to A.R.S. 36-2903 et seq. and is also the name of the State agency.
4. **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.
5. **ATTACHMENT:** Any item the Solicitation requires an Offeror to submit as part of the Offer.
6. **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.
7. **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.
8. **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.
9. **CONTRACT AMENDMENT:** A written document signed by the Procurement officer that is issued for the purpose of making changes in the contract.
10. **CONTRACTOR:** A person who has a contract with AHCCCS.
11. **DAYS:** Calendar days unless otherwise specified.
12. **DELIVERABLES:** All items that the Contractor is required to deliver under this Contract
13. **DOCUMENTATION:** Means all documents, including documents that are Deliverables described in the Statement of Work that are to be delivered by Contractor under this Contract. Documentation includes documents in hard copy or electronic form.
14. **EXHIBIT:** Any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.
15. **FEE-FOR-SERVICE (FFS):** A method of payment to an AHCCCS registered provider on an amount-per-service basis for services reimbursed directly by AHCCCS for members not enrolled with a managed care Contractor.
16. **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.

DEFINITIONS

17. **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.
18. **HPMMIS:** Hawaii's Prepaid Medicaid Management Information System, the management information system used by MQD.
19. **KEY PERSONNEL:** Contractor's Authorized Representative, the Project Manager, and all other Contractor personnel designated as Key Persons.
20. **KNOWLEDGE TRANSFER:** Activities designed to impart detailed information from Contractor to the Agencies in relation to the activities described in the Scope of Work. Knowledge Transfer goes beyond formalized training and documentation to include Contractor ensuring that staff is prepared to launch a successful Modularity program. Knowledge Transfer includes AHCCCS/MQD staff and other resources being integrated into Contractor's work activities and being an integral part of identifying and resolving issues. Knowledge Transfer activities include 'shoulder to shoulder' training, which is informal training with the specific intent of developing skills or knowledge working side by side with Contractor.
21. **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.
22. **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.
23. **MAY:** Indicates something that is not mandatory but permissible.
24. **MEDICAID:** A Federal/State program authorized by Title XIX of the Social Security Act, as amended.
25. **MILESTONE:** The completion date for a specific group of tasks or deliverables identified as a milestone in the statement of work.
26. **MQD/Med-QUEST:** The State of Hawaii Med-QUEST Division (MQD) provides eligible low-income adults and children access to health and medical coverage through managed care plans. The QUEST program is designed to provide **Quality care, Universal access, Efficient utilization, Stabilizing costs, and to Transform the way** healthcare is provided to recipients.
27. **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 healthcare providers must have a 10-digit National Provider Identifier (NPI).
28. **OFFER:** A response to a solicitation.
29. **OFFEROR:** A contractor, vendor or person who responds to a Solicitation.
30. **PERSON:** Any corporation, business, individual, union, committee, club, or other organization or group of individuals.

DEFINITIONS

31. **PMMIS:** Prepaid Medicaid Management Information System, the management information system used by AHCCCS.
32. **PROJECT MANAGER:** the person representing both Agencies who serves as the Contractor's primary point of contact for the term of the Contract.
33. **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.
34. **RFP:** Request for Proposal; document prepared by AHCCCS which describes the services required and which instructs a prospective Offeror how to prepare a response (proposal).
35. **SCOPE OF WORK:** Those provisions of this solicitation which specify the work and/or results to be achieved by the Contractor.
36. **SERVICE LEVEL AGREEMENT:** A type of subcontract with a corporate owner or any of its Divisions or Subsidiaries that requires specific levels of service for administrative functions or services for the Contractor specifically related to fulfilling the Contractor's obligations to AHCCCS under the terms of this Contract.
37. **SERVICES:** Means all effort to be expended by the Contractor under the Contract, including advice and expertise, and development and delivery of deliverables
38. **SHALL, MUST:** Indicates a mandatory requirement. Failure to meet these mandatory requirements may result in the rejection of a proposal as non-responsive.
39. **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.
40. **SOLICITATION:** An Invitation for Bids ("IFB"), a Request for Proposals ("RFP"), or a Request for Quotations ("RFQ").
41. **SOLICITATION AMENDMENT:** A written document that is authorized by the Procurement officer and issued for the purpose of making changes to the Solicitation.
42. **STATE:** The State of Arizona and Department or Agency of the State that executes the Contract.
43. **STATEMENT OF WORK (SOW):** The documents that describe the Services to be provided by Contractor, including the Tasks, Deliverables and Milestones, Documentation, Work Product, the attributes (including requirements and specifications) of each Deliverable, identification of the Deliverables and Services that are associated with each Task, and a completion date for each Milestone and Deliverable, the payment schedule for each Deliverable and Milestone, and any other items as agreed by the parties.
44. **STATE FISCAL YEAR:** The period beginning with July 1 and ending June 30.
45. **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.

