AHCCCS Arizona Health Care Cost Containment System	**Notice of Request for Proposal**
	SOLICITATION # YH22-0055
	BRIDGE HOUSING SERVICES at BOWER PARK

Procurement Officer:

Issue Date: 11/12/21

Name: Toni Cota
Title: Senior Procurement Specialist
E-Mail: procurement@azahcccs.gov

RFP DESCRIPTION:	**BRIDGE HOUSING SERVICES at BOWER PARK**
Pre-Proposal Conference:	**None scheduled**
Questions Due: *Questions shall be submitted to the procurement on the Q&A form provided with this RFP. Answers will be posted publicly on the AHCCCS website in the form of a Solicitation Amendment for the benefit of all Potential Offerors.*	**Monday, November 11, 2021** by 5:00 PM Arizona Time
ALL OFFERORS MUST REQUEST **ACCESS TO THE SFTP SERVER BY:** *See Proposal Submission Instructions for details*	**Tuesday, December 28, 2021** by 5:00 PM Arizona Time
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.*	**Wednesday, January 5, 2022** by 3:00 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.

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

Attachment A	Narrative Proposal Questionnaire
Attachment B	Proposed Operating Budget
Attachment C	Questions and Answers Form
Attachment D	Attestation Boycott of Israel
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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.: _____

Federal Employer Identification No.: _____

E-Mail Address: _____

For clarification of this offer, contact:

Name: _____

Title: _____

Phone: _____

_____
Company Name

_____
Signature of Person Authorized to Sign Offer

_____
Address

_____
Printed Name

_____
City State Zip

_____
Title

CERTIFICATION

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

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

ACCEPTANCE OF OFFER (to be completed by AHCCCS)

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

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

This contract shall henceforth be referred to as Contract No. **YH22-0055**

AWARD DATE: _____

CONTRACT SERVICE START DATE: _____

_____

MEGGAN LAPORTE, CPPO, MSW, AHCCCS Chief Procurement Officer

SCOPE OF WORK

1. *AHCCCS OVERVIEW*

The Arizona Health Care Cost Containment System (AHCCCS) is the single State Medicaid agency for the State of Arizona. In that capacity it is responsible for operating the Title XIX and Title XXI programs through the State's 1115 Research and Demonstration Waiver, which was granted by the Centers for Medicare and Medicaid Services (CMS), U.S. Department of Health and Human Services (DHHS). As of the time of this publication, AHCCCS provides coverage to over 2.2 million members in Arizona. AHCCCS also administers several non-Title XIX programs funded by State only appropriations and Federal grants received from the Substance Abuse and Mental Health Services Administration (SAMHSA) under DHHS. The majority of AHCCCS programmatic expenditures are administered through Managed Care programs, though AHCCCS also manages a Fee-for-Service program primarily for members who are American Indian. For more information on AHCCCS please visit: https://www.azahcccs.gov/AHCCCS/AboutUs/.

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

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

2. *PROJECT OR SERVICE OVERVIEW/BACKGROUND*

In 2019, funds were allocated from the Arizona Department of Housing (ADOH) Housing Trust Fund for the development of a transitional facility on the Arizona State Hospital (ASH) Campus. ADOH did not issue an award on their RFP for a facility operator in 2021; the project and funding were subsequently transferred to AHCCCS. Additionally, a new designated site was identified for the project on approximately an acre of the ASH Campus known as **Bower Park** located on the northeast corner of 24th Street and Van Buren. Though facility will be located on the ASH campus, and the Contractor will pay rent to ASH, the facility, operations and programs will be distinct and separate from ASH.

This RFP is for the AHCCCS Bridge Project (the "Project") which will consist of two (2) program elements to assist persons with a SMI designation to end their homelessness: 1) a non-licensed bridge/temporary housing facility ("Bridge Facility") consisting of up to 70 beds and accommodations for persons experiencing homelessness; and 2) a co-located licensed clinic ("Licensed Clinic") which may serve both Bridge Facility residents as well as the general community regardless of SMI designation.

In addition to funding of $2 million for this RFP, which covers start up and the first two (2) years of facility operations, the Arizona Department of Administration (ADOA) will issue a separate RFP and award $4 million for the construction of the facility. The timeline for construction of the facility is expected to start in April 2022.

SCOPE OF WORK

Funding for this RFP ($2 million) consists of State and Local Fiscal Recovery Funds (SLFRF) to serve persons with a serious mental illness (SMI) designation and who are experiencing homelessness or ongoing housing instability.

Prior to 2020, Arizona's homeless population increased more than 11 percent over the last three recorded years including a 45 percent rise in unsheltered individuals and a 12 percent increase in chronic populations. This increase has been due to lack of capacity in shelters and affordable housing capacity in the community. Within this increasing homeless population, the prevalence of behavioral health issues including substance use disorders (SUD), and the increased impact of homelessness on persons with behavioral health needs, is well documented. In 2019, the U.S. Department of Housing and Urban Development (HUD) statewide counts identified over 1,600 persons experiencing homelessness with self-identified mental health needs. Many of these individuals also may have co-occurring substance use disorders. One major service gap that has been identified is the need for transitional settings to provide a safe temporary facility for persons determined SMI. The population of persons with an SMI designation experiencing homelessness may also have substance use disorder or other acute health needs that may complicate service engagement and delivery. The transitional facility provides a low barrier, safe, stable physical setting and supportive evidence based programmatic environment for residents to allow time to work on health and permanent housing goals that may take longer times to achieve.

In the past two years, at least two smaller transitional facilities for special populations (e.g., elderly and chronically homeless persons with behavioral and physical health needs) have opened to meet shelter and service needs related to homelessness demand. One important outcome related to housing and service delivery in these transitional programs has been exit rates to housing or appropriate placements of 70 percent and higher for their target populations. These outcomes were significantly higher than for the larger congregate homeless emergency shelters that often service 400 or more persons at a time with limited supportive service programming. The proposed Bridge Facility would leverage-evidence based practices from these existing models while addressing three community and service priorities:

1. The need for shelter capacity to address increasing street and unsheltered homelessness for persons with mental health needs,
2. The need for a longer-term facility option with specialized intensive peer and home- based supportive services to address the complex needs of the target population, and
3. The interest in decreasing the number of unsheltered homeless persons with mental health needs and increasing the number of persons housed and receiving permanent supportive housing with wraparound services.

3. *PURPOSE OF THE RFP*

The purpose of this RFP is to procure Bridge Facility operation and the co-located Licensed Clinic services. AHCCCS intends to award one (1) contract to a single vendor for an initial term of 3.5 years (estimated to be April 1, 2022 through September 30, 2025 which includes an 18 month start up period followed by a 24 month ongoing operational period). The contract term includes an optional eighteen (18) month extension period from October 1, 2025 through March 31, 2027 for a maximum term of five (5) years, to operate both the Bridge Facility and Licensed Clinic elements.

SCOPE OF WORK

4. *LEGAL AUTHORITY*

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

5. *CONTRACTOR RESPONSIBILITIES*

The Contractor shall:

5.1. **Timing** –Be prepared to begin consultation on Project design and construction with the ADOA awarded vendor by April 1, 2022 and begin facility operations by October 1, 2023.

5.1.1. During construction, the Contractor shall work with AHCCCS, ADOA, and a construction contractor chosen by ADOA to provide input in the design and construction of the Project to maximize operational and programmatic functionality.

5.1.2. Funding: The Contractor will be awarded start-up funds of $300,000 for the first eighteen months (Estimated to be April 1, 2022 through September 30, 2023) for startup activity, and $1.7 million equally disbursed over twenty-four months (Estimated to be October 1, 2023 through September 30, 2025) for ongoing operational activities of the Bridge Facility. The Contractor may elect to use a qualified third-party entity as a subcontractor to operate either of the two program elements (i.e., the Bridge Facility or the co-located Licensed Clinic). As AHCCCS funding will be provided for only the initial 3.5 years, the Contractor is responsible for all operating costs in excess of the contract amount and subsequent Project operations for remaining years.

5.1.3. The Contract shall be prepared to maintain operational costs above the awarded funding, and independently beginning October 1, 2025.

5.2. **Project General Requirements**

5.2.1. Through this RFP, AHCCCS will contract with a single qualified Contractor to operate the Bridge Facility and the Licensed Clinic.

5.2.1.1. The Contractor shall operate at least one of the two program elements but may elect to utilize qualified subcontractors or entities to operate the other program element.

5.2.1.2. The entity contracted to run the Licensed Clinic must be an AHCCCS-registered provider, contracted with AHCCCS MCOs to provide reimbursable services to residents and other members at the time of RFP submission and during any subsequent operation of the Licensed Clinic.

5.2.1.3. The Contractor shall ensure that the Licensed Clinic will be operated in compliance with all required licensing standards and legal requirements of the clinical services to be provided.

5.2.2. Arizona Department of Health Services (ADHS)/Arizona State Hospital -

5.2.2.1. ASH will be the owner of the Bridge Facility located on the ASH property.

5.2.2.2. The Contractor shall pay reasonable monthly rent to ASH for use of the property based on an executed leasing agreement between ASH and the Operator.

5.2.2.3. Other than the ASH property lease, the proposed Project and programs will not be associated with ASH in any respect and will be programmatically, operationally, and fiscally separate from ASH and its programs. The provider may not utilize or contract with ASH, ASH

staff and programs, facilities, or contracted services (e.g., food services, security, maintenance) to support the operation or programs of the Project or programs proposed here. ASH will not be responsible for the care of or safety of the Project participants. The Operator will indemnify ASH for any liability related to the operation or programs provided in the Project.

