

REQUEST FOR PROPOSALS

RFP NUMBER: 0A1173
DATE ISSUED: September 27, 2016

The State of Ohio, through the Department of Administrative Services for the Human Resources Division is requesting proposals for:

Integrated Decision Support System Project

INQUIRY PERIOD BEGINS: September 27, 2016
INQUIRY PERIOD ENDS: October 31, 2016
OPENING DATE: November 7, 2016
OPENING TIME: 1:00 P.M.
OPENING LOCATION: Department of Administrative Services
I.T. Procurement Services
Bid Room
4200 Surface Road
Columbus, Ohio 43228

This RFP consists of five parts and eleven (11) attachments, totaling 72 consecutively numbered pages. Two supplements also are attached to this RFP with a beginning header page and an ending trailer page. Please verify that you have a complete copy.

PART ONE: EXECUTIVE SUMMARY

Purpose. This is a Request for Competitive Sealed Proposals (“RFP”) under Sections 125.071 and 125.18 of the Ohio Revised Code (the “Revised Code”) and Section 123:5-1-8 of the Ohio Administrative Code (the “Administrative Code”). The Human Resources Division has asked the Department of Administrative Services to solicit competitive sealed proposals (“Proposals”) for an Integrated Decision Support System (the “Work”), and this RFP is the result of that request.

If a suitable offer is made in response to this RFP, the State of Ohio (the “State”), through the Department of Administrative Services, may enter into a contract (the “Contract”) to have the selected offeror (the “Contractor”) perform all or part of the Work. This RFP provides details on what is required to submit a Proposal for the Work, how the State will evaluate the Proposals, and what will be required of the Contractor in performing the Work.

This RFP also gives the estimated dates for the various events in the submission process, selection process, and performance of the Work. While these dates are subject to change, prospective offerors must be prepared to meet them as they currently stand.

Once awarded, the term of the Contract will be from the award date until the Work is completed to the satisfaction of the State and the Contractor is paid or June 30,2017, whichever is sooner. The State may renew this Contract for up to six additional one-year term(s), subject to and contingent on the discretionary decision of the Ohio General Assembly to appropriate funds for this Contract in each new biennium. Any such renewal of all or part of the Contract also is subject to the satisfactory performance of the Contractor and the needs of the Human Resources Division.

The State may reject any Proposal if the offeror fails to meet a deadline in the submission or evaluation phases of the selection process or objects to the dates for performance of the Work or the terms and conditions in this RFP.

Background. Employees of the State of Ohio are a geographically diverse workforce of over 52,000 located in approximately 230 work locations throughout Ohio. Each work location has an individual(s) whose primary or secondary task is administration of health care benefits for agency personnel.

Currently, the State provides health benefits to approximately 44,700 employees and their families, or approximately 115,000 individuals. All covered members have the State’s self-funded Ohio Med PPO Plan, which is administered by three (3) third party administrators: Medical Mutual of Ohio (MMO), Aetna and Anthem.

Mental Health and Substance Abuse services are carved out of the PPO plan and provided by Optum (United Behavioral Health). Pharmacy benefits are carved out and provided by OptumRx (Formerly Catamaran). American Healthways is the Population Health Management contractor. All these contractors send monthly or quarterly files to the State’s current data integration contractor, Truven Health Analytics.

Objectives. The State has the following objectives that it wants the Work to fulfill, and it will be the Contractor’s obligation to ensure that the Work meets these objectives:

- Implementation of a system that converts and standardizes claims, providers, facilities and wellness data and integrates it with State employer enrollment and eligibility information;
- Implementation of a system that is hosted in its entirety by the selected Contractor in a manner that does not require the Department of Administrative Services to support the:
 - Database operations,
 - Network infrastructure, and
 - Decision Support software.
- Provide access via a Web-enabled application through common Web browser technologies;

- Provide data integrity, a secure environment and access to State employee medical benefits information per State identified guidelines and policies (Meet or exceed all Federal, State regulations pertaining to the secure handling of personal medical information);
- Transparently integrate with healthcare information data sources in a manner that is seamless to the end user;
- Implement a system that provides easy access for Online Analytical Processing and data mining of personal medical information, to facilitate trend analysis and business intelligence;
- Implement a system that combines the use of standard and ad hoc reporting; and
- Provide graphical rendering of data (e.g., graphs, charts) to aid in decision support.

Overview of the Work's Scope. The scope of the Work is provided in Supplement One of this RFP.

The primary goal of Benefits Administration Services is to continue its decision support environment with a Commercial Off-The-Shelf software solution and services designed to create quality measurements; surveillance and utilization statistics; and provider and consumer profile reports.

The Integrated Decision Support RFP is being issued on behalf of Benefits Administration Services to select a qualified offeror who can provide a Contractor-hosted decision support system for healthcare, prescription drug, disease management, lifestyle coaching and behavioral health data integration for State employees, with the option to potentially add three (3) additional claim feeds in the future. The State requires that offerors describe their proposed solution, ability, experience, and proven effectiveness in providing these services. Offerors' Proposals will be used to assess the availability of the required services and the relative capabilities of the offerors and their proposed solutions.

The Contractor must provide a solution where the services and required functionality are delivered in such a manner that the State has no responsibility for the administration of the database environment, the decision support software environment, the technical infrastructure and associated processes and procedures. The database and solution functionality proposed must be accessible through the web, must be HIPPA-compliant, and must be secure.

The Contractor must provide the following products and services to the State through the life of the Contract:

1. Project Management;
2. Hosted Integrated Decision Support solution, including the required hardware and software tools to meet the functional, technical and security requirements identified in this RFP and supplements;
3. Provide State staff with web-enabled access to application solution functionality and analytical analysis and reporting tools;
4. Provide requirements affirmation, design and customization services as proposed to meet the Integrated Decision Support solution requirements identified in this RFP and supplement;
5. Provide conversion, import and validation services for existing Benefits Administrative Services health care and benefit data into the proposed solution;
6. Interact, communicate and manage relationships with State providers to acquire and cleanse health care and benefit data for import into the proposed database solution;
7. Provide database administration services, structure, data quality analysis and data decision tools;
8. Provide analytical reporting and analysis functionality through a suite of standard reports, ad hoc reporting or other proposed software tools;
9. User training and documentation;
10. Provide a Solution that is compliant with federal and State laws regarding data confidentiality;
11. Provide any and all extracts of the database, including all fields, at the direction of the State;

12. Cooperate with the State's consultants and coalitions the State may join, and provide access to data and extracts at the direction of the State;
13. Provide system functionality testing and assistance with user acceptance testing;
14. Provide operational and administrative support for the Integrated Decision Support solution including backup of State data and business continuity;
15. Provide production implementation services for the Integrated Decision Support solution; and
16. Software maintenance, and upgrades, including ongoing technical support and assistance.

Calendar of Events. The schedule for the RFP process and the Work is given below. The State may change this schedule at anytime. If the State changes the schedule before the Proposal due date, it will do so through an announcement on the State Procurement Website's question and answer area for this RFP. The Website announcement will be followed by an amendment to this RFP, also available through the State's Procurement Website. After the Proposal due date and before the award of the Contract, the State will make schedule changes through the RFP amendment process. Additionally, the State will make changes in the Work schedule after the Contract award through the change order provisions in the General Terms and Conditions Attachment to this RFP. It is each prospective offeror's responsibility to check the Website question and answer area for this RFP for current information regarding this RFP and its Calendar of Events through award of the Contract.

Dates:

Firm Dates

RFP Issued:	September 27, 2016
Inquiry Period Begins:	September 27, 2016
Inquiry Period Ends:	October 31, 2016 at 8:00 a.m.
Proposal Due Date:	November 7, 2016 at 1:00 p.m.

Estimated Dates

Award Date:	December 2016
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Estimated Work Dates

Work Begins:	January 2017
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There are references in this RFP to the Proposal due date. Unless it is clearly provided to the contrary in this RFP, any such reference means the date and time (Columbus, Ohio local time) that the Proposals are due and not just the date.

PART TWO: STRUCTURE OF THIS RFP

Organization. This RFP is organized into five parts and has eleven (11) attachments. The parts and attachments are listed below. There also may be one or more supplements to this RFP listed below.

Parts:

- Part 1 Executive Summary
- Part 2 Structure of this RFP
- Part 3 General Instructions
- Part 4 Evaluation of Proposals
- Part 5 Award of the Contract

Attachments:

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| Attachment One | Evaluation Criteria |
| Attachment Two | Special Provisions |
| Attachment Three | Requirements for Proposals |
| Attachment Four | General Terms and Conditions |
| Attachment Five | Sample Contract |
| Attachment Six | Offeror Certification Form |
| Attachment Seven | Offeror Profile Summary |
| Attachment Eight | Personnel Profile Summary |
| Attachment Nine | Cost Summary |
| Attachment Ten | Standard Affirmation and Disclosure Form Executive Order 2011-12K |
| Attachment Eleven | Sample Business Associate Agreement |

Supplements:

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| Supplement One | Integrated Decision Support Requirements |
| Supplement Two | Basic Services and Optional Services |
| Supplement Three | State Architecture and Computing Standards Requirements |

PART THREE: GENERAL INSTRUCTIONS

The following sections provide details on how to get more information about this RFP and how to respond to it. All responses must be complete and in the prescribed format.

Contacts. The following person will represent the State during the RFP process:

Procurement Representative:

Valerie Piccininni
IT Procurement Analyst
Department of Administrative Services
I.T. Procurement Services
4200 Surface Road
Columbus, Ohio 43228

During the performance of the Work, a State representative (the "Work Representative") will represent the Human Resources Division and be the primary contact for the Work. The State will designate the Work Representative in writing after the Contract award.

Inquiries. Offerors may make inquiries regarding this RFP anytime during the inquiry period listed in the Calendar of Events. To make an inquiry, offerors must use the following process:

- Access the State's Procurement Website at <http://procure.ohio.gov/>;
- From the Quick Links menu on the right, select "**Bid Opportunities Search**";
- In the "**Document/Bid Number**" field, enter the RFP number found on the first page of this RFP (the RFP number begins with zero followed by the letter "A");
- Select "**Request for Proposals**" from the Opportunity Type dropdown;
- Click the "Search" button;
- On the Opportunity Search Results page, click on the hyperlinked Bid Number;
- On the Opportunity Details page, click the "Submit Inquiry" button;
- On the document inquiry page, complete the required "Personal Information" section by providing:
 - First and last name of the prospective offeror's representative (the Offeror Representative) who is responsible for the inquiry,
 - Name of the prospective offeror,
 - The Offeror Representative's business phone number, and
 - The Offeror Representative's email address;
- Type the inquiry in the space provided including:
 - A reference to the relevant part of this RFP,
 - The heading for the provision under question, and
 - The page number of the RFP where the provision can be found;
- Enter the Confirmation Number at the bottom of the page
- Click the "Submit" button.

An offeror submitting an inquiry will receive an email acknowledging receipt. The offeror will not receive a personalized response to the question nor notification when the State has answered the question.

Offerors may view inquiries and responses on the State's Procurement Website by using the "Bid Opportunities Search" feature described above and by clicking the "View Q & A" button on the document information page.

The State usually responds to all inquiries within three business days of receipt, excluding weekends and State holidays. But the State will not respond to any inquiries received after 8:00 a.m. on the inquiry end date.

The State does not consider questions asked during the inquiry period through the inquiry process as exceptions to the terms and conditions of this RFP.

Amendments to the RFP. If the State revises this RFP before the Proposals are due, it will announce any amendments on the State Procurement Website.

Offerors may view amendments by using the “Bid Opportunities Search” function of the State’s Procurement Website (described in the Inquiries Section above) and then clicking on the amendment number to display the amendment.

When an amendment to this RFP is necessary, the State may extend the Proposal due date through an announcement on the State Procurement Website. The State may issue amendment announcements any time before 5:00 p.m. on the day before Proposals are due, and it is each prospective offeror’s responsibility to check for announcements and other current information regarding this RFP.

After the Proposal due date, the State will distribute amendments only to those offerors whose Proposals are under active consideration. When the State amends the RFP after the due date for Proposals, the State will permit offerors to withdraw their Proposals within five business days after the amendment is issued. This withdrawal option will allow any offeror to remove its Proposal from active consideration should the offeror feel that the amendment changes the nature of the transaction so much that the offeror’s Proposal is no longer in its interest. Alternatively, the State may allow offerors that have Proposals under active consideration to modify their Proposals in response to the amendment.

If the State allows offerors to modify their Proposals in response to an amendment, the State may limit the nature and scope of the modifications. Unless otherwise provided in the State’s notice, offerors must make any modifications or withdrawals in writing and submit them to the State within five business days after the amendment is issued at the address and in the same manner required for the submission of the original Proposals. If this RFP provides for a negotiation phase, this submission procedure will not apply to changes negotiated during that phase. The State may reject any modification that is broader in scope than the State has authorized in the announcement of the amendment and treat it as a withdrawal of the offeror’s Proposal.

Proposal Submittal. Each offeror must submit a technical section and a cost section as part of its total Proposal before the opening time on the Proposal due date. The offeror must submit the technical section as a separate package from the cost section of its Proposal, and each section must be submitted in its own separate, opaque package. The package with the technical section of the Proposal must be sealed and contain one originally signed technical section and five (5) copies of the technical section, and the package with the cost section also must be sealed and contain one original and five (5) complete copies of the cost section of the Proposal. Further, the offeror must mark the outside of each package with either “0A1173 Integrated Decision Support System RFP – Technical Proposal” or “Integrated Decision Support System RFP – Cost Summary,” as appropriate.

All offerors are subject to the security, privacy and data handling requirements of Supplement 2, regardless of the offeror’s proposed solution.

Included in each sealed package, the offeror also must provide an electronic copy of everything contained within the package on USB Thumb Drive in Microsoft Office, Microsoft Project, or Adobe Acrobat format, as appropriate. If there is a discrepancy between the hard copy and the electronic copy of the Proposal, the hard copy will control, and the State will base its evaluation of the offeror’s Proposal on the hard copy.

Proposals are due no later than 1:00 p.m. on the Proposal due date. Proposals submitted by email, fax, or other electronic means are not acceptable, and the State may reject them. Offerors must submit their Proposals to:

Department of Administrative Services
I.T. Procurement Services
Attn: Bid Room
4200 Surface Road
Columbus, Ohio 43228

The State may reject any Proposals or unsolicited modifications it receives after the deadline. An offeror that mails its Proposal must allow for adequate mailing time to ensure its timely receipt. Offerors also must allow for potential delays due to increased security. The Bid Room accepts packages between the hours of 7:30 A.M. to 5:00 P.M. Monday through Friday, excluding State Holidays. No deliveries will be accepted before or after these hours without prior arrangements. Offerors must allow sufficient time since the State may reject late Proposals regardless of the cause for the delay.

Each offeror must carefully review the requirements of this RFP and the contents of its Proposal. Once opened, Proposals cannot be altered or withdrawn, except as allowed by this RFP.

By submitting a Proposal, the offeror acknowledges it has read this RFP, understands it, and agrees to be bound by its requirements. The State is not responsible for the accuracy of any information regarding this RFP that was gathered through a source other than the inquiry process described in the RFP.

Revised Code Section 9.24 prohibits the State from awarding a contract to any entity against whom the Auditor of State has issued a finding for recovery (a "Finding"), if the Finding is unresolved at the time of the award. This also applies to renewals of contracts. By submitting a Proposal, the offeror warrants it is not subject to an unresolved Finding under Section 9.24 at the time of its submission. Additionally, the offeror warrants it will notify the Department of Administrative Services in writing immediately upon becoming subject to such an unresolved Finding after submitting its Proposal and before the award of a Contract under this RFP. Should the State select the offeror's Proposal for award of a Contract, this warranty of immediate written notice will apply during the term of the Contract, including any renewals or extensions. Further, the State may treat any unresolved Finding against the Contractor that prevents a renewal of the Contract as a breach, in accordance with the provisions of Attachment Four, General Terms and Conditions.

The State may reject any Proposal if the offeror takes exception to the terms and conditions of this RFP, includes unacceptable assumptions or conditions in its Proposal, fails to comply with the procedure for participating in the RFP process, or fails to meet any requirement of this RFP. The State also may reject any Proposal it believes is not in its interest to accept and may decide not to award a contract to any or all of the offerors responding to this RFP.

Offerors may not prepare or modify their Proposals on State premises.

All Proposals and other material offerors submit will become the property of the State and may be returned only at the State's option. Offerors should not include any confidential information in a Proposal or other material submitted as part of the evaluation process. All Proposals will be open to the public after the State has awarded the Contract.

The State will retain all Proposals, or a copy of them, as part of the Contract file for at least three years. After the three-year retention period, the State may return, destroy, or otherwise dispose of the Proposals and any copies of them.

Waiver of Defects. The State may waive any defects in any Proposal or in the submission process followed by an offeror, but the State will only do so if it believes it is in the State's interest and will not cause any material unfairness to other offerors.

Multiple or Alternate Proposals. The State will not accept multiple Proposals from a single offeror or any alternative solutions or options to the requirements of this RFP. Additionally, any offeror that disregards a requirement in this RFP simply by proposing an alternative to it will have submitted a defective Proposal the State may reject. Further, any offeror that submits multiple Proposals may have all its Proposals rejected.

Changes to Proposals. The State will allow modifications or withdrawals of Proposals only if the State receives them before the Proposal due date. No modifications or withdrawals will be permitted after the due date, except as authorized by this RFP.

Proposal Instructions. Each Proposal must be organized in an indexed binder ordered in the same manner as the response items are ordered in the applicable attachments to this RFP. The requirements for a Proposal's contents and formatting are contained in the attachments to this RFP. The State wants clear and concise Proposals, but offerors must answer questions completely and meet all the RFP's requirements.

The State is not liable for any costs an offeror incurs in responding to this RFP or from participating in the evaluation process, regardless of whether the State awards the Contract through this process, decides not to go forward with the Work, cancels this RFP for any reason, or contracts for the Work through some other process or through another RFP.

PART FOUR: EVALUATION OF PROPOSALS

Disclosure of Proposal Contents. The State will seek to open the Proposals in a manner that avoids disclosing their contents. Additionally, the State will seek to keep the contents of all Proposals confidential until the Contract is awarded. But the State will prepare a registry of Proposals that contains the name of each offeror. The public may inspect that registry after the State opens the Proposals.

Rejection of Proposals. The State may reject any Proposal that is not in the required format, does not address all the requirements of this RFP, objects to the terms or conditions of this RFP, or that the State determines is excessive in price or otherwise not in the State's interest to accept. In addition, the State may cancel this RFP, reject all the Proposals, and/or seek to do the Work through a new RFP or other means.

Evaluation of Proposals Generally. The evaluation process may consist of up to six distinct phases:

1. Initial review;
2. Technical evaluation;
3. Evaluation of costs;
4. Requests for more information
5. Determination of responsibility; and
6. Contract negotiations.

The State may decide whether phases four and six are necessary, and the State may rearrange the order in which it proceeds with the phases. The State also may add or remove sub-phases to any phase at any time, if the State believes doing so will improve the evaluation process.

Clarifications and Corrections. During the evaluation process, in the State's sole discretion, it may request clarifications from any offeror under active consideration and may give any offeror the opportunity to correct defects in its Proposal, if the State believes doing so would not result in an unfair advantage for the offeror, and it is in the State's interest. The State may reject any clarification that is non-responsive or broader in scope than what the State requested. If the State does so, or if the offeror fails to respond to the request for clarification, the State then may request a corrected clarification, consider the offeror's Proposal without the clarification, or disqualify the offeror's Proposal.

Corrections and clarifications must be completed off State premises.

Initial Review. The State will review all Proposals for format and completeness. The State normally rejects incomplete or incorrectly formatted Proposals, though it may waive any defects or allow an offeror to submit a correction, if the State believes doing so would not result in an unfair advantage for the offeror and it is in the State's interest. Late proposals will not be opened or considered. After the initial review, the State will forward all timely, complete, and properly formatted Proposals to an evaluation team, which the Procurement Representative will lead.

Technical Evaluation. The State will evaluate each Proposal that it has determined is timely, complete, and properly formatted. The evaluation will be scored according to the requirements identified in this RFP, including the requirements in Attachment One. Other Attachments to this RFP may further refine these

requirements, and the State has a right to break these requirements into components and weight any components of a requirement according to their perceived importance.

The State also may have the Proposals or portions of them reviewed and evaluated by independent third parties or various State personnel with experience that relates to the Work or to a criterion in the evaluation process. Additionally, the State may seek reviews from end users of the Work or the advice or evaluations of various State personnel that have subject matter expertise or an interest in the Work. The State may adopt or reject any recommendations it receives from such reviews and evaluations or give them such weight as the State believes is appropriate.

During the technical evaluation, the State will calculate a point total for each Proposal that it evaluates. At the sole discretion of the State, it may reject any Proposal receiving a significant number of zeros for sections in the technical portions of the evaluation. The State may select those offerors submitting the highest rated Proposals for the next phase. The number of Proposals that advance to the next phase will be within the State's discretion, but regardless of the number of Proposals selected, they always will be the highest rated Proposals from this phase.

At any time during this phase, in the State's sole discretion, it may ask an offeror to correct, revise, or clarify any portions of its Proposal.

The State will document the evaluation results for each Proposal considered.

Requirements. Attachment One provides requirements the State will use to evaluate the Proposals, including any mandatory requirements. If the offeror's Proposal meets all the mandatory requirements, the offeror's Proposal may be included in the next phase of the evaluation, which will consider other requirements described in a table in Attachment One.

In the case of any requirements for a team of people the offeror is proposing, the offeror must submit a team to do the Work that collectively meets all the team requirements. But the experience of multiple candidates may not be combined to meet a single requirement. Further, previous experience of the candidate submitted for a Work Manager position may not be used to meet any other team member requirements. Each candidate proposed for the Work team must meet at least one of the requirements.

This RFP asks for responses and submissions from offerors, most of which represent components of the requirements in Attachment One. While each requirement represents only a part of the total basis for a decision to award the Contract to an offeror, a failure by an offeror to make a required submission or meet a mandatory requirement normally will result in a rejection of that offeror's Proposal. The value assigned above to each requirement is only a value used to determine which Proposal is the most advantageous to the State in relation to the other Proposals that the State received. It is not a basis for determining the importance of meeting that requirement.

If the State does not receive any Proposal that meets all the mandatory requirements, the State may cancel this

RFP. Alternatively, if the State believes it is in its interest, the State may continue to consider the highest-ranking Proposals despite their failure to meet all the mandatory requirements. In doing this, the State may consider one or more of the highest-ranking Proposals. But the State may not consider any lower-ranking Proposals unless all Proposals ranked above it are also considered, except as provided below.

In any case where no Proposal meets all the mandatory requirements, it may be that an upper ranking Proposal contains a failure to meet a mandatory requirement that the State believes is critical to the success of the RFP's objectives. When this is so, the State may reject that Proposal and consider lower ranking Proposals. Before doing so, the State may notify the offeror of the situation and allow the offeror an opportunity to cure its failure to meet that mandatory requirement.

If the offeror cures its failure to meet a mandatory requirement that the State has deemed critical to the success of the RFP's objectives, the State may continue to consider the offeror's Proposal. But if the offeror is unwilling or unable to cure the failure, its Proposal may be rejected. The State then may continue to

consider the other remaining Proposals, including, if the State so chooses, Proposals that ranked lower than the rejected Proposal.

Cost Evaluation. Once the technical merits of the Proposals are considered, the State may consider the costs of one or more of the highest-ranking Proposals. But it is within the State's discretion to wait until after any interviews, presentations, and demonstrations to evaluate costs. Also, before evaluating the technical merits of the Proposals, the State may do an initial review of costs to determine if any Proposals should be rejected because of excessive cost. And the State may reconsider the excessiveness of any Proposal's cost at any time in the evaluation process.

The State may select one or more of the Proposals for further consideration in the next phase of the evaluation process based on the price performance formula contained in Attachment One. The Proposal(s) selected for consideration in the next phase always will be the highest-ranking Proposal(s) based on this analysis. That is, the State may not move a lower-ranking Proposal to the next phase unless all Proposals that rank above it also are moved to the next phase, excluding any Proposals that the State disqualifies because of excessive cost or other irregularities.

If the State finds that it should give one or more of the highest-ranking Proposals further consideration, the State may move the selected Proposals to the next phase. The State alternatively may choose to bypass any or all subsequent phases and make an award based solely on its scoring of the preceding phases, subject only to its review of the highest-ranking offeror's responsibility, as described below.

Requests for More Information. The State may require some offerors to interview, make a presentation about their Proposals, or demonstrate their products or services. If the presentations, demonstrations, or interviews are held as part of the technical evaluation phase, all offerors that have Proposals under evaluation may participate. Alternatively, if the presentations, demonstrations, or interviews are held after the technical evaluation, the State normally will limit them to one or more of the highest ranking offerors. The State normally will limit such presentations, demonstrations, and interviews to areas in which it seeks further information from the highest ranking offeror or offerors. Typically, these discussions provide an offeror with an opportunity to do one or more of the following:

- Clarify its Proposal and ensure a mutual understanding of the Proposal's content;
- Showcase its approach to the Work; and
- Demonstrate the professionalism, qualifications, skills, and work knowledge of its proposed candidates.

The State will schedule the presentations, demonstrations, and interviews at its convenience and discretion. The State will determine the scope and format of any such presentations, demonstrations, and interviews and may record them. Additionally, if the State moves more than one offeror to this phase, the scope and format of these presentations, demonstrations, and interviews may vary from one offeror to the next, depending on the particular issues or concerns the State may have with each offeror's Proposal.

The State normally will not rank interviews, demonstrations, and presentations. Rather, if the State conducts the interviews, demonstrations, or presentations as part of the technical evaluation, the State may use the information it gathers during this process in evaluating the technical merits of the Proposals. If the State holds the demonstrations, presentations, or interviews only for one or more of the top-ranking offerors after the evaluation phase, the State may decide to revise its existing Proposal evaluations based on the results of this process.

Determination of Responsibility. The State may review the background of one or more of the highest-ranking offerors and its or their key team members and subcontractors to ensure their responsibility. For purposes of this RFP, a key team member is a person that an offeror identifies by name in its Proposal as a member of its proposed team. The State will not award the Contract to an offeror that it determines is not responsible or that has proposed candidates or subcontractors to do the Work that are not responsible. The State's determination of an offeror's responsibility may include the following factors: experience of the offeror and its key team members and subcontractors, its and their past conduct on previous contracts, past performance on previous contracts, ability to execute this Contract properly, and management skill. The State may make this determination of responsibility based on the offeror's Proposal, reference

evaluations, a review of the offeror's financial ability, and any other information the State requests or determines is relevant.

Some of the factors used in determining an offeror's responsibility, such as reference checks, may also be used in the technical evaluation of Proposals in phase two of the evaluation process. In evaluating those factors in phase two, the weight the State assigns to them, if any, for purposes of the technical evaluation will not preclude the State from rejecting a Proposal based on a determination that an offeror is not responsible. For example, if the offeror's financial ability is adequate, the value, if any, assigned to the offeror's relative financial ability in relation to other offerors in the technical evaluation phase may or may not be significant, depending on the nature of the Work. If the State believes the offeror's financial ability is inadequate, the State may reject the offeror's Proposal despite its other merits.

The State may make a responsibility determination at any time during the evaluation process, but it typically will do so only once it has evaluated the technical merits and costs of the Proposals. The State always will review the responsibility of an offeror selected for an award before making the award, if it has not already done so earlier in the evaluation process. If the State determines that the offeror selected for award is not responsible, the State then may go down the line of remaining offerors, according to rank, and determine responsibility with the next highest-ranking offeror.