DEFINITIONS

46. **TITLE XIX:** Title XIX of the Social Security Act means Medicaid as defined in 42 U.S.C. 7.19.

UNIFORM INSTRUCTIONS TO OFFERORS

1 Definitions – all definitions listed in the definition of terms.

2 Inquiries:

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

3 Offer Preparation:

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

UNIFORM INSTRUCTIONS TO OFFERORS

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

UNIFORM INSTRUCTIONS TO OFFERORS

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

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

4 Submission of Offer:

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

UNIFORM INSTRUCTIONS TO OFFERORS

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

5 **Evaluation:**

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

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

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

UNIFORM INSTRUCTIONS TO OFFERORS

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.

SPECIAL INSTRUCTIONS TO OFFERORS

1. **Anticipated Procurement Schedule:**

All dates here are subject to change at any time.

Activity	Date
RFP Release	Friday, April 9, 2021
Offeror Questions Due	Friday, April 23, 2021
Offeror's Follow Up Questions Due	Friday, May 14, 2021
Deadline to request access to SFTP server	Tuesday, May 18, 2021
Offeror's Proposals Due	Friday, June 4, 2021
Final RFP Award (Subject to change)	September 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 with the solicitation 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.

- Evaluation Criteria 1: Technical Proposal
- Evaluation Criteria 2: Experience and Expertise of the Firm and Key Personnel
- Evaluation Criteria 3: Cost/Pricing Proposal

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

1. Waive any immaterial mistake or informality,
2. Reject any or all Proposals, or portions thereof, and/or
3. Reissue a Request for Proposal.

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

SPECIAL INSTRUCTIONS TO OFFERORS

solicitation requirements, the solicitation requirements prevail, unless otherwise accepted by AHCCCS in writing.

4. **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: Tuesday, May 18, 2021 by 5:00 pm Arizona time. [] **SEE Exhibit A Proposal Submission Instructions.**

5. **Contents of Proposal:**

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

PART A

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

PART B

- B1 Technical Proposal (25 page limit)
- B2 Narrative of Experiences/Expertise of the Firm and Key Personnel (20 page limit)
- B3 Cost Proposal (Attachment A)

PART C

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

5.1. Transmittal Letter:

The Transmittal Letter must briefly summarize the Offeror's ability to supply the requested services that meet the requirements. 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

5.2. Technical Proposal (Limit 25 pages):

- 6.2.1 Offeror shall describe in detail their approach and plan for the kick-off meeting.
- 6.2.2 Offeror shall describe in detail their approach to project management and their plan to manage the MES Modernization Project. As part of the project management approach, the Offeror shall describe how they will work with the States to mitigate the negative impact of unforeseen circumstances and/or delays in the project (e.g. COVID-19, reduction in appropriation, etc.) with the goal being to avoid excessive change orders.
- 6.2.3 Offeror shall provide a proposed schedule for the project.
- 6.2.4 Offeror shall describe in detail their approach to completing a review including a current state assessment.
- 6.2.5 Offeror shall describe in detail their approach to coordinating and completing the MITA Orientation Sessions and creating the MITA SS-A Report for the State of Arizona and Hawaii.
- 6.2.6 Offeror shall describe in detail the steps that will be taken to gather information needed to complete the assessments and develop the Roadmap.
- 6.2.7 Offeror shall describe in detail their experience and approach to analyze data and information needed to complete the Roadmap.
- 6.2.8 Offeror shall describe their plan for developing the Roadmap and the Implementation Plan that will be used by the Agencies to execute the recommendations contained in the Roadmap.