5.3. **Program Elements** - The Contractor shall develop and implement a programmatic model to provide bridge housing and appropriate supportive services (see restrictions below) necessary to connect persons who are living with SMI and experiencing homelessness to community based permanent housing and services. The service model must include the following elements:

5.3.1. Service Population(s) - The Project will consist of two program elements each serving the following populations:

5.3.1.1. Bridge Facility - The Bridge Facility component will provide transitional shelter for up to 70 persons with an SMI designation or presumed to meet the criteria to receive an SMI designation who are experiencing homelessness.

5.3.1.2. Licensed Clinic – The Licensed Clinic may provide clinical services to the residents of the Bridge Facility as well as the general community.

5.3.2. The target population to be served by the Bridge Facility must be homeless per the definition in the Definition of Terms section of this RFP.

5.3.3. The Bridge Facility may elect to serve persons in other homeless subpopulations or with other presenting needs (e.g., persons with substance use disorders) as long as they are also eligible under the target populations defined above.

5.3.4. The Contractor shall maintain no mandatory participation in service programming.

5.3.5. The Contractor shall maintain a low barrier facility with no additional eligibility criteria or requirements beyond those in 5.3.1.

5.3.6. Use of Bridge Facility beds or services shall be voluntary on the part of the resident. Bridge Facility Eligibility shall not be based on mandatory participation or compliance with service programming. Residents will not be required to sign participation or service agreements as part of the eligibility determination process.

5.3.7. While the Contractor must maintain a low barrier facility as described above, the Contractor may establish prioritization based on objective criteria for admissions to ensure that persons with the greatest or most acute housing or health need are prioritized for vacancies. If prioritization is used, the prioritization criteria and methodology must be in writing and approved by AHCCCS prior to implementation.

5.3.8. Co-located Licensed Clinic - Service provision and eligible population shall be based on the scope of work as allowed by the clinic's license as related to the services to be provided.

5.4. **Services and Program**

5.4.1. Under no circumstances shall the Transitional Shelter and related services be operated as or considered an Institution for Mental Disease (IMD) as defined by Section 1905(a)(B) of the Social Security Act and 42 C.F.R. 435.1010. Pursuant to 42 C.F.R. 435.1010, IMD means a hospital, nursing facility, or other institution of more than 16 beds that is primarily engaged in providing diagnosis, treatment, or care of persons with mental diseases, including medical attention, nursing care and related services. It is the

obligation of respondents to the RFP to be aware of the IMD definition and rules and to ensure that the proposed model is not an IMD.

5.4.2. Bridge Facility - The Contractor, at a minimum, must provide the following shelter services in the Bridge Facility. The Contractor shall establish written policies related to the following:

5.4.2.1. Safe, clean, and dignified congregate capacity for up to 70 single adults for transitional shelter.

5.4.3. The length of time a resident may reside in the Bridge Facility will be based on their individualized need and circumstances although a maximum length of stay shall be up to two (2) years. The Contractor shall work towards average lengths of stay of 120 days or less while maximizing exits to permanent or other appropriate community based or service-based housing. Bridge Facility staff will engage residents and with the resident's voluntary participation, assist the resident to establish exit goals including identification of additional supportive service needs during the residents' stay, community resources and goals to attain and maintain housing post discharge.

5.4.4. Meals shall be provided at the Bridge Facility, but food will not be prepared on-site.

5.4.5. The Bridge Facility shall provide basic amenities including sleeping facilities, restrooms, showers and hygiene facilities, laundry, reasonable personal storage, and common/recreational areas.

5.4.6. The Bridge Facility shall provide 24-hour access to the Bridge Facility and residents may stay in the Bridge Facility during the day.

5.4.7. Use of shelter and supportive services shall be voluntary on the part of residents. Participation in wrap around services or other programs offered is not a requirement for shelter admittance or residency, nor is noncompliance with a service plan grounds for revocation of shelter privileges.

5.4.8. Drug or alcohol possession and use shall not be permitted on the property or in the facility(ies) and may result in a temporary or permanent loss of shelter privileges. The Contractor shall promote re-engagement and second opportunities for residents who have temporarily lost privileges due to drug or alcohol possession or use.

5.4.9. The following relates to the provision of on-site supportive services in the Bridge Facility

5.4.9.1. The Bridge Facility shall not be licensed for clinical service delivery.

5.4.9.2. Support service connection shall be voluntary and individualized based on the resident's identified needs and input. Support services will include a focus on securing appropriate community-based housing.

5.4.9.3. The Contractor may offer supportive services or access to outpatient or other clinical services provided by off-site licensed providers including those offered by off-site or co-located licensed outpatient facilities of the Contractor.

5.4.9.4. Residents shall have their choice of outpatient providers and shall not be limited to outpatient clinical services of the Contractor.

5.4.9.5. Home-based services provided on-site shall be limited to residents of the shelter facility.

5.4.9.6. The Contractor shall make available appropriate public and private space for home-based supportive services to be provided within the Bridge Facility by outpatient providers to meet the needs of the target population. Services to be available to residents may include but are not limited to:

- Independent living skills (self-care, life skills education, budgeting, healthy meal planning, personal hygiene, housekeeping, shopping, transportation resources and how to use public transportation, social and recreational activities)
- Medication education

- Peer and family supports
- Community resources linkages
- Meaningful daily activities
- Community safety
- Employment assistance
- Case management
- Assistance with housing searches, placement assistance, rental and move in assistance
- Assistance with securing identification cards and other documents
- Assistance with applying for benefits
- Substance use and support services (referrals to community resources)
- Health and wellness education and coordination with off-site medical services/care as indicated
- Attendant Care and home health for ALTCS members
- Coordination of care and referrals to community resources that are consumer driven and conducted in collaboration with the outpatient adult recovery team

5.4.9.7. The Contractor shall work to connect residents, on a voluntary basis, with clinical and appropriate individualized wrap around supportive services. This may include assessments, behavioral health services and other supportive services provided by an integrated clinic, other clinical provider, or community organization. When possible and with appropriate releases, the Contractor shall coordinate and share information with MCOs and providers to facilitate care coordination.

5.4.9.8. The Contractor shall work to verify SMI designation for all residents. If a resident is not determined SMI at the time of admission into the shelter, shelter staff shall coordinate and assist residents with referrals for SMI assessment and determination services.

5.4.9.9. Bridge Facility staff shall assist residents with enrolling in Medicaid and engaging in other mainstream homeless and community based clinical and human services including medical

and behavioral health treatment, substance abuse programming, income assistance, and housing programs.

5.4.9.10. Bridge Facility staff shall assist members with applying for and becoming eligible for housing placement including securing IDs, completing housing applications and forms, and providing referrals to housing programs.

5.4.9.11. The Bridge Facility shall collaborate with and participate in HUD Continuum of Care protocols including, at a minimum, Coordinated Entry, case conferencing and HMIS use.

5.4.9.12. The Bridge Facility shall not charge residents any fees for services related to use of the shelter or supportive services offered on the site.

5.5. **Operations - Bridge Facility**

The Contractor shall establish policies and procedures to operate and administer the Bridge Facility and associated facilities in accordance with (1) all current and future Federal, State, and local housing laws, and (2) within the specific requirements of this contract as follows:

5.5.1. The Contractor shall provide adequate staffing for 24/7 facility supervision and support aimed at assisting in community re-integration and permanent supportive housing to end homelessness.

5.5.2. Shelter access shall be available 24/7. The Contractor shall establish policies and practices to allow in/out access (e.g., outdoor smoking if permitted) during operating hours.

5.5.3. Shelter facility shall provide gender appropriate dormitories and facilities and shall provide appropriate accommodations for transgender residents as well

5.5.4. The Contractor may have a voluntary chore or volunteer program to allow residents to assist in Bridge Facility operations. Resident participation must be voluntary and should not involve any financial renumeration or in-kind compensation. Bridge Facility eligibility and/or residency shall not be based on participation or refusal to perform chores or work requirements.

5.5.5. Shelter shall have physical accommodations including refrigeration for the storage and distribution of resident medications. The Contractor shall not be responsible for prescription or administration of resident medications.

5.5.6. The shelter shall coordinate with the Maricopa Regional Continuum of Care and Coordinated entry system for accepting referrals to the Shelter program.

5.5.7. Housing Management System and Program Software – The Contractor shall participate in Housing Management Information System (HMIS) to allow coordination with HUD Continua of Care (CoCs) in Maricopa County including Continuum of Care data sharing, program reporting and other requirements. The Contractor shall be responsible for securing licenses and access to the HMIS system as part of their operating expenses.

5.5.8. The Contractor and Bridge Facility shall participate in the Closed Loop Referral System for the purposes of service coordination.

5.5.9. Animals - The Contractor shall establish policies to allow Bridge Facility residents to maintain service animals, companion animals, or pets within the Bridge Facility

5.6. **Operations - Licensed Clinic**

5.6.1. The Project proposes to co-locate a separate suite (likely under the same roof) for licensed outpatient services that may serve both residents and general community members. The Contractor will ensure there is a clear designation of the Licensed Clinic from the Bridge Facility operations and programs.

5.6.2. The Contractor shall ensure that Bridge Facility residents are not limited to utilization of the specific co-located outpatient service provider and shall ensure that residents are informed of and have a choice

among all AHCCCS-registered providers (limited only by the contracted network of the residents' MCOs) for Medicaid-compensable services.