Reference Checks. As part of the State's determination of an offeror's responsibility, the State may conduct reference checks to verify and validate the offeror's and its proposed candidates' and subcontractors' past performance. Reference checks that indicate poor or failed performance by the offeror or a proposed candidate or subcontractor may be cause for rejection of the offeror's Proposal. Additionally, the State may reject an offeror's Proposal as non-responsive if the offeror fails to provide requested reference contact information.

The State may consider the quality of an offeror's and its candidates' and subcontractors' references as part of the technical evaluation phase, as well as in the State's determination of the offeror's responsibility. The State also may consider the information it receives from the references in weighing any requirement contained in the technical evaluation phase, if that information is relevant to the requirement. In checking an offeror's or any of its proposed candidates' or subcontractors' references, the State will seek information that relates to the offeror's previous contract performance. This may include performance with other governmental entities, as well as any other information the State deems important for the successful operation and management of the Work and a positive working relationship between the State and the offeror. In doing this, the State may check references other than those provided in the offeror's Proposal. The State also may use information from other sources, such as third-party reporting agencies and independent research.

Financial Ability. Part of the State's determination of an offeror's responsibility may include the offeror's financial ability to perform the Contract. This RFP may expressly require the submission of audited financial statements from all offerors in their Proposals, but if this RFP does not make this an express requirement, the State still may insist that an offeror submit audited financial statements for up to the past three years, if the State is concerned that an offeror may not have the financial ability to carry out the Contract. Also, the State may consider financial information other than the information that this RFP requires as part of the offeror's Proposal, such as credit reports from third-party reporting agencies.

Contract Negotiations. The final phase of the evaluation process may be contract negotiations. It is entirely within the discretion of the State whether to permit negotiations. An offeror must not submit a Proposal assuming that there will be an opportunity to negotiate any aspect of the Proposal, and any Proposal that is contingent on the State negotiating with the offeror may be rejected. The State is free to limit negotiations to particular aspects of any Proposal or the RFP, to limit the offerors with whom the State negotiates, and to dispense with negotiations entirely. If negotiations are held, they will be scheduled at the convenience of the State, and the selected offeror or offerors must negotiate in good faith and without unreasonable delay.

The State may limit negotiations to specific aspects of the RFP or the offeror's Proposal. Should the evaluation result in a top-ranked Proposal, the State may limit negotiations to only that offeror and not hold negotiations with any lower-ranking offeror. If negotiations are unsuccessful with the top-ranked offeror, the State then may go down the line of remaining offerors, according to rank, and negotiate with the next

highest-ranking offeror. Lower ranking offerors do not have a right to participate in negotiations conducted in such a manner.

If the State decides to negotiate simultaneously with more than one offeror, or decides that negotiations with the top-ranked offeror are not satisfactory and therefore negotiates with one or more of the lower-ranking offerors, the State then will determine if an adjustment in the ranking of the offerors with which it held negotiations is appropriate based on the negotiations. The Contract award, if any, then will be based on the final ranking of offerors, as adjusted.

Auction techniques that reveal one offeror's price to another or disclose any other material information derived from competing Proposals are prohibited. Any oral modification of a Proposal will be reduced to writing by the offeror as described below.

Following negotiations, the State may set a date and time for the offeror(s) with which the State conducted negotiations to submit a best and final Proposal. If negotiations were limited and all changes were reduced to signed writings during negotiations, the State need not require a best and final Proposal.

If best and final Proposals are required, they may be submitted only once, unless the State determines that it is in the State's interest to conduct additional negotiations. In such cases, the State may require another submission of best and final Proposals. Otherwise, discussion of or changes in the best and final Proposals will not be allowed. If an offeror does not submit a best and final Proposal, the State will treat that offeror's previous Proposal as its best and final Proposal.

From the opening of the Proposals to the award of the Contract, everyone evaluating Proposals on behalf of the State will seek to limit access to information contained in the Proposals solely to those people with a need to know the information. The State also will seek to keep this information away from other offerors, and the State may not tell one offeror about the contents of another offeror's Proposal in order to gain a negotiating advantage.

Before the award of the Contract or cancellation of the RFP, any offeror that seeks to gain access to the contents of another offeror's Proposal may be disqualified from further consideration.

Negotiated changes will be reduced to writing and become a part of the Contract file, which will be available for public inspection after award of the Contract or cancellation of the RFP, provided the State does not plan to reissue the RFP. If the State plans to reissue the RFP, the Contract file will not be available until the subsequent RFP process is completed. Unless the State agrees otherwise in writing, the offeror must draft and sign the written changes and submit them to the State within five business days. If the State accepts the changes, the State will give the offeror written notice of the State's acceptance, and the negotiated changes to the successful offer will become a part of the Contract.

Failure to Negotiate. If an offeror fails to provide the necessary information for negotiations in a timely manner, or fails to negotiate in good faith, the State may terminate negotiations with that offeror, remove the offeror's Proposal from further consideration, and seek such other remedies as may be available in law or in equity.

PART FIVE: AWARD OF THE CONTRACT

Contract Award. The State plans to award the Contract based on the schedule in the RFP, if the State decides the Work is in its best interest and has not changed the award date.

Included with this RFP, as Attachment Five, is a sample of the Contract for the RFP. The State will issue two originals of the Contract to the Contractor proposed for award. The offeror must sign and return the two originals to the Procurement Representative.

The Contractor must begin work within 15 business days after the State issues a purchase order, or on a mutually agreed start date, under the Contract. If the State awards a Contract pursuant to this RFP, and the Contractor is unable or unwilling to perform the Work, the State may cancel the Contract, effective immediately on notice to the Contractor. The State then may return to the evaluation process under this RFP and resume the process without giving further consideration to the originally selected Proposal. Additionally, the State may seek such other remedies as may be available to the State in law or in equity for the selected Contractor's failure to perform under the Contract.

Contract. If this RFP results in a Contract award, the Contract will consist of:

1. This one page signature page;
2. The attached amended and clarified version of Contractor's " _____ " dated _____ ("Contractor's Response"). Contractor's Response includes Attachment Four: General Terms and Conditions and all other Attachments, Supplements and materials included in Contractor's Response; and
3. The attached Cost Proposal Workbook dated _____.

Change orders and amendments issued after the Contract is signed may expressly change the provisions of the Contract. If so, the change orders and amendments will apply in accordance with their respective terms.

The term of the Contract will be from the award date until the Work is completed to the satisfaction of the State and the Contractor is paid or June 30, 2017, whichever is sooner. The State may renew this Contract for up to six additional one--year term(s), subject to and contingent on the discretionary decision of the Ohio General Assembly to appropriate funds for this Contract in each new biennium, for a possible maximum contract term expiring June 30, 2023. Any such renewal of all or part of the Contract also is subject to the satisfactory performance of the Contractor and the needs of the Department of Administrative Services.

Business Associate Agreement. Prior to Contract award, the offeror must sign the Business Associate Agreement in Attachment Eleven of this RFP. This Health Insurance Portability and Accountability Act of 1996 (hereafter, HIPAA) Business Associate Agreement will be made a part of the Contract.

The Associate performs certain services on behalf of or for the Agency pursuant to the underlying Contract that requires the exchange of information including protected health information protected by the

Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), as amended by the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5) (the "HITECH Act"), any associated regulations and the federal regulations published at 45 CFR parts 160 and 164 (sometimes collectively referred to as "HIPAA"). The Agency's Health Plan is a "Covered Entity" as that term is defined in HIPAA, and the parties to the underlying Contract are entering into this Agreement to establish the responsibilities of both parties regarding HIPAA-covered information and to bring the underlying Contract into compliance with HIPAA.

ATTACHMENT ONE: EVALUATION CRITERIA

Mandatory Requirements. The first table lists this RFP’s mandatory requirements. If the offeror’s Proposal meets all the mandatory requirements, the offeror’s Proposal may be included in the next part of the technical evaluation phase described in the next table.

Mandatory Requirements	Reject	Accept
Offeror must demonstrate at least 60 months of experience in converting and standardizing claims data and integrating it with employer enrollment/eligibility data in order to provide accessible management information.		
The offeror must clearly demonstrate that it currently is providing the proposed software solution or similar solution to at least five (5) employers, and each employer must have more than 25,000 covered employees.		
The offeror must clearly demonstrate that it currently has at least one (1) million covered lives total in its full book of business providing health care decision support services to employer organizations.		

Scored Criteria. In the technical evaluation phase, the State will rate the technical merits of the Proposals based on the following requirements and the weight assigned to each requirement:

Scored Criteria	Weight	Does Not Meet	Meets	Exceeds
Offeror must demonstrate at least 60 months of experience in converting and standardizing claims data and integrating it with employer enrollment/eligibility data in order to provide accessible management information.	5	0	5	7
The offeror must clearly demonstrate that it currently is providing the proposed software solution or similar solution to at least five (5) employers, and each employer must have more than 25,000 covered employees.	5	0	5	7
The offeror must clearly demonstrate that it currently has at least one (1) million covered lives total in its full book of business providing health care decision support services to employer organizations.	5	0	5	7
Project Manager Requirements				
A minimum of 36 months of full-time experience as the Project Manager on projects where the offeror’s proposed software solution was successfully implemented.	3	0	5	7
Work Plan				
Work Plan	5	0	5	7

Scored Criteria	Weight	Does Not Meet	Meets	Exceeds
Integrated Decision Support Requirements				
Project Initiation	2	0	5	7
Requirements Affirmation and Documentation	7	0	5	7
Design and Development	5	0	5	7
Implementation, Conversion, Data Validation and User Acceptance Testing	10	0	5	7
On-going Production Support	10	0	5	7
Hosting	8	0	5	7
Basic and Optional Services				
Database Construction	10	0	5	7
Hardware	4	0	5	7
Hosting/Software	8	0	5	7
Systems Security and Confidentiality	9	0	5	7
Reporting and Analysis	10	0	5	7
Training and Staffing	8	0	5	7
Client Support	6	0	5	7
Business Continuity Plan	6	0	5	7
Other Considerations	6	0	5	7

Price Performance Formula. The evaluation team will rate the Proposals that meet the Mandatory Requirements based on the following criteria and respective weights.

<i>Criteria</i>	<i>Percentage</i>
Technical Proposal	70%
Cost Summary	30%

To ensure the scoring ratio is maintained, the State will use the following formulas to adjust the points awarded to each offeror.

The offeror with the highest point total for the Technical Proposal will receive 700 points. The remaining offerors will receive a percentage of the maximum points available based upon the following formula:

$$\text{Technical Proposal Points} = (\text{Offeror's Technical Proposal Points} / \text{Highest Number of Technical Proposal Points Obtained}) \times 700$$

The offeror with the lowest proposed Not-To-Exceed Fixed Price will receive 300 points. The remaining offerors will receive a percentage of the maximum cost points available based upon the following formula:

$$\text{Cost Summary Points} = (\text{Lowest Not-To-Exceed Fixed Price} / \text{Offeror's Not-To-Exceed Fixed Price}) \times 300$$

Total Points Score: The total points score is calculated using the following formula: Total Points = Technical Proposal Points + Cost Summary Points

ATTACHMENT TWO: SPECIAL PROVISIONS

Submittal of Deliverables. The Contractor must perform the Work in a timely and professional manner that produces Deliverables that fully meet the Contract's requirements. The Contractor must provide the Deliverables no later than the due dates the Contract requires. At the time of delivery of a written Deliverable, the Contractor must submit an original and one copy of each Deliverable, plus an electronic copy. The Contractor must provide the electronic copy in a file format acceptable to the State.

By submitting a Deliverable, the Contractor represents that, it has performed the associated tasks in a manner that meets the Contract's requirements.

The Contractor must provide all Deliverables to the State Authorized Representative, who will review (or delegate review of) the materials or documents within a reasonable time after receipt, as specified in the State-approved, baselined Project Plan.

If the State determines that a Deliverable is not in compliance, the State Authorized Representative will note the reason for non-compliance and send notification to the Contractor Account Manager. At no expense to the State, the Contractor then must bring the Deliverable into conformance and re-submit it to the Project Representative within ten business days.

If the State agrees the Deliverable is compliant, the State Authorized Representative will sign a Deliverable Submittal Form and return a copy to the Contractor. In addition, if the State Authorized Representative or designee determines that the State should make a payment associated with the Deliverable, the State Authorized Representative will indicate that the payment should be made on the Deliverable Submittal Form.

The State form authorizing payment and the payment itself do not indicate that the State has accepted the Deliverables associated with the payment. The State's acceptance of the Deliverables that are part of developing the Project is conditioned on a successful performance test upon completion of the Project or Services (if applicable).

General Systems Implementation Standards. The Contractor through quality assurance procedures will ensure there that are no viruses or malware or undocumented features in its infrastructure and services and that they do not contain any embedded device or code (e.g., time bomb) that is intended to obstruct or prevent any use of or access to them by the State.

Inconsistencies between Contract and Deliverables. If any terms and conditions incorporated in a Deliverable or other work product are inconsistent with or conflicts with the Contract, the Contract shall prevail.

The Contractor's Fee Structure. The Contract award(s) will be for a Not-To-Exceed Fixed Price as agreed in the offerors Cost Summary Microsoft Excel® Workbook(s).

Reimbursable Expenses. None.

Bill to Address.

Ohio Department of Administrative Services
Human Resources Division
Attn: Data Administration Manager
30 E. Broad Street, 27th Floor
Columbus, Ohio 43215

Location of Data. The Contractor must perform all work on the Project and keep all State data within the United States, and the State may reject any Proposal that proposes to do any work or make State data available outside the United States. The State also may reject any Proposal for which the Contractor has not submitted the affirmation and disclosure form EXECUTIVE ORDER 2011-12K representing that it will ensure that all work on the Project will be done within the United States and that all State data will remain in the United States. Additionally, the Contractor must provide written notification for approval if at any time the location of work or data changes.

Work Hours and Conditions. The Contractor must work with the State Project staff and other Contractor's who may be involved with the Benefits Administration Services Integrated Decision Support Project. Normal working hours are 8:00 a.m. to 5:00 p.m. with a one (1) hour lunch period. The Contractor must ensure that appropriate Contractor resources are available to interact with State Project staff and perform the Work identified in this RFP.

GENERAL INTERFACE FILE AND TRANSFER REQUIREMENTS

Technical Standards

The State of Ohio interface architecture provides a framework to enable data interchange between the State of Ohio and agencies/vendors. The following are key standards:

- Data Set / File – Data is exchanged in files using a fixed width, text-based 8-bit ASCII flat file format that is human-readable using everyday text editors such as vi and Notepad. The files will be processed on both Windows and Unix servers. End-of-line characters may be either a newline (\n - UNIX)(10 or 0x0a) or a carriage return / line feed combination (CRLF – Windows)(13/10 or 0x0d/0x0a).
- Communication Protocol – Communication Protocol. The State of Ohio accepts connections using SSL-encrypted File Transfer Protocol (FTP): FTPS, and SFTP (both forms of encrypted FTP). The State of Ohio does not accept FTP (unencrypted FTP).

Security Standards

The State of Ohio uses the following security approaches to minimize security risks to data exchange:

- IP Filtering – The State of Ohio uses the IP addresses that vendors supply to permit network access to its FTPS server. All other IP addresses will be blocked. Vendors will be required to provide a fixed IP address from which they will transfer files.
- 128-bit SSL encryption – 128-bit encryption secures the transmission channel between the vendor and the State of Ohio for the duration of the session. Vendors use a 128-bit SSL FTPS-capable client to connect to the State of Ohio server. A partial list of compatible FTPS clients is:
 - o CuteFTP
 - o WSFTP
 - o Core FTP Pro
 - o SecureFTP
 - o TumbleWeed
 - o FileZilla
- User ID & Password – Each vendor is assigned a user ID and password on the State of Ohio's FTPS server. Anonymous “sign on” or “login” is not supported.

FILE EXCHANGE APPROACH – Vendor Connects to the State of Ohio

The sequence of events for exchanging files with the State of Ohio is:

1. The vendor sub-system (or person, if the vendor transfers files manually) connects to the State of Ohio VPN.
2. The sub-system connects to the State of Ohio FTPS service.
3. The interface will be inbound to the State of Ohio – the sub-system uploads the file(s) prior to the interface's cutoff time. There may be more than one file to exchange, and there may be multiple scheduled times within a day that the vendor sends files. The FTPS server moves the file(s) from the vendor's directory to the secure file server on the State of Ohio network. The file no longer appears in the vendor's directory.
4. The subsystem closes its FTPS connection, and optionally, its VPN connection.

Transfer of System.

Implementation. On notice from the State, the Contractor must cooperate fully with the State and any of its contractors and provide all assistance and information reasonably necessary to smoothly and efficiently transfer the State's data to its own, internal system or to an external third party system, including transferring all data input into the system by the State or others, such as the State's insurance and medical care providers and all data generated by the system based on such input, and any file structure, schema, or similar information reasonably necessary to transfer the State's data to another system and make use of that data in a seamless process. This also may include providing an interface or working with others to develop and implement an interface for such a transfer, as well as running the system in parallel with the other system during a transition.

Termination. Upon notification of termination of this Contract, the Contractor must cooperate fully with the State and any of its contractors and provide all assistance and information reasonably necessary to smoothly and efficiently transfer the State's data to the new Contractor or to the State. This may include providing an interface or working with others to develop and implement an interface for such a transfer, as well as running the system in parallel with the other system during a transition.

Run Out Processing. Within 2 months after the termination date, the Contractor must process all provider files for the last quarter prior to the termination date at no additional cost to the State.

ATTACHMENT THREE: REQUIREMENTS FOR PROPOSALS

Proposal Format. These instructions describe the required format for a responsive Proposal. The offeror may include any additional information it believes is relevant. The offeror's proposal submission must be submitted using the Microsoft Word® version of the RFP to provide an **in-line response** to the RFP. An identifiable tab sheet must precede each section of the Proposal, and each Proposal must follow the format outlined below. All pages, except pre-printed technical inserts, must be sequentially numbered. Any material deviation from the format outlined below may result in a rejection of the non-conforming Proposal.

Offeror responses should use a consistent contrasting color (blue is suggested to contrast with the black text of this document) to provide their response to each requirement so that the offeror response is readily distinguishable to the State. Below is an example of the required format for responding to the RFP requirements. To aid offerors in the creation of the most favorable depiction of their responses, alternative formats are acceptable that use typefaces, **styles** or **shaded backgrounds**, so long as the use of these formats is consistent throughout the offerors response and readily distinguishable from the baseline RFP. Alterations to the State provided baseline RFP language is strictly prohibited. The State will electronically compare offeror responses to the baseline RFP and deviations or alterations to the State's RFP requirements may result in a rejection of the offeror's Proposal.

To ensure that each Proposal addresses the required sections of the RFP, offerors must address each RFP requirement by section and sub-section heading and provide the offeror's proposed solution or response to the requirement by section and subsection **in-line** using the provided Microsoft Word version of this RFP.

Illustrative Example: Customers Served in the Widget Space:

Instructions: *The offeror is to describe the customers (i.e., companies, agencies, entities, etc.) served in the Widget domain and the nature of the services provided, as well as the duration of the service.*

Offeror Response: *The Acme Corporation has been in business for over 20 years, Acme is a leading supplier of Widget and Widget based services with clients in a variety of sectors including public (23 states) and private (125 of the Fortune 400).*

Additionally, offerors must include the entire content of Attachment Four as a single section in their proposal. **Offerors must include a statement at the beginning of the section** indicating that the offeror has read, understands and agrees to the General Terms and conditions contained in Attachment Four.

Each Proposal must include a response to every request for information in this attachment and Supplements 1 and 2. When a detailed response is required, simply repeating the RFP's requirement and agreeing to comply may be an unacceptable response and may cause the Proposal to be rejected.

Offerors are required to page limit their responses to each Supplement to be no longer than three times the State provided page count in Supplements 1 and 2. As offeror responses are to respond in an inline format, and by way of example, if Supplement 1 is approximately 40 pages, the offeror's inline response, inclusive of State requirements shall not exceed 120 pages in total. Offerors should choose a similarly sized typeface (generally 10 point for text and 8 point for tables) as are included in the State's requirements and not utilize smaller than 8 point fonts to work under this page limit restriction.

Offerors are advised to limit offeror marketing statements and positioning to the area(s) of the Proposal applicable to those statement(s) and not include duplicative or otherwise repetitive statements throughout its response. This page limit shall not apply to: State mandatory forms, representations and affirmations, response form(s) and other structured forms required under this RFP.

Each Proposal must contain the following:

Supplier Information Form (OBM-5657)
Subcontractor Letters
Offeror Certification Form

Profile Summary Forms
Time Commitment
Assumptions
Work Plan
Proposed Solution-Supplement One
Basic Services and Optional Services – Supplement Two
Support Requirements
Proof of Insurance
Payment Address
Legal Notice Address
W-9 Form
Independent Contractor Acknowledgement Form
Standard Affirmation and Disclosure Form (EO 2011-12K)
Affirmative Action
Attachment 4: General Terms and Conditions Acceptance
Cost Summary (must be separately sealed)

Supplier Information Form. The offeror must submit a signed and completed Vendor Information Form (OBM5657). The form is available at: <http://ohiosharedservices.ohio.gov/Suppliers.aspx>.

Subcontractor Letters. For each proposed subcontractor, the offeror must attach a letter from the subcontractor, signed by someone authorized to legally bind the subcontractor, with the following included in the letter:

1. The subcontractor's legal status, federal tax identification number, D-U-N-S number, and principal place of business address;
2. The name, phone number, fax number, email address, and mailing address of a person who is authorized to legally bind the subcontractor to contractual obligations;
3. A description of the work the subcontractor will do;
4. A commitment to do the work if the offeror is selected; and
5. A statement that the subcontractor has read and understood the RFP and will comply with the requirements of the RFP.

Offeror Certifications. The offeror must complete Attachment 6, Offeror Certification Form.

Offeror Profile Summary Form. This RFP includes an Offeror Profile Summary Form as an attachment. The offeror must use this form and fill it out completely to provide the required information.

The Offeror Profile Summary Form contained in this document has been customized for the applicable offeror requirements. (Refer to Attachment Seven.) Each page of the form may contain minor variations. If an offeror elects to duplicate the form electronically, the offeror must carefully review each page of the form to ensure that it has been copied accurately. Failure to duplicate the form exactly may lead to the rejection of the offeror's Proposal.

Each offeror must meet all the mandatory requirements in the RFP. If an offeror does not meet all the mandatory requirements, the State may reject the offeror's Proposal as non-responsive.

The various sections of the Offeror Profile Summary Forms are described below:

Mandatory Experience and Qualifications. The offeror must complete this section to demonstrate that it has the experience needed to meet the RFP's mandatory requirements. (Refer to Attachment Seven.) For each reference, the offeror must provide the following information:

Contact Information. The offeror must provide a client contact name, title, phone number, email address, company name, and mailing address. The offeror also must include the same information for an alternate client contact, in case the State cannot reach the primary contact. Failure to provide this information or providing information that is inaccurate or out of date may result in the State not including the reference in the evaluation process or rejecting the offeror's Proposal. The contact information given must be for a person within the client's organization

and not a co-worker or a contact within the offeror's organization, subsidiaries, partnerships, etc.

Work Name. The offeror must provide the name or title for the work, such as a project name, from which it obtained the mandatory experience.

Dates of Experience. The offeror must complete this area with a beginning month and year and an ending month and year to show the length of time the offeror performed the work, not just the length of time the offeror was engaged by the reference.

Description of the Related Service Provided. The State will not assume that, since the experience requirement is provided at the top of the page, all descriptions on that page relate to that requirement. The offeror must reiterate the experience being described, including the capacity in which the work was performed and the role of the offeror on the Work. It is the offeror's responsibility to customize the description to clearly substantiate the qualification.

Description of how the related service shows the offeror's experience, capability, and capacity to develop the Deliverables and do the Work.

The offeror must list each work experience separately and completely every time it is referenced, regardless of whether it is on the same or different pages of the form.

Required Experience and Qualifications. The offeror must complete this section to demonstrate that it meets the requirements for experience. For each reference, the offeror must provide the information in the same manner as described under Mandatory Experience and Qualifications above.

THE OFFEROR MAY NOT USE THE EXPERIENCE OR QUALIFICATIONS OF A SUBCONTRACTOR TO MEET ANY OF THE ABOVE MANDATORY QUALIFICATIONS OR EXPERIENCE. THESE MUST BE FULFILLED EXCLUSIVELY THROUGH THE QUALIFICATIONS AND EXPERIENCE OF THE OFFEROR. If the offeror seeks to meet any of the other qualifications and experience through a subcontractor, the offeror must identify the subcontractor by name in the appropriate part of the Offeror Profile Summary Form, in Attachment Seven to this RFP, for each reference.

Personnel Profile Summaries . Each Proposal must include a profile for each key member of the proposed work team. This RFP includes Personnel Profile Summary Forms as Attachment Eight, and the offeror must use these forms and fill them out completely for each reference.

The Personnel Profile Summary Forms contained in this RFP have been customized for the applicable candidate requirements. Each page of the forms may contain minor variations. If an offeror elects to duplicate the forms electronically, the offeror must carefully review each form to ensure that it has been copied accurately. Failure to duplicate the forms exactly may lead to the rejection of the offeror's Proposal.

The offeror must propose a Work team that collectively meets all the requirements in this RFP, as demonstrated through the Personnel Profile Summary Forms. Additionally, each team member may have mandatory requirements listed in this RFP that the team member must individually meet. The offeror must name all candidates proposed, and each must meet the technical experience for the candidate's position.

The State will not consider a candidate's overlapping months of experience toward meeting the experience requirements in this RFP. Therefore, for each requirement for a key position, the Personnel Profile Summary Forms for the candidate must demonstrate that the candidate meets the requirement through a work experience that does not overlap in time with any other work experience used to meet the same requirement for the position.

The offeror must demonstrate that all candidate requirements have been met by using the Personnel Profile Summary Forms. The various sections of the forms are described below:

- a) Candidate References. If the offeror provides less than three work experiences, the offeror must explain why. The State may reject the Proposal if less than three work experiences are given for a candidate.
- b) Education and Training. The offeror must use this section to list the education and training of the proposed candidate and demonstrate, in detail, the proposed candidate's ability to properly perform under the Contract. The offeror must show how the candidate's education and training relates to the requirements of the RFP.
- c) Mandatory Experience and Qualifications.

The offeror must complete this section to show how a candidate meets the mandatory experience requirements, if any are applicable to that candidate. If any candidate does not meet the mandatory requirements for the position the candidate is proposed to fill, the offeror's Proposal may be rejected as non-responsive.

- d) Required Experience and Qualifications. The offeror must complete this section to show how its candidate meets the experience requirements. (Refer to Attachment Eight.)

For each reference, the offeror must provide the following information:

Candidate's Name.

Contact Information. The offeror must provide a client contact name, title, phone number, email address, company name, and mailing address. The offeror also must include the same information for an alternate client contact, in case the State cannot reach the primary contact. Failure to provide this information or providing information that is inaccurate or out of date may result in the State not including the reference in the evaluation process or rejecting the offeror's Proposal. The contact information given must be for a person within the client's organization and not a co-worker or a contact within the offeror's organization, subsidiaries, partnerships, etc.

Dates of Experience. The offeror must complete this section with a beginning month and year and an ending month and year to show the length of time the candidate performed the

technical experience being described, not just the length of time the candidate worked for the company.

Description of the Related Service Provided. The State does not assume that, since the technical requirement is provided at the top of the page, all descriptions on that page relate to that requirement. Offerors must reiterate the technical experience being described, including the capacity in which the experience was performed and the role of the candidate in the work as it relates to the Work covered by this RFP. It is the Offeror's responsibility to customize the description to clearly substantiate the candidate's qualification.