5.3. Experience and Expertise of the Firm and Key Personnel (Limit of 20 pages):

Note: The Offeror shall indicate whether they were the prime vendor or subcontractor when providing information on their relevant experience.

- 6.3.1 Offeror shall submit information documenting successful and reliable experience in past performances as related to the services in this RFP. The Offeror's experience and past performance will be evaluated on the extent of its success in managing and integrating work relevant to that defined in the Scope of Work.
- 6.3.2 Offeror shall describe in detail their experience in creating a MITA SS-A Report or another similar product for other states and their respective agencies.
- 6.3.3 Offeror shall describe in detail their experience performing systems analysis on state agency systems to assess the enterprise architecture, data architecture and system interdependencies.
- 6.3.4 Offeror shall describe in detail their experience creating a MES Analysis and Recommendations Report or another similar product for other states and their respective agencies.
- 6.3.5 Offeror shall describe in detail their experience in conducting strategic assessment(s) and implementation plan(s) on how to execute recommendations resulting from the assessment.
- 6.3.6 Offeror shall describe in detail their expertise in evaluating and assessing operational and business processes.
- 6.3.7 The qualifications of the key personnel proposed by the offeror to perform the requirements of this solicitation will be considered in the evaluation. Therefore, the offeror shall submit detailed information related to the experience, technical expertise, and qualifications for each key personnel proposed. Offeror shall provide the names,

SPECIAL INSTRUCTIONS TO OFFERORS

titles, and a resume for all proposed key personnel; clerical staff is not considered key personnel. (Resumes do not count against the 20-page limit)

- 6.3.8 The offeror should provide an organizational chart which clearly shows the reporting and lines of authority; to include all proposed key personnel and any proposed subcontractors. The organizational chart should identify the prime point of contact between the offeror and the AHCCCS Project Manager.
- 6.3.9 The Offeror should provide samples of work performed that relates to the work being requested in the RFP. (Samples do not count against the 20 page limit).

5.4. Cost:

The evaluation of the category of Cost shall be based on the prices, as indicated on the **ATTACHMENT A: COST PROPOSAL** submitted with Offeror's proposal.

- 5.4.1. 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.
- 5.4.2. Taxes: If the products and/or services specified require transaction privilege or use taxes, they shall be described and itemized separately on the offer. Arizona transaction privilege and use taxes shall not be considered for evaluation.
- 5.4.3. After award, the Contractor shall assist the State when developing invoicing schedules and budgetary requirements to be sent to CMS, FNS the State of Arizona, or other funding partners.
- 5.4.4. 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:
 - 5.4.4.1. Other pricing proposals submitted for this RFP.
 - 5.4.4.2. Expenditures and pricing of any current or expired contract if the solicitation is a re-bid of a current service.
 - 5.4.4.3. Public or Independently obtained information based upon market research.
 - 5.4.4.4. Cost bids submitted by the Offeror in relation to any closely related procurement.
 - 5.4.4.5. Awarded Pricing obtained from other contracts held by the Offeror.
 - 5.4.4.6. Pricing obtained from other contracts for the same or similar service awarded by a public entity.
 - 5.4.4.7. Other information as deemed appropriate by the Procurement Officer.
- 5.4.5. At any time during the evaluation, but before award, AHCCCS may reject a proposal in part or in whole based upon unrealistically high or low pricing.

6.1 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.

6.2 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

SPECIAL INSTRUCTIONS TO OFFERORS

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.