5.6.3. The Contractor shall ensure that the Licensed Clinic operates within the operational and programmatic requirements established under the license for their identified service type.

5.7. **General Operations – Project**

The Contractor shall comply with the following requirements that apply to all operations related to the Project and both facilities and programs

5.7.1. Legal Compliance – The Contractor shall implement policies and procedures to ensure compliance with all applicable Federal and State legal standards including but not limited to the Civil Rights Acts, Equal Access Act, and Americans with Disabilities Act (ADA).

5.7.2. Non-Discrimination – In addition to compliance with other pertinent Federal laws and regulations, the Contractor shall ensure compliance with Title VI of the Civil Rights Act of 1964, Section 1557 of the Affordable Care Act, and 45 CFR 92.8, which requires, in part, that the Contractor notify its Members of the following upon request and at no cost: 1) That oral interpretation is available for any language, 2) That written translation is available in each prevalent non-English language identified by AHCCCS, 3) That auxiliary aids and services are available for Members with disabilities, 4) How Members may access the services above, and 5) For all significant communications and publications for Members, post the notice specified in 45 CFR 92.8(a) along with taglines in the top 15 languages spoken by individuals with Limited English Proficiency in the state as identified by AHCCCS. The notice shall also be placed in a prominent location of the Contractor's website accessible from the home page of the Contractor's website.

5.7.3. The facility must follow all recommended protocols and evidence-based practices related to COVID or pandemic prevention including ability to provide adequate "social distancing" in all program areas including the facility and sleeping areas, availability and use of appropriate personal protective equipment for staff and participants, adequate access to hygiene supplies and facilities, and protocols for COVID screening and safe service delivery including telehealth access.

5.7.4. Hearing, Grievances, and Appeals – The Contractor shall establish and manage due process for housing related grievances and appeals related to Project operational and programmatic decisions including hearings, notices, documentation, and reasonable accommodations for persons with disabilities or consistent with principles of cultural competency including for those with Limited English Proficiency.

5.7.5. Stakeholder Input and Feedback – The Contractor shall work closely with AHCCCS and its stakeholders, including, but not limited to Project participants/residents, MCOs, providers, AHCCCS staff and peer organizations, to improve and operationalize standardized policies and procedures and implement strategies to improve accountability, service quality and resolve deficiencies resulting in a high-performing housing subsidy program.

5.8. **Cultural Competency** – The Contractor shall:

5.8.1. Ensure that Project applicants, residents, and members are provided contracted housing services without regard to race, color, national origin, sex, sexual orientation, gender identity, age, or disability and shall not use any policy or practice that has the effect of discriminating on the basis of race, color, or national origin, sex, sexual orientation, gender identity, age, or disability [45 CRF Part 92],

5.8.2. Be knowledgeable of the historical, cultural, social, economic, political, and other events that affect the behavioral health of the diverse populations served under this Contract and consider how culture,

faith, spiritual beliefs, gender identity, sexual orientation, and other cultural beliefs or history may impact Bridge Facility activities,

5.8.3. Ensure that Bridge Facility programs and processes are conducted in a culturally competent manner to all participants, including those with Limited English Proficiency (LEP) and diverse cultural and ethnic backgrounds, disabilities, regardless of gender, sexual orientation, or gender identity. The Contractor shall implement a program in line with best practices including the Culturally and Linguistically Appropriate Services (CLAS) mandates, and guidelines and recommendations,

5.8.4. Ensure that staff, particularly staff that have direct contact with Bridge Facility residents, are sufficiently trained to provide support and services in a culturally competent manner to individuals. Additionally, the Contractor shall ensure all staff receive Cultural Competency training during new employee orientation and annually thereafter.

5.8.5. Establish resident councils, surveys, and other means to gather resident input and feedback into Bridge Facility operations, programs, and service delivery.

5.8.6. Use data and other available information to evaluate all Bridge Facility shelter and services to promote racial equity

5.9. **Referral and Entry Policy** - the Contractor shall establish referral and access policies to minimize the Project's impact on the neighborhood or ASH and to ensure project activities are maintained within the designated site. This may include not allowing walk up Bridge Facility access, permitting access by referral only, and/or designating outdoor queuing areas to avoid loitering on or around the site.

5.9.1. The Contractor shall have a policy and procedure for connection of non-eligible individuals or households (e.g., youth) who may be inappropriately referred to the Bridge Facility to alternative settings or services. The policy shall include a resource list for addressing or connecting to other providers or systems of care.

5.9.2. Contractor will notify ASH of any program or operational changes and will meet with ASH at ASH's request to ensure Project operations do not interfere or impact ASH's operations, program or facilities.

5.9.3. Contractor will establish process for gathering feedback from local neighborhood representatives on Project operations and community impact.

5.10. **Data Tracking and Reporting** – The Contractor shall establish processes for data gathering and timely reporting including the creation of dashboards or other standard reporting tools, data analysis, ad hoc reports as necessary, and establishment of performance benchmarks and standards necessary to evaluate and improve programmatic, operational, and financial performance of the Project.

5.11. **Administrative Plan** – The Contractor shall be responsible for creating an Administrative Plan detailing the Contractor's specific standard operational policies, processes, procedures, forms, and other key information on how the above duties will be implemented and performed. AHCCCS shall approve the Administrative Plan and related policies and procedures. The Administrative Plan shall, at a minimum:

5.11.1. Provide specific operating procedures and practices for implementing and performing the duties described in this scope of work,

5.11.2. Identify staff members responsible for performing required activities under the Scope of Work,

5.11.3. Reflect and incorporate evidence-based practices, governmental industry standards as appropriate,

5.11.4. Include annual performance standards and measures,

5.11.5. Reduce barriers to housing especially for persons with mental illness or other disabilities, and

5.11.6. Facilitate residents accessing and maintaining housing and community-based services.

5.12. **READINESS ACTIVITIES**

The Contractor shall perform and adhere to the following requirements prior to the start of contracted services. The Contractor shall perform the following activities:

5.12.1. **Readiness Timing** – The preparatory period shall begin at date of award.

5.12.2. **Post-Award Conference** – Within seven (7) working days of award by AHCCCS, the Contractor shall schedule and participate in an orientation and planning session with AHCCCS.

5.12.3. **Project Manager Assignment** – Assign a Project Manager (PM) for the management of the Project. The PM shall, for the readiness period, as well as the entire period of contract performance, meet with the designated AHCCCS representatives at a frequency agreed upon to discuss the steps needed to perform the work of the contract. The Contractor may engage and supervise additional staff under the PM to perform the duties required under the contract. The PM shall be the primary point of contact during the readiness period.

The Contractor shall ensure that all products and results meet the acceptance criteria described in the contract. The Contractor shall ensure status reports with performance metrics are submitted weekly and comprehensive performance reports are submitted monthly, outlining progress, status, problems, and issues encountered, and resolutions to problems and issues in the performance of this contract. AHCCCS reserves the right to request that additional information be included in the reports if it deems necessary and/or change the frequency of the reports.

5.12.4. **Implementation Plan** – Within thirty (30) days of award, provide AHCCCS with a detailed Implementation Plan.

5.12.4.1. Establish timeframes and frequency of meetings and reporting related to the Project,

5.12.4.2. Establish a process for providing Bridge Facility design and program input to ADOA for inclusion in development and construction process,

5.12.4.3. Develop financial and payment systems and budgetary controls,

5.12.4.4. Establish program and operational standards and processes including referral process, Bridge Facility eligibility determination, waitlist protocols and prioritization, and service coordination strategies.

5.12.5. **Project Management Plan** – Establish and maintain a complete Project Management Plan that shall require written approval of AHCCCS.

5.12.5.1. The Project Management Plan shall be submitted within forty-five (45) days of award.

5.12.5.2. The Project Management Plan shall be used to manage, track, and evaluate the Contractor's performance.

5.12.5.3. The Project Management Plan shall consist of the timelines, control policies, and procedures in accordance with standard industry practices for project administration, execution, and tracking.

5.12.5.4. The Project Management Plan shall include a risk management plan with a Risks Assumptions, Issues, and Dependencies (RAID) Log for assessing, tracking, and mitigating project risks.

5.12.5.5. Weekly project status reports and other project updates to be determined.

5.12.5.6. In the event AHCCCS requires additional time for review and approval, or to make comments, it shall notify the Contractor within the initial review period and provide a new

date not to exceed thirty (30) days. The Contractor shall then have five (5) days to make changes unless otherwise agreed to by the Parties.

5.12.5.7. Whenever major changes are made to the Project Management Plan, the Contractor shall submit the changes to the designated AHCCCS representative within two (2) business days.

5.12.5.8. The Project Management Plan shall include:

5.12.5.8.1. **Project Schedule** – Identify and describe all tasks, deliverables, and appropriate milestones for the duration of the contract, as well as dependencies for activities.

5.12.5.8.2. **Resource/Sustainability Plan** – Identify and describe financial and other resources allocated to each task, deliverable, or milestone and the rationale for project organization and other resources allocated to each task or activity. The Contractor will provide and update a pro forma operating budget showing projected expenditures and revenue with sources for the contract period of five years from the award.

5.12.5.8.3. **Staffing Plan** – Document all personnel and required qualifications (or job descriptions) to be used throughout the course of the contract. The Staffing Plan shall identify each individual staff title, the major tasks to be performed by each staff member, and the percentage of time each staff member shall devote to the Contract. Staff training is an expense of the Contractor.