The candidate's work experience must be listed separately and completely every time it is referenced, regardless of whether it is on the same or different pages of the form.

Time Commitment. The offeror must submit a statement and a chart that clearly indicate the time commitment of the proposed Work Manager and the offeror's proposed team members for the Work. The offeror also must include a statement indicating to what extent, if any, the Work Manager may work on other tasks or assignments unrelated to the Work during the term of the Contract. The State may reject any Proposal that commits the proposed Work Manager or any proposed personnel to other assignments during the term of the Work, if the State believes that any such commitment may be detrimental to the offeror's performance.

Assumptions. The offeror must list all the assumptions the offeror made in preparing the Proposal. Specify relevant assumptions used in determining the fees for service. If any assumption is unacceptable to the State, the State may reject the Proposal. No assumptions may be included regarding negotiation, terms and conditions, or requirements.

Work Plan. The State encourages responses that demonstrate a thorough understanding of the nature of the Work and what the Contractor must do to get the Work done properly. To this end, the offeror must submit a Work Plan that the offeror will use to create a consistent and coherent management plan for the Work. The Work Plan must include detail sufficient to give the State an understanding of how the offeror's knowledge and approach will:

- Manage the Work;
 - Guide Work execution;
 - Document planning assumptions and decisions;
 - Issue / Resolution methodology;
 - Facilitate communication among stakeholders; and
 - Define key management review as to content, scope, and schedule.
- Overall Project Management; including
- Project Initiation, Kickoff Meeting and conducting Project Status Meetings;
 - Communication Plan;
- The Communication Plan at a minimum must include:
- A description of the project communication methods between Project team members, the Department of Administrative Services and Benefits Administration Services stakeholders and the Contractor's organization,
 - Include weekly status meetings and meeting schedule, and

- Include status report template;
- Change Control Process methodology, the change control methodology at a minimum must include:
 - An electronic method to track scope change requests;
 - A description of the processes to evaluate the change requests, and
 - A description of the methods and procedures utilized to update the Project if there is a change in scope; and
 - Document Control methodology (format, creation, revision and acceptance of solution documentation). The offeror must provide a Project Document Control methodology that provides a document format with templates and the methods and practices that will be utilized for the development, revision, review and acceptance of all Project related documentation.

Proposed Solution (Supplement One). The offeror should provide a detailed narrative on how its proposed approach to the Work meets the requirements described in this RFP. The offeror may not simply state that the proposed services will meet or exceed the specified requirements. Instead, the offeror must provide a written narrative that shows that the offeror understands the functionality and the technical requirements of this RFP and how the offeror's proposed services meets those requirements.

The description of the offeror's proposed project management methodology, which will be implemented to provide for the overall management of the Project to meet identified timelines and milestones, must describe the offeror's proposed methodology for:

Project initiation;
 Requirements Affirmation;
 Design and Development;
 Implementation, Conversion, Data Validation and User Acceptance Testing;
 Operation Support;
 On-Going Production Support; and
 Hosting.

The offeror's Integrated Decision Support proposed services and project management methodology must describe the activities and tasks required to complete and deliver the solution and work identified in this RFP and Supplements.

Basic Services and Optional Services (Supplement Two). In addition to the offeror's proposed solution overview, the offeror must provide responses to the requirements identified in Supplement Two of this RFP. The Basic and Optional Services for this Project are categorized as follows:

Basic Services

- Database Construction;
- Hardware;
- Hosting/Software;
- Systems Security and Confidentiality;
- Reporting and Analysis;
- Training and Staffing;
- Client Support; and
- Other Considerations;

Optional Services

Consulting Services;

Financial Reporting;

Auditing; and

Other Optional Services.

Offerors must provide their responses to the Integrated Decision Support Requirements in the format described in the Supplement and provided as a **tabbed sub-section “Integrated Decision Requirements Response.”**

Support Requirements. The offeror must describe the support it wants from the State other than what the State has offered in this RFP. Specifically, the offeror must address the following:

Nature and extent of State support required in terms of staff roles, percentage of time available, and so on;
Assistance from State staff and the experience and qualification levels required; and
Other support requirements.

The State may not be able or willing to provide the additional support the offeror lists in this part of its Proposal. The offeror therefore must indicate whether its request for additional support is a requirement for its performance. If any part of the list is a requirement, the State may reject the offeror's Proposal, if the State is unable or unwilling to meet the requirements.

Proof of Insurance. The offeror must provide the certificate of insurance required by Attachment Four. The policy may be written on an occurrence or claims made basis.

Payment Address. The offeror must give the address to which the State should send payments under the Contract.

Legal Notice Address. The offeror must give the name, title, and address to which the State should send legal notices under the Contract.

W-9 Form. The offeror must complete a W-9 form in its entirety. The offeror must submit at least one originally signed W-9. All other copies of a Proposal may contain copies of the W-9. The offeror must indicate on the outside of the binder which Proposal contains the originally signed W-9. A current version of the Internal Revenue's W-9 form is available at <http://www.irs.gov/pub/irs-pdf/fw9.pdf> .

Independent Contractor Acknowledgement Form. Unless the offeror is a “business entity” as that term is defined in ORC. 145.037 (“an entity with five or more employees that is a corporation, association, firm, limited liability company, partnership, sole proprietorship, or other entity engaged in business”), the offeror must complete and submit an originally signed Independent Contractor Acknowledgement form in its entirety. All other copies of a Proposal may contain copies of the Independent Contractor Acknowledgement form. The offeror must indicate on the outside of the binder which Proposal contains the originally signed Independent Contractor Acknowledgement form. A current version of the Independent Contractor Acknowledgement form is available at:

<https://www.opers.org/forms-archive/PEDACKN.pdf>

Standard Affirmation and Disclosure Form (EO 2011-12K). The offeror must complete and sign the Affirmation and Disclosure Form (Attachment) as part of its Proposal. Executive Order 2011-12K is available at:

<http://www.governor.ohio.gov/Portals/0/pdf/executiveOrders/EO%202011-12K.pdf>

Affirmative Action. Before a contract can be awarded or renewed, an Affirmative Action Program Verification Form must be completed using:

<http://das.ohio.gov/Divisions/EqualOpportunity/AffirmativeActionProgramVerification.aspx>

Approved Affirmative Action Plans can be found by going to the Equal Opportunity Department's Web site: <http://eodreporting.oit.ohio.gov/searchAffirmativeAction.aspx> .

Copies of approved Affirmative Action plans must be supplied by the offeror as part of its Proposal or inclusion of an attestation to the fact that the offeror has completed the process and is pending approval by the EOD office.

Acceptance of Attachment Four – General Terms and Conditions. Offerors must include the entire content of Attachment Four as a single section in their proposal. The offerors must include a statement at the beginning of the section indicating that the offeror has read, understands and agrees to the General Terms and conditions contained in Attachment Four.

Cost Summary. This RFP includes a Cost Summary Form provided as an attachment. Offerors may not reformat this form. Each offeror must complete the Cost Summary Form in the exact format provided, since the State may reject any Proposal with a reformatted Cost Summary Form or that is not separately sealed. (See: Part Three: General Instructions, Proposal Submittal.)

The Cost Summary Form must not include exceptions, additional terms and conditions, or assumptions.

The offeror's total cost for all the Work must be represented as the not-to-exceed fixed price.

The State will not be liable for or pay any Work costs that the offeror does not identify in its Proposal or if it is not clearly identified as part of Basic or Optional services.

ATTACHMENT FOUR: GENERAL TERMS AND CONDITIONS

PART ONE: PERFORMANCE AND PAYMENT

Statement of Work. The selected offeror's Proposal and the State's Request for Proposal (collectively, the "RFP Documents") are a part of this Contract and describe the work (the "Project") the Contractor must do and any materials the Contractor must deliver (the "Deliverables") under this Contract. The Contractor must do the Project in a professional, timely, and efficient manner and must provide the Deliverables in a proper fashion. The Contractor also must furnish its own support staff necessary for the satisfactory performance of the Project.

The Contractor must consult with the appropriate State representatives and others necessary to ensure a thorough understanding of the Project and satisfactory performance. The State may give instructions to or make requests of the Contractor relating to the Project, and the Contractor must comply with those instructions and fulfill those requests in a timely and professional manner. Those instructions and requests will be for the sole purpose of ensuring satisfactory completion of the Project and will not amend or alter the scope of the Project.

Term. Unless this Contract is terminated or expires without renewal, it will remain in effect until the Project is completed to the satisfaction of the State, including all optional renewal periods for maintenance or continuing commitments, and the Contractor is paid. However, the current General Assembly cannot commit a future General Assembly to an expenditure. Therefore, this Contract will automatically expire at the end of each biennium, the first of which is June 30, 2017. The State may renew this Contract in the next biennium by issuing written notice to the Contractor of the decision to do so. This expiration and renewal procedure also will apply to the end of any subsequent biennium during which the Project continues, including any optional renewal periods.

Termination or expiration of this Contract will not limit the Contractor's continuing obligations with respect to Deliverables that the State paid for before or after termination or limit the State's rights in such.

The State's funds are contingent upon the availability of lawful appropriations by the Ohio General Assembly. If the General Assembly fails to continue funding for the payments and other obligations due as part of this Contract, the State's obligations under this Contract will terminate as of the date that the funding expires without further obligation of the State.

The Project has a completion date that is identified in the RFP Documents. The RFP Documents also may have several dates for the delivery of Deliverables or reaching certain milestones in the Project. The Contractor must make those deliveries, meet those milestones, and complete the Project within the times the RFP Documents require. If the Contractor does not meet those dates, the Contractor will be in default, and the State may terminate this Contract under the termination provision contained below.

The State also may have certain obligations to meet. Those obligations, if any, are also listed in the RFP Documents. If the State agrees that the Contractor's failure to meet the delivery, milestone, or completion dates in the RFP Documents is due to the State's failure to meet its own obligations in a timely fashion, then the Contractor will not be in default, and the delivery, milestone, and completion dates affected by the State's failure to perform will be extended by the same amount of time as the State's delay. The Contractor may not rely on this provision unless the Contractor has in good faith exerted reasonable management skill to avoid an extension and has given the State meaningful written notice of the State's failure to meet its obligations within five business days of the Contractor's realization that the State's delay may impact the Project. The Contractor must deliver any such notice to both the Project Representative and Procurement Representative and title the notice as a "Notice of State Delay." The notice must identify any delay in detail, as well as the impact the delay has or will have on the Project. Unless the State decides, in its sole and exclusive judgment, that an equitable adjustment in the Contractor's Fee is warranted in the case of an extended delay, an extension of the Contractor's time to perform will be the Contractor's exclusive remedy for the State's delay. Should the State determine that an equitable adjustment in the Contractor's Fee is warranted, the equitable adjustment will be handled as a Change Order under the Changes Section of this Contract, and the extension of time and equitable adjustment will be the exclusive remedies of the Contractor for the State's delay.

The State seeks a complete project, and the Contractor must provide any incidental items omitted in the RFP Documents as part of the Contractor's not-to-exceed fixed price. The Contractor also must fully identify, describe, and document all systems that are delivered as a part of the Project. Unless expressly excluded elsewhere in the RFP, all hardware, software, supplies, and other required components (such as documentation, conversion, training, and maintenance) necessary for the Project to be complete and useful to the State are included in the Project and the not-to-exceed fixed price.

Compensation. In consideration of the Contractor's promises and satisfactory performance, the State will pay the Contractor the amount(s) identified in the RFP Documents (the "Fee") plus any other expenses identified as reimbursable in the RFP Documents. In no event, however, will payments under this Contract exceed the "not-to-exceed" amount in the RFP Documents without the prior, written approval of the State and, when required, the Ohio Controlling Board and any other source of funding. The Contractor's right to the Fee is contingent on the complete and satisfactory performance of the Work or, in the case of milestone payments or periodic payments of an hourly, daily, weekly, monthly, or annual rate, all relevant parts of the Work tied to the applicable milestone or period. Payment of the Fee also is contingent on the Contractor delivering a proper invoice and any other documents the RFP Documents require. An invoice must comply with the State's then current policies regarding invoices and their submission. The State will notify the Contractor in writing within 15 business days after it receives a defective invoice of any defect and provide the information necessary to correct the defect.

The Contractor must send all invoices under this Contract to the "bill to" address in the RFP Documents or in the applicable purchase order.

The State will pay the Contractor interest on any late payment, as provided in Section 126.30 of the Ohio Revised Code (the "Revised Code"). If the State disputes a payment for anything covered by an invoice, within 15 business days after receipt of that invoice, the State will notify the Contractor, in writing, stating the grounds for the dispute. The State then may deduct the disputed amount from its payment as a nonexclusive remedy. If the Contractor has committed a material breach, in the sole opinion of the State, the State also may withhold payment otherwise due to the Contractor. Both parties will attempt to resolve any claims of material breach or payment disputes through discussions among the Work Manager, the Contractor's executive responsible for the Work, the Work Representative, and the State Contract Management Administrator. The State will consult with the Contractor as early as reasonably possible about the nature of the claim or dispute and the amount of payment affected. When the Contractor has resolved the matter to the State's satisfaction, the State will pay the disputed amount within 30 business days after the matter is resolved. The State has no obligation to make any disputed payments until the matter is resolved, and the Contractor must continue its performance under this Contract pending resolution of the dispute or claim.

If the State has already paid the Contractor on an invoice but later disputes the amount covered by the invoice, and if the Contractor fails to correct the problem within 30 calendar days after written notice, the Contractor must reimburse the State for that amount at the end of the 30 calendar days as a nonexclusive remedy for the State. On written request from the Contractor, the State will provide reasonable assistance in determining the nature of the problem by giving the Contractor reasonable access to the State's facilities and any information the State has regarding the problem.

If the RFP Documents provide for any retainage, the State will withhold from each invoice paid the percentage specified in the RFP Documents as retainage. The State will pay the retainage only after the State has accepted all the Work and then only in accordance with the payment schedule specified in the RFP Documents. The State will withhold all amounts under this section arising from claims or disputes in addition to any retainage specified in the RFP Documents.

Reimbursable Expenses. The State will pay all reimbursable expenses identified in the RFP Documents, if any, in accordance with the terms in the RFP Documents and, where applicable, Section 126.31 of the Revised Code.

The Contractor must assume all expenses that it incurs in the performance of this Contract that are not identified as reimbursable in the RFP Documents.

In making any reimbursable expenditure, the Contractor always must comply with the more restrictive of its own, then current internal policies for making such expenditures or the State's then current policies. All reimbursable travel will require the advance written approval of the State's Project Representative. The

Contractor must bill all reimbursable expenses monthly, and the State will reimburse the Contractor for them within 30 business days of receiving the Contractor's invoice.

Right of Offset. The State may set off the amount of any Ohio tax liability, liquidated damages or other damages or claims for damages, or other obligation of the Contractor or its subsidiaries to the State, including any amounts the Contractor owes to the State under this or other contracts, against any payments due from the State to the Contractor under this or any other contracts with the State.

Certification of Funds. None of the rights, duties, or obligations in this Contract will be binding on the State, and the Contractor will not begin its performance until all the following conditions have been met:

1. All statutory provisions under the Revised Code, including Section 126.07, have been met;
2. All necessary funds are made available by the appropriate State entities;
3. If required, the Controlling Board of Ohio approves this Contract; and
4. If the State is relying on federal or third-party funds for this Contract, the State gives the Contractor written notice that such funds are available.

Employment Taxes. All people furnished by the Contractor (the "Contractor Personnel") are employees or subcontractors of the Contractor, and none are or will be deemed employees or contractors of the State. No Contractor Personnel will be entitled to participate in, claim benefits under, or become an "eligible employee" for purposes of any employee benefit plan of the State by reason of any work done under this Contract. The

Contractor will pay all federal, state, local, and other applicable payroll taxes and make the required contributions, withholdings, and deductions imposed or assessed under any provision of any law and measured by wages, salaries, or other remuneration paid by or which may be due from the Contractor to the Contractor Personnel. The Contractor will indemnify, defend (with the consent and approval of the Ohio Attorney General), and hold the State harmless from and against all claims, losses, liability, demands, fines, and expense (including court costs, defense costs, and redeemable attorney fees) arising out of or relating to such taxes, withholdings, deductions, and contributions with respect to the Contractor Personnel. The Contractor's indemnity and defense obligations also apply to any claim or assertion of tax liability made by or on behalf of any Contractor Personnel or governmental agency on the basis that any Contractor Personnel are employees or contractors of the State, that the State is the "joint employer" or "co-employer" of any Contractor Personnel, or that any Contractor Personnel are entitled to any employee benefit offered only to eligible regular fulltime or regular part-time employees of the State.

Sales, Use, Excise, and Property Taxes. The State is exempt from any sales, use, excise, and property tax. To the extent sales, use, excise, or any similar tax is imposed on the Contractor in connection with the Project, such will be the sole and exclusive responsibility of the Contractor. Further, the Contractor will pay such taxes, together with any interest and penalties not disputed with the appropriate taxing authority, whether they are imposed at the time the services are rendered or a later time.

PART TWO: WORK AND CONTRACT ADMINISTRATION

Related Contracts. The Contractor warrants that the Contractor has not and will not enter into any contracts without written approval of the State to perform substantially identical services for the State, such that the Project duplicates the work done or to be done under the other contracts.

Other Contractors. The State may hold other contracts for additional or related work, including among others independent verification and validation (IV&V) work for this Project. The Contractor must fully cooperate with all other contractors and State employees and coordinate its work with such other contractors and State employees as may be required for the smooth and efficient operation of all related or additional work. The Contractor may not act in any way that may unreasonably interfere with the work of any other contractors or the State's employees. Further, the Contractor must fully cooperate with any IV&V contractor assigned to this Project. Such cooperation includes expeditiously providing the IV&V contractor with full and complete access to all project work product, records, materials, personnel, meetings, and correspondence as the IV&V contractor may request. If the State assigns an IV&V contractor to the Project, the State will obligate the IV&V contractor to a confidentiality provision similar to the Confidentiality Section contained in this Contract. Additionally, the Contractor must include the obligations of this provision in all its contracts with its subcontractors that work on this project.

Subcontracting. The Contractor may not enter into subcontracts related to the Project after award without written approval from the State. Nevertheless, the Contractor will not need the State's written approval to subcontract for the purchase of commercial goods that are required for satisfactory completion of the Project. All subcontracts will be at the sole expense of the Contractor unless expressly stated otherwise in the RFP Documents.

The State's approval of the use of subcontractors does not mean that the State will pay for them. The Contractor will be solely responsible for payment of its subcontractor and any claims of subcontractors for any failure of the Contractor or any of its other subcontractors to meet the performance schedule or performance specifications for the Project in a timely and professional manner. The Contractor must hold the State harmless for and must indemnify the State against any such claims.

The Contractor assumes responsibility for all Deliverables whether it, a subcontractor, or third-party manufacturer produces them in whole or in part. Further, the Contractor will be the sole point of contact with regard to contractual matters, including payment of all charges resulting from the Contract. Further, the Contractor will be fully responsible for any default by a subcontractor, just as if the Contractor itself had defaulted.

If the Contractor uses any subcontractors, each subcontractor must have a written agreement with the Contractor. That written agreement must incorporate this Contract by reference. The agreement also must pass through to the subcontractor all provisions of this Contract that would be fully effective only if they bind both the subcontractor and the Contractor. Among such provisions are the limitations on the Contractor's remedies, the insurance requirements, record keeping obligations, and audit rights. Some sections of this Contract may limit the need to pass through their requirements to subcontracts to avoid placing cumbersome obligations on minor subcontractors. This exception is applicable only to sections that expressly provide an exclusion for small-dollar subcontracts. Should the Contractor fail to pass through any provisions of this Contract to one of its subcontractors and the failure damages the State in any way, the Contractor must indemnify the State for the damage.

Record Keeping. The Contractor must keep all financial records in accordance with generally accepted accounting principles or equivalent consistently applied. The Contractor also must file documentation to support each action under this Contract in a manner allowing the documentation to be readily located. Additionally, the Contractor must keep all Project-related records and documents at its principal place of business or at its office where the work was performed.

Audits. During the term of this Contract and for three years after the payment of the Contractor's Fee, on reasonable notice, and during customary business hours, the State may audit the Contractor's records and other materials that relate to the Project. This audit right also applies to the State's duly authorized representatives and any person or organization providing financial support for the Project. State audit rights will apply to those Contractor materials that are required to verify the accuracy of a Contractor invoice to the State inclusive of: Contractor personnel timesheets; Contractor purchased or provided equipment for benefit of the State that will remain in the State's possession; State deliverable acceptance documentation; any required State written approvals as required herein; final Work products and deliverables; any partial or incomplete Work products or deliverables that should the Contractor submit for partial compensation from the State as a result of termination of this contract.

Right to Terminate as a Result of Audit Findings. In the event the State determines that the results of any examination of the Contractor is unsatisfactory per the requirements of the Contract and not remedied within a 90 day period following written notice from the State, the State may terminate this Agreement, in part or in full.

If the Contractor fails to satisfy the requirements of the State with regard to security of information, or if an examination reveals information that would result in a continuing contractual relationship that causes the State to be in violation of any law, the State may terminate this Contract immediately without notice.

If the Contractor fails to satisfy the requirements of the State with regard to matters not related to items contained in the preceding two (2) paragraphs, the State will provide Contractor with notice and an

opportunity to cure the failure within forty-five (45) days. If the failure is not cured by Contractor within such forty-five (45) day period, the State may terminate this Contract without further notice.

Insurance. The Contractor must provide the following insurance coverage at its own expense throughout the term of this Contract:

- I. Workers' compensation insurance, as required by Ohio law, and, if some of the Project will be done outside Ohio, the laws of the appropriate state(s) where work on the project will be done. The Contractor also must maintain employer's liability insurance with at least a \$1,000,000.00 limit.
- II. Commercial General Liability insurance coverage for bodily injury, personal injury, wrongful death, and property damage. The defense cost must be outside of the policy limits. At a minimum, the limits of the insurance must be:
 - \$ 2,000,000 General Aggregate
 - \$ 2,000,000 Products/Completed Operations Aggregate
 - \$ 1,000,000 Per Occurrence Limit
 - \$ 1,000,000 Personal and Advertising Injury Limit
 - \$ 100,000 Fire Legal Liability
 - \$ 10,000 Medical Payments
- III. Commercial Automobile Liability insurance with a combined single limit of \$500,000.
- IV. Technology Errors and Omissions insurance, including cover for liabilities arising from errors, omissions, or negligent acts in rendering or failing to render computer or information technology services and technology products. Coverage for violation of software copyright should be included. Technology services should at minimum include (1) systems analysis (2) systems programming (3) data processing (4) systems integration (5) outsourcing, including outsourcing development and design (6) system design, consulting, development and modification (7) training services relating to computer software or hardware (8) management, repair and maintenance of computer products, networks and systems (9) marketing, selling, servicing, distributing, installing and maintaining computer hardware or software (10) data entry, modification, verification, maintenance, storage, retrieval or preparation of data output, and any other services provided by the Contractor with limits, at minimum, of \$10,000,000 per occurrence, \$20,000,000 aggregate.
- V. Privacy/Network Security (Cyber) liability coverage providing first and third party protection against liability for (1) privacy breaches (liability arising from the loss or disclosure of confidential information no matter how it occurs) (2) system breach (3) denial or loss of service (4) introduction, implantation, or spread of malicious software code (5) unauthorized access to or use of computer systems, with limits of, at minimum, \$20,000,000 per occurrence/aggregate. Coverage should include costs for investigation, notification and related credit monitoring costs from any of the above.

Except for Workers' Compensation and Technology Errors and Omissions insurance, all the policies required by this Section shall name the State of Ohio as additional insured. The policies shall stipulate that the insurance shall be primary insurance and any insurance or self-insurance carried by the State shall not be contributory. The policies shall be endorsed to include a waiver of subrogation.

Umbrella or Excess Commercial General Liability policies may be used in combination with primary policies to satisfy the limit requirements above for Employer's Liability, General Liability and Commercial Auto Liability. Such Umbrella or Excess policies shall apply without any gaps in the

limits of coverage and be at least as broad as and follow the form of the underlying primary coverage required above.

Contractor may select deductibles or self-insured retentions under the insurance required above to the extent such deductibles or self-insured retentions are consistent with reasonable and customary business practices for companies of similar size and financial standing as Contractor. However, such deductibles or self-insured retentions are the sole responsibility of the Contractor and will not be borne in any way by the State of Ohio. The State is entitled to recover the full amount of losses attributable to Contractor regardless of any deductible or self-insured retention the Contractor has chosen. The Contractor will Indemnify the State of Ohio, in full, for any deductible or self-insured retention it elects to maintain. The Vendor is required to present evidence of any deductible or self-insured retention under the required insurance when requested.

To the extent that the insurance policies required under this Section are not occurrence based policies, except for Workers' Compensation, Contractor shall maintain tail coverage for at least 3 years following the termination of this Agreement. Further, all policies shall contain a severability of interest provision and shall not contain any commutation clause or any other provision that limits third party actions over claims.

Contractor must provide the State of Ohio at least 30 days' written notice prior to any material changes in or cancellation of any insurance policies, except for non-payment cancellation.

Contractor must provide a Certificate of Insurance to the State of Ohio as verification that the above minimum insurance requirements have been met. The certificate(s) must be in a form that is reasonably satisfactory to the State as to the contents of the policies and the quality of the insurance carriers. All carriers must have at least an "A-" rating by A.M. Best.

Replacement Personnel. If the RFP Documents contain the names of specific people (e.g., Key Project Personnel) who will work on the Project, then the quality and professional credentials of those people were material factors in the State's decision to enter into this Contract. Therefore, the Contractor must use all commercially reasonable efforts to ensure the continued availability of those people. Also, the Contractor may not remove those people from the Project without the prior written consent of the State, except as provided below.

The Contractor may remove a person listed in the RFP Documents from the Project, if doing so is necessary for legal or disciplinary reasons. However, the Contractor must make a reasonable effort to give the State 30 calendar days' prior, written notice of the removal.

If the Contractor removes a person listed in the RFP Documents from the Project for any reason other than those specified above, the State may assess liquidated damages in the amount of \$1,500.00 for every day between the date on which the individual was removed and the date that this Contract is terminated or the individual's qualified replacement, selected in accordance with the process identified in this section, starts performing on the Project. The State also may provide the Contractor with written notice of its default under this section, which the Contractor must cure within 30 days. Should the Contractor fail to cure its default within the 30 day cure period, this Contract will terminate immediately for cause, and the State will be entitled to damages in accordance with the Suspension and Termination Section of this Contract due to the termination. Should the State assess liquidated damages or otherwise be entitled to damages under this provision, it may offset these damages from any Fees due under this Contract.

The Contractor must have qualified replacement people available to replace any people listed in the RFP Documents by name or identified as a key individual on the Project. When the removal of a listed person is permitted under this Section, or if a person becomes unavailable, the Contractor must submit the resumes for two replacement people to the State for each person removed or who otherwise becomes unavailable. The Contractor must submit the two resumes, along with such other information as the State may reasonably request, within five business days after the decision to remove a person is made or the unavailability of a listed person becomes known to the Contractor.

The State will select one of the two proposed replacements or will reject both of them within ten business days after the Contractor has submitted the proposed replacements to the State. The State may reject the proposed replacements for any legal reason. Should the State reject both replacement candidates due to their failure to meet the minimum qualifications identified in the RFP Documents, or should the Contractor fail to provide the notice required under this Section or fail to provide two qualified replacement candidates for each removed or unavailable person, the Contractor will be in default and the cure period for default specified elsewhere in this Contract will not apply. In any such case, the State will have the following options:

- i. The State may assess liquidated damages in the amount of \$1,500.00 for every day between the date on which the Contractor failed to provide the applicable notice, failed to provide the two replacement candidates, or the date the State rejected all candidates for cause and the date on which the Contractor affects a cure or the Contract expires without renewal or is terminated.
- ii. The State may terminate this Contract immediately for cause and without any cure period.