6. **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.
7. **Financial Stability:** The Offeror must be financially stable and, if requested, shall be able to substantiate the financial stability of its company. Upon written request from AHCCCS, the Offeror shall submit an annual financial statement for itself, and parent company (if applicable) within five (5) business days of request. The State reserves the right to request additional documentation from the Offeror and to request reports on financial stability from independent financial rating services. The State reserves the right to reject any Offeror who does not demonstrate financial stability sufficient for the scope of this contract award.
8. **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.
9. **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.
10. **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.
11. **Request for Confidential/Proprietary Determination:**
 - 11.1. 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.
 - 11.2. 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.**

SPECIAL INSTRUCTIONS TO OFFERORS

- 11.3. In the event that AHCCCS receives a request for disclosure of the information, AHCCCS shall 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.
 - 11.4. 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.
 - 11.5. 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 to the SFTP server labeled in accordance with the prescribed naming convention with the word **REDACTED** on the end. This will ensure that our office is crystal clear on which version of your proposal is acceptable for public viewing.
 - 11.6. Regardless of a determination issued by the procurement officer, all portions of the Offeror's proposal, even pages that are proprietary, may be provided to CMS or other state or federal oversight agencies.
12. **REJECTION of a PROPOSAL- Responsibility, Responsiveness, Susceptibility, and Best Interest**
In accordance with applicable procurement regulations and best practices, at any time during the evaluation, AHCCCS may reject an Offer based upon a determination that Offeror is not responsible, or that the proposal is not responsive or not susceptible for award. AHCCCS may reject the Offer if doing so is in the best interest of the State. When rejecting a proposal, AHCCCS may consider any of the following:
- 12.1. 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;
 - 12.2. Whether the Offeror has had a Contract that was terminated by AHCCCS for any reason;
 - 12.3. 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;
 - 12.4. Whether the Offeror is legally qualified to contract with the State and the Offeror's financial, business, personnel, or other resources, including sub-contractors;
 - 12.4.1. Legally qualified includes if the vendor or if key personnel have been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to being disapproved as a subcontractor of any public procurement unit or other governmental body.
 - 12.5. Whether the Offeror promptly supplied all requested information concerning its responsibility;
 - 12.6. Whether the Offer was sufficient to permit evaluation by the State, in accordance with the evaluation criteria identified in this Solicitation or other necessary offer components. Necessary offer components include: attachments, documents or forms to be submitted with the offer, an indication of the intent to be bound, reasonable or acceptable approach to perform the Scope of Work, acknowledged Solicitation Amendments, references to include experience verification, adequacy of financial/business/personal or other resources to include a performance bond and stability including subcontractors and any other data specifically requested in the Solicitation;

SPECIAL INSTRUCTIONS TO OFFERORS

- 12.7. 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;
- 12.8. Whether the Offer limits the rights of the State;
- 12.9. 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;
- 12.10. Whether the Offer materially changes the contents set forth in the Solicitation, which includes the Scope of Work, Terms and Conditions, or Instructions;
- 12.11. Whether the Offeror provides misleading or inaccurate information;
- 12.12. Whether the Offer fails to meet the minimum mandatory requirements of the RFP;
- 12.13. Whether the Offer satisfies the requirements of the RFP in a cost effective manner, as determined by AHCCCS;
- 12.14. Whether the Offeror's pricing is unrealistic, or unreasonably or unsubstantiatedly high; or
- 12.15. Any other criteria deemed appropriate by AHCCCS to determine if the Offer is in the best interest of the State.

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 Contract Order of Precedence. In the event of a discrepancy between the provisions of the Contract, as accepted by the State and as they may be amended, the following shall prevail in the order set forth below:

2.3.1 HIPAA Business Associates Agreement or Addendum (if included)

2.3.2 Special Terms and Conditions;

2.3.3 Uniform Terms and Conditions;

2.3.4 Statement or Scope of Work;

2.3.5 Specifications;

2.3.6 Attachments;

2.3.7 Exhibits;

2.3.8 Documents referenced or included in the Solicitation.

2.4 Relationship of Parties. The Contractor under this Contract is an independent Contractor. Neither party to this Contract shall be deemed to be the employee or agent of the other party to the Contract.