The staffing plan shall describe the Contractor's required onboarding and continuous training plans including training topics and frequency. The Staffing Plan shall include background checks, fingerprinting, or other necessary security procedures the Contractor shall utilize to screen staff appropriately. AHCCCS shall review and approve or make comments and recommend any changes to the Staffing Plan within thirty (30) days of receipt.

5.12.5.8.4. **Risk Management Plan** – Identify and document significant issues that could put the project or timeline at risk. If major project risks or delays are identified, the Contractor must notify the designated AHCCCS representative within two (2) business days.

5.12.5.8.5. **Communication Plan** –Identify communications that shall be sent to stakeholders, potential residents, providers, or other interested parties. The communication plan shall note the message, the audience, date of communication, type of communication, and from whom the communication shall be sent.

5.13. **PERFORMANCE STANDARDS/REPORTING**

AHCCCS will work with the Contractor to establish reporting procedures including AHCCCS submissions, written reports, dashboards and/or web site-based reporting and monitoring protocols for the operational, program and financial management criteria as follows:

5.13.1. **Operational and Program Performance Standards** –Reporting will be completed on a quarterly basis and be due within fifteen (15) days of the end of each reporting period. AHCCCS will work with the Contractor to establish benchmarks and metrics for programmatic evaluation and monitoring with the goal of defining and achieving high performance standards. Where possible the Contractor may use HMIS to track these outcomes in compliance with HUD standards. Key data points and metrics to be tracked and reported shall include:

5.13.1.1. Daily shelter occupancy and utilization
5.13.1.2. Length of stay by member and aggregate
5.13.1.3. Utilization of supportive services by program members
5.13.1.4. Program population demographics including race/ethnicity (including possible demographic disparities), age, mental health status (SMI v. GMH/SUD), family status or household members, gender, referral source, or other fields that may be added at a later time,
5.13.1.5. Resident exit destinations including number of new members placed in housing and reasons for members leaving Bridge Facility without housing,
5.13.1.6. Number of persons leaving and remaining in the program during the reporting period,
5.13.1.7. Grievance and appeals data,
5.13.1.8. Waitlist information including numbers, referral source and length of time on waitlist,
5.13.1.9. Number and percentage of persons enrolled in AHCCCS and connected with provider and release of information,
5.13.1.10. Client satisfaction surveys.

5.13.2. **Financial Management** –The Contractor shall develop and maintain internal controls and systems to separately account for AHCCCS related revenue and expenses and non-AHCCCS related revenue and expenses by type and program and manage, record, and report funds in accordance with the practices, procedures, and standards in the State of Arizona Accounting Manual. Key accounting policies or requirements include:

5.13.2.1. **Quarterly Financial Report** – The Contractor shall provide a quarterly financial statement showing actual amounts by revenue and expenditure categories, broken down by month, within 15 days of the end of the month being reported. Financial reporting will include total revenues and expenses used for the operation of the Project including any additional funds or expenditures made by the Contractor in excess of AHCCCS awarded funds. Reporting format will be provided by Contractor for AHCCCS approval. The Contractors Annual Profit (as described in 5.13.2.2 below, as well as the Contractor's Overhead costs (as described in 5.13.2.3 below) shall be included in this report.
5.13.2.2. **Annual Profit Limit** – In the event that the Contractor is a for profit entity, the Contractor shall be limited to 5% profit annually; AHCCCS shall recoup any profit exceeding 5%. For the purpose of the annual profit limit, the year is defined as the two, one-year periods of operations for which AHCCCS is providing operating funds.
5.13.2.3. Contractor's **overhead costs** (payroll outside of direct program staff, audit costs, management/corporate office expenses) may not exceed 15% of the total AHCCCS operation funding as reported in the Contractor's Quarterly Financial Report.
5.13.2.4. **Ad Hoc Reports** – In addition to reports and criteria described here, AHCCCS reserves the right to request ad hoc reports for additional Project evaluation, to respond to legislative or internal or external stakeholder inquiries or for other reasonable purposes. In making

ad hoc reporting requests, AHCCCS will work with the Contractor to develop meaningful and appropriate reports in a timely manner.

5.13.2.5. AHCCCS has the right, at any time during the term of this Contract, to request financial or other information from the Contractor,

5.13.2.6. AHCCCS will not be responsible for payment to the Contractor for any purchases, expenditures, or subcontracts made by the Contractor in anticipation of funding,

5.13.2.7. The Contractor shall accept payment by wire or National Automated Clearing House Association (NACHA) transfer,

5.13.2.8. AHCCCS is not liable for any error or delay in transfer or indirect or consequential damages arising from the use of the electronic funds transfer process where payments are made by electronic funds transfer,

5.13.2.9. Payments may be adjusted when an error is discovered and may make a payment adjustment through a corresponding decrease in a payment to the Contractor or by processing an additional payment to the Contractor,

5.13.2.10. Transition- In the event the contract is terminated, regardless of the reason, prior to the completion of operational funding, or one of the parties elect not to exercise the renewals, the Contractor will be responsible for ensuring that all operations and remaining funding is transitioned to a new Contractor chosen by AHCCCS and in consultation with ASH, or if no Contractor is chosen, ensure that all Bridge Facility residents are relocated or provided with appropriate housing placements or referrals and that no resident returns to homelessness.

5.14. **Staff Background Checks**

For the purposes of this requirement, “Staff” is defined as any individual who is an employee, independent contractor, consultant or subcontractor of the Contractor and who during their course of work on this Contract will interact with residents of the Bridge Facility or Licensed Clinic, or will be performing services in the facility (i.e. – Bridge Facility intake staff, janitorial, etc.) ,

5.14.1. The Contractor shall, at its own expense, complete a background check on all Staff.

5.14.2. The background check shall be completed via a recognized law enforcement agency or qualified third party within thirty (30) days of assignment of Staff, and annually thereafter or as agreed to in writing by AHCCCS.

5.14.3. At minimum, the background check shall include criminal record information, employment history and information.

5.14.4. The Contractor shall submit written confirmation to the AHCCCS on an annual basis of all Staff who has been background checked and approved to work on the Contract.

SCOPE OF WORK

6. DELIVERABLES

Report Type	Timeframe	Report Name	Due	Scope of Work Section
Administrative	Annual	Administrative Plan		5.11
Preparatory		Implementation Plan	30 days from award	5.12.4
		Project Management Plan	45 days from award	5.12.5
Program Outcomes	Quarterly	Operational and Program Performance Standards –	15th day following end of quarter	5.13.1
Financial Management	Quarterly	Financial Report – Revenue and Expenses	15 days following end of quarter or period invoiced	5.13.2.1
Staff Background Checks	Annual	Confirmation of Staff cleared		5.14

7. FINANCIAL COMMITMENTS

7.1. AHCCCS Financial Commitment for the Project:

7.1.1. Start Up and ongoing Operational funding– AHCCCS will commit up to $2 million towards start-up costs for the first 18 months and Bridge Facility operating costs for the first twenty-four months of operations once the Bridge Facility is operational.

7.1.2. To ensure operational sustainability for the provider, AHCCCS will assist in the following strategies:

7.1.2.1. Allow co-location of Licensed Clinic in which Medicaid reimbursable services could be provided.

7.1.2.2. AHCCCS will work with Operator to secure mainstream governmental programs, grants and private or charitable sources of funds for ongoing operational support for the Bridge Facility.

7.2. Contractor Financial Commitment for the Project:

7.2.1. The Contractor will be responsible for all direct and administrative costs in excess of the operating funds described in 7.1 above including funding for subsequent renewal years. The Contractor will provide an annual budget each year documenting anticipated program revenues and expenditures.

SCOPE OF WORK

8. PAYMENT

8.1. **Startup - ($300,000 one-time payment)**
Payment will cover the first 18 months of start up activity, from contract award through commencement of operations of the Bridge Facility. The Contractor shall submit it invoice for start-up funding of $300,000 after receipt of AHCCCS approval of the Contractor's Implementation plan described in 5.12.4.

8.2. **Ongoing Operational– ($1.7 million paid in 24 equal monthly payments of $70,883)**
Payment will be for operational activities of the Bridge Facility including Bridge Facility staffing that are not eligible for Medicaid reimbursement by AHCCCS and/or its MCOs or other third-party payors, and other operational costs. The Contractor shall submit its monthly operations invoice for $70,833 starting from date of commencement of operations of the Bridge Facility and for up to 24 months thereafter.

9. INVOICES

The Contractor shall submit an invoice for payments. Payment will be made in accordance with the requirements of A.R.S. Titles 35 and 41, Net 30 days. Invoice submission requirements, payment terms and timeliness are also subject to Federal regulations related to the funding source and may change in accordance with those standards.

9.1. Unless otherwise instructed, invoices for this contract shall be submitted via e-mail to: BHSInvoices@azahcccs.gov

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

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

DEFINITIONS

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

1. **AAC**: Arizona Administrative Code
2. **ACA**: Affordable Care Act
3. **ACC**: Arizona Complete Care
4. **ADA**: Americans with Disabilities Act
5. **ADOA**: Arizona Department of Administration (ADOA) - ADOA will serve as construction project manager for the Project.
6. **AHCCCS**: The Arizona Health Care Cost Containment System – a managed health care program which pertains to health care services provided pursuant to A.R.S. 36-2903 et seq. and is also the name of the State agency. AHCCCS will be responsible for identifying and contracting with an operator and service provider for the ASH Transitional Shelter project.
7. **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.
8. **ASH**: Arizona State Hospital
9. **AHP:** AHCCCS Housing Program(s)
10. **ALTCS**: Arizona Long Term Care System
11. **ARLTA: Arizona Residential Landlord Tenant Act** ARS 33, Chapter 10 – Arizona Revised Statutes governing residential leases and landlord and tenant duties and rights.
12. **ATTACHMENT**: Any item the Solicitation requires an Offeror to submit as part of the Offer.
13. **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.
14. **CC&R**: Covenants, Conditions & Restrictions; a common term used in real estate and in HOA (Homeowners Associations) management - it is a set of obligations and requirements that apply to any owner of the property (i.e., HOA standards).
15. **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.
16. **CHIP:** Children's Health Insurance Program, called KidsCare in Arizona.