Should the State exercise its option under item (a) above, it nevertheless will be entitled anytime thereafter to exercise its option under item (b) above. Additionally, should the State terminate this Contract under this provision, it will be entitled to damages in accordance with the Suspension and Termination Section of this Contract due to the termination. Should the State assess liquidated damages or otherwise be entitled to damages under this provision, it may offset these damages from any Fees due under this Contract.

The State may determine that the proposed replacement candidates meet the minimum qualifications of this Contract and still substantially reduce the value the State perceived it would receive through the effort of the original individual(s) the Contractor proposed and on whose credentials the State decided to enter into this Contract. Therefore, the State will have the right to reject any candidate that the State determines may provide it with diminished value.

Should the State reject both proposed candidates for any legal reason other than their failure to meet the minimum qualifications identified in the RFP Documents, the State may terminate this Contract for its convenience.

The State has an interest in providing a healthy and safe environment for its employees and guests at its facilities. The State also has an interest in ensuring that its operations are carried out in an efficient, professional, legal, and secure manner. Therefore, the State will have the right to require the Contractor to remove any individual involved in the Project, if the State determines that any such individual has or may interfere with the State's interests identified above. In such a case, the request for removal will be treated as a case in which an individual providing services under this Contract has become unavailable, and the Contractor must follow the procedures identified above for replacing unavailable people. This provision also applies to people that the Contractor's subcontractors engage, if they are listed by name or as a key person in the RFP Documents.

Suspension and Termination. The State may terminate this Contract in full or in part for cause if the Contractor defaults in meeting its obligations under this Contract and fails to cure its default within the time allowed by this Contract, or if a petition in bankruptcy (or similar proceeding) has been filed by or against the Contractor. The State also may terminate this Contract if the Contractor violates any law or regulation in doing the Project, or if it appears to the State that the Contractor's performance is substantially endangered through no fault of the State. In any such case, the termination will be for cause, and the State's rights and remedies will be those identified below for termination for cause.

On written notice, the Contractor will have 30 calendar days to cure any breach of its obligations under this Contract, provided the breach is curable. If the Contractor fails to cure the breach within 30 calendar days after written notice, or if the breach is not one that is curable, the State will have the right to terminate this Contract immediately on notice to the Contractor. The State also may terminate this Contract in the case of breaches that are cured within 30 calendar days but are persistent. "Persistent" in this context means that the State has notified the Contractor in writing of the Contractor's failure to meet any of its obligations three times. After the third notice, the State may terminate this Contract on written notice to the Contractor

without a cure period if the Contractor again fails to meet any obligation. The three notices do not have to relate to the same obligation or type of failure. Some provisions of this Contract may provide for a shorter cure period than 30 calendar days or for no cure period at all, and those provisions will prevail over this one. If a particular section does not state what the cure period will be, this provision will govern.

The State also may terminate this Contract in full or in part for its convenience and without cause or if the Ohio General Assembly fails to appropriate funds for any part of the Project. If a third party is providing funding for the Project, the State also may terminate this Contract should that third party fail to release any Project funds. The RFP Documents normally identify any third party source of funds for the Project, but an absence of such in the RFP Documents will not diminish the State's rights under this section.

The notice of termination, whether for cause or without cause, will be effective as soon as the Contractor receives it. Upon receipt of the notice of termination, the Contractor must immediately cease all work on the project and take all steps necessary to minimize any costs the Contractor will incur related to this Contract. The Contractor also must immediately prepare a report and deliver it to the State. The report must be all-inclusive and must detail the work completed at the date of termination, the percentage of the Project's completion, any costs incurred in doing the Project to that date, and any Deliverables completed or partially completed but not delivered to the State at the time of termination. The Contractor also must deliver all the completed and partially completed Deliverables to the State with its report. However, if the State determines that delivery in that manner would not be in its interest, then the State will designate a suitable alternative form of delivery, which the Contractor must honor.

If the State terminates this Contract for cause, the State will be entitled to cover for the Work by using another Contractor on such commercially reasonable terms as the State and the covering contractor may agree. The Contractor will be liable to the State for all costs related to covering for the Work to the extent that such costs, when combined with payments already made to the Contractor for the Work before termination, exceed the costs that the State would have incurred under this Contract. The Contractor also will be liable for any other direct damages resulting from its breach of this Contract or other action leading to termination for cause. If the Contractor fails to deliver Deliverables or provide satisfactory services, the State has the right to withhold any and all payments due to the Contractor without penalty or work stoppage by the Contractor until such failure to perform is cured.

If the termination is for the convenience of the State, the Contractor will be entitled to the Contract price as pro-rated by the State Contract price for deliverables, products or services accepted by the State and not previously paid for provided in that in no event will total payments exceed the amount payable to the Contractor is the Contract had been fully performed. For items not specifically priced, the State will use fair market value to determine the price owed. The Contractor will use generally accepted accounting principles or equivalent and sound business practices in determining all costs claimed, agreed to, or determined under this clause.

The State will have the option of suspending this Contract in full or in part rather than terminating the Project, if the State believes that doing so would better serve its interests. In the event of a suspension for the convenience of the State, the Contractor will be entitled to receive payment for the work performed before the suspension. In the case of suspension of the Project for cause rather than termination for cause, the Contractor will not be entitled to any compensation for any work performed. If the State reinstates the Project after suspension for cause, rather than terminating this Contract after the suspension, the Contractor may be entitled to compensation for work performed before the suspension, less any damage to the State resulting from the Contractor's breach of this Contract or other fault. Any amount due for work before or after the suspension for cause will be offset by any damage to the State from the default or other event giving rise to the suspension.

In the case of a suspension for the State's convenience, the State will calculate the amount of compensation due to the Contractor for work performed before the suspension in the same manner as provided in this section for termination for the State's convenience. The Contractor will not be entitled to compensation for any other costs associated with a suspension for the State's convenience, and the State will make no payment under this provision to the Contractor until the Contractor submits a proper invoice. If the State decides to allow the work to continue rather than terminating this Contract after the suspension, the State will not be required to make any payment to the Contractor other than those payments specified in this

Contract and in accordance with the payment schedule specified in this Contract for properly completed work.

Any notice of suspension, whether with or without cause, will be effective immediately on the Contractor's receipt of the notice. The Contractor will prepare a report concerning the Project just as is required by this Section in the case of termination. After suspension of the Project, the Contractor may not perform any work without the consent of the State and may resume work only on written notice from the State to do so. In any case of suspension, the State retains its right to terminate this Contract rather than to continue the suspension or resume the Project.

The State may not suspend the Project for its convenience more than twice during the term of this Contract, and any suspension for the State's convenience may not continue for more than 30 calendar days. If the Contractor does not receive notice to resume or terminate the Project within the 30-day suspension, then this Contract will terminate automatically for the State's convenience at the end of the 30 calendar day period.

Any default by the Contractor or one of its subcontractors will be treated as a default by the Contractor and all of its subcontractors. The Contractor will be solely responsible for satisfying any claims of its subcontractors for any suspension or termination and must indemnify the State for any liability to them. Notwithstanding the foregoing, each subcontractor must hold the State harmless for any damage caused to them from a suspension or termination. They must look solely to the Contractor for any compensation to which they may be entitled.

Representatives. The State's representative under this Contract will be the person identified in the RFP Documents or in a subsequent notice to the Contractor as the "Project Representative." The Project Representative will review all reports the Contractor makes in the performance of the Project, will conduct all liaison with the Contractor, and will accept or reject the Deliverables and the completed Project. The Project Representative may delegate his responsibilities for individual aspects of the Project to one or more managers, who may act as the Project Representative for those individual portions of the Project.

The Contractor's Implementation Manager under this Contract will be the person identified on the RFP Documents as the "Implementation Manager." The Implementation Manager will be the Contractor's liaison with the State under this Contract. The Implementation Manager also will conduct all Project meetings and prepare and submit to the Project Representative all reports, plans, and other materials that the RFP Documents require from the Contractor.

Either party, upon written notice to the other party, may designate another representative. However, the Contractor may not replace the Implementation Manager without the approval of the State if that person is identified in the RFP Documents by name or as a key individual on the Project.

Project Responsibilities. The State will be responsible for providing only those things, if any, expressly identified in the RFP Documents. If the State has agreed to provide facilities or equipment, the Contractor, by signing this Contract, warrants that the Contractor has either inspected the facilities and equipment or has voluntarily waived an inspection and will work with the equipment and facilities on an "as is" basis.

The Contractor must assume the lead in the areas of management, design, and development of the Project. The Contractor must coordinate the successful execution of the Project and direct all Project activities on a day-to-day basis, with the advice and consent of the Project Representative. The Contractor will be responsible for all communications regarding the progress of the Project and will discuss with the Project Representative any issues, recommendations, and decisions related to the Project.

If any part of the Project requires installation on the State's property, the State will provide the Contractor with reasonable access to the installation site for the installation and any site preparation that is needed. After the installation is complete, the Contractor must complete an installation letter and secure the signature of the Project Representative certifying that installation is complete and the Project, or applicable portion of it, is operational. The letter must describe the nature, date, and location of the installation, as well as the date the Project Representative certified the installation as complete and operational.

Unless otherwise provided in the RFP Documents, the Contractor is solely responsible for obtaining all official permits, approvals, licenses, certifications, and similar authorizations required by any local, state, or federal agency for the Project and maintaining them throughout the duration of this Contract.

Changes. The State may make reasonable changes within the general scope of the Project. The State will do so by issuing a written order under this Contract describing the nature of the change ("Change Order"). Additionally, if the State provides directions or makes requests of the Contractor without a change order, and the Contractor reasonably believes the directions or requests are outside the specifications for the Project, the Contractor may request a Change Order from the State. The parties will handle such changes as follows: The Contractor will provide pricing to the State. The State will execute a Change Order once it and the Contractor have agreed on the description of and specifications for the change, as well as any equitable adjustments that need to be made in the Contractor's Fee or the performance schedule for the work. Then within five business days after receiving the Change Order, the Contractor must sign it to signify agreement with it.

If a change causes an increase in the cost of, or the time required for, the performance of the Project, the Contractor must notify the State in writing and request an equitable adjustment in its Fee, the delivery schedule, or both before the Contractor signs the Change Order. If the Contractor claims an adjustment under this section in connection with a change to the Project not described in a written Change Order, the Contractor must notify the State in writing of the claim within five business days after the Contractor is notified of the change and before work on the change begins. Otherwise, the Contractor will have waived the claim. In no event will the State be responsible for any increase in the Fee or revision in any delivery schedule unless the State expressly ordered the relevant change in writing and the Contractor has complied with the requirements of this section. Provided the State has complied with the procedure for Change Orders in this section, nothing in this clause will excuse the Contractor from proceeding with performance of the Project, as changed.

Where an equitable adjustment to the Contractor's Fee is appropriate, the State and the Contractor may agree upon such an adjustment. If the State and the Contractor are unable to agree, either party may submit the dispute to the senior management of the Contractor and the senior management of the State's Department of Administrative Services for resolution. If within 30 calendar days following referral to senior management, the claim or dispute has not been resolved, the Contractor must submit its actual costs for materials needed for the change (or estimated amount if the precise amount of materials cannot be determined) and an estimate of the hours of labor required to do the work under the Change Order. The Contractor must break down the hours of labor by employee position, and provide the actual hourly pay rate for each employee involved in the change. The total amount of the equitable adjustment for the Change Order then will be made based on the actual cost of materials (or estimated materials) and actual rate for each person doing the labor (based on the estimated hours of work required to do the change). Labor rates will be increased by 25% to cover benefits and taxes. The equitable adjustment for the Change Order then will be set based on this amount, plus 15% to cover overhead and profit. This amount will be the not-to-exceed amount of the Change Order. If the change involves removing a requirement from the Project or replacing one part of the Project with the change, the State will get a credit for the work no longer required under the original scope of the Project. The credit will be calculated in the same manner as the Contractor's Fee for the change, and the not-to-exceed amount will be reduced by this credit.

The Contractor is responsible for coordinating changes with its subcontractors and adjusting their compensation and performance schedule. The State will not pay any subcontractor for the Change Order. If a subcontractor will perform any work under a Change Order, that work must be included in the Contractor's not-to-exceed amount and calculated in the same manner as the Contractor's equitable adjustment for the portion of the work the Contractor will perform. The Contractor will not receive an overhead percentage for any work a subcontractor will do under a Change Order.

If the RFP Documents provide for the retainage of a portion of the Contractor's Fee, all equitable adjustments for Change Orders also will be subject to the same retainage, which the State will pay only on completion and acceptance of the Project, as provided in the RFP Documents.

Excusable Delay. Neither party will be liable for any delay in its performance that arises from causes beyond its control and without its negligence or fault. The delayed party must notify the other promptly of any material delay in performance and must specify in writing the proposed revised performance date as

soon as practicable after notice of delay. In the event of any such excusable delay, the date of performance or of delivery will be extended for a period equal to the time lost by reason of the excusable delay. The delayed party also must describe the cause of the delay and what steps it is taking to remove the cause. The delayed party may not rely on a claim of excusable delay to avoid liability for a delay if the delayed party has not taken commercially reasonable steps to mitigate or avoid the delay. Things that are controllable by the Contractor's subcontractors will be considered controllable by the Contractor, except for third-party manufacturers supplying commercial items and over whom the Contractor has no legal control.

Independent Contractor Acknowledgement. It is fully understood and agreed that Contractor is an independent contractor and is not an agent, servant, or employee of the State of Ohio or the Ohio Department of Administrative Services. Contractor declares that it is engaged as an independent business and has complied with all applicable federal, state, and local laws regarding business permits and licenses of any kind, including but not limited to any insurance coverage, workers' compensation, or unemployment compensation that is required in the normal course of business and will assume all responsibility for any federal, state, municipal or other tax liabilities. Additionally, Contractor understands that as an independent contractor, it is not a public employee and is not entitled to contributions from DAS to any public employee retirement system.

Contractor acknowledges and agrees any individual providing personal services under this agreement is not a public employee for purposes of Chapter 145 of the Ohio Revised Code. Unless Contractor is a "business entity" as that term is defined in ORC. 145.037 ("an entity with five or more employees that is a corporation, association, firm, limited liability company, partnership, sole proprietorship, or other entity engaged in business") Contractor shall have any individual performing services under this agreement complete and submit to the ordering agency the Independent Contractor/Worker Acknowledgement found at the following link: <https://www.opers.org/formsarchive/PEDACKN.pdf>

Contractor's failure to complete and submit the Independent/Worker Acknowledgement prior to commencement of the work, service or deliverable, provided under this agreement, shall serve as Contractor's certification that contractor is a "Business entity" as the term is defined in ORC Section 145.037.

Ohio MBE Certification. The MBE must maintain their certification throughout the term of the Contract, including any renewals. Failure to maintain such certification will be considered a breach of the Contract.

Publicity. The Contractor may not advertise or publicize that it is doing business with the State or use this Contract or the Contractor's relationship with the State as a marketing or sales tool, unless the State agrees otherwise in writing.

PART THREE: OWNERSHIP AND HANDLING OF INTELLECTUAL PROPERTY AND CONFIDENTIAL INFORMATION

Confidentiality. The State may disclose to the Contractor written material or oral or other information that the State treats as confidential ("Confidential Information"). Title to the Confidential Information and all related materials and documentation the State delivers to the Contractor will remain with the State. The Contractor must treat such Confidential Information as secret, if it is so marked, otherwise identified as such, or when, by its very nature, it deals with matters that, if generally known, would be damaging to the best interest of the public, other contractors, potential contractors with the State, or individuals or organizations about whom the State keeps information. By way of example, information must be treated as confidential if it includes any proprietary documentation, materials, flow charts, codes, software, computer instructions, techniques, models, information, diagrams, know-how, trade secrets, data, business records, or marketing information. By way of further example, the Contractor also must treat as confidential materials such as police and investigative records, files containing personal information about individuals or employees of the State, such as personnel records, tax records, and so on, court and administrative records related to pending actions, any material to which an attorney-client, physician-patient, or similar privilege may apply, and any documents or records excluded by Ohio law from public records disclosure requirements.

The Contractor may not disclose any Confidential Information to third parties and must use it solely to do the Project. The Contractor must restrict circulation of Confidential Information within its organization and then only to people in the Contractor's organization that have a need to know the Confidential Information to do the Project. The Contractor will be liable for the disclosure of such information, whether the disclosure is intentional, negligent, or accidental, unless otherwise provided below.

The Contractor will not incorporate any portion of any Confidential Information into any work or product, other than a Deliverable, and will have no proprietary interest in any of the Confidential Information. Furthermore, the Contractor must cause all of its Personnel who have access to any Confidential Information to execute a confidentiality agreement incorporating the obligations in this section.

The Contractor's obligation to maintain the confidentiality of the Confidential Information will not apply where such:

(1) was already in the Contractor's possession before disclosure by the State, and such was received by the Contractor without obligation of confidence; (2) is independently developed by the Contractor; (3) except as provided in the next paragraph, is or becomes publicly available without breach of this Contract; (4) is rightfully received by the Contractor from a third party without an obligation of confidence; (5) is disclosed by the Contractor with the written consent of the State; or (6) is released in accordance with a valid order of a court or governmental agency, provided that the Contractor (a) notifies the State of such order immediately upon receipt of the order and (b) makes a reasonable effort to obtain a protective order from the issuing court or agency limiting disclosure and use of the Confidential Information solely for the purposes intended to be served by the original order of production. The Contractor must return all originals of any Confidential Information and destroy any copies it has made on termination or expiration of this Contract.

Information that may be available publicly through other sources about people that is personal in nature, such as medical records, addresses, phone numbers, social security numbers, and similar things are nevertheless sensitive in nature and may not be disclosed or used in any manner except as expressly authorized in this Contract. Therefore, item (3) in the preceding paragraph does not apply, and the Contractor must treat such information as Confidential Information whether it is available elsewhere or not.

The Contractor may disclose Confidential Information to its subcontractors on a need-to-know basis, but the Contractor first must obligate them to the requirements of this section.

Confidentiality Agreements. When the Contractor performs services under this Contract that require the Contractor's and its subcontractors' personnel to access facilities, data, or systems that the State in its sole discretion deems sensitive, the State may require the Contractor's and its subcontractors' personnel with such access to sign an individual confidential agreement and policy acknowledgements, and have a background check performed before accessing those facilities, data, or systems. Each State agency, board, and commission may require a different confidentiality agreement or acknowledgement, and the Contractor's and its subcontractors' personnel may be required to sign a different confidentiality agreement or acknowledgement for each agency. The Contractor must immediately replace any of its or its subcontractors' personnel who refuse to sign a required confidentiality agreement or acknowledgment or have a background check performed.

Ownership of Deliverables. The State owns all Deliverables that the Contractor produces under this Contract, including any software modifications, and documentation, with all rights, title, and interest in all intellectual property that come into existence through the Contractor's custom work being assigned to the State. Additionally, the Contractor waives any author rights and similar retained interests in custom-developed material. The Contractor must provide the State with all assistance reasonably needed to vest such rights of ownership in the State. The Contractor will retain ownership of all tools, methods, techniques, standards, and other development procedures, as well as generic and preexisting shells, subroutines, and similar material incorporated into any custom Deliverable ("Pre-existing Materials"), if the Contractor provides the non-exclusive license described in the next paragraph.

The Contractor may grant the State a worldwide, non-exclusive, royalty-free, perpetual license to use, modify, and distribute all Pre-existing Materials that are incorporated into any custom-developed Deliverable rather than grant the State ownership of the Pre-existing Materials. The State may distribute

such Pre-existing materials to third parties only to the extent required by governmental funding mandates. The Contractor may not include in any custom Deliverable any intellectual property unless such has been created under this Contract or qualifies as Preexisting Material. If the Contractor wants to incorporate any Pre-existing Materials into a custom Deliverable, the Contractor must first disclose that desire to the State in writing and seek the State's approval for doing so in advance. The State will not be obligated to provide that approval, unless the Contractor disclosed its intention to do so in the RFP Documents. On the Contractor's request, the State will incorporate into any copies of a custom Deliverable any proprietary notice that the Contractor included with the original copy, if that notice is reasonably necessary to protect the Contractor's interest in any Pre-existing Materials contained in the custom Deliverable.

Subject to the limitations and obligations of the State with respect to Pre-existing Materials, the State may make all custom Deliverables available to the general public without any proprietary notices of any kind.

For Deliverables that include custom materials such as software, scripts, or similar computer instructions developed for the State, the State is entitled to the source material. Scripts and similar functionality may not be locked or otherwise protected from access by the State, unless the State has any passwords or other tools necessary to access the material. Source material must include annotations or comments according to industry standards. Further, the State is entitled to any working papers the Contractor has developed during the performance of the Project that would reasonably assist the State in using the Deliverables that include source materials or that would help the State protect its interests in the Deliverable or update, modify, or otherwise maintain the Deliverable. This also includes all design and architectural materials, such as schemas.

The Contractor may use Confidential Information only as necessary for Contractor's performance under or pursuant to rights granted in this Agreement and for no other purpose. The Contractor's limited right to use Confidential Information expires upon expiration or termination of this Agreement for any reason. The Contractor's obligations of confidentiality and non-disclosure survive termination or expiration for any reason of this Agreement.

License in Commercial Material. As used in this section, "Commercial Material" means anything that the Contractor or a third party has developed at private expense, is commercially available in the marketplace, subject to intellectual property rights, and readily copied through duplication on magnetic media, paper, or other media. Examples include written reports, books, pictures, videos, movies, computer programs, and computer source code and documentation. It does not include Key Commercial Software that will be governed by Attachment Ten, Master Contract, but does include other Commercial Software.

Any Commercial Material that the Contractor intends to deliver as a Deliverable must have the scope of the license granted in such material disclosed in the RFP Documents or as an attachment referenced in the RFP Documents, if that scope of license is different from the scope of license contained in this section for Commercial Materials.

Except for Commercial Material that is software ("Commercial Software"), if the Commercial Material is copyrighted and published material, then the State will have the rights permitted under the federal copyright laws for each copy of the Commercial Material delivered to it by the Contractor.

Except for Commercial Software, if the Commercial Material is patented, then the State will have the rights permitted under the federal patent laws for each copy of the Commercial Material delivered to it by the Contractor.

Except for Commercial Software, if the Commercial Material consists of trade secrets, then the State will treat the material as confidential. In this regard, the State will assume all obligations with respect to the Commercial Material that the Contractor assumes under the Confidentiality section of this Contract with respect to the State's Confidential Information. Otherwise, the State will have the same rights and duties permitted under the federal copyright laws for each copy of the Commercial Material delivered to it by the Contractor, whether or not the material is copyrighted when delivered to the State.

For Commercial Software, the State will have the rights in items (1) through (6) of this section with respect to the software. The State will not use any Commercial Software except as provided in the six items below or as expressly stated otherwise in this Contract. The Commercial Software may be:

1. Used or copied for use in or with the computer or computers for which it was acquired, including use at any State installation to which such computer or computers may be transferred;
2. Used or copied for use in or with a backup computer for disaster recovery and disaster recovery testing purposes or if any computer for which it was acquired is inoperative;
3. Reproduced for safekeeping (archives) or backup purposes;
4. Modified, adapted, or combined with other computer software, but the modified, combined, or adapted portions of the derivative software incorporating any of the Commercial Software will be subject to same restrictions set forth in this Contract;
5. Disclosed to and reproduced for use on behalf of the State by support service contractors or their subcontractors, subject to the same restrictions set forth in this Contract; and
6. Used or copied for use in or transferred to a replacement computer.

Commercial Software delivered under this Contract is licensed to the State without disclosure restrictions unless it is clearly marked as confidential or secret. The State will treat any Commercial Software that is marked as confidential or secret as Confidential Information to the extent that such is actually the case.

Key Commercial Software will be covered by a separate Master Contract for Software Licensing, in the form of Attachment Ten. When such a Master Contract is executed, it will be a separate agreement and not part of this Contract, though the Contractor remains responsible for ensuring that the completed Project, including any Key Commercial Software, meets the requirements of this Contract and performs according to the RFP Documents' requirements.

PART FOUR: REPRESENTATIONS, WARRANTIES, AND LIABILITIES

General Warranties. The Contractor warrants that the recommendations, guidance, and performance of the Contractor under this Contract will: (1) be in accordance with sound professional standards and the requirements of this Contract and without any material defects; and (2) unless otherwise provided in the RFP Documents, be the work solely of the Contractor. The Contractor also warrants that: (1) no Deliverable will infringe on the intellectual property rights of any third party; and (2) the Contractor's work and the Deliverables resulting from that work will be merchantable and fit for the particular purposes described in the RFP Documents.

Additionally, with respect to the Contractor's activities under this Contract, the Contractor warrants that: (1) the Contractor has the right to enter into this Contract; (2) the Contractor has not entered into any other contracts or employment relationships that restrict the Contractor's ability to perform the contemplated services; (3) the Contractor will observe and abide by all applicable laws and regulations, including those of the State regarding conduct on any premises under the State's control and security for the State's data, systems, and networks; (4) the Contractor has good and marketable title to any goods delivered under this Contract and in which title passes to the State; (5) the Contractor has the right and ability to grant the license granted in any Deliverable in which title does not pass to the State; and (6) the Contractor is not subject to any unresolved findings of the Auditor of State under Revised Code Section 9.24 and will not become subject to an unresolved finding that prevents the extension or renewal of this Contract.

The warranties regarding material defects, merchantability, and fitness are one-year warranties. All other warranties will be continuing warranties. If any portion of the Project fails to comply with these warranties, and the Contractor is so notified in writing, the Contractor must correct such failure with all due speed or must refund the amount of the compensation paid for such portion of the Project. The Contractor also must indemnify the State for any direct damages and claims by third parties based on a breach of these warranties. This obligation of indemnification will not apply where the State has modified or misused the Deliverable and the claim is based on the modification or misuse. The State will give the Contractor notice of any such claim as soon as reasonably practicable. If a successful claim of infringement is made, or if the Contractor reasonably believes that an infringement claim that is pending may actually succeed, the Contractor must do one of the following things: (1) modify the Deliverable so that it is no longer infringing; (2) replace the Deliverable with an equivalent or better item; (3) acquire the right for the State to use the infringing Deliverable as it was intended for the State to use under this Contract; or (4) remove the

Deliverable and refund the amount the State paid for the Deliverable and the amount of any other Deliverable or item that requires the availability of the infringing Deliverable for it to be useful to the State.

Software Warranty. If this Contract involves software as a Deliverable, then, on acceptance and for 12 months after the date of acceptance of any Deliverable that includes software, the Contractor warrants as to all software developed under this Contract that: (a) the software will operate on the computer(s) for which the software is intended in the manner described in the relevant software documentation, the Contractor's Proposal, and the RFP Documents; (b) the software will be free of any material defects; (c) the Contractor will deliver and maintain relevant and complete software documentation, commentary, and source code; and (d) the source code language used to code the software is readily available in the commercial market, widely used and accepted for the type of programming involved, and support programming in the language is reasonably available in the open market; and (e) the software and all maintenance will be provided in a professional, timely, and efficient manner.