2.5 Severability. The provisions of this Contract are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition of the Contract.

2.6 No Parole Evidence. This Contract is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any terms used in this document and no other understanding either oral or in writing shall be binding.

2.7 No Waiver. Either party's failure to insist on strict performance of any term or condition of the Contract shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.

3. **Contract Administration and Operation**

3.1 Records. Under A.R.S. § 35-214 and § 35-215, the Contractor shall retain and shall contractually require each subcontractor to retain all data and other "records" relating to the acquisition and performance of the Contract for a period of five years after the completion of the Contract. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the Contractor shall produce a legible copy of any or all such records.

3.2 Non-Discrimination. The Contractor shall comply with State Executive Order No. 2009-09 and all other applicable Federal and State laws, rules and regulations, including the Americans with Disabilities Act.

UNIFORM TERMS AND CONDITIONS

- 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 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.

UNIFORM TERMS AND CONDITIONS

- 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.
- 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.

UNIFORM TERMS AND CONDITIONS

- 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

- 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,

UNIFORM TERMS AND CONDITIONS

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 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.

UNIFORM TERMS AND CONDITIONS

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

8. State's Contractual Remedies

- 8.1 Right to Assurance. If the State in good faith has reason to believe that the Contractor does not intend to, or is unable to perform or continue performing under this Contract, the Procurement Officer may demand in writing that the Contractor give a written assurance of intent to perform. Failure by the Contractor to provide written assurance within the number of Days specified in the demand may, at the State's option, be the basis for terminating the Contract under the Uniform Terms and Conditions or other rights and remedies available by law or provided by the contract.

UNIFORM TERMS AND CONDITIONS

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.

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.

UNIFORM TERMS AND CONDITIONS

- 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 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 (Title 41).

SPECIAL TERMS AND CONDITIONS

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 as in any of the following:
 - 5.1 The Contractor provides material that does not meet the specifications of the contract;
 - 5.2 The Contractor fails to adequately perform the services set forth in the specifications of the contract;

SPECIAL TERMS AND CONDITIONS

- 5.3 The Contractor fails to complete the work required or furnish the materials required within the time stipulated by the contract;
 - 5.4 The Contractor fails to make progress in the performance of the contract and/or gives the Procurement officer reason to believe that the Contractor will not or cannot perform to the requirements of the contract;
 - 5.5 Upon receipt of the written notice of concern, the Contractor shall have a minimum of ten (10) 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 claims and disputes shall be adjudicated in accordance with State Law, AHCCCS Rules and this contract. Except as provided by 9 A.A.C. Chapter 22, Article 6, the exclusive manner for the Contractor to assert any dispute against AHCCCS shall be in accordance with the process outlined in 9 A.A.C. Chapter 34 and A.R.S. §36-2932.
- 6.1 All disputes except as provided under 9 A.A.C. Chapter 22, Article 6 shall be filed in writing and be received by AHCCCS no later than 60 days from the date of the disputed notice. All disputes shall state the factual and legal basis for the dispute.
 - 6.2 Pending the final resolution of any disputes involving this contract, the Contractor shall proceed with performance of this contract in accordance with AHCCCS' instructions, unless AHCCCS specifically, in writing, requests termination or a temporary suspension of performance.
7. **Cooperation with other Contractors:** AHCCCS may award other contracts for additional or related work and the Contractor shall fully cooperate with such other contractors and AHCCCS employees or designated agents, and carefully fit its own work to such other contractors' work. Contractor shall not commit or permit any act which will interfere with the performance of work by any other contractor or by AHCCCS employees. AHCCCS shall equitably enforce this section to all contractors to prevent the imposition of unreasonable burdens on any contractor.
8. **Confidentiality of Records and Disclosure of Confidential Information:**
- 8.1 The Contractor shall not, without prior written approval from AHCCCS, either during or after the performance of the services required by this contract, use, other than for such performance, or disclose to any person other than AHCCCS personnel with a need to know, any information, data, material, or exhibits created, developed, produced, or otherwise obtained during the course of the work required by