DEFINITIONS

17. **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.
18. **CONTRACT AMENDMENT**: A written document signed by the Procurement officer that is issued for the purpose of making changes in the contract.
19. **CONTRACTOR**: A person who has a contract with AHCCCS.
20. **DAYS**: Calendar days unless otherwise specified. If a due date falls on a Saturday, Sunday, or legal holiday, then the due date is considered the next business day. A business day means a Monday, Tuesday, Wednesday, Thursday, or Friday unless a legal holiday falls on Monday, Tuesday, Wednesday, Thursday, or Friday. Computation of time begins the day after the event that triggers the period and includes all calendar days and the final day of the period. If the final day of the period is a weekend or legal holiday, the period is extended until the end of the next business day.
21. **EXHIBIT**: Any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.
22. **GMH/SUD:** General Mental Health and Substance Use Disorder behavioral health services provided to adult members aged 18 and older who have not been determined to have a Serious Mental Illness.
23. **GRATUITY**: A payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.
24. **HEALTH PLAN**: An organization which contracts with the AHCCCS Administration to administer the provision of a comprehensive package of AHCCCS covered acute and behavioral health care services to AHCCCS Members, and long-term care services and supports to ALTCS members only, enrolled with the health plan. Synonymous with MCO (Managed Care Organizations).
25. **HOMELESS**:

    1) **Actual Homelessness:** An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning: a) Has a primary nighttime residence that is a public or private place not meant for human habitation, and b) Is living in a publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state and local government programs).

    2) **Institutional or Hospital Discharge** – an individual exiting an institution who is likely to be homeless (per Eligibility Criteria section), or who does not have a safe residence to go to upon discharge. An institution may include physical or behavioral health inpatient or residential facilities, emergency rooms or other short term crisis facilities, Arizona State Hospital (ASH), jails, prisons, or other criminal justice settings, or recently

transition out of the Foster Care system. Institutional settings also include similar tribal settings or systems (e.g., tribal jails).

3) **Other Identified Housing Crisis or Instability** – a "housing need" may also be established by the presence of the following indicators: a) Fleeing domestic violence or other living situation that may result in physical harm or violence, b) Living in a setting other living situation that may result in physical or behavioral health harm, illegality, violence or be otherwise inconsistent with member's service or treatment plan (i.e., overcrowding, COVID exposure), and/or c) Frequent physical or behavioral health inpatient hospitalization or treatment or Emergency Department or emergency department visits (three or more visits in past 12 months).

4) **Housing instability** established and documented in at least two of the following indicators: a) Appropriate Z Code of "homelessness" or "housing instability" in medical record, b) Housing need assessed and identified in AHCCCS approved evidence based assessment tool that incudes Housing assessment, c) Inclusion on Contractor High Risk Roster/ High needs/High Cost List d) Housing is needed to "prevent disease, disability or other adverse conditions of progression, or to prolong life", e) Permanent Housing and subsidy identified in an individual's service plan, and f) Member self-attestation of homelessness, or housing insecurity, g) Prior or repeated past history of homelessness, evictions or housing instability (three or more episodes in past 12 months or less) as documented to Contractor by individuals or entity with direct knowledge of housing condition or situation including peers, Community Based Organizations (e.g., homeless providers, CoC, coordinated entry system, outreach teams).

26. **HUD**: The United States Department of Housing and Urban Development

27. **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.

28. **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.

29. **MAY**: Indicates something that is not mandatory but permissible.

30. **MCO**: Managed Care Organization. Synonymous with Health Plan.

31. **MEMBER:** For the purposes of this RFP, a member is any individual who may be eligible for Bridge Facility or Licensed Clinic including persons determined SMI or GMH/SUD with housing needs.

32. **NATIONAL PROVIDER NUMBER**: This single, unique ID is used for billing purposes by the provider to all third-party payers, including billing for reimbursement under the DSC Program. All typical health care providers must have a 10-digit National Provider Identifier (NPI).

33. **NON-TITLE XIX/XXI:** State and other funding not related to Medicaid (Title XIX of the Social Security Act) or the Children's Health Insurance Program (CHIP) (Title XXI of the Social Security Act).

DEFINITIONS

34. **NTE**: Not-to-Exceed amount
35. **OFFER**: A response to a solicitation
36. **OFFEROR**: A vendor or person who responds to a Solicitation
37. **PERSON**: Any corporation, business, individual, union, committee, club or other organization or group of individuals.
38. **PHA**: Public Housing Authority; a government entity authorized to administer HUD housing programs
39. **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.
40. **RBHA**: Regional Behavioral Health Authority
41. **RELATED PARTY**: A party that has, or may have, the ability to control or significantly influence a Contractor, or a party that is, or may be, controlled or significantly influenced by a Contractor. "Related parties" include, but are not limited to, agents, managing employees, persons with an ownership or controlling interest in the disclosing entity, and their immediate families, subcontractors, wholly owned subsidiaries or suppliers, parent companies, sister companies, holding companies, and other entities controlled or managed by any such entities or persons.
42. **RESIDENT:** A member who is residing or utilizing the Bridge Facility.
43. **RFP**: Request for Proposal; a document prepared by AHCCCS which describes the services required and which instructs a prospective Offeror how to prepare a response (proposal).
44. **SCOPE OF WORK:** Those provisions of this solicitation which specify the work and/or results to be achieved by the Contractor.
45. **SHALL, MUST**: Indicates a mandatory requirement. Failure to meet these mandatory requirements may result in the rejection of a proposal as non-responsive.
46. **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.
47. **SMI**: Seriously Mentally Ill; A condition as defined in A.R.S. §36-550 diagnosed in persons 18 years and older.
48. **SOLICITATION:** An Invitation for Bids ("IFB"), a Request for Proposals ("RFP"), or a Request for Quotations ("RFQ").
49. **SOLICITATION AMENDMENT**: A written document that is authorized by the Procurement officer and issued for the purpose of making changes to the Solicitation.
50. **STATE:** The State of Arizona and AHCCCS
51. **STATE FISCAL YEAR**: The period beginning with July 1 and ending June 30.

DEFINITIONS

52. **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.

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

54. **TITLE XXI**: Title XXI means the federal Children's Health Insurance Program as established by Subtitle J of the Balanced Budget Act of 1997.

55. **TRBHA**: Tribal Regional Behavioral Health Authority

56. **VAWA**: Violence Against Women Act

UNIFORM INSTRUCTIONS TO OFFERORS

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

2 Inquiries

2.1 Duty to Examine: It is the responsibility of each Offeror to examine the entire Solicitation, seek clarification in writing (inquiries), and examine its Offer for accuracy before submitting an Offer. Lack of care in preparing an Offer shall not be grounds for modifying or withdrawing the Offer after the Offer due date and time.

2.2 Solicitation Contact Person: Any inquiry related to a Solicitation, including any requests for or inquiries regarding standards referenced in the Solicitation shall be directed solely to the Procurement Officer.

2.3 Submission of Inquiries: All inquiries related to the Solicitation are required to be submitted via email to the Procurement Officer listed on the front page of this solicitation and on the AHCCCS Q and A form. Responses to inquiries will be answered in the form of a solicitation amendment. AHCCCS will respond to inquiries as it deems appropriate and is not obligated to respond to all inquiries submitted. Offerors are prohibited from contacting any State employee other than the Procurement Officer concerning the procurement while the solicitation and evaluation are in process.

2.4 Timeliness: Any inquiry or exception to the Solicitation shall be submitted as soon as possible and should be submitted no later than the date and time indicated on the Notice of Request for Proposal (RFP front page) for review and determination by AHCCCS. Failure to do so may result in the inquiry not being considered for a Solicitation Amendment.

2.5 No Right to Rely on Verbal Responses: Any inquiry that results in changes to the Solicitation shall be answered solely through a written Solicitation Amendment. An Offeror may not rely on verbal responses to its inquiries.

2.6 Solicitation Amendments: The Solicitation shall only be modified by a Solicitation Amendment.

2.7 Pre-Offer Conference: If a Pre-Offer Conference has been scheduled under this Solicitation, the date, time, and location shall appear on the Solicitation cover sheet. Offerors should raise any questions they may have about the Solicitation at that time. An Offeror may not rely on any verbal responses to questions at the conference. Material issues raised at the conference that result in changes to the Solicitation shall be answered solely through a written Solicitation Amendment.

2.8 Persons with Disabilities: Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the Solicitation Contact Person. Requests shall be made as early as possible to allow time to arrange the accommodation.

3 Offer Preparation

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

Acrobat). Offerors wishing to submit files in any other format shall submit an inquiry to the Procurement Officer.

3.2 Evidence of Intent to be Bound: The Offer and Acceptance form within the Solicitation shall be submitted with the Offer and shall include a signature by a person authorized to sign the Offer. The signature shall signify the Offeror's intent to be bound by the Offer and the terms of the Solicitation and that the information provided is true, accurate, and complete. Failure to submit verifiable evidence of an intent to be bound, such as an original signature, may result in rejection of the Offer.