For Commercial Software licensed from a third party that is incorporated into a Deliverable, and for which the State has not approved a separate license agreement governing that Commercial Software's warranties as part of the RFP process, the Contractor represents and warrants that it has done one of the following things: (a) obtained the right from the third-party licensor to commit to the warranties and maintenance obligations in this Section; (b) obtained a binding commitment from the licensor to make those warranties and maintenance obligations directly to the State; or (c) fully disclosed in the RFP Documents any discrepancies between the requirements of this section and the commitment the third-party licensor has made.

In addition, for Commercial Software that is incorporated into a Deliverable, the Contractor will: (a) maintain or cause the third-party licensor to maintain the Commercial Software so that it operates in the manner described in the RFP Documents (or any attachment referenced in the RFP Documents) and relevant Commercial Software documentation; (b) supply technical bulletins and updated user guides; (c) supply the State with updates, improvements, enhancements, and modifications to the Commercial Software and documentation and, if available, the commentary and the source code; (d) correct or replace the Commercial Software and/or remedy any material programming error that is attributable to the Contractor or the third-party licensee; (e) maintain or cause the third-party licensor to maintain the Commercial Software and documentation to reflect changes in the subject matter the Commercial Software deals with; (f) maintain or obtain a commitment from the third-party licensor to maintain the Commercial Software so that it will properly operate in conjunction with changes in the operating environment in which it is designed to operate.

For purposes of the warranties and the delivery requirements in this Contract, software documentation means well written, readily understood, clear, and concise instructions for the software's users as well as a system administrator. The software documentation will provide the users of the software with meaningful instructions on how to take full advantage of all of the capabilities designed for end users. It also means installation and system administration documentation for a system administrator to allow proper control, configuration, and management of the software. Source code means the uncompiled operating instructions for the software. However, the Contractor will not be obligated to provide source code for Commercial Software unless it is readily available from the licensor. The source code must be provided in the language in which it was written and will include commentary that will allow a competent programmer proficient in the source language to readily interpret the source code and understand the purpose of all routines and subroutines contained within the source code.

Equipment Warranty. If any electrical equipment, mechanical device, computer hardware, telecommunications hardware, or other type of physical machinery ("Equipment") will be a part of any Deliverable, the following warranties apply. The Contractor warrants that the Equipment fully complies with all government environmental and safety standards applicable to the Equipment. The Contractor also warrants for one year from the acceptance date of the Equipment that the Equipment will perform substantially in accordance with specifications described in the RFP Documents, the user manuals, technical materials, and related writings published by the manufacturer for the Equipment. The foregoing warranties will not apply to Equipment that is modified or damaged after title passes to the State.

The Contractor must notify the State in writing immediately upon the discovery of any breach of the warranties given above.

The Contractor must do the following if any Equipment does not meet the above warranties:

1. Cause the Equipment to perform as required, or, if that is not commercially practicable, then;
2. Grant the State a refund equal to the amount the State paid for the Equipment or, if such has not been individually priced, the manufacturer's suggested retail price for the Equipment.

Except where the Contractor's breach of a warranty makes it not possible for the State to do so, the State will return the affected Equipment to the Contractor in the case of a refund under the previous paragraph.

GENERAL EXCLUSION OF WARRANTIES. THE CONTRACTOR MAKES NO WARRANTIES, EXPRESS OR IMPLIED, OTHER THAN THOSE EXPRESS WARRANTIES CONTAINED IN THIS CONTRACT.

Indemnity for Property Damage and Bodily Injury. The Contractor must indemnify the State for all liability and expense resulting from bodily injury to any person (including injury resulting in death) and damage to tangible or real property arising out of the performance of this Contract, provided that such bodily injury or property damage is due to the negligence or other tortious conduct of the Contractor, its employees, agents, or subcontractors. The Contractor will not be responsible for any damages or liability to the extent caused by the negligence or willful misconduct of the State, its employees, other contractors, or agents.

Limitation of Liability. Neither party will be liable for any indirect, incidental, or consequential loss or damage of the other party, including but not limited to lost profits, even if the parties have been advised, knew, or should have known of the possibility of such damages. Additionally, neither party will be liable to the other for direct or other damages in excess of two times the Not-To-Exceed Fixed Price of this Contract. The limitations in this paragraph do not apply to any obligation of the Contractor to indemnify the State against claims made against it or for damages to the State caused by the Contractor's negligence or other tortious conduct.

PART FIVE: ACCEPTANCE AND MAINTENANCE

Standards of Performance and Acceptance. There will be a period for performance testing of the completed Project. During the performance period, the State, with the assistance of the Contractor, will perform acceptance testing. The performance period will last up to 90 calendar days, during which time the Project must meet the standard of performance required by the RFP Documents for 30 consecutive calendar days. The performance criteria in the RFP Documents will be supplemented with the relevant user manuals, technical materials, and related writings, to the extent that the specifications in those writings supplement and refine rather than contradict the performance criteria in the RFP Documents. Acceptance of the Project depends on a successful completion of the performance period defined in this section and the RFP Documents. This section applies to the Project, and any part of it, as well as replacements or substitutes for the Project after completion of a successful performance period.

If the Project does not meet the standard of performance during the initial performance period, the State will give the Contractor details about the problems in a timely manner and in a useful and relevant form. Until the Contractor demonstrably corrects all outstanding problems, the second performance period will not start, and the State will not accept the Project (or part thereof). The second performance test will continue on a day-by-day basis until the standard of performance is met for a total of 30 consecutive calendar days or until the 90-day performance period has ended without meeting the standard of performance.

If the Project fails to meet the standard of performance after 90 calendar days from the start of the second performance period, the Contractor will be in default and will not have a cure period. In addition to all other remedies the State may have under this Contract, the State may request a correction or replacement of the relevant portion of the Project.

The Project may have components that can be tested for acceptance individually. If that is so, there may be acceptance criteria listed on the RFP Documents for each part of the Project that will be independently tested and accepted. However, unless the RFP Documents expressly provide otherwise, the failure of any independently tested component to meet its acceptance criteria will give the State the right to reject the entire Project. Alternatively, if the State determines that it is in the State's interest to reject only the part of the Project that was independently and unsuccessfully tested, it may do so. If the State chooses this option, the State will be entitled to a refund or credit toward the Contractor's Fee equal to the cost of acquiring a replacement for the rejected component.

The acceptable level of performance for the Project will be 98.5%, unless otherwise specified in the RFP Documents. The performance level for the Project is computed by dividing the sum of the uptime by the number of working hours during the test time. "Uptime" means the total hours, rounded to the nearest quarter hour, during which all components of the Project are operational and all functions of the Project are available to its users. The number of "working hours" means the total number of working hours for the period during which the Project was scheduled to be available to its users. Uptime and downtime will be measured in hours and quarter hours.

The Project "downtime" is that period when any part of the Project is inoperable due to failure of the Project or a particular Deliverable to operate according to the specifications in the RFP Documents, the user documentation, or the published technical specifications. During a period of downtime, the State may use operable components of the Project when that will not interfere with repair of inoperable components of the Project. Downtime will start from the time the State notifies the Project Manager of the inoperable condition of the Project until the Project is returned in proper operating condition.

The Project will not be accepted until the performance period is complete.

Should it be necessary, the State may delay the start of the performance period, but the delay will not exceed 30 consecutive calendar days after the scheduled date for implementation of the Project. Such a delay will not be considered a suspension of work under the Suspension and Termination section of this Contract.

Passage of Title. Title to any Deliverable will pass to the State only on acceptance of the Deliverable. All risk of loss, regardless of the cause, will remain with the Contractor until title to the Deliverable passes to the State.

Software Maintenance. If this Contract involves software as a Deliverable, then, during the warranty period, as well as any optional maintenance periods that the State exercises, the Contractor must correct any material programming errors that are attributable to the Contractor within a reasonable period of time. However, the State must notify the Contractor, either orally or in writing, of a problem with the software and provide sufficient information for the Contractor to identify the problem.

The Contractor's response to a programming error will depend upon the severity of the problem. For programming errors that slow the processing of data by a small degree, render minor and non-mandatory functions of the System inoperable or unstable, or require users or administrators to employ workarounds to fully use the software, Contractor will respond to the request for resolution within four business hours. Furthermore, the Contractor must begin working on a proper solution for the problem within one business day, dedicating the resources required to fix the problem. For any defects with more significant consequences, including those that render key functions of the system inoperable or significantly slow processing of data, the Contractor will respond within two business hours of notice. The Contractor also must begin working on a proper solution for the problem immediately after responding and, if requested, provide on-site assistance and dedicate all available resources to resolving the problem.

For software classified as Commercial Software in the Ownership of Deliverables section and for which the State has not signed a separate license agreement, the Contractor must acquire for the State the right to maintenance for one year. That maintenance must be the third-party licensor's standard maintenance program, but at a minimum, that maintenance program must include all, updates, patches, and fixes to the software. It also must include a commitment to keep the software current with the operating environment in which it is designed to function (and, if applicable, the subject matter covered by the software) and to correct material defects in the software in a timely fashion. Additionally, the Contractor must obtain a

commitment from the licensor to make maintenance available for the product for at least five years after the first year of maintenance. The Contractor also must obtain a commitment from the licensor to limit increases in the annual Fee for maintenance to no more than 7% annually. If the licensor is unable to provide maintenance during that five-year period, then the licensor must be committed to doing one of the following two things: (a) give the State a *pro rata* refund of the license fee based on a five-year useful life; or (b) release the source code for the software (except third party software) to the State for use by the State solely for the purpose of maintaining the copy(ies) of the software for which the State has a proper license. For purposes of receiving the source code, the State agrees to treat it as confidential and to be obligated to the requirements under the Confidentiality section of this Contract with respect to the source code. That is, with respect to the source code that the State gets under this section, the State will do all the things that the Confidentiality section requires the Contractor to do in handling the State's Confidential Information.

Equipment Maintenance. If this Contract involves Equipment as a Deliverable, then, upon Equipment delivery and for 12 months after acceptance, the Contractor must provide Equipment maintenance to keep the Equipment in or restore the Equipment to good working order. If the State exercises its right to any optional maintenance periods, the Contractor's obligations hereunder will extend to those periods as well. This maintenance must include preventative and remedial maintenance, installation of safety changes, and installation of engineering changes based upon the specific needs of the individual item of Equipment. This maintenance must include the repair, replacement, or exchange deemed necessary to keep the Equipment in good working condition. For purposes of this Contract, Equipment restored to good working condition means Equipment that performs in accordance with the manufacturer's published specifications and the RFP Documents.

The Contractor must exert its best efforts to perform all fault isolation and problem determination attributed to the Equipment covered under this Contract.

The following services are outside the scope of this Contract:

- Maintenance to bring the Equipment into compliance with any law, rule, or regulation if such law, rule, or regulation was not in effect on the acceptance date.
- Repair and replacement work or increase in maintenance time as a result of damage or loss resulting from casualty or the State's misuse of the Equipment, damage resulting from improper packing or failure to follow prescribed shipping instructions (if such is done by the State), failure of electrical power, air conditioning or humidity control, use of supplies not approved by the original manufacturer of the Equipment as described or included in the Contractor's Proposal, or causes other than ordinary use of the Equipment.
- Furnishing supplies or accessories, making specification changes, or adding or removing approved accessories, attachments, or other devices.
- Maintenance or any increase in maintenance time resulting from any maintenance or inappropriate connection to other equipment (not done by the Contractor) that results in damage to the Equipment.
- Activities required to restore the Equipment to good operating condition if the problem has resulted from someone other than Contractor's authorized service personnel repairing, modifying, or performing any maintenance service on the Equipment.

Equipment Maintenance Standards. This section applies if Equipment will be a Deliverable under this Contract.

The Contractor must complete all remedial Equipment maintenance within eight business hours after notification by the State that maintenance is required. In the case of preventative maintenance, the Contractor must perform such in accordance with the manufacturer's published schedule and specifications. If maintenance is not completed or substitute equipment provided within eight hours after notification by the State, the Contractor will be in default.

All maintenance also must meet any standards contained in the RFP Documents. Failure of the Contractor to meet or maintain these requirements will provide the State with the same rights and remedies specified elsewhere in the RFP Documents for default, except that the Contractor will only have eight hours to remedy the default.

The Contractor must provide adequate staff to provide the maintenance required by this Contract.

Equipment Maintenance Continuity. This section applies if Equipment will be a Deliverable under this Contract.

If the Contractor is unable to provide maintenance services to meet the State's ongoing performance requirements for Equipment delivered under this Contract, and if, in the State's sole opinion, the Contractor is unlikely to resume providing warranty services that meet the State's ongoing performance requirement, the Contractor will be in default. The State then will be entitled to the remedies in the default section of this Contract. However, the State will also be entitled to the following items from the Contractor: (a) all information necessary for the State to perform the maintenance, including logic diagrams, maintenance manuals and system and unit schematics, as modified by the Contractor; and (b) a listing of suppliers capable of supplying necessary spare parts.

Any information in items (a) and (b) above that is rightfully identified by the Contractor as confidential information will be maintained in confidence by the State, except where disclosure to a third party is necessary for the State to continue the maintenance. However, any third party to whom disclosure is made must agree to hold such proprietary information in confidence and to make no further disclosure of it. Further, any such confidential information will be used solely to perform the Contractor's maintenance obligations hereunder and will be returned to the Contractor upon completion of such use.

Principal Period of Maintenance (General). This section applies if software or Equipment will be a Deliverable under this Contract.

The Contractor must make maintenance available twelve working hours per weekday, between 7:00 a.m. and 7:00 p.m. (Columbus, Ohio local time). Travel time and expenses related to remedial and preventive maintenance will not be considered billable but will be included in the Contractor's firm, fixed Fee for the Project during the warranty period and a part of the annual maintenance Fee during later annual maintenance periods.

Maintenance Access (General). This section applies if software or Equipment will be a Deliverable under this Contract.

The Contractor must keep the Project in good operating condition during the warranty period and any annual maintenance period during which the State contracts for continued maintenance. The State will provide the Contractor with reasonable access to the Project to perform maintenance. All maintenance that requires the Project to be inoperable must be performed outside the State's customary working hours, except when the Project is already inoperable. Preventive or scheduled maintenance will be performed at mutually agreeable times, within the parameters of the manufacturer's published schedule.

Key Maintenance Personnel (General). This section applies if software or Equipment will be a Deliverable under this Contract.

The Contractor must identify all key people responsible for providing maintenance on the Project, furnish the State with a means of identifying these people, furnish the State with their credentials, and notify the State at least 30 calendar days in advance of any reductions in staffing levels of key people at the office serving the State.

PART SIX: CONSTRUCTION

Entire Document. This Contract is the entire agreement between the parties with respect to its subject matter and supersedes any previous agreements, whether oral or written.

Binding Effect. This Contract will be binding upon and inure to the benefit of the respective successors and assigns of the State and the Contractor.

Amendments – Waiver. No change to any provision of this Contract will be effective unless it is in writing and signed by both parties. The failure of either party at any time to demand strict performance by the other party of any of the terms of this Contract will not be a waiver of those terms. Waivers must be in writing to be effective, and either party may at any later time demand strict performance.

Severability. If any provision of this Contract is held by a court of competent jurisdiction to be contrary to law, the remaining provisions of this Contract will remain in full force and effect to the extent that such does not create an absurdity.

Construction. This Contract will be construed in accordance with the plain meaning of its language and neither for nor against the drafting party.

Headings. The headings used herein are for the sole sake of convenience and may not be used to interpret any section.

Notices. For any notice under this Contract to be effective, it must be made in writing and sent to the address of the appropriate contact provided elsewhere in the Contract, unless such party has notified the other party, in accordance with the provisions of this section, of a new mailing address. This notice requirement will not apply to any notices that this Contract expressly authorized to be made orally.

Continuing Obligations. The terms of this Contract will survive the termination or expiration of the time for completion of Project and the time for meeting any final payment of compensation, except where such creates an absurdity.

Time. Unless otherwise expressly provided, any reference in this document to a number of days for an action or event to occur means calendar days, and any reference to a time of the day, such as 5:00 p.m., is a reference to the local time in Columbus, Ohio.

Time is of the Essence. Contractor hereby acknowledges that time is of the essence for performance of this Contract unless, otherwise agreed to in writing by the parties.

PART SEVEN: LAW AND COURTS

Compliance with Law. The Contractor must comply with all applicable federal, state, and local laws while performing under this Contract.

Drug-Free Workplace. The Contractor must comply with all applicable state and federal laws regarding keeping a drug-free workplace. The Contractor must make a good faith effort to ensure that all the Contractor's Personnel, while working on state property, will not have or be under the influence of illegal drugs or alcohol or abuse prescription drugs in any way.

Conflicts of Interest and Ethics Compliance Certification. None of the Contractor's Personnel may voluntarily acquire any personal interest that conflicts with their responsibilities under this Contract. Additionally, the Contractor may not knowingly permit any public official or public employee who has any responsibilities related to this Contract or the Project to acquire an interest in anything or any entity under the Contractor's control, if such an interest would conflict with that official's or employee's duties. The Contractor must disclose to the State knowledge of any such person who acquires an incompatible or conflicting personal interest related to this **Contract**. The Contractor also must take steps to ensure that such a person does not participate in any action affecting the work under this Contract. However, this will not apply when the State has determined, in light of the personal interest disclosed, that person's participation in any such action would not be contrary to the public interest.

Ohio Ethics Law and Limits on Political Contributions. The Contractor certifies that it is currently in compliance and will continue to adhere to the requirements of the Ohio ethics laws. The Contractor also certifies that all applicable parties listed in Ohio Revised Code Section 3517.13 are in full compliance with Ohio Revised Code Section 3517.13.

Unresolved Finding for Recovery. If the Contractor was subject to an unresolved finding of the Auditor of State under Revised Code Section 9.24 on the date the parties sign this Contract, the Contract is void.

Further, if the Contractor is subject to an unresolved finding of the Auditor of State under Revised Code Section 9.24 on any date on which the parties renew or extend this Contract, the renewal or extension will be void.

Equal Employment Opportunity. The Contractor will comply with all state and federal laws regarding equal employment opportunity and fair labor and employment practices, including Ohio Revised Code Section 125.111 and all related Executive Orders.

Before a contract can be awarded or renewed, an Affirmative Action Program Verification Form must be submitted to the Department of Administrative Services Equal Opportunity Division to comply with the affirmative action requirements. Affirmative Action Verification Forms and approved Affirmative Action Plans can be found by going to the Ohio Business Gateway at: <http://business.ohio.gov/efiling/>.

Use of MBE and EDGE Vendors. The State encourages Contractor to purchase goods and services from Minority Business Enterprises (MBE) and Encouraging Diversity, Growth, and Equity (EDGE) vendors.

Security & Safety Rules. When using or possessing State data or accessing State networks and systems, the Contractor must comply with all applicable State rules, policies, and regulations regarding data security and integrity. And when on any property owned or controlled by the State, the Contractor must comply with all security and safety rules, regulations, and policies applicable to people on those premises.

Governing the Expenditure of Public Funds on Offshore Services (EO 2011-12K). The Service Provider affirms it has read and understands Executive Order 2011-12K and will abide by those requirements in the performance of this Agreement. Notwithstanding any other terms of this Agreement, the State reserves the right to recover any funds paid for Services the Service Provider performs outside of the United States for which it did not receive a waiver. The State does not waive any other rights or remedies provided the State in this Agreement.

The Service Provider agrees to complete the attached Executive Order 2011-12K Affirmation and Disclosure Form, which is incorporated and becomes a part of this Agreement.

Injunctive Relief. Nothing in this Contract is intended to limit the State's right to injunctive relief, if such is necessary to protect its interests or to keep it whole.

Assignment. The Contractor may not assign this Contract or any of its rights or obligations under this Contract without the prior, written consent of the State. The State is not obligated to provide its consent to any proposed assignment.

Governing Law. This Contract will be governed by the laws of Ohio, and venue for any disputes will lie exclusively with the appropriate court in Franklin County, Ohio.

Registration with the Secretary of State. By providing a Charter Number and signature within the Certification Offer Letter, the Contractor attests that the Contractor is:

An Ohio corporation that is properly registered with the Ohio Secretary of State; or

A foreign corporation, not incorporated under the laws of the state of Ohio, but is registered with the Ohio Secretary of State pursuant to Ohio Revised Code Sections 1703.01 to 1703.31, as applicable.

Any foreign corporation required to be licensed under O.R.C. § 1703.01-1703.31, which transacts business in the state of Ohio, without being so licensed, or when its license has expired or been canceled, shall forfeit not less than \$250.00 nor more than ten thousand dollars. No officer of a foreign corporation

(<http://codes.ohio.gov/orc/1703.01>) shall transact business in the state of Ohio, if such corporation is required by O.R.C. § 1703.01-1803.31 to procure and maintain a license, but has not done so. Whoever violates this is guilty of a misdemeanor of the fourth degree. Questions regarding registration should be directed to (614) 4663910, or visit <http://www.sos.state.oh.us>.

Health Insurance Portability & Accessibility Act (HIPAA) Requirements. As a condition of receiving a contract from the State, the Contractor, and any subcontractor(s), will be required to comply with 42 U.S.C. Sections 1320d through 1320d-8, and to implement regulations at 45 C.F.R. Section 164.502 (e) and 164.504 (e) [relating to privacy] and 164.308 and 164.314 [relating to security] regarding disclosure and safeguarding of protected health information under the Health Insurance Portability and Accountability Act (HIPAA) of 1996, as amended by the American Recovery and Reinvestment Act of 2009. Contractor and any subcontractor(s) will be required to enter into the Attached Business Associate Agreement (see Attachment Eleven).

Protected Health Information (PHI) is information received by the Contractor from or on behalf of the State Department of Administrative Services that meets the definition of PHI as defined by HIPAA and the regulations promulgated by the United States Department of Health & Human Services, specifically 45 C.F.R. 164.501 and any addenda thereto.

HIPAA compliance requires, at minimum, that the Contractor:

1. Shall not use or disclose PHI except as specifically required under the terms of the Contract with the State (DAS), or as otherwise required under the HIPAA regulations or other applicable law.
2. Shall use appropriate safeguards to protect against use or disclosure not provided for by this Agreement.
3. Shall promptly report to the State (DAS) any knowledge of uses or disclosures of PHI that are not in accordance with the Contract or applicable law. In addition, the Contractor shall mitigate any adverse effects of such a breach to the extent possible.
4. Shall ensure that all its agents and subcontractors that receive PHI from or on behalf of the Contractor and/or the State (DAS) agree to the same restrictions and conditions that apply to the Contractor with respect to the use or disclosure of PHI.
5. Shall make available to the State (DAS) such information as the State (DAS) may require fulfilling its obligations to provide access to, provide a copy of, and account for disclosures with respect to PHI pursuant to HIPAA and related regulations.
6. Shall make PHI available to the State (DAS) in order for the State (DAS) to fulfill its obligations pursuant to HIPAA to amend the information and shall, as directed by the State (DAS), incorporate any amendments into the information held by the Contractor and ensure incorporation of any such amendments into information held by its agents or subcontractors.
7. Shall make available its internal practices, books and records relating to the use and disclosure of PHI received from DAS, or created and received by the contractor on behalf of DAS, to DAS and to the Secretary of the U.S. Department of Health and Human Services for the purpose of determining the State's (DAS) compliance with HIPAA and the regulations promulgated by the United States Department of Health and Human Services and any amendment thereto.
8. Shall, upon termination of this Agreement, at the option of the State (DAS) return to the State (DAS), or destroy, all PHI in its possession, and keep no copies of the information except as requested by the State (DAS) or required by law.
9. If the Contractor or its agent or subcontractor destroys any PHI, then the Contractor will provide the State (DAS) with documentation evidencing such destruction. Any PHI maintained by the Contractor shall continue to be extended the same as required by HIPAA and the State (DAS) for as long as it is maintained.

In the event of a material breach of Contractor obligations under this section, the State (DAS) may at its option terminate the Contract according to provisions within the contract for termination.

**ATTACHMENT FIVE
SAMPLE CONTRACT**

**A CONTRACT BETWEEN
THE DEPARTMENT OF ADMINISTRATIVE SERVICES
ON BEHALF OF THE**

AND

(CONTRACTOR)

THIS CONTRACT, which results from RFP 0A1173, entitled Integrated Decision Support System, is between the State of Ohio, through the Department of Administrative Services, on behalf of the Ohio Department of <Agency> and _____ (the "Contractor").

This Contract consists of:

4. This one page signature page;
5. The attached amended and clarified version of Contractor's " _____ " dated _____ ("Contractor's Response"). Contractor's Response includes Attachment Four: General Terms and Conditions and all other Attachments, Supplements and materials included in Contractor's Response; and
6. The attached Cost Proposal Workbook dated _____.

Change orders and amendments issued after the Contract is signed may expressly change the provisions of the Contract. If so, the change orders and amendments will apply in accordance with their respective terms.

The term of the Contract will be from the award date until the Work is completed to the satisfaction of the State and the Contractor is paid or June 30, 2017, whichever is sooner. The State may renew this Contract for up to six additional one--year term(s), subject to and contingent on the discretionary decision of the Ohio General Assembly to appropriate funds for this Contract in each new biennium, for a possible maximum contract term expiring _____. Any such renewal of all or part of the Contract also is subject to the satisfactory performance of the Contractor and the needs of the Department of Administrative Services.

TO SHOW THEIR AGREEMENT, the parties have executed this Contract as of the dates below.

CONTRACTOR

STATE OF OHIO

DEPARTMENT

OF

ADMINISTRATIVE

SERVICES

SAMPLE – DO NOT FILL OUT

By: _____

By: Robert Blair

Title: _____

Title: DAS Director

Date: _____

Date: _____

ATTACHMENT SIX

OFFEROR CERTIFICATION FORM

1. The offeror is not currently subject to an “unresolved” finding for recovery under Revised Code Section 9.24, and the offeror will notify the Procurement Representative any time it becomes subject to such a finding before the award of a Contract arising out of this RFP.
2. The offeror certifies that it will not and will not allow others to perform work for the State of Ohio outside the geographic limitations contained in Attachment Two or take data that belongs to the State of Ohio outside the geographic limitations contained in Attachment Two without express written authorization from the State.
3. The offeror certifies that its responses to the following statements are true and accurate. The offeror’s answers apply to the last seven years. Please indicate yes or no in each column.

Yes/No	Description
	The offeror has had a contract terminated for default or cause.
	The offeror has been assessed any penalties in excess of \$10,000.00, including liquidated damages, under any of its existing or past contracts with any organization (including any governmental entity).
	The offeror was the subject of any governmental action limiting the right of the offeror to do business with that entity or any other governmental entity.
	Trading in the stock of the company has ever been suspended with the date(s) and explanation(s).
	The offeror, any officer of the offeror, or any owner of a 20% interest or greater in the offeror has filed for bankruptcy, reorganization, a debt arrangement, moratorium, or any proceeding under any bankruptcy or insolvency law, or any dissolution or liquidation proceeding.
	The offeror, any officer of the offeror, or any owner with a 20% interest or greater in the offeror has been convicted of a felony or is currently under indictment on any felony charge.

If the answer to any item above is affirmative, the offeror must provide complete details about the matter. While an affirmative answer to any of these items will not automatically disqualify an offeror from consideration, at the sole discretion of the State, such an answer and a review of the background details may result in a rejection of the Proposal. The State will make this decision based on its determination of the seriousness of the matter, the matter’s possible impact on the offeror’s performance under the Contract, and the best interest of the State.

4. The offeror certifies that neither it nor any of its people that may work on or benefit from the Contract through the offeror has a possible conflict of interest (e.g., employed by the State of Ohio, etc.) other than the conflicts identified immediately below:

Potential Conflicts (by person or entity affected)

(Attach an additional sheet if more space is need.)

The State may reject a Proposal in which an actual or apparent conflict is disclosed. And the State may cancel or terminate the Contract for cause if it discovers any actual or apparent conflict of interest that the offeror did not disclose in its Proposal.