SPECIAL TERMS AND CONDITIONS

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.
- 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. **Contract:**

- 10.1 The contract between AHCCCS and the Contractor shall consist of (1) the Request for Proposal (RFP) including AHCCCS policies and procedures incorporated by reference as part of the RFP and (2) the proposal submitted by the Contractor in response to the RFP including any Best and Final Offers. In the event of a conflict in language between the 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.
- 10.2 The contract shall be construed according to the laws of the State of Arizona. The State of Arizona is not obligated for the expenditures under the contract until funds have been encumbered.

11. **Fraud and Abuse:**

- 11.1 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.
- 11.2 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.
- 11.3 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.

SPECIAL TERMS AND CONDITIONS

12. **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.
13. **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.
14. **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.
15. **No Guaranteed Quantities:** AHCCCS does not guarantee the Contractor any minimum or maximum quantity of services or goods to be provided under this contract.
16. **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.
17. **Ownership of Information and Data:**
 - 17.1 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.
 - 17.2 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

SPECIAL TERMS AND CONDITIONS

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.

- 17.3 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.

18. Records:

- 18.1 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.
- 18.2 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.
- 18.3 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:
- 18.3.1 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.
- 18.3.2 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.
- 18.3.3 Completed case files shall be scheduled for archive shipment to AHCCCS, as defined by AHCCCS Policy and Procedures.

19. **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.

20. Term of Contract and Option to Renew:

- 20.1 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.
- 20.2 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

SPECIAL TERMS AND CONDITIONS

amendment. If the Contractor provides such notification, the Procurement officer will initiate contract termination proceedings.

20.3 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.

21. **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.

SPECIAL TERMS AND CONDITIONS

Insurance Requirements

STANDARD PROFESSIONAL SERVICE CONTRACTS

1. INDEMNIFICATION CLAUSE

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

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

2. INSURANCE REQUIREMENTS

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

3. MINIMUM SCOPE OF LIMITS OF INSURANCE

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

3.1. Commercial General Liability (CGL) – Occurrence Form

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

- | | |
|---|-------------|
| • General Aggregate | \$2,000,000 |
| • Products – Completed Operations Aggregate | \$1,000,000 |
| • Personal and Advertising Injury | \$1,000,000 |

SPECIAL TERMS AND CONDITIONS

INSURANCE REQUIREMENTS

- Damage to Rented Premises \$50,000
- Each Occurrence \$1,000,000

- 3.1.1. The policy shall be endorsed, as required by this written agreement, to include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor.
- 3.1.2. Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

3.2. 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

- 3.2.1. 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.
- 3.2.2. Policy shall contain a waiver of subrogation endorsement as required by this written agreement in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

3.3. Workers' Compensation and Employers' Liability

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

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

3.4. Professional Liability (Errors and Omissions Liability)

- Each Claim \$2,000,000

SPECIAL TERMS AND CONDITIONS

INSURANCE REQUIREMENTS

- Annual Aggregate \$2,000,000

- 3.4.1. 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, either continuous coverage will be maintained, or an extended discovery period will be exercised, for a period of two (2) years beginning at the time work under this Contract is completed.
- 3.4.2. The policy shall cover professional misconduct or negligent acts for those positions defined in the Scope of Work of this contract.

4. ADDITIONAL INSURANCE REQUIREMENTS

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

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

5. NOTICE OF CANCELLATION

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

6. ACCEPTABILITY OF INSURERS

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

7. VERIFICATION OF COVERAGE

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

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

SPECIAL TERMS AND CONDITIONS

INSURANCE REQUIREMENTS

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

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

8. SUBCONTRACTORS

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

9. APPROVAL AND MODIFICATIONS

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

10. EXCEPTIONS

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

END OF SOLICITATION

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