3.3 Exceptions to Terms and Conditions: All exceptions included with the Offer shall be submitted in a clearly identified separate section of the Offer in which the Offeror clearly identifies the specific paragraphs of the Solicitation where the exceptions occur. Any exceptions not included in such a section shall be without force and effect in any resulting Contract unless such exception is specifically accepted by the Procurement Officer in a written statement. The Offeror's preprinted or standard terms will not be considered by the State as a part of any resulting Contract.

3.3.1 All exceptions that are contained in the Offer **may negatively impact an Offeror's susceptibility** for award. **An Offer that takes exception to any material requirement of the solicitation may be rejected at the sole discretion of AHCCCS**.

3.4 Subcontracts: Offeror shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities in the Offer.

3.5 Cost of Offer Preparation: AHCCCS will not reimburse any Offeror the cost of responding to a Solicitation.

3.6 Federal Excise Tax: The State of Arizona is exempt from certain Federal Excise Tax on manufactured goods. Exemption Certificates will be provided by the State.

3.7 Provision of Tax Identification Numbers: Offerors are required to provide their Arizona Transaction Privilege Tax Number and/or Federal Tax Identification number, if applicable, in the space provided on the Offer and Acceptance Form.

3.7.1 Employee Identification: Offeror agrees to provide an employee identification number or social security number to the State for the purposes of reporting to appropriate taxing authorities, monies paid by the Department under this contract. If the Federal identifier of the Offeror is a social security number, this number is being requested solely for tax reporting purposes and will be shared with only appropriate State and Federal officials. This submission is mandatory under 26 U.S.C. § 6041A.

3.8 Identification of Taxes in Offer: The State of Arizona is subject to all applicable State and local transaction privilege taxes. All applicable taxes shall be identified as a separate item offered in the solicitation. When applicable, the tax rate and amount shall be identified on the price sheet.

3.9 Disclosure: If the Offeror, business, or person submitting this Offer has been debarred, suspended, or otherwise lawfully precluded from participating in any public procurement activity, including being disapproved as a subcontractor with any Federal, State or local government, or if any such preclusion from participation from any public procurement activity is currently pending, the Offeror shall fully

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

3.10 Delivery (commodities only): Unless otherwise stated in the Contract, all prices shall be F.O.B. Destination and shall include all delivery and unloading at the destination.

3.11 Federal Immigration and Nationality Act: By signing of the Offer, the Offeror warrants that both it and all proposed subcontractors comply with Federal immigration laws and regulations (FINA) relating to the immigration status of their employees. The State may, at its sole discretion, require evidence of compliance during the evaluation process. Should the State request evidence of compliance, the Offeror shall have 5 days from receipt of the request to supply the adequate information. Failure to comply with this instruction or failure to supply requested information within the timeframe specified shall result in the offer not being considered for contract award.

3.12 Offshore Performance of Work Prohibited: Any service that are described in the specifications or scope of work that directly serve the State of Arizona or its clients involve access to secure or sensitive data or personal client data shall be performed within the defined territories of the United States. Unless specifically stated otherwise in the specifications, this paragraph does not apply to indirect or "overhead" services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers. Offerors shall declare all anticipated offshore services in the Offer.

4 Submission of Offer

4.1 Offer and Acceptance: Offers shall include a signed Offer and Acceptance form. The Offer and Acceptance form shall be signed with a signature by the person authorized to sign the Offer and shall be submitted no later than the Solicitation due date and time. Failure to return an Offer and Acceptance form may result in rejection of the Offer.

4.2 Solicitation Amendments: Each Solicitation Amendment shall be signed by the person signing the Offer and shall be submitted no later than the Offer due date and time. Failure to return a signed copy of a material Solicitation Amendment may result in rejection of the Offer.

4.3 Offer Amendment or Withdrawal: An Offer may not be amended or withdrawn after the Offer due date and time except as otherwise provided under applicable law.

4.4 Public Record: All Offers submitted and opened are public records and must be retained by the State for a period of time in accordance with the law. Offers shall be open and available to public inspection after Contract award, except for such portions deemed to be confidential in accordance with the procurement.

4.5 Non-collusion, Employment, and Services: By signing the Offer and Acceptance Form or other official contract form, the Offeror certifies that:

4.5.1 The Offeror did not engage in collusion or other anti-competitive practices in connection with the preparation or submission of its Offer; and

4.5.2 The Offeror does not discriminate against any employee or applicant for employment or person to whom it provides services because of race, color, religion, sex, national origin, or disability, and that it complies with all applicable Federal, State, and local laws and executive orders regarding employment.

5 Evaluation

5.1 Taxes: If the products and/or services specified require transaction privilege or use taxes, they shall be described and itemized separately on the offer. Arizona transaction privilege and use taxes shall not be considered for evaluation.

5.2 Late Offers: An Offer submitted after the exact Offer due date and time shall be rejected.

5.3 Disqualifications: An Offeror (including each of its principals) who is currently debarred, suspended, or otherwise lawfully prohibited from any public procurement activity shall have its offer rejected.

5.4 Offer Acceptance Period: An Offeror submitting an Offer under this Solicitation shall hold its Offer open for the number of days from the Offer due date that is stated in the Solicitation. If the Solicitation does not specifically state a number of days for Offer acceptance, the number of days shall be one hundred and twenty (120). If a Best and Final Offer is requested pursuant to a Request for Proposals, an Offeror shall hold its Offer open for one hundred and twenty (120) days from the Best and Final Offer due date.

5.5 Waiver and Rejection Rights: Notwithstanding any other provision of the Solicitation, AHCCCS reserves the right to:

5.5.1 Waive any minor informality;
5.5.2 Reject any and all Offers or portions thereof; or
5.5.3 Cancel the Solicitation.

6 Award

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

6.1 Number or Types of Awards: AHCCCS reserves the right to make multiple awards or to award a Contract by individual line items or alternatives, by group of line items or alternatives, or to make an aggregate award, or regional awards, whichever is deemed most advantageous to AHCCCS and to the State.

6.2 Contract Inception: An Offer does not constitute a Contract nor does it confer any rights on the Offeror to the award of a Contract. A Contract is not created until the Offer is accepted in writing by the Procurement Officer's signature on the Offer and Acceptance Form. A notice of award or of the intent to award shall not constitute acceptance of the Offer.

6.3 Effective Date: The effective date of this Contract shall be the date that the Procurement Officer signs the Offer and Acceptance Form or other official contract form, unless another date is specifically stated in the Contract.

6.4 A response to this Request for Proposal is an offer to contract with AHCCCS based upon the terms, conditions, scope of work and specifications of the RFP. All of the terms and conditions of the Contract are contained in this Solicitation, Solicitation amendments, and subsequent Contract amendments, if any, signed by the AHCCCS Chief Procurement Officer. Proposals do not become Contracts unless and until they are accepted by the AHCCCS Chief Procurement Officer. The Proposal submitted by the Offeror will become part of the Contract with AHCCCS. A Contract is formed when the AHCCCS Chief Procurement Officer signs the award page and provides written notice of the award(s) to the Successful Offeror(s), and the Offeror accepts any special provisions to the Contract and the final rates awarded. All Offerors will be promptly notified of Contract award.

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

7 Protests

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

SPECIAL INSTRUCTIONS TO OFFERORS

1. Anticipated Procurement Schedule

All dates here are subject to change at any time.

Activity	Date
RFP Release	Friday, November 12, 2021
Pre-Proposal Conference	None scheduled
Offeror Questions Due	Monday, November 22, 2021 by 5PM
Deadline to request access to SFTP server	Tuesday, December 28, 2021 by 5PM
Offeror's Proposals Due	Wednesday, January 5, 2022 by 3PM
Final RFP Award (Subject to change)	April 1, 2022
Services Start Date	April 1, 2022

2. Questions:

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

3. Evaluation Criteria and Selection Process:

In accordance with the A.R.S. 36-2903 et seq., awards shall be made to the responsible Offeror(s) whose proposal is determined in writing to be the most advantageous to the State based upon the evaluation criteria.

Proposals will be evaluated based upon the ability of the Offeror to satisfy the requirements of the RFP in a cost-effective manner. The scored portions of the evaluation are listed in their relative order of importance.

3.1 Method of Approach
3.2 Experience and Expertise
3.3 Proposed Operating Budget

With the exception of price or cost, evaluators will be focused on information expressly provided by the Offeror. No inferences or assumptions will be made by the evaluation team when scoring in order to evaluate information submitted by the Offeror which is not clear, explicit, or thoroughly presented. Use of contingent language such as 'exploring' or 'taking under consideration' will not be given any weight during the scoring evaluation process. A policy, brochure, or reference to a policy or manual does not constitute an adequate response and will not be given any weight during the scoring evaluation process.

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

SPECIAL INSTRUCTIONS TO OFFERORS

4. Submission of Proposal

The Offeror shall submit its proposal to the AHCCCS SFTP server in accordance with Attachment E "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, December 28, 2021 by 5pm AZ time.