5. The offeror certifies that all its and its subcontractors' personnel provided for the Work will have a valid I-9 form on file with the offeror or subcontractor, as appropriate, and will have presented valid employment authorization documents, if they are not United States citizens.
6. The offeror certifies that its regular, fulltime employees will perform at least 30% of the Work.
7. The following is a complete list of all subcontractors, if any, that the offeror will use on the Work, if the State selects the offeror to do the Work:

The offeror certifies that it has obtained and submitted a subcontractor letter, as required by Attachment Three, for each subcontractor it plans to use to do the Work.

8. The offeror certifies that it will obtain the **SSAE 16 Type 2 Reporting (Formerly SAS 70 Audit)** and will submit upon request from the State.

Please provide the following information for a contact person who has authority to answer questions regarding the offeror's Proposal:

Name:	
Title:	
Mailing Address:	
Office Phone Number:	
Cell Phone Number:	
Fax Number:	
Email Address:	

Signature

Name

Title

Company Name

Company D-U-N-S Number

**ATTACHMENT EIGHT
PERSONNEL PROFILE SUMMARY
(Experience and Qualifications)**

CANDIDATE REFERENCES

Candidate's Name:

References. Provide three references for which the proposed candidate has successfully demonstrated meeting the requirements of the RFP on Works of similar size and scope in the past five years. The name of the person to be contacted, phone number, company, address, brief description of work size and complexity, and date (month and year) of employment must be given for each reference. These references must be able to attest to the candidate's specific qualifications.

The reference given should be a person within the client's organization and not a co-worker or a contact within the offerors organization.

If less than three references are provided, the offeror must explain why. The State may disqualify the Proposal if less than three references are given.

Client Company:	Client Contact Name:	Client Contact Title:	
Client Address:		Client Contact Phone Number:	
		Email:	
Work Name:	Beginning Date of Employment:	Ending Date of Employment:	
	Month/Year	Month/Year	
Description of services provided that are in line with those to be provided as part of the Work:			
Description of how client work size and complexity are similar to the Work:			

**ATTACHMENT EIGHT
PERSONNEL PROFILE SUMMARY
(Experience and Qualifications)**

CANDIDATE REFERENCES CONTINUED

Candidate's Name:

Client Company:	Client Contact Name:	Client Contact Title:	
Client Address:		Client Contact Phone Number:	
		Email:	
Work Name:		Beginning Date of Employment:	Ending Date of Employment:
		Month/Year	Month/Year
Description of services provided that are in line with those to be provided as part of the Work:			
Description of how client work size and complexity are similar to the Work:			

**ATTACHMENT EIGHT
PERSONNEL PROFILE SUMMARY
(Experience and Qualifications)**

CANDIDATE EDUCATION AND TRAINING

Candidate's Name:

Education and Training. This section must be completed to list the education and training of each key candidate and must demonstrate in detail the key candidate's ability to properly execute the Contract based on the relevance of the education and training to the requirements of the RFP.

EDUCATION AND TRAINING	MONTHS/ YEARS	WHERE OBTAINED	DEGREE/MAJOR YEAR EARNED
College			
Technical School			
Other Training			

**ATTACHMENT EIGHT
PERSONNEL PROFILE SUMMARY**

**CANDIDATE REQUIREMENTS
(Experience and Qualifications)
Project Manager**

Candidate's Name:

Requirement: A minimum of 36 months of full-time experience as the Project Manager on projects where the offeror's proposed software solution was successfully implemented.

Company Name:	Contact Name: Primary or Alternate	Contact Title:	
Address:		Contact Phone Number:	
		Email Address:	
Work Name:		Beginning Date of Experience: Month/Year	Ending Date of Experience: Month/Year
Description of technical experience, capacity performed, and role related to services to be provided for the Work:			

**ATTACHMENT EIGHT
PERSONNEL PROFILE SUMMARY
(Experience and Qualifications)**

**CANDIDATE REQUIREMENTS
Project Manager CONTINUED**

Candidate's Name:

Requirement: A minimum of 36 months of full-time experience as the Project Manager on projects where the offeror's proposed software solution was successfully implemented.

Company Name:	Contact Name: <small>Primary or Alternate</small>	Contact Title:	
Address:		Contact Phone Number:	
		Email Address:	
Work Name:	Beginning Date of Experience: <small>Month/Year</small>	Ending Date of Experience: <small>Month/Year</small>	
Description of technical experience, capacity performed, and role related to services to be provided for the Work:			

**ATTACHMENT NINE
COST SUMMARY**

Attachment Nine is included as an electronic form in the Opportunity Description on the State Procurement Website for this RFP. The Cost Proposal is to be submitted in Microsoft Excel workbook in native Excel format – not PDF.

**ATTACHMENT TEN
DEPARTMENT OF ADMINISTRATIVE SERVICES
STANDARD AFFIRMATION AND DISCLOSURE FORM
EXECUTIVE ORDER 2011-12K
ATTACHMENT TEN
DEPARTMENT OF ADMINISTRATIVE SERVICES
STANDARD AFFIRMATION AND DISCLOSURE FORM
EXECUTIVE ORDER 2011-12K**

Governing the Expenditure of Public Funds on Offshore Services

All of the following provisions must be included in all invitations to bid, requests for proposals, state term schedules, multiple award contracts, requests for quotations, informal quotations and statements of work. This information is to be submitted as part of the response to any of the procurement methods listed.

By the signature affixed hereto, the Contractor affirms, understands and will abide by the requirements of Executive Order 2011-12K. If awarded a contract, the Contractor and any of its subcontractors shall perform no services requested under this Contract outside of the United States.

The Contractor shall provide all the name(s) and location(s) where services under this Contract will be performed in the spaces provided below or by attachment. Failure to provide this information may subject the Contractor to sanctions, termination or a damages assessment. If the Contractor will not be using subcontractors, indicate "Not Applicable" in the appropriate spaces.

1. Principal location of business of Contractor:

(Address) (City, State, Zip)

Name/Principal location of business of subcontractor(s):

(Name) (Address, City, State, Zip)

(Name) (Address, City, State, Zip)

2. Location where services will be performed by Contractor:

(Address) (City, State, Zip)

Name/Location where services will be performed by subcontractor(s):

(Name) (Address, City, State, Zip)

**ATTACHMENT TEN
DEPARTMENT OF ADMINISTRATIVE SERVICES
STANDARD AFFIRMATION AND DISCLOSURE FORM
EXECUTIVE ORDER 2011-12K**

Governing the Expenditure of Public Funds on Offshore Services

CONTINUED

3. Location where state data will be stored, accessed, tested, maintained or backed-up, by Contractor:

(Address)

(Address, City, State, Zip)

4. Name/Location(s) where state data will be stored, accessed, tested, maintained or backed-up by Sub-contractor(s):

(Name)

(Address, City, State, Zip)

**ATTACHMENT ELEVEN
SAMPLE BUSINESS ASSOCIATE AGREEMENT**

THIS AGREEMENT is entered into this ____ day of _____, _____, by and between _____ (referred to as "Business Associate") and the State of Ohio, Department of Administrative Services (referred to as "Agency"), for length of underlying agreement.

WHEREAS, Agency will make available and/or transfer to Business Associate confidential, personally identifiable health information in conjunction with the terms and conditions of the underlying agreement, and

WHEREAS, such information may be used or disclosed only in accordance with the privacy regulations [45 CFR §§ 164.502(e); 164.504(e)] and the security regulations [45 CFR §§ 164.308; 164.314] issued pursuant to the Health Insurance Portability and Accountability Act [42 USC §§ 1320 - 1320d-8], relevant amendments effected by the American Recovery and Reinvestment Act of 2009 [Pub. L. 111-5, §§ 13400 *et seq.*] and the terms of this Agreement, or more stringent provisions of the law of the State of Ohio;

NOW THEREFORE, the parties agree as follows:

1. Definitions.

1.1. Protected Health Information ("PHI") means individually identifiable information relating to the past, present or future physical or mental health or condition of an individual, provision of health care to an individual, or the past, present or future payment for health care provided to an individual, as more fully defined in 45 CFR § 160.103, and any amendments thereto, received from or on behalf of the Agency.

1.2. Unsecured PHI is PHI that is not rendered unusable, unreadable or indecipherable to unauthorized individuals through the use of a technology or methodology specified by the Secretary of the U.S. Department of Health and Human Services.

1.3. Business Associate shall have the meaning given to such term in 45 CFR § 160.103.

1.4. Individual means the person who is the subject of the PHI, as defined in 45 CFR § 160.103, and includes the person's personal representative.

1.5. Privacy Rule means the Standards for Privacy of Individually Identifiable Health Information found at 45 CFR Parts 160 and Part 164, Subparts A and E, and any amendments thereto.

2. Copy of Privacy Practices. If applicable, Agency shall provide to the Business Associate a copy of the current Notice of Privacy Practices and any relevant information on changes to or agreed upon restrictions relating to legal permissions for the use or disclosure of PHI.

3. Permitted Use. The Business Associate agrees that it shall not receive, create, use or disclose PHI except as follows:

- 3.1. Covered Functions.** Except as otherwise limited in this Agreement, Business Associate may use or disclose the PHI on behalf of, or to provide services to, Agency for the purposes necessary to complete the tasks, or provide the services, associated with, and required by the terms of the underlying agreement.
- 3.2. Disclosure Restrictions.** If necessary for the proper management and administration of the Business Associate or to carry out legal responsibilities of the Business Associate. PHI may only be disclosed to another person/entity for such purposes if:
- 3.2.1. Disclosure is required by law; or
 - 3.2.2. Where the Business Associate obtains reasonable assurances from the person to whom disclosure is made that the PHI released will be held confidentially and only may be used or further disclosed as required by law or for the purposes of the disclosure; and person/entity agrees to notify Business Associate of any breaches of confidentiality in a timely fashion and in writing. Documentation needs to follow the same standards and time frames as item 6 below.
- 3.3. Data Aggregation.** To permit the Business Associate to provide data aggregation services relating to the operations of Agency. Aggregation is defined as combining PHI received from multiple Business Associates to produce data analysis that relates to the operation of the respective Covered Entities.
- 4. Minimize Use of PHI.** The Business Associate agrees that it will not request, use or release more than the minimum necessary amount of PHI to accomplish the purpose of the use, disclosure or request.
- 5. Business Associate Safeguards.** The Associate will use appropriate safeguards to prevent any unauthorized use or disclosure of PHI and shall implement the administrative, physical and technical safeguards that reasonably protect the confidentiality, integrity and availability of the PHI that it creates, receives, maintains or transmits on behalf of the Agency. The Associate will use all appropriate safeguards under 45 CFR 164 Subpart C including those identified as addressable. The Associate will comply with 74 FR 19006 Guidance Specifying the Technologies and Methodologies That Render PHI Unusable, Unreadable, or Indecipherable to Unauthorized Individuals for Purposes of the Breach Notification Requirements under Section 13402 of Title XIII. With regard to electronic PHI not covered by the Guidance published at 74 FR 19006, the Associate will protect electronic PHI at rest and in transit through encryption that complies with State of Ohio IT Standard, ITS-SEC-01 Data Encryption and Cryptography.
- 6. Unauthorized Disclosure and Incident Reporting and Remediation and Privacy and Security Breach Notification.**
- 6.1. Incident Reporting.**
- 6.1.1. Business Associate shall report to Covered Entity the following:
 - 6.1.1.1. Any use or disclosure of PHI which is not in compliance with the terms of this Agreement or applicable law of which it becomes aware; and

- 6.1.1.2. Any security incident of which it becomes aware. For purposes of this Agreement, "security incident" means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system.
- 6.1.2. Within 24 hours of discovery of a suspected reportable incident as described in 6.1.1 above, Business Associate shall notify Covered Entity of the existence and nature of the incident as understood at that time. Business Associate shall immediately investigate the incident and within 72 hours of discovery shall provide Covered Entity, in writing, a report describing the results of Business Associate's investigation, including:
- 6.1.2.1. What data elements were involved, the extent of the data involved in the incident, and the identification of affected individuals, if applicable;
 - 6.1.2.2. A description of the unauthorized persons known or reasonably believed to have improperly used or disclosed PHI, or to have been responsible for the incident;
 - 6.1.2.3. A description of where the PHI is believed to have been improperly transmitted, sent, or utilized, if applicable;
 - 6.1.2.4. A description of the probable causes of the incident;
 - 6.1.2.5. A description of the proposed plan for preventing similar future incidents, including ongoing risk remediation plan approval; and
 - 6.1.2.6. Whether the Associate believes any federal or state laws requiring notifications to individuals are triggered.
- 6.1.3. Reporting and other communications made to the Covered Entity under this section must be made to the agency's HIPAA privacy officer at:
- Ohio Department of Administrative Services
 - Office of Legal Services
 - 30 East Broad Street, 40th Floor
 - Columbus, Ohio 43215
 - Main: 614-644-1773
 - Direct: 614-902-4154
 - Email: paul.russell@das.ohio.gov
- 6.2. Business Associate Mitigation.** In addition, Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of the requirements of this Agreement, and report its mitigation activity back to the agency. Business Associate shall preserve evidence.
- 6.3. Coordination.** Business Associate will coordinate with the agency to determine additional, specific actions that will be required of the Business Associate for mitigation of the Breach, which may include notification to the individuals, entities or other authorities. Notifications, if any, will be made at the direction of the agency.

- 6.4. Incident costs.** Business Associate shall bear all costs associated with the incident. This may include, but not be limited to, costs associated with notifying affected individuals. It also may include the cost of investigation, remediation, and assistance to individuals including services such as a standard level of identity-theft protection service that includes credit-monitoring such as AllClear ID's standard service with credit monitoring or other comparable service available to Ohio agencies under state term schedules.
- 7. Agency Indemnification.** Business Associate hereby indemnifies Agency and agrees to hold Agency harmless from and against any and all losses, expense, damage or injury that Agency may sustain as a result of, or arising out of, Business Associate, or its agent's or subcontractor's, unauthorized use or disclosure of PHI.
- 8. Subcontractor Obligations.** Business Associate shall ensure that all of its subcontractors and agents are bound, in writing, by the same restrictions and obligations contained herein, including but not limited to the obligation to implement reasonable and appropriate safeguards to protect the information, the subcontractor creates, receives, maintains, or transmits PHI on behalf of the Business Associate. .. The Business Associate obtain Agency approval prior to entering into such agreements.
- 9. Access to PHI.** Business Associate shall make all PHI and related information maintained by Business Associate or its agents or subcontractors available as soon as practicable following a request for PHI, but within fifteen (15) days, to the extent necessary to fulfill the following obligations:
- 9.1. Inspection and Copying.** Make the PHI maintained by Associate or its agents or subcontractors in Designated Record Sets available to Agency for inspection and copying to enable Agency to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 CFR § 164.524 and consistent with Section 13405 of the HITECH Act.
- 9.2. Accounting.** To account for disclosures of PHI in accordance with the provisions of the Privacy Rule, including, but not limited to 45 CFR § 164.528 and the HITECH Act; and shall make all PHI in its possession available to Agency as soon as practicable following a request for PHI, but within fifteen (15) days, to fulfill Agency's obligation to amend PHI and related information in accordance with 45 CFR § 164.526, and shall, as directed by Agency, incorporate any amendments or related statements into the information held by the Business Associate and any subcontractors or agents.
- 10. Compliance and HHS Access.** The Business Associate shall make available to the agency and to the Secretary of the U.S. Department of Health and Human Services any and all internal practices, documentation, books, and records related to the use and disclosure of PHI received from the agency, or created or received by the Business Associate on behalf of the agency. Such access is for the purpose of determining the agency's compliance with HIPAA, regulations promulgated by the United States Department of Health and Human Services, and any amendment thereto. Any non-compliance by the Business Associate with the terms of this Agreement or the privacy and security regulations shall be a breach of this Agreement if the Business Associate knew of the breach and failed to take immediate and reasonable steps to cure the non-compliance. The Business Associate agrees that Agency has the right to immediately terminate this Agreement and seek relief, if Agency determines that the Business Associate has violated a material term of the Agreement.
- 11. Ownership and Destruction of Information.** The PHI and any related information created or received from or on behalf of Agency is and shall remain the property of the Agency. The

Business Associate agrees that it acquires no title in or rights to the information, including any de-identified information. Upon termination of this Agreement, Business Associate agrees, at the option of Agency, to return or securely destroy all PHI created or received from or on behalf of Agency following 74 FR 19006 Guidance Specifying the Technologies and Methodologies That Render PHI Unusable, Unreadable, or Indecipherable to Unauthorized Individuals for Purposes of the Breach Notification Requirements under Section 13402 of Title XIII. The Business Associate agrees that it will not retain any copies of PHI except as required by law. If PHI is destroyed, the Business Associate agrees to provide Agency with appropriate documentation or certification evidencing such destruction. If return or destruction of all PHI and all copies of PHI is not feasible, the Business Associate agrees to extend the protections of this Agreement to such information for as long as it is maintained and to limit further uses and disclosures to those which make return or destruction infeasible. Termination of this Agreement shall not affect any of its provisions that, by wording or nature, are intended to remain effective and to continue in operation.

- 12. Termination.** Notwithstanding any term or condition in the underlying agreement, the State may terminate the underlying agreement if at any time it determines that the Associate has violated a material term of this Business Associate Agreement. In the alternative, the State may, at its sole discretion, take any action provided in the underlying agreement, may suspend the Agreement, or may allow Associate a reasonable period of time to cure before termination, when such action is determined to be in the State's best interest. Upon suspension of the agreement, the State may, at its sole discretion, require the Associate to comply with the requirements of Paragraph 11, Ownership and Destruction of Information, in the same manner as though the agreement had been terminated. This paragraph shall in no way alter, amend, limit or change the terms and conditions in the underlying agreement as they relate to performance of the underlying agreement, and shall solely relate to violation of the terms of the Business Associate Agreement.
- 13. Survivorship.** The obligations to safeguard the confidentiality, privacy and security of PHI imposed herein shall survive the termination of this Agreement.
- 14. Injunctive Relief.** Notwithstanding any rights or remedies under this Agreement or provided by law, Agency retains all rights to seek injunctive relief to prevent or stop the unauthorized use or disclosure of PHI by the Business Associate, any of its subcontractors or agents, or any third party who has received PHI from the Business Associate.
- 15. Binding Effect.** Subject to the limitations on assignment provided elsewhere in this Agreement, the Agreement shall be binding on the parties and their successors, but neither party may assign the Agreement without the prior written consent of the other, which consent shall not be unreasonably withheld. This Agreement will be binding upon and inure to the benefit of the respective successors and assigns of the State and the Associate.
- 16. Ambiguities, Strict Performance and Priorities.** Any ambiguities in this Agreement shall be resolved in favor of an interpretation that promotes compliance with HIPAA, regulations promulgated thereunder and HITECH. Any conflicts in the security and privacy terms and conditions of this agreement with those in the underlying agreement shall be interpreted to favor of the terms and conditions that promote greater degree of security and privacy. The parties agree that any modifications to those laws shall modify the obligations of the parties hereunder without the need for formal amendment of the Agreement. Any other amendments to this Agreement shall not be effective without the written agreement of both parties. This Agreement will be construed in accordance with the plain meaning of its language and neither for nor against the drafting party. The headings in this Agreement are for convenience only and will not affect the interpretation of any of the Agreement terms and conditions. If at any time either party fails to demand strict performance by the other party of any of the terms of this Agreement, such failure will not be construed as a waiver of any such term, and either party may at any time demand strict and complete performance by the other party.

17. Notice. For any notice under this Agreement to be effective the notice must be made in writing and sent to the address of the appropriate contact provided in the Agreement.

18. Notwithstanding section 6 of this Agreement, any notice to the other party pursuant to this Agreement shall be deemed provided if sent by first class United States mail, postage prepaid, as follows:

To Agency:

To Business Associate:

IN WITNESS WHEREOF, the parties hereto agree to the foregoing,

[Business Associate Name Here]

**Ohio Department of
Administrative Services**

Representative

Representative

Title

Title

Date:

Date:

Supplement

1 :

**Integrated Decision Support
Requirements**

This attachment describes the Work and what the Contractor must do to get the job done. It also describes what the Contractor must deliver as part of the completed Work (the "Deliverables").

Scope of Work. The State will provide oversight for the Work, but the Contractor must provide overall Work management for the tasks under this Contract, including the day-to-day management of its staff. The Contractor also must assist the State with coordinating assignments for State staff, if any, involved in the Work. Additionally, the Contractor must provide all administrative support for its staff and activities. Throughout the Work effort, the Contractor must employ ongoing management techniques to ensure a comprehensive Work Plan is developed, executed, monitored, reported on, and maintained.

The Work will consist of an implementation phase (the "Project") and a hosting phase for the full Integrated Decision Support solution, with the option to downgrade select services, which is part of the overall Work the Contractor must do.

The Contractor must provide a Project Manager for the Work. The Contractor must employ the proposed Project Manager as a regular, full-time employee and throughout the term of the Contract, including all renewals of it. Additionally, the Contractor's full-time regular employees must perform at least 70% of the effort required to complete the Work. The Contractor may use its personnel or subcontractor personnel to meet the remaining 30% of the effort.

The following phases or Project activities for the State's Integrated Decision Support solution are anticipated:

- Project Initiation;
- Requirements Affirmation and Documentation;
- Design and Development;
- Implementation, Conversion, Data Validation and User Acceptance Testing;
- On-going Production Support; and
- Hosting.

The State intends to procure services for the Integrated Decision Support solution through a single Contract with the selected, qualified Contractor. It will be the Contractor's obligation to ensure that its Integrated Decision Support solution meets the State of Ohio's identified requirements and Deliverables.

The primary goal of the State is to implement a decision support solution that meets the State's specifications and requirements as identified in this RFP. The primary tasks the Contractor must perform during the Project will be to assure accuracy, usability, completeness, and timeliness of the proposed solution and all Project Deliverables.

Project Management. The Contractor's Project Manager will be responsible for the day-to-day tracking of all Project tasks and Deliverables for the work identified in this Project. Additionally, the Project Manager must update the Work Plan submitted with the Contractor's Proposal and submit a detailed Work Plan, in electronic and paper form, to the State's Project Representative for approval within ten business days after the State issues a purchase order under the Contract. Thereafter, the Project Manager must:

- Formally update the Work Plan, including the Work schedule, and provide the updated Work Plan as part of its weekly reporting requirements during the Work; and
- Ensure the Work Plan allows adequate time for the State to review, comment on, and approve all Deliverables, including plans and other documents.

The Work Plan must allow at least ten business days for the State staff to review all Deliverables.

Maintain Work Plan. The Work Plan must allow sufficient time for the State's staff to review all Work. The State will determine the number of business days it needs for such reviews and provide that information to the Contractor after award and early in the development of the Work Plan. (See Attachment Three for components of the Work Plan.)

Meeting Attendance and Reporting Requirements. The Contractor's management approach to the Work must adhere to the following meeting and reporting requirements:

- Immediate Reporting - The Work Manager or a designee must immediately report any staffing changes for the Work to the Work Representative (see: Attachment Four: Part Two: Replacement Personnel).
- Attend Status Meetings - The Work Manager and other Work team members must attend status meetings with the Work Representative and other people deemed necessary to discuss Work issues. The Work Representative will schedule these meetings, which will follow an agreed upon agenda and allow the Contractor and the State to discuss any issues that concern them.
- Provide Status Reports - The Contractor must provide written status reports to the Work Representative at least one full business day before each status meeting.
- The Contractor's proposed format and level of detail for the status report is subject to the State's approval.
- Prepare Monthly Status Reports - During the Work, the Contractor must submit a written monthly status report to the Work Representative by the fifth business day following the end of each month. At a minimum, monthly status reports must contain the following:
 - A description of the overall completion status of the Work in terms of the approved Work Plan (schedule and cost);
 - Updated Work schedule;
 - The plans for activities scheduled for the next month;
 - The status of any Deliverables;
 - Time ahead or behind schedule for applicable tasks;
 - A risk analysis of actual and perceived problems; and
- Strategic changes to the Work Plan, if any.

Project Communication. The State requires continuous communication between the Contractor and the State during the Project. The Contractor must use Project forms and reports to communicate Project status and any issues that require remedial action as soon as the remedial action is identified. The communications must include the reporting of issues, anomalies or questionable data. The State will discuss the concern or situation with the Contractor to determine appropriate actions to pursue.

Weekly Implementation Meetings. The Contractor's Project Manager and appropriate Project staff must participate in weekly status meetings as scheduled and mutually agreed to by the State and the Contractor.

Monthly Ongoing Project Meetings. After implementation has been completed, the Contractor's Project Manager and appropriate Project staff must participate in monthly status meetings, after acceptance, as scheduled and mutually agreed to by the State and the Contractor. At least one meeting per quarter must be conducted in person at Columbus, Ohio.

Contractor Responsibilities and Deliverables. The Contractor must meet all RFP requirements for the Work and complete all Work satisfactorily.

Project Initiation. The purpose of the project initiation is to confirm that the Contractor and the Ohio Department of Administrative Services and Benefits Administration Services have the same understanding of the Project Scope; which is to implement a Contractor-hosted Integrated Decision Support solution to improve the analytical decisions support solution requirements identified in this RFP and Supplements.

The Contractor must provide all Project standards, methodologies, tools, personnel, and other resources based on acceptable Project Management best practices described in the Proposal for approval by the State.

Project Kickoff Meeting and Detailed Work Plan. Upon Contract Award and within 10 business days after receipt of a purchase order from the State the Contractor must hold a Project Kickoff Meeting and provide an updated detailed Work Plan that specifies tasks, responsibilities and details to successfully implement the proposed Integrated Decision Support solution for the State. The Contractor must also provide meeting agendas and distribute them to participants at least two (2) business days in advance of the Project kickoff meeting. The Contractor must take minutes from this meeting, and these minutes must be consolidated as part of the weekly implementation meeting status reports.

Included with the Detailed Work Plan the Contractor must provide the following:

- Finalized project Staffing Plan with staffing requirements and resources identified;
- Finalization of the offeror's proposed Communication Plan;
- Finalization of the Change Control Process for the Project;
- Finalization of the proposed Document Control Methodology; and
- Finalization of the offeror's proposed Issue / Resolution Plan.

Contractor Deliverables:

1. Project Initiation, Kickoff Meeting and on-going Project Status Meetings;
2. Project Management Methodology; including:
 - Communication Plan;
 - Change Control Process;
 - Document Control Methodology;
 - Issue / Resolution Plan; and
3. Detailed Work Plan.

Note: All documentation, manuals and other applicable Project papers must be provided in electronic format with an available free hard copy format upon request. Electronic Project papers and documentation must be provided as MS Office application files.

State Responsibilities:

1. Provide access to Benefits Administration Services staff, business consultants and other staff, as appropriate;
2. Provide necessary workspace and supplies as identified in the Contractor's Proposal and mutually agreed to by the State;
3. Review and approval of the delivered Project Management Methodology; and
4. Review and approval of the updated Detailed Project Plan.

Requirements Affirmation and Documentation. During this phase of the Project the Contractor must review, validate and confirm the State's solution requirements as identified in the RFP.

The Contractor must identify any functionality, processes, and tools that may be required in the solution design that will enable the Contractor to successfully implement a solution that meets the requirements of this RFP, including import and cleansing of appropriate source data, data quality analysis review, analytical reporting enhancements; with advanced functionality that includes data mining and support of the Integrated Decision Support solution. Any new additional functionality processes, and tools identified and recommended and not included in the Contractor's accepted Proposal; excluding functional: system improvements, updates or enhancements to the Decision Support solution, must be reviewed and may be accepted by the State through the Change Control Process mutually agreed to by the Contractor and the State.