5. Contents of Proposal:

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

PART A

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

PART B

- B1 Narrative Proposal Method of Approach (page limited to 30)
- B2 Narrative Proposal Experience and Expertise (page limited to 20)
- B3 Assumptions
- B4 Proposed Operating Budget (see attachment B)
- B5 Additional Information

PART C

- C1 Intent to provide insurance
- C2 Financial Stability
- C3 Separate, signed, legal Analysis for Confidential /Proprietary Determination (if any)
- C4 Attestation of Boycott of Israel (see attachment D)
- C5 Exceptions to any part of solicitation

(A1) Transmittal Letter:

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

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

In addition to the required detailed legal analysis, the Offeror shall summarize in their Submittal Letter the list of distinct portions, including exact page numbers, of their document is requested to be kept confidential. (See C3 Below.)

SPECIAL INSTRUCTIONS TO OFFERORS

(B1, B2 and B3) Narrative Proposal Questionnaire: SEE Attachment A

(B4) Proposed Operating Budget: SEE Attachment B

(B5) Additional Information (OPTIONAL): The Offeror may, at its option, submit any other pertinent information which would substantiate the Offeror has the experience, expertise, and capability to provide the required services. The intent is to allow flexibility to an Offeror who may have a 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.

(C1) 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.

(C2) Financial Stability: The Offeror must be financially stable and shall attach three (3) concurrent years of annual financial statements audited or prepared by a Certified Public Accountant for the Offeror. The financial statements must include the most current year for which the audited or CPA prepared financial statements are available. The statements must include an Income Statement as well as a Balance Sheet showing assets, liabilities, and net worth of the entity. The State reserves the right to request additional documentation from the Offeror and to request reports on financial stability from independent financial rating services. The State reserves the right to reject any Offeror who does not demonstrate financial stability sufficient for the scope of this contract award.

(C3) Request for Confidential/Proprietary Determination:

a) 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.

b) 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.

c) In the event that AHCCCS receives a request for disclosure of the information, AHCCCS will disclose the information in accordance with law. Prior to disclosure, AHCCCS will inform the Offeror of such request and provide the Offeror a period of time to take action it deems appropriate to support non-disclosure. The Offeror shall be responsible for any and all costs associated with the nondisclosure of the information.

d) 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.

e) If any pieces of your proposal are being requested to be kept confidential, and withheld from public viewing, please submit an additional redacted copy of the proposal, clearly listed as REDACTED in the file name. This will ensure that our office is crystal clear on which version of your proposal is acceptable for public viewing.

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. **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.

8. **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.

9. **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.

10. **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:

10.1. 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;
10.2. Whether the Offeror has had a Contract that was terminated by AHCCCS for any reason;
10.3. 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;
10.4. Whether the Offeror is legally qualified to contract with the State and the Offeror's financial, business, personnel, or other resources, including sub-Contractors;
10.4.1. Legally qualified includes if the vendor or if key personnel have been debarred, suspended, or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to being disapproved as a sub-Contractor of any public procurement unit or other governmental body.

10.5. Whether the Offeror promptly supplied all requested information concerning its responsibility;
10.6. 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.
10.6.1. Necessary offer components include attachments, documents, or forms to be submitted with the Offer, an indication of the intent to be bound, reasonable or acceptable approach to perform the Scope of Work, acknowledged Solicitation Amendments, references to include experience verification, adequacy of financial/business/personal or other resources to include a performance bond and stability including subcontractors and any other data specifically requested in the Solicitation;
10.7. 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;
10.8. Whether the Offer limits the rights of the State;
10.9. 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;
10.10. Whether the Offer materially changes the contents set forth in the Solicitation, which includes the Scope of Work, Terms and Conditions, or Instructions;
10.11. Whether the Offeror provides misleading or inaccurate information;
10.12. Whether the Offer fails to meet the minimum mandatory requirements of the RFP;
10.13. Whether the Offer satisfies the requirements of the RFP in a cost-effective manner, as determined by AHCCCS;
10.14. Whether the Offeror's pricing is unrealistic, or unreasonably or unsubstantiatedly high; or
10.15. Any other criteria deemed appropriate by AHCCCS to determine if the Offer is in the best interest of the State.

11. Notwithstanding any other provision of this Solicitation, AHCCCS expressly reserves the right to:
11.1. Waive any immaterial mistake or informality,
11.2. Reject any or all Proposals, or portions thereof, and/or
11.3. Reissue the Request for Proposal.

UNIFORM TERMS AND CONDITIONS

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

2. **Contract Interpretation**

2.1 Arizona Law. The Arizona law applies to this Contract including, A.R.S. § 36-2906 and its implementing rules.

2.2 Implied Contract Terms. Each provision of law and any terms required by law to be in this Contract are a part of this Contract as if fully stated in it.

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

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

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

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

3. **Contract Administration and Operation**

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

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

3.3 Audit. Pursuant to ARS § 35-214, at any time during the term of this Contract and five (5) years thereafter, the Contractor's or any subcontractor's books and records shall be subject to audit by the State and, where applicable, the Federal Government, to the extent that the books and records relate to the performance of the Contract or Subcontract.

3.4 Facilities Inspection and Materials Testing. The Contractor agrees to permit access to its facilities, subcontractor facilities and the Contractor's processes or services, at reasonable times for inspection of the facilities or materials covered under this Contract.

The State shall also have the right to test, at its own cost, the materials to be supplied under this Contract. Neither inspection of the Contractor's facilities nor materials testing shall constitute final

acceptance of the materials or services. If the State determines noncompliance of the materials, the Contractor shall be responsible for the payment of all costs incurred by the State for testing and inspection.

3.5 Notices. Notices to the Contractor required by this Contract shall be made by the State to the person indicated on the Offer and Acceptance form submitted by the Contractor unless otherwise stated in the Contract. Notices to the State required by the Contract shall be made by the Contractor to the Solicitation Contact Person indicated on the Solicitation cover sheet, unless otherwise stated in the Contract. An authorized Procurement Officer and an authorized Contractor representative may change their respective person to whom notice shall be given by written notice to the other and an amendment to the Contract shall not be necessary.

3.6 Advertising, Publishing and Promotion of Contract. The Contractor shall not use, advertise, or promote information for commercial benefit concerning this Contract without the prior written approval of the Procurement Officer.

3.7 Property of the State. Any materials, including reports, computer programs and other deliverables, created under this Contract are the sole property of the State. The Contractor is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. The Contractor shall not use or release these materials without the prior written consent of the State.

3.8 Ownership of Intellectual Property. Any and all intellectual property, including but not limited to copyright, invention, trademark, trade name, service mark, and/or trade secrets created or conceived pursuant to or as a result of this contract and any related subcontract ("Intellectual Property"), shall be work made for hire and the State shall be considered the creator of such Intellectual Property. The agency, department, division, board, or commission of the State of Arizona requesting the issuance of this contract shall own (for and on behalf of the State) the entire right, title, and interest to the Intellectual Property throughout the world. Contractor shall notify the State, within thirty (30) days of the creation of any Intellectual Property by it or its subcontractor(s). Contractor, on behalf of itself and any subcontractor(s), agrees to execute any and all document(s) necessary to assure ownership of the Intellectual Property vests in the State and shall take no affirmative actions that might have the effect of vesting all or part of the Intellectual Property in any entity other than the State. The Intellectual Property shall not be disclosed by Contractor or its subcontractor(s) to any entity not the State without the express written authorization of the agency, department, division, board, or commission of the State of Arizona requesting the issuance of this contract.

3.9 Federal Immigration and Nationality Act. The Contractor shall comply with all Federal, State, and local immigration laws and regulations relating to the immigration status of their employees during the term of the contract. Further, the Contractor shall flow down this requirement to all subcontractors utilized during the term of the contract. The State shall retain the right to perform random audits of Contractor and subcontractor records or to inspect papers of any employee thereof to ensure compliance. Should the State determine that the Contractor and/or any subcontractors be found noncompliant, the State may pursue all remedies allowed by law, including, but not limited to; suspension of work, termination of the contract for default and suspension and/or debarment of the Contractor.

3.10 E-Verify Requirements. In accordance with A.R.S. § 41-4401, Contractor warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with A.R.S. § 23-214, Subsection A.

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. The Contractor and all subcontractors shall pay all Federal, State, and local taxes applicable to its operation and any persons employed by the Contractor. Contractor shall and require all subcontractors to hold the State harmless from any responsibility for taxes, damages, and interest, if applicable, contributions required under Federal, and/or State and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.

4.3.4 IRS W9 Form. In order to receive payment, the Contractor shall have a current I.R.S. W9 Form on file with the State of Arizona, unless not required by law.

4.4 Availability of Funds for the Next State Fiscal Year. Funds may not presently be available for performance under this Contract beyond the current State Fiscal Year. No legal liability on the part of the State for any payment may arise under this Contract beyond the current State Fiscal Year until funds are made available for performance of this Contract.

4.5 Availability of Funds for the current State Fiscal Year. Availability of funds is contingent on award and distribution of funds from the United States Department of the Treasury under 31 CFR, part 35 and subsequent Intergovernmental Service Agreement between AHCCCS and the Governor's Office of the State of Arizona. Should these funds no longer be available 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, 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.

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 licenses and permit requirements.

7.6 Survival of Rights and Obligations after Contract Expiration or Termination.

7.6.1 Contractor's Representations and Warranties. All representations and warranties made by the Contractor under this Contract shall survive the expiration or termination hereof. In addition, the parties hereto acknowledge that pursuant to A.R.S. § 12-510, except as provided in A.R.S. § 12-529, the State is not subject to or barred by any limitations of actions prescribed in A.R.S., Title 12, Chapter 5.