Included in the Requirements Affirmation and associated documentation, the Contractor must develop and provide a Technical Environment Document that identifies at a minimum the Contractor's:

- Proposed solution technical environment and infrastructure for the Project, including software and hardware upgrade methodology;
- Methodology to gather provider health care data, validate and include data refresh and update schedule;
- Database structure, and data import and access methodology;
- Initial capacity / configuration considerations;
- Security and system access environment;
- Identification, documentation and mutual agreement to solution performance standards; and
- All additional hardware / software specifications that the State may need to consider and procure for their end-user environment.

Contractor Deliverables:

1. Requirements Affirmation and documentation; and
2. Technical Environment Document.

State Responsibilities:

1. Provide access to Benefits Administration Services staff, business consultants and other staff as appropriate; and

2. Review and approve Requirements Affirmation Documentation including the Technical Environment Document.

Design and Development. The Contractor must complete the following design and development activities and tasks:

- Complete required customization and modifications to meet the agreed upon Integrated Decision Support solution requirements as documented and approved during Requirements Affirmation, including;
 - Data construction, including data structure, data acquisition, importing, cleansing, updating, and validation;
 - Application user and system software functionality and processes;
 - Reporting and analysis functionality and processes;
 - Hardware and software environment;
 - System security and confidentiality;
 - Develop system and user test scripts;
 - User training materials and documentation;
 - Operations, administration, training and support of the solution, including identification of Contractor provided disaster recovery (including backup of State data) and business continuity plans;
 - Appropriate design/development documentation; and
- Provide all necessary hardware and software to support the development, test, training and production environments for the Contractor provided solution hosted environment;
- Perform all necessary software upgrades to the hosted environment as appropriate; and
- Conduct appropriate system, stress, integration testing of the software solution and hosted-environment with a mutually agreed to volume of data, number of users and user application activities.

User Interface. The solution must provide a user-friendly web-enabled interactive solution, which supports a wide variety of users at all levels of program integrity activities. The solution must support a complete ad hoc environment and a library of standard reports or templates for queries and reports with a tiered analysis approach allowing drill down from the summary level of information to a subset level of detailed data.

Benefits Administration Services must have two (2) categories of users of the system, which includes both State and non-State employee users:

- Executive/Casual User up to 6 (summary or high-level analysis); and
- Data Explorer/Statistician up to 6 (Ad Hoc and summary data analysis).

Surveillance and Utilization Review. The solution must have surveillance and utilization review features that include the ability to analyze provider and consumer utilization data and to identify aberrant patterns that may indicate fraudulent or abusive utilization of healthcare services.

Provider and Consumer Profiling. The solution must have provider and consumer profiling features in order to assist in utilization review and monitoring activities. The solution must have the ability to develop complete in-depth profiles of both providers and consumers, including reporting at the individual provider (e.g., NPI or provider tax ID) level and member (e.g., unique member ID) level.

Measures Engine. Users must be able to utilize Contractor measures/metrics engine(s) to do advanced analytical analysis of data. The software solution must provide the ability to perform at minimum individual level and group level; comprehensive analysis of claim, provider, and consumer data including population-based analysis; pharmaco-economic research, and access profiling. In addition, the solution must have the ability to perform outcomes modeling, risk scoring, pattern recognition, and episodes-of-care analysis.

Contractor Deliverables:

1. Certification letter stating that the hardware and software to support the development, test, training and production environments are available with correct releases of software and are operational for the Project;
2. Completion, update and delivery of all Design and Development Documentation;
3. Completion of Customization and Modification to the solution features to meet or exceed the Integrated Decision Support requirements identified in the RFP and Supplement;
4. Report on the successful completion of the acquisition, import and validation of the State's employee health benefit data (including eligibility) from providers on a regularly scheduled basis;

5. System Test documentation that identifies and establishes that appropriate data and functionality has been successfully completed and that the solution data and functionality is working designed to meet the requirements identified;
6. Development and delivery of Training Materials for both State end-users and administrative staff.
 - The Contractor must provide, at minimum, customized electronic versions of all operational documents including user manuals for all end-users and administrative users that provides at minimum the log on and log off procedures, procedures for queries, building of ad hoc queries and reports, special conditions, system use, basic access, navigation instructions, customized field definition guide to the State's database, etc.;
7. Certification that the solution as designed, developed and implemented is in compliance with State and federal HIPAA guidelines; and
8. Certification letter stating that all system, stress and integration testing has been completed successfully with acceptance by the State.

State Responsibilities:

1. Provide access to Benefits Administrative Services staff, business consultants and other staff, as appropriate;
2. The State will provide required user desktop hardware and associated system / end-user software to meet Contractor identified specifications;
3. Provide appropriate network connectivity for user environment at the Department of Administrative Services;
4. Review all appropriate Design, Development, System and Training Documentation and approval; and
5. Review all system, stress and integration test results with special focus on structured data tests, volume test simulation and failed items.

Implementation, Conversion, Data Validation and User Acceptance Testing. During the implementation and acceptance of the decision support solution, the Contractor must provide assistance and support to implement and test the proposed "end-user" Integrated Decision Support software solution including all required tools. The implementation must include the web-enabled user portal, tools and functionality that will enable the State, its identified business consultants and other users as appropriate the ability to activate and perform all required user and system solution functionality and processes to effectively complete business tasks and activities.

The Contractor must provide all proposed solution computer hardware, software, installation, configuration and testing of all components of the proposed environment. System and user acceptance testing will be a joint effort between the Contractor and Ohio Department of Administrative Services and its designees.

Before user acceptance testing is initiated, the Contractor's Project staff must deliver end-user functionality and software administrative training as necessary and as developed for the Project. The Contractor must provide instructors, training manuals, handouts and other documentation required for on-site (at State of Ohio location or Contractor location) training. Training must be conducted for up to twelve (12) ad hoc/query end-users. Up to six (6) of individuals receiving end -user training must also be trained as Data Explorer/Statistician, and in addition to being trained on the solution functionality and daily processes, administrative users must be able to modify and change solution user permissions, configurable software options, and provide user help-desk and trouble-shooting support. Training must consist of a combination of hands-on and lecture. During initial implementation of the Project, the State has both a conference room and a training room available for use upon notification of need, availability and scheduling. Software and any setting requirements to properly use the Decision Support solution must be provided to each end-user at least five (5) business days prior to training commencing.

During implementation and testing activities the Contractor must provide support and resolve all hardware and software system performance issues and deficiencies. The Contractor's Project team must perform all necessary fixes and modifications to the software or solution tools to ensure system performance reaches acceptable levels in the Integrated Decision Support production environment.

The Contractor must appropriately test the system and validate the data housed within it against external data summary reports provided by the State and/or the State's other vendor partners. The State must agree that the data housed within the system is valid and correct before this phase of the project is completed.

Successful completion of the implementation and acceptance testing of the Integrated Decision Support solution and hosting environment must be documented by the Contractor and submitted for review and final acceptance by the State's Project Representative.

Implementation and configuration of the Integrated Decision Support solution including all required and identified functionality in the production environment with appropriate access to functionality, processes and data.

Database Structure, Conversion, Import and Cleansing. The Contractor will be responsible for establishing communications and agreements with the State's providers to supply appropriate data and information that will be imported into the Contractor's Integrated Decision Support solution. The Contractor must provide confirmation that data is being provided by identified providers as appropriate to meet the requirements set forth in the RFP.

Database Structure, Conversion, Import and Cleansing. The Contractor must provide its proposed methodology, procedures and processes for:

- Communication with providers and receipt of provider data, including agreements established with providers for data and confirmation that appropriate data is being provided;
- Database construction and structure;
- Data conversion; and
- Data import, cleansing and validation.

Contractor Deliverables:

1. Certification letter stating that the system hardware and software and user software solution has been implemented in appropriate environments and all operational and business functionality is ready for user acceptance testing;
2. Certification letter indicating that the database software solution and data structure environment has been implemented and that the import and load of 60 months of data is completed and verified;
3. Certification letter stating that all State user and administrative training has been completed;
4. Certification letter outlining the data validation process and ensuring that all data housed within the system is accurate and complete;
5. Conduct user acceptance testing, documenting results of testing, and providing support for identification of resolutions to issues arising from testing, including fixes and modification and documentation; and
6. Certification letter stating that all user solution and functionality acceptance testing has been conducted and successfully completed, and the Integrated Decision Support solution is ready for production.

State Responsibilities:

1. Provide access to Benefits Administration Services staff, business consultants and other staff, as appropriate;
2. Identify State and business consultant staff who will be participating in the training and assist with acceptance testing;
3. Assist in user acceptance testing, including identification of issues and potential resolutions to resolve the issues;
4. Ensure that identified State staff complete user training and assist with user acceptance testing; and
5. Review all user acceptance testing documentation providing revisions and /or acceptance as, appropriate.

On-going Production Support. The Contractor must provide on-going production support for the Integrated Decision Support solution through the term of the Contract, including annual renewals. The Contractor must develop and submit for approval an Integrated Decision Support – Production Environment Responsibilities document which identifies both the Contractor and the State production environment activities and responsibilities, at a minimum this document must identify:

- The Contractor's methodology and processes for upgrading and enhancing the Integrated Decision Support solutions hardware infrastructure and base software components (e.g., application software, analytical tools, database, etc.);
- The Contractor's on-going production responsibilities, including at minimum proposed solution administration/operations, technical support and hardware/software maintenance support;
- Other Contractor solution consulting, analytical and support services that are available to the State; and
- State responsibilities as they may pertain to the on-going production hardware and software implemented for the State's web-enabled user environment.

Contractor Responsibilities and Deliverables:

1. Provide production technical support via a toll free number for State staff to call regarding user questions. Production technical support must be provided from 7:00 a.m. to 6:00 p.m. Eastern Standard Time during State business days;
 - a. Incoming calls must be responded to within two (2) hours and substantive responses to user questions must be provided within eight (8) hours (e.g., assistance retrieving desired data, formatting and saving queries and reports, interpreting query results, alternative ways to group, present, or otherwise enhance the understanding of reports, etc.);
 - b. Calls of a critical nature (e.g., system down, severe lag time, critical functionality not working correctly, etc.) must be responded to within one (1) hour and substantive responses or resolution provided within four (4) hours, and
 - c. The Contractor must provide a complete response or resolution to all calls within 48 hours of the call being logged or a time mutually agreed to by the Contractor and the State;
2. Provide production environment maintenance and support of the Integrated Decision Support solution and web-enabled user software and tools, including:
 - a. Updates, patches and repairs;
 - b. Correction of application defects; and on-site technical support as required.
3. Provide routine system metrics as follows, including documenting problems encountered during the period:
 - a. Problem description;
 - b. Type of problem;
 - c. Number of records impacted;
 - d. Anticipated fix date;
 - e. Resolution; and
 - f. Frequency of problem occurrence and problem cause(s).
4. Identification of timeframes for correcting application and database defects. Contractor must notify the State within 48 hours of any problems discovered. The notification must include:
 - a. Problem description;
 - b. Type of problem;
 - c. Number of records impacted;
 - d. Historical duration of defect;
 - e. Anticipated fix date;
 - f. Resolution; and
 - g. Frequency of problem occurrence and problem cause(s).

State Responsibilities:

1. Maintain all solution software and tool licensing and maintenance support for the State's user and business consultant environments as identified in the Integrated Decision Support - Production Responsibilities document. Note: The Contractor is responsible for all solution hardware, system software, application software and tools and database software licensing and maintenance support.
2. Provide Final Project acceptance.

Hosting Services. The Contractor must offer this service in such a manner that the State of Ohio has no responsibility for the database, the decision support software, or the technical infrastructure and associated processes, hardware and procedures. The database must be accessible through the web and must be secure.

The Contractor must document that the decision support system services its organization provides is accessible through a web-enabled personal computer by accessing the offeror's computer system(s) via the Internet or through the use of existing on-site hardware.

In addition, the Contractor must commit to maintaining HIPAA compliance for the life of the Contract and to comply with all state and federal laws and regulations concerning data confidentiality and security.

In addition, the Contractor must document that it agrees to cooperate with the State's benefit consultants, coalitions, or other entities the State may join, and is willing to provide direct access to the Integrated Decision Support solution via a web-enabled portal. At the direction of the State, and as covered by mutually acceptable non-disclosure agreements and user license fees, if applicable, the Contractor must provide said consultants, coalitions, or other entities with extracts of the State's data as may be requested, in a format suitable to meet State requirements.

Contractor Responsibilities and Deliverables:

1. Provide an accessible decision support system through use of a claim/eligibility database and reporting tool in which the State is not required to maintain, update, or otherwise be required to assist its upkeep in any manner.
2. The Contractor will be compliant with all HIPAA, federal and state laws regarding data compliance and security.
3. If the Contractor discovers, or has a suspicion of, a "breach" (as defined in 45 CFR §164.402) of Personal Health Information the Contractor will notify the State's appropriate area(s) within 24 business hours of a suspected breach and no later than 30 days of a confirmed breach and follow §164.404 of the Breach Notification regulations.

State Responsibilities:

1. The State will provide required user desktop hardware and associated system / end-user software to meet Contractor identified specifications;
2. Provide appropriate network connectivity for user environment at the Department of Administrative Services;
3. Provide access to Benefits Administrative Services staff, business consultants and other staff, as appropriate.

Performance Standards (Metrics). The Contractor must meet the following performance standards during the on-going hosting and support of the Ohio Department of Administrative Services' Integrated Decision Support solution and its business environment.

Performance Area	Non-Compliance Payment	Description of Performance Standard
Implementation		
Production Performance Testing	100%	Monthly basic and optional services fee will not start until the beginning of the 30 consecutive day period when the system has eligibility and healthcare data loaded and available for audit.
Monthly Basic Services		
System Availability	10% of monthly cost	97% Monthly Availability: 7:00 a.m. – 6:00 p.m., Columbus, Ohio Local Time in the interface/browser the Offeror indicates provides full functionality. Monday through Friday, with the exception of scheduled software or database updates and upgrades, which are excluded from the availability which is to be calculated on a monthly basis.
Disaster Recovery	25% per occurrence of monthly cost	Contractor must provide standard disaster recovery procedures and processes. Services must be restored within 72 hours.
User Support	10% of monthly cost	Contractor must provide ongoing service to all users on accessing the system and using the system functions within 24 hours of request.

Quarterly Basic Services		
Account Management	1. 6% of monthly cost 2. 2% of monthly cost 3. 2% of monthly cost	1. Contractor must provide the State with a Data Update Status Report no later than 15 calendar days after quarterly (or bi-monthly) data load is completed; 2. Hold an annual meeting, no later than 2 months after the fiscal year end paid claims update, with the State to review results, trends, opportunities, and return on investment. 3. Notify the State at least 10 business days in advance of all changes including, but not limited to, staffing, system, operational or process changes.
Training	10% of monthly cost	Provide quarterly training opportunities for new users of the system and timely training on updates to the system for all users at least two weeks before the release.
Data Acquisition, Load and Update	1. 10% of monthly cost 2. 10% of monthly cost 3. 5% of monthly cost	1. For data received on schedule, an update must be completed within 15 business days after receipt of usable data. 2. High-level checks on each data file that arrives at the Contractor's data center must be conducted within three (3) business days of loading the data into the tracking system. High-level checks of each data source include confirming that: The files are in the agreed upon format; Key fields are reported (e.g., encrypted SSN, age, and gender, financial claims data fields) Control totals reconcile (e.g., net pay and record count). Generate discrepancy/error reports to providers; and 3. When found that the Contractor incorrectly processed data received from the vendor(s), the Contractor will re-process previously processed data for correction. The 5% of monthly administrative fees will be remitted for each month of incorrectly processed data that is corrected, not to exceed a total of 5% of each of the 60 months remitted.
Data Quality Improvement	1. 10% of monthly cost 2. 15% of monthly cost The 15% is broken down the following ways: a) 9% of monthly cost b) 3% of monthly cost c) 2% of monthly cost d) 1% of monthly cost	1. Contractor must address timely any data problems and/or reconciliation problems directly with the third party providers and, in the Data Update Status Report provide the State with a written summary documenting data quality issues and next steps pertaining to each provider. 2. Percentage of claims must be an exact match to member eligibility. Claims, including but not limited to, partial matches, no match, null, etc. are considered to be part of claims not to be non-matching member eligibility <ul style="list-style-type: none"> a. Medical (vendors total) – 98.5% exact match b. Prescription – 98.5% exact match c. Behavioral Health – 98.5% exact match d. Population Health – 99.5% exact match

If any of the performance standards indicated above are not maintained for the Ohio Department of Administrative Services, the State will be entitled to the non-compliance payment calculated based on the percentage listed above applied to the monthly bill for services for the applicable month of occurrence.

SSAE 16 Type 2 Reporting. In the fourth quarter of every calendar year, the Contractor will be responsible for an independent third party SSAE 16 audit (Statements on Standards for Attestation Engagements No. 16, which superseded SAS-70 in June of 2011). The independent third party must be a nationally recognized firm qualified to perform such audits. The SSAE 16 audit must cover at least the preceding six month period for the Contractor service locations or service types for which the Contractor, in its normal course of business, has conducted SSAE 16 Service Organization Control (SOC) 1 Type 2 report audits and to the extent such reports are pertinent to the Services. The audit will be a multi-customer SSAE 16 SOC 1 Type 2 covering the common processes controlled and performed by the Contractor at primary Contractor shared service locations in administering customer accounts. In the year Transition occurs, a SSAE 16 audit will be required only if Transition is completed in sufficient time to allow six months of Contractor performance prior to September 30 of the first full year of service. A copy of each of the resulting audit reports will be delivered to the State during the last quarter of each calendar year, no less than 45 days following the conclusion of the SSAE 16 audit.

The scope of the Contractor SSAE 16 Type 2 audits must include the elements of service including the hardware, software and services as relevant supporting the Services environment.

It is the sole obligation of the Contractor to remedy any written issues, material weaknesses, or other items arising from these audits as they pertain to services or capabilities provided by the Contractor to the State in conjunction with the Statement(s) of Work in effect at the time of the Audit. The Contractor must remedy these issues at no cost to the State. For items that arise as a result of State policies, procedures and activities, after mutual agreement on the underlying cause, remedial activity requirements and plan, State agrees to work, and under agreed terms, to effect the required changes to the Services delivery model to remediate issues discovered under a SSAE 16 Type 2 audit.

Supplement

2

**Basic Services
and
Optional Services**

1.0 Integrated Decision Support Requirements Overview

The Supplement 2 document is provided in the following format.

This supplement is divided into two sections: Basic Services and Optional Services. All questions or statements listed in the Basic Services section are expected to be included as part of the offeror's basic services proposal and fees. Please review the following instructions carefully before providing your answers:

If a question or statement has an optional "buy up" component that is not part of the full Integrated Decision Support solution, offerors must provide the basic and optional answers and fees in the appropriate sections. Offerors must copy and paste the question or statement to the Optional Services section, including the question number, and provide the full answer in that section.

Offerors must list any additional optional services that have not been specifically requested, if you wish to include those optional services as part of your proposal.

The fees for each answer in the Optional Services section must be itemized in the Cost Summary (Attachment Nine).

Any improvement, update or enhancement that is made to the Decision Support solution is to be included in the original Basic Services fees. Any current upgrade or "buy up" component must be itemized in the Basic Services fees with the State having the option to opt-out of the service.

The offeror must provide the requirement and response in the following format within the proposal submitted to the State:

Offeror's proposal response format:

The Integrated Decision Support Requirement text provided in this Supplement must be provided in its entirety.

URL links to demo sites are acceptable.

Standard documents, such as file layouts, must be provided as a tabbed sub-section, labeled with the question number, to the Integrated Decision Support Requirements Response section of the offeror's Proposal.

2.0 Basic Services

The offeror must answer each question in this section based on the offeror's proposal for the basic services solution and fees. Any questions in this section that are not part of the proposed basic services solution must be clearly documented as options available at an additional cost or they will be considered as part of the basic services solution and fees.

2.1 Database Construction

1. Offeror must demonstrate the ability to build a database with the following features:

(Offerors must note data sources, data fields, reporting mechanisms, episodes of care, benchmarking, and types of data included in the database as appropriate in their description).

- a. Integrate clean, standardized medical data from multiple sources, including various TPAs; and employee eligibility data from the State in a consistent and accurate manner on a bi-monthly/quarterly basis (six/four times annually);
 - b. Must have Major Diagnostic Categories (MDCs) and Diagnosis Related Groups (DRGs) assigned to inpatient cases International Classifications of Diseases (ICD-9/10) codes to inpatient and outpatient physician and hospital cases and Current Procedural Terminology (CPT) codes for all professional services;
 - c. Systematically groups data and assigns severity of illness/illness burden and risk score(s);
 - d. Incorporate changes in data coding systems (e.g., changes in diagnostic coding schemes, change in procedure coding schemes, etc.);
 - e. Allow data to be reported on both an incurred and paid basis;
 - f. Identify episodes of care (provide your definition of 'episode of care' and describe how you construct episode of care data);
 - g. Scramble identifying information (e.g. social security numbers);
 - h. Allow data to be compared with benchmarks or other "norms", such as data from other large similar governmental or private employers;
 - i. Incorporate pharmacy information and managed behavioral health information from vendors;
 - j. Incorporate and report on pharmacy information encountered through the medical benefit vendor;
 - k. Incorporate Disease Management and Lifestyle Coaching information from wellness vendor; and
 - l. Maintain a provider file that contains one unique identifier per provider (i.e., cross-references multiple Tax Identification Numbers (TIN) or spellings of provider name) in the data warehouse which can be used across all incoming claim data sources.
2. Describe your organization's process for matching eligibility and claims data as well as "cleansing data" to ensure accuracy.
 3. Describe how your organization handles missing data.
 4. Describe how your organization handles/determines inaccuracies in the data and what is done to correct the data.
 5. Provide a complete listing of the audit/error reports the proposed system generates, including specific examples in an Appendix.
 6. Describe how feedback will be provided to the State and its vendors regarding data quality each time the database is updated.

6. Describe your organization's ongoing process for updating the data warehouse with new data once the warehouse has been implemented and explain how the State will be notified of updates to the data warehouse.
7. Confirm that any personally identifiable data your organization sends to the State electronically will be sent in a secure manner (e.g., secure e-mail, encrypted ftp, etc.). Indicate the method of transmission and what security measures are employed during the transmission.
8. Describe your organization's ability to work with the plan administrators and to accept data from the various vendors in different formats. List all media/formats the proposed system can accept for the following data: eligibility data, medical claims, prescription drug claims, behavioral health claims, HRA, bio-metric and coaching data.
9. Describe your organization's standard process to convert 60 months of historical data from the State's current data warehouse vendor.
10. Describe your organization's ability to maintain an ongoing rolling 60 months of historical data from all vendors.
11. Describe the process for storing the rolled off data and the availability for retrieval at a later date.
12. Describe the level of data detail provided in the database to which State staff would have access on go live date.
13. Describe the State's access to an integrated database to run reports and how the user will obtain those reports.
14. Describe the implementation plan for building the database and provide documentation of actual timeframes for implementing the system with a typical client.
15. Provide a detailed plan that outlines the steps in providing the proposed services on an ongoing basis; including the timeframe to which your organization will commit to make available updated databases to the State after receipt of all data from the various sources.
16. Provide standard reporting data fields and definitions for the proposed system.
17. Describe your organization's ability to create custom fields and the parameters for creating custom fields. How many custom fields will be available to the State?
18. Provide separate time estimates for database management activities (updating/loading the database) and analytical system use (developing queries and running reports).
19. Describe your organization's ability to customize Episode Treatment Group design to be in line with Ohio's Health Transformation- State Innovation Model (SIM) initiative
20. It is often possible to attribute a member to a primary care provider base on claims/data volume or the frequency of visits. Please describe your organization's approach to attributing members to such providers, specifically mention how this can be used in conjunction with innovative payment models such as PCMH/ACO/etc.

2.2 Hardware

1. Provide a description of the hardware platform to be used for the offeror's proposed software solution.
2. Specify communications requirements for proposed hosting/software solution (e.g., modems, dedicated lines, emulation software, etc.).
3. Specify workstation requirements for the proposed hosting/software solution. Please indicate appropriate software and versions supported with full functionality.
4. Specify network requirements for the proposed hosting/software solution.
5. List any and all additional peripherals that will be required by the State.

2.3 Hosting/Software

1. Describe the hosting/software solution that is being proposed. Include:
 - a. Information on the database architecture.
 - b. Development language.
 - c. Operating system requirements.
 - d. Specific desktop operating environments required.
2. Describe how the application hosting/software will be accessed by the user.
3. What are the proposed versions / release numbers of the hosting/software being offered to the State, relative to the newest version/release available?
 - a. How often are new versions of your system released?
4. Specify the type of networking environment the software requires.
5. Describe your policy on software upgrades and modifications.
 - a. Describe the upgrades and modifications made in the last five years.
 - b. Describe how software upgrades and modifications are determined.
 - c. Confirm the State will receive all upgrades and modifications as they are released for the areas the State has purchased.
6. Describe the process of developing, testing, implementing, and documenting upgrades and include the extent of client involvement.
7. Describe any content enhancements planned for the next 12 months?
8. Describe the reporting tools available.
9. List the resources and estimated work effort/time commitment required of the State for the installation of your hosting/software.
10. Describe your ability to provide configuration services.
11. Outline the resources and estimated work effort/time commitment required of the State for product configuration.

2.4 System Security and Confidentiality

1. Provide a copy of the latest satisfactory audit opinion or summary results for the following internal controls in an Appendix. A full audit report will be required prior to awarding the contract:
 - a. System back-up procedures;
 - b. System and data security. Include functional mechanisms (e.g., masking SSN) and technical mechanisms (e.g., passwords, data encryption, etc.);
 - c. HIPAA data security; and
 - d. Disaster Recovery (DR) plan.
2. Describe the security that would be in place for State employees in accessing the data.
3. If the system employs a browser interface, describe in detail the technical means of connecting the PC/browser to your database.
4. Describe any special security mechanisms you have in place for the browser interface (if applicable).
5. Does the system allow or prohibit users from having multiple active sessions?
6. Describe procedures you have in place in the event of employee termination. Describe how this individual could be denied access to the system immediately.
7. Describe in detail how your system access is logged / tracked.

8. Provide a matrix of the levels of access that various “roles” can be granted within your system (e.g., reporting role, analytic role, managerial role, etc.).
9. Provide a detailed list of any data breaches in the last five years, how they were handled/resolved, number of members impacted and the outcome for the clients.