7.6.2 Purchase Orders. The Contractor shall, in accordance with all terms and conditions of the Contract, fully perform and shall be obligated to comply with all purchase orders received by the Contractor prior to the expiration or termination hereof, unless otherwise directed in writing by the Procurement Officer, including, without limitation, all purchase orders received prior to but not fully performed and satisfied at the expiration or termination of this Contract.

8. State's Contractual Remedies

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

8.2 Stop Work Order.

8.2.1 The State may, at any time, by written order to the Contractor, require the Contractor to stop all or any part, of the work called for by this Contract for period(s) of days indicated by the State after the order is delivered to the Contractor. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage.

8.2.2 If a stop work order issued under this clause is canceled or the period of the order or any extension expires, the Contractor shall resume work. The Procurement Officer shall make an

equitable adjustment in the delivery schedule or Contract price, or both, and the Contract shall be amended in writing accordingly.

8.3 Non-exclusive Remedies. The rights and the remedies of the State under this Contract are not exclusive.

8.4 Nonconforming Tender. Materials or services supplied under this Contract shall fully comply with the Contract. The delivery of materials or services or a portion of the materials or services that do not fully comply constitutes a breach of contract. On delivery of nonconforming materials or services, the State may terminate the Contract for default under applicable termination clauses in the Contract, exercise any of its rights and remedies under the Uniform Commercial Code or pursue any other right or remedy available to it.

8.5 Right of Offset. The State shall be entitled to offset against any sums due the Contractor, any expenses or costs incurred by the State, or damages assessed by the State concerning the Contractor's non-conforming performance or failure to perform the Contract, including expenses, costs, and damages described in the Uniform Terms and Conditions.

9. Contract Termination

9.1 Cancellation for Conflict of Interest. Pursuant to A.R.S. § 38-511, the State may cancel this Contract within three (3) years after Contract execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting, or creating the Contract on behalf of the State is or becomes at any time while the Contract or an extension of the Contract is in effect an employee of or a consultant to any other party to this Contract with respect to the subject matter of the Contract. The cancellation shall be effective when the Contractor receives written notice of the cancellation unless the notice specifies a later time. If the Contractor is a political subdivision of the State, it may also cancel this Contract as provided in A.R.S. § 38-511.

9.2 Gratuities. The State may, by written notice, terminate this Contract, in whole or in part, if the State determines that employment or a Gratuity was offered or made by the Contractor or a representative of the Contractor to any officer or employee of the State for the purpose of influencing the outcome of the procurement or securing the Contract, an amendment to the Contract, or favorable treatment concerning the Contract, including the making of any determination or decision about contract performance. The State, in addition to any other rights or remedies, shall be entitled to recover exemplary damages in the amount of three times the value of the Gratuity offered by the Contractor.

9.3 Suspension or Debarment. The State may, by written notice to the Contractor, immediately terminate this Contract if the State determines that the Contractor has been debarred, suspended, or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body. Submittal of an offer or execution of a contract shall attest that the Contractor is not currently suspended or debarred. If the Contractor becomes suspended or debarred, the Contractor shall immediately notify the State.

9.4 Termination for Convenience. The State reserves the right to terminate the Contract, in whole or in part at any time when in the best interest of the State, without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination, and minimize all further costs to the State.

The Contractor reserves the right to terminate the Contract, in whole, with 180 days prior written notice to the State. The Contractor shall submit with its request, a transition plan that complies with the transition terms in this Contract.

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.

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 an 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;
   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 disputes arising under A.R.S. § Title 36, Chapter 29 shall be adjudicated in accordance with AHCCCS Rules.

7. **Cooperation with other Contractors:** AHCCCS may award other contracts for additional or related work and the Contractor shall fully cooperate with such other Contractors and AHCCCS employees or designated agents, and carefully fit its own work to such other Contractors' work. The Contractor shall not commit or permit any act which will interfere with the performance of work by any other Contractor or by AHCCCS employees. AHCCCS shall equitably enforce this section to all Contractors to prevent the imposition of unreasonable burdens on any Contractor.

8. **Confidentiality of Records and Disclosure of Confidential Information:**

8.1 The Contractor shall not, without prior written approval from AHCCCS, either during or after the performance of the services required by this contract, use, other than for such performance, or disclose to any person other than AHCCCS personnel with a need to know, any information, data, material, or exhibits created, developed, produced, or otherwise obtained during the course of the work required by this contract. This nondisclosure requirement shall also pertain to any information contained in reports, documents, or other records furnished to the Contractor by AHCCCS.

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

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

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

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

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

10.1 The RFP consists of the following, in order of Precedence:
- 10.1.1 Special Terms and Conditions;
- 10.1.2 Uniform Terms and Conditions;
- 10.1.3 Statement or Scope of Work;
- 10.1.4 Attachments;
- 10.1.5 Exhibits;
- 10.1.6 Documents referenced or included in the Solicitation.
- 10.1.7 AHCCCS policies and procedures incorporated by reference.

10.2 The awarded Contract between AHCCCS and the Contractor consist of the following in order of Precedence:
- 10.2.1 All Contract Amendments issued after award in descending order,
- 10.2.2 The Request for Proposal (RFP) as described above; and
- 10.2.3 The proposal submitted by the Contractor in response to the RFP including any Best and Final Offers.

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

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

11. **Administrative Changes**

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

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

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

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

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

16. **No Guaranteed Quantities:** AHCCCS does not guarantee the Contractor any minimum or maximum quantity of services or goods to be provided under this contract.

SPECIAL TERMS AND CONDITIONS

17. **Non-exclusive Contract**: Any contract resulting from this solicitation shall be awarded with the understanding and agreement that it is for the sole convenience of AHCCCS. The State reserves the right to obtain like goods or services from another source when necessary.

18. **Ownership of Information and Data:**

    18.1 Any data or information system, including all software, documentation, and manuals, developed by the Contractor pursuant to this contract, shall be deemed to be owned by AHCCCS. The Federal government reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, or otherwise use and to authorize others to use for Federal government purposes, such data or information system, software, documentation, and manuals. Proprietary software which is provided at established catalog or market prices and sold or leased to the general public shall not be subject to the ownership or licensing provisions of this section.

    18.2 Data, information, and reports collected or prepared by the 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 the Contractor for any independent project of the Contractor or publicized by the 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, the Contractor shall make available all such data to the Procurement officer within thirty (30) days following termination of the contract or such longer period as approved by the Procurement officer. For purposes of this subsection, the term "data" shall not include Member medical records.

    18.3 Except as otherwise provided in this section, if any copyrightable or patentable material is developed by the 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. The Contractor shall additionally be subject to the applicable provisions of 45 CFR Part 74 and 45 CFR Parts 6 and 8.

19. **Records:**

    19.1 In addition to the requirements set forth in this contract under the Uniform Terms and Conditions, all books and records shall be maintained to the extent and in such detail as required by AHCCCS Rules and Policies. The AHCCCS records management guidelines are located at: http://www.azahcccs.gov. Records shall include, but not be limited to, financial statements, case files (both hard copy and stored data), and other records specified by AHCCCS.

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

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

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

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

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

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

21. **Term of Contract and Option to Renew:**

21.1 The initial term of this contract shall be for an initial term of 3.5 years (estimated to be April 1, 2022 through September 30, 2025 which includes an 18 month start up period followed by a 24 month ongoing operational period). There is an optional eighteen (18) month extension period from October 1, 2025 through March 31, 2027 for maximum term of five (5) years. The terms and conditions of any such contract extension shall remain the same as the original contract, as amended. All contract extensions shall be through contract amendment and shall be at the sole option of AHCCCS.

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

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

INSURANCE REQUIREMENTS

1. Indemnification Clause

To the fullest extent permitted by law, the 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 the 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 the Contractor from and against any and all claims. It is agreed that the Contractor will be responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the State of Arizona, its officers, officials, agents, and employees for losses arising from the work performed by the Contractor for the State of Arizona.

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

2. Insurance Requirements

2.1 Contractor and subcontractors shall procure and maintain, until all of their obligations have been discharged, including any warranty periods under this Contract, insurance against claims for injury to persons or damage to property arising from, or in connection with, the performance of the work hereunder by the Contractor, its agents, representatives, employees, or subcontractors.

2.2 The Insurance Requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that arise out of the performance of the work under this Contract by the Contractor, its agents, representatives, employees or subcontractors, and the Contractor is free to purchase additional insurance.

2.3 **Minimum Scope and Limits of Insurance**

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

2.3.1 Commercial General Liability (CGL) – Occurrence Form

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

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

- Each Occurrence $1,000,000

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

2.3.2 Business Automobile Liability

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

- Combined Single Limit (CSL) $1,000,000

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

2.3.3 Workers' Compensation and Employers' Liability

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

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

b. This requirement shall not apply to each Contractor or subcontractor that is exempt under A.R.S. § 23-901, and when such Contractor or subcontractor executes the appropriate waiver form (Sole Proprietor or Independent Contractor).

2.3.4 Professional Liability (Errors and Omissions Liability)

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

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

2.4 **Additional Insurance Requirements**

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

2.4.1 The Contractor's policies, as applicable, shall stipulate that the insurance afforded the Contractor shall be primary and that any insurance carried by the Department, its agents, officials, employees, or the State of Arizona shall be excess and not contributory insurance, as provided by A.R.S. § 41-621 (E).

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

2.5 **Notice of Cancellation**

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

2.6 **Acceptability of Insurers**

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

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

2.7 **Verification of Coverage**

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

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

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

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

2.8 **Subcontractors**

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

2.9 **Approval and Modifications**

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

2.10 **Exceptions**

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

END OF SOLICITATION