2.5 Reporting and Analysis

1. Provide a brief description and sample of each standard report, along with the insights that were gained from each report. Sample reports must be provided in electronic format with the offeror’s proposal.
2. Are standard reports able to be copied and edited in an ad hoc environment?
3. Describe the standard reports/tools available to support the State in performing the following analysis:
 - a. Plan management;
 - b. Health management;
 - c. Plan design modeling;
 - d. Predictive modeling;
 - e. Identification of cost drivers;
 - f. Vendor performance measurement and accountability;
 - g. Measurement of overall program effectiveness;
 - h. Early identification of trends;
 - i. Management reporting;
 - j. Health Risk Assessment – participation and linkage to medical and pharmacy claims; and
 - k. Carved out Disease Management programs – participation and linkage to medical and pharmacy claims.
 - l. Risk analytics – gaps in care, likelihood of hospitalization
4. Confirm your ability to support the following reporting needs and provide a brief description of how your solution meets these requirements:
 - a. Account structure for reporting purposes to enable the State of Ohio to analyze data by agency, bargaining unit, region, etc.;
 - b. Ability to produce reports on any timeframe selected;
 - c. Analysis on paid and incurred and claim basis;
 - d. Reserve analysis (paid versus incurred lag);
 - e. Reporting by demographic characteristics such as age, gender, etc.;
 - f. Reporting by provider groups and by individual providers;
 - g. Reporting by inpatient and outpatient services by Major Diagnostic Categories (MDC), episodes and diagnosis, and claim groupings by health insurance carrier;
 - h. Risk-adjusted reporting such as by Adjusted Clinical Group (ACG), Episode Treatment Group (ETG), DxCG (reference <http://www.dxcg.com/about-us/index.asp>), etc.;
 - i. Reporting by general physicians versus specialists;
 - j. Reporting by provider Tax Identification Number (TIN) and name;

- k. Assessment of provider network usage;
 - l. Health plan network discounts;
 - m. High claim activity (individual claims above a specified threshold);
 - n. Analysis and costs by health risk;
 - o. Trend analysis;
 - p. Analysis of changes in cost due to changes in population demographics;
 - q. Competitive benchmarking (book of business, industry and specific clients); and
 - r. Analysis of contributing factors (i.e., a report that identifies the independent cost impact of a change in population, high-cost cases, and unit price per procedure or service, and/or utilization changes over time).
 - s. Combining clinical data and lifestyle diseases to identify for education opportunities
4. Describe the ease of use, and capabilities of the proposed ad hoc reporting tool relative to:
- a. The data elements to be included on a report;
 - b. The order in which the data elements can be displayed;
 - c. Data to be exported to Microsoft Office products;
 - d. How data can be summarized and sorted; and
 - e. Combining the above options with data sub-sets to provide flexibility.
5. Describe the proposed system's ability to identify cost and utilization areas of concern.
6. Statistical Reporting. Describe the proposed system's statistical reporting capabilities in the following areas:
- a. Sum, mean, variance, standard deviation, co-efficient of variation, minimum and maximum values, range of values and correlation of values.
 - b. Computing statistics for up to four (4) quantitative fields simultaneously.
7. Interactive Data Selection. Describe how the proposed system allows for interactive data selection by:
- a. Allowing the user to define a portion of the database for use in reporting and modeling so that any database field can be used to define a subset by removing or adding claims with specific values for a field. Examples include: outliers (e.g., admissions, dollars, days, etc.); a population subcategory (e.g., active employees, retirees, dependents, etc.); specific diagnoses or diagnostic categories.
 - b. Allowing the user to create a data subset, and use it for internal comparisons of employee locations, groups, geographic areas, or other portions of the database.
8. Describe the proposed system's ability to provide interactive modeling capability in the following areas:
- a. Health Care Plan – model the cost impact of future benefit changes such as deductible/co-pay, adding or deleting covered benefits, etc. Describe how the State user can specify factors for inflation, changes in utilization patterns, and population changes and whether the model re-adjudicates the actual claim.
 - b. Describe how the State would use the software:
 - i. For a specific plan option, estimate the cost impact and number of individuals impacted if the emergency room co-payment was changed from \$75 to \$100.
 - ii. To confirm the ROI or value on investment of disease management programs or similar programs. Describe your organization's point of view on calculating ROI/value on investment.

9. Describe the proposed system's ability to provide interactive modeling capability in the following areas:
 - a. Health Care Plan – model the cost impact of future benefit changes such as deductible/co-pay, adding or deleting covered benefits, etc. Describe how the State user can specify factors for inflation, changes in utilization patterns, and population changes and whether the model re-adjudicates the actual claim.
 - b. Describe how the State would use the software:
 - For a specific plan option, estimate the cost impact and number of individuals impacted if the emergency room co-payment was changed from \$75 to \$100.
 - To confirm the ROI on disease management programs, population health initiatives, emerging healthcare initiatives or similar programs.
 - c. Describe any relational database design between the Decision Support Tool and the interactive modeling.
10. Explain how the proposed software would profile the cost and use performance of specified physicians or hospitals' adjusting for case mix and providing accurate comparisons among providers.
11. Describe how the proposed software makes adjustments for age, sex, case-mix, severity and co-morbidity.
12. Describe what functionality the proposed software provides to analyze catastrophic cases and what capabilities are included to analyze utilization, expense and/or price information exclusive of catastrophic cases.
13. Describe the functionality provided by the proposed software to compare network and non-network experience for PPO plans.
14. Describe, in detail, the proposed system's ability to drill-down to specific claim information to support the State's analysis of an emerging trend. Provide at least two (2) concrete examples.
15. Describe what normative and statistical benchmarks are provided in the system for comparison with the State's actual experience.
 - d. Describe the normative benchmarks available from the data of your public sector clients, if applicable;
 - e. Describe the norms provided within the proposed solution that can be geographic, age and sex-adjusted by the user during installation or updating to match the demographics of the State's covered population; and
 - f. Describe the frequency in which the normative benchmarks are updated.
16. Describe the options available for report outputs – paper, graphs, Excel, etc. If report options vary by report, explicitly identify the options that apply to each type of report.
17. Describe the software's ability to provide Health Plan Employer Data and Information Set (HEDIS) measurements or similar quality measurement.
18. Describe the proposed software's ability to detect up-coding, fragmentation, and unbundling by providers.
19. Describe the proposed software's ability to identify complication rates by provider.
20. Describe the proposed system's ability to flag future large cases based on shock claims, specific diagnoses and pharmacy utilization to identify disease management opportunities.

21. Describe the proposed software's ability to 'batch' a series of report requests and execute these in mass. The offeror must also describe the proposed software's delivery and scheduling options.
22. Outline how the State could use the proposed software to:
 - g. Determine the number and percentage of covered members who have utilized mental health services in the past twelve months.
 - h. Produce a distribution of the number of members with: no outpatient mental health visits, 1-10 mental health visits, 11-15, 16-20, 21-25 mental health visits by member type (employee, spouse, child) and gender, during the past twelve months. Explain if the State can produce this same type of report using the proposed software for inpatient mental health admits by the same day range.
23. Describe how the proposed solution software produces scorecards/dashboards, types of scorecards/dashboard available and categories of metrics that can be measured.
24. Describe the approach to error reporting and correction. Describe the process when the error is determined to be an internal processing error and external data integrity issue.

2.6 Training and Staffing

1. Describe the proposed training methodology.
2. Outline the initial training proposed to be provided to the State employees to include: content, time involved, training site, and any limitations on the number of individuals trained.
3. Describe any baseline knowledge, experience or additional training that State employees would need in order to utilize your service.
4. Describe ongoing training/support in the use of the software included in your proposal.
5. Define the training needed and provided when software upgrades occur. Outline the profile of the staff the State must have in place to effectively use your system. Include education and experience required. Additionally, based on your book of business, provide your best estimate of the amount of time working with the software monthly will be required of State staff to effectively utilize your system.

2.7 Client Support

1. Define what support services are included in your cost proposal following installation.
2. Describe your project and account management approach.
3. Describe your capability to troubleshoot the system via telecommunications.
4. Describe the communication materials you share with your clients. Provide sample copies of communications such as newsletters and describe the composition and purpose of the user group, if applicable.
5. Describe any user (functional) and technical documentation that is available and how the user and technical documentation is updated and distributed.

2.8 Business Continuity

The offeror must provide a description of its "Business Continuity Plan" for the Integrated Decision Support solution for the State's business environment. The Business Continuity Plan at a minimum must provide, a solution that:

- Is recoverable from and remains in operation during an unexpected crisis;
- Provides continuation of business from 7:00 a.m. to 6:00 p.m., Eastern Standard Time, Monday through Friday, with no interruptions, loss of services, or severe lag time, other than for scheduled application software and database updates and upgrades; and
- Provides a business continuity plan and methodology that is easily adaptable to vulnerabilities, ever-changing threats and integrates privacy and security into the business continuity process.

2.9 Other Considerations

1. Describe how the product is dealing with the rapidly changing health care market/Health Care Reform Act.
2. Describe how the product is working with vendors in order to accommodate new emerging healthcare initiatives such as Patient Centered Medical Homes (PCMH), Value Based Contracting, and Accountable Care Organizations (ACO).
3. Indicate the methods used to determine the primary physician treating a patient when care is coordinated through one or more specialties during an episode of care. Do you currently track and report on any of the following metrics (if no, please indicate if able to accept and report on them):
 - a. Chronic condition effectiveness (e.g. ER visits versus office visits for asthmatics)
 - b. Consumer engagement (e.g. demographics of participants and non-participants for those eligible for disease management programs)
 - c. Operational (e.g. number of calls to wellness program participants)
 - d. Clinical effectiveness (e.g. compliance with evidence based measures)
4. Describe your research and development efforts, including what percent of revenues reinvested in Research and Development and any plans for enhancing services.
5. Describe how the data would be delivered to the State or another vendor if, and when, the Contract for health information services expires. Be explicit not only with respect to the media used but also the format/software in which the data will be provided. Provide a data transition plan, including when the last data file will be uploaded and when all system access will cease.
6. Describe three (3) cases where the company's analysis or reporting capabilities led to significant improvements in quality or cost savings, stating the dollar savings in terms of year-to-year change in total cost per eligible employee. Include two references per case and any documentation that supports the savings, and provide the contact name and phone number for each reference.
7. Describe the total number of members that are currently in your database.
8. Describe the number of clients you have in the following categories:
 - a. State government;
 - b. Local government;
 - c. Other public entities (schools, universities, retirement plan, etc);
 - d. Private employers with over 40,000 covered employees, and
 - e. Private employers with over 20,000 covered employees.

3.0 Optional Services

This section must contain answers to the following questions. The fees for all optional services listed in this section must be itemized in the Cost Summary (Attachment Nine). Any answers in this section without fee information in the Cost Summary will be excluded in the proposal evaluations and the Contract.

:

1. All questions listed in the Basic Services section that have a buy up option from Basic Services must be copied in its entirety, including the question number, and answered in section 3.5.
2. Any optional services that your organization currently offers to its clients and are not included in the Basic Services section must be added to section 3.5.

3.1 Consulting Services

If utilized, consulting services anticipated with the Offeror will focus on projects above and beyond general reporting assistance. Where projects requiring significant effort from specialties outside of the account team's responsibilities.

1. Describe the consulting services that your organization can perform and include at least two (2) examples of recent data analysis work you have performed for your clients and the number of hours required for each.
2. Explain how your consulting services are delivered.
3. Provide the percent of your book of business for which you provide consulting services in addition to data warehousing services and what percent of revenues the consulting services represent.
4. Provide the percent of your clients of similar size for which you provide consulting services in addition to data warehousing services and what percent of revenues the consulting services represent.
5. Provide the cost for 200 hours of optional consulting services per year.
6. Provide the hourly rates for your staff for any special projects above the 200 hours.

3.2 Financial Reporting

Describe the reports/tools/services available to support the State in performing the following financial analysis:

1. Annual budget setting and management;
2. Annual rate and contribution setting;
3. Governmental Accounting Standards Board (GASB) data gathering;
4. Chargeback reporting;
5. Tracking of actual versus expected costs on a monthly, quarterly, and annual basis; and
6. Claims lag reports for reserve calculations.

3.4 Auditing

1. Describe the proposed system's ability to identify claim errors such as duplicate claims, overpayments and Coordination of Benefits (COB). Describe the level of consulting support, coordination with third party vendors and the State, and recovery efforts included in the fees.
2. Describe the proposed system's ability to identify incorrect payments for claims incurred outside a member's eligibility period. Describe the level of consulting support, coordination with third party vendors and the State, and recovery efforts included in the fees.
3. Describe the proposed system's ability to identify fraud, waste and abuse. Describe the level of consulting support, coordination with third party vendors and the State, and recovery efforts included in the fees.

3.5 Other Optional Services

1. Describe the proposed system's ability to compare provider pricing and allow the State's employees to compare provider charges for common procedures.
2. Provide any other optional reporting and analysis tools available for the State to consider as part of this RFP.

Supplement **3**

**State Architecture and Computing Standards
Requirements**

State Security and Privacy Requirements

State IT Computing Policy Requirements

State Data Handling Requirements

Contents

State Architecture and Computing Standards Requirements	24
State Security and Privacy Requirements	24
State IT Computing Policy Requirements.....	24
State Data Handling Requirements	24
1. Overview and Scope	27
2. State Architecture and Computing Standards Requirements	27
2.1. Requirements Overview	27
2.1.1. State of Ohio Standards.....	27
2.1.2. Offeror Responsibilities	27
2.2. Compute Requirements: Client Computing	28
2.2.1. Compute Requirements: Server / OS	28
2.2.2. Ohio Cloud: Hypervisor Environment	28
2.3. Storage and Backup Requirements	28
2.3.1. Storage Pools.....	28
2.3.2. Backup.....	28
2.4. Networking Requirements: Local Area Network (LAN) / Wide Area Network (WAN).....	29
2.5. Application Requirements.....	29
2.5.1. Application Platforms	29
2.5.2. Open API's.....	29
2.5.3. SOA (Service Oriented Architecture)	29
2.6. Database Platforms.....	29
2.7. Enterprise Application Services	30
2.7.1. Health and Human Services: Integrated Eligibility.....	30
2.7.2. The Ohio Business Gateway (OBG)	30
2.7.3. Ohio Administrative Knowledge System (OAKS)	30
2.7.4. Enterprise Business Intelligence	31
2.7.5. SharePoint	32
2.7.6. IT Service Management	32
2.7.7. Enterprise Geocoding Services	32
2.7.8. GIS Hosting.....	32
2.8. Productivity, Administrative and Communication Requirements	32
2.8.1. Communication Services.....	32
3. General State Security and Information Privacy Standards and Requirements	34
3.1. State Provided Elements: Contractor Responsibility Considerations	35
3.2. Periodic Security and Privacy Audits.....	35
3.3. Annual Security Plan: State and Contractor Obligations	36
3.4. State Network Access (VPN).....	37
3.5. Security and Data Protection.....	37
3.6. State Information Technology Policies	37
4. State and Federal Data Privacy Requirements	38
4.1. Protection of State Data.....	39
4.2. Handling the State's Data.....	40
4.3. Contractor Access to State Networks Systems and Data	40
4.4. Portable Devices, Data Transfer and Media.....	40
4.5. Limited Use; Survival of Obligations.	41
4.6. Disposal of PII/SSI.....	41
4.7. Remedies	42
4.8. Prohibition on Off-Shore and Unapproved Access.....	42
4.9. Background Check of Contractor Personnel.....	43
4.10. Federal Tax Information.....	43

5. Contractor Responsibilities Related to Reporting of Concerns, Issues and Security/Privacy Issues	44
5.1. General	45
5.2. Actual or Attempted Access or Disclosure	45
5.3. Unapproved Disclosures and Intrusions: Contractor Responsibilities	45
5.4. Security Breach Reporting and Indemnification Requirements.....	46
6. Security Review Services	46
6.1. Hardware and Software Assets	46
6.2. Security Standards by Device and Access Type	46
6.3. Boundary Defenses	46
6.4. Audit Log Reviews.....	47
6.5. Application Software Security	47
6.6. System Administrator Access	47
6.7. Account Access Privileges	47
6.8. Additional Controls and Responsibilities.....	48

1. Overview and Scope

This Supplement shall apply to any and all Work, Services, Locations and Computing Elements that the Contractor will perform, provide, occupy or utilize in conjunction with the delivery of work to the State and any access to State resources in conjunction with delivery of work.

This scope shall specifically apply to:

- Major and Minor Projects, Upgrades, Updates, Fixes, Patches and other Software and Systems inclusive of all State elements or elements under the Contractor's responsibility utilized by the State;
- Any systems development, integration, operations and maintenance activities performed by the Contractor;
- Any authorized Change Orders, Change Requests, Statements of Work, extensions or Amendments to this contract;
- Contractor locations, equipment and personnel that access State systems, networks or data directly or indirectly; and
- Any Contractor personnel, or sub-Contracted personnel that have access to State confidential, personal, financial, infrastructure details or sensitive data.

The terms in this Supplement are additive to the Standard State Terms and Conditions contained elsewhere in this contract. In the event of a conflict for whatever reason, the highest standard contained in this contract shall prevail.

2. State Architecture and Computing Standards Requirements

2.1. Requirements Overview

Offerors responding to State issued RFQ/RFP requests, and as Contractors performing the work following an award, are required to propose solutions that comply with the standards outlined in this document. In the event Offeror finds it necessary to deviate from any of the standards, a variance may be requested, and the Offeror must show sufficient business justification for the variance request. The Enterprise IT Architecture Team will engage with the Contractor and appropriate State stakeholders to review and approve/deny the variance request.

2.1.1. State of Ohio Standards

The State has a published Core Technology Stack as well as Enterprise Design Standards as outlined in this document and, due to State preferences, each are subject to improvements, elaboration and replacement. The State also provides numerous IT Services in both the Infrastructure and Application categories, as outlined in the State's IT Services Catalog at:

<http://das.ohio.gov/Divisions/InformationTechnology/StateofOhioITServiceCatalog.aspx>

2.1.2. Offeror Responsibilities

Offerors can propose on-premise or cloud-based solutions. When proposing on-premise solutions, Offerors and Contractors must comply with State requirements including using the State's Virtualized Compute Platform. Offerors proposing on-premise solutions are required to install third party applications on State- provided compute platforms. Dedicated server platforms are not compliant with the State's Virtualization Requirements.

In addition, Offerors are required to take advantage of all published IT Application Services where possible, (i.e., Enterprise Service Bus, Content Management, Enterprise Document Management, Data Warehousing, Data Analytics and Reporting and Business Intelligence). When dedicated Application components (i.e., Application Servers, Databases, etc.) are required, i.e. Application Servers, Databases, etc., they should comply with the Core Technology standards. In addition, Offerors are required to take advantage of all published IT Application Services where possible, i.e. Enterprise Service Bus, Content Management, Enterprise Document Management, Data Warehousing, Data Analytics and Reporting and

Business Intelligence. When dedicated Application components are required, i.e. Application Servers, Databases, etc., they should comply with the Core Technology standards.

2.2. Compute Requirements: Client Computing

Offerors **must not** propose solutions that require custom PC's, Laptops, Notebooks etc. The State will source its own Client computing hardware and the Offeror's proposed solutions are required to be compatible with the State's hardware.

2.2.1. Compute Requirements: Server / OS

Offerors **must** propose solutions that comply with the State's supported Server / OS versions.

The following are the State's Required Server and OS versions.

Table 1 – Supported Server/OS versions

Operating System	Version	Edition
Microsoft Windows Server	2012, 2012 R2	Standard, Enterprise, & Datacenter
RedHat Linux	7	Enterprise
SUSE Linux	11	Enterprise
IBM AIX	7.1	
Oracle Enterprise Linux		Enterprise

When Offerors are proposing on-premise solutions, these solutions must comply with the State's supported Server Compute Platforms.

The State hosts and manages the Virtual Server hardware and Virtualization layer. The State is also responsible for managing the server's Operating System (OS). This service includes 1 virtual CPU (vCPU), 1 GB of RAM and 50 GB of Capacity Disk Storage. Customers can request up to 8 vCPUs and 24GB of RAM.

For Ohio Benefits and the Ohio Administrative Knowledge System (OAKS) – Exalogic Version 2.0.6.0.2

2.2.2. Ohio Cloud: Hypervisor Environment

When Offerors are proposing on-premise solutions, these solutions *must* comply with the State's supported VMware vSphere, and IBM Power Hypervisor environment.

For Ohio Benefits and OAKS – Oracle Virtual Manager Version 3.3.1, Xen

2.3. Storage and Backup Requirements

2.3.1. Storage Pools

The State provides three pools (tiers) of storage with the ability to use and allocate the appropriate storage type based on predetermined business criticality and requirements. Storage pools are designed to support different I/O workloads.

When Offerors are proposing on-premise solutions, these solutions *must* take advantage of the State's Storage Service Offerings.

For Ohio Benefits and OAKS - HA (High Availability) storage used with Mirror configuration.

The pools and their standard use cases are below:

Table 2 – State Supported Storage Pools

Storage Pool	Availability	Performance	Typical Applications
Performance	Highest	Fast	Performance pool suited for high availability applications, with high I/O (databases).
General	High	Fast	General pool suitable for file servers, etc.
Capacity	High	Average	Capacity pool suitable for file servers, images and backup / archive). Not suited for high random I/O.

2.3.2. Backup

When Offerors are proposing on-premise solutions, these solutions *must* take advantage of the State's Backup Service Offering.

Backup service uses IBM Tivoli Storage Manager Software and provides for nightly backups of customer data. It also provides for necessary restores due to data loss or corruption. The option of performing additional backups, archiving, restoring or retrieving functions is available for customer data. OIT backup facilities provide a high degree of stability and recoverability as backups are duplicated to the alternate site.

For Ohio Benefits - Symantec NetBackup is the Enterprise backup solution.

2.4. Networking Requirements: Local Area Network (LAN) / Wide Area Network (WAN)

Offerors **must** propose solutions that work within the State's LAN / WAN infrastructure.

The State of Ohio's One Network is a unified solution that brings together Design, Engineering, Operations, Service Delivery, Security, Mobility, Management, and Network Infrastructure to target and solve key Government challenges by focusing on processes, procedures, consistency and accountability across all aspects of State and local government.

Ohio One Network can deliver an enterprise network access experience for their customers regardless of location or device and deliver a consistent, reliable network access method.

The State provides a high bandwidth internal network for internal applications to communicate across the State's LAN / WAN infrastructure. Normal traffic patterns at major sites should be supported.

Today, the State's WAN (OARnet) consists of more than 1,850 miles of fiber-optic backbone, with more than 1,500 miles of it operating at ultrafast 100 Gbps speeds. The network blankets the state, providing connectivity to all State Government Agencies.

The State of Ohio Network infrastructure utilizes private addressing, reverse proxy technology and Network Address Translation (NAT). All applications that are to be deployed within the infrastructure must be tolerant of these technologies for both internal product interaction as well as external user access to the proposed system, infrastructure or application.

The State network team will review applications requirements involving excessive bandwidth (i.e. voice, video, telemetry, or applications) deployed at remote sites.

2.5. Application Requirements

2.5.1. Application Platforms

When Offerors are proposing on-premise solutions, these solutions *must* be developed in open or industry standard languages (e.g. Java, .NET, PHP, etc.)

2.5.2. Open API's

Proposed vendor applications must be developed with standards-based Open API's. An open API is an [application program interface](#) that provides programmatic access to software applications. Proposed vendor applications must describe in detail all available features and functionality accessible via APIs.

2.5.3. SOA (Service Oriented Architecture)

When Offerors are proposing on-premise solutions, these solutions *must* be developed using a standards-based Service Oriented Architecture (SOA) model.

2.6. Database Platforms

Proposed vendor application designs must run on databases that comply with the State's supported Database Platforms.

- DB2 Version 10
- SQL 2012 or higher
- ORACLE 11g and 12C
- Exadata Version 11.2.3.2.1

2.7. Enterprise Application Services

The State of Ohio Office of Information Technology (OIT) provides a number of Enterprise Shared Services to State agencies as outline in the IT Services Catalog available at:

<http://das.ohio.gov/Divisions/InformationTechnology/StateofOhioITServiceCatalog.aspx>

At a minimum, proposed vendor application designs that include the following Application Services *must* use the Application IT Services outlined in the IT Services Catalog.

2.7.1. Health and Human Services: Integrated Eligibility

The Integrated Eligibility Enterprise platform provides four key distinct technology domains / capabilities:

- Common Enterprise Portal – includes User Interface and User Experience Management, Access Control, Collaboration, Communications and Document Search capability
- Enterprise Information Exchange – includes Discovery Services (Application and Data Integration, Master Data Management (MDM) Master Person Index and Record Locator Service), Business Process Management, Consent Management, Master Provider Index and Security Management
- Analytics and Business Intelligence – Integration, Analysis and Delivery of analytics in the form of alerts, notifications and reports
- Integrated Eligibility – A common Enterprise Application framework and Rules Engine to determine eligibility and benefits for Ohio Public Benefit Programs

2.7.2. The Ohio Business Gateway (OBG)

The Ohio Business Gateway (OBG) offers Ohio's businesses a time-and money-saving online filing and payment system that helps simplify business' relationship with Government agencies.

- New Business Establishment – Provides a single, portal based web location for the establishment of new businesses in Ohio, file with the required State agencies and ensure that business compliance requirements of the State are met.
- Single Point Revenue and Fee Collection - Manage payments to State's payment processor (CBOSS) and broker payment to multiple agencies while creating transaction logs and Business Customer "receipts".
- Business One-Stop Filing and Forms - Provides guides and forms to Business Users through complex transactions that have multiple steps, forms and / or filing requirements for users on procedures to complete the process including Agencies and (if applicable) systems they will need to interact with.
- Scheduling and Reminders - Notify Business Customers of a particular event that is upcoming or past due (Filing due) using a "calendar" or "task list" metaphor.
- Collections and Confirmations – Provides a Payment Card Industry (PCI) certified web-based payment solution that supports a wide range of payment types: credit cards, debit cards, electronic checks, as well as recurring, and cash payments.

2.7.3. Ohio Administrative Knowledge System (OAKS)

OAKS is the State's Enterprise Resource Planning (ERP) system, which provides central administrative business services such as Financial Management, Human Capital Management, Content Management via myOhio.gov, Enterprise Learning Management, and Customer Relationship Management. Core System Capabilities include (but are not limited to):

Content Management (myohio.gov)

- Centralized Communications to State Employees and State Contractors
- OAKS alerts, job aids, and news
- Statewide Top Stories
- Portal to OAKS applications
- Employee and Contractor Management

Enterprise Business Intelligence

- Key Financial and Human Resources Data, Trends and Analysis
- Cognos driven standardized and adhoc reporting

Financial Management (FIN)

- Accounts Payable
- Accounts Receivable
- Asset Management
- Billing
- eBid
- eCatalog (Ohio Marketplace)
- eInvoicing
- eSupplier/Offeror Maintenance
- Financial Reporting
- General Ledger
- Planning and Budgeting
- Procurement
- Travel & Expense

Customer Relationship Management (CRM)

- Contact / Call Center Management

Enterprise Learning Management (ELM)

- Training Curriculum Development
- Training Content Delivery

Human Capital Management (HCM)

- Benefits Administration
- Payroll
- Position Management
- Time and Labor
- Workforce Administration: Employee and Contingent Workers
- Employee Self-Service
- eBenefits
- ePerformance
- Payroll

2.7.4. Enterprise Business Intelligence

- Health and Human Services Information
 - Eligibility
 - Operational Metrics
 - County Caseworker Workload
 - Claims
 - Long Term Care
- Financial Information
 - General Ledger (Spend, Disbursement, Actual/Forecast)

- Travel and Expense
- Procure to Pay (AP/PO/Offeror/Spend)
- Capital Improvements
- Accounts Receivable
- Asset Management
- Workforce and Human Resources
 - Workforce Profile
 - Compensation
 - MBE/EDGE

2.7.5. SharePoint

Microsoft SharePoint Server 2013 portal setup and hosting services for agencies interested in internal collaboration, external collaboration, organizational portals, business process workflow, and business intelligence. The service is designed to provision, operate and maintain the State's enterprise Active Directory Accounts.

2.7.6. IT Service Management

ServiceNow, a cloud-based IT Service Management Tool that provides internal and external support through an automated service desk workflow based application which provides flexibility and ease of use. The IT Service Management Tool provides workflows aligning with ITIL processes such as Incident Management, Request Fulfillment, Problem Management, Change Management and Service Catalog.

2.7.7. Enterprise Geocoding Services

Enterprise Geocoding Services (EGS) combine address standardization, geocoding, and spatial analysis into a single service. Individual addresses can be processed in real time for on line applications or large numbers of addresses can be processed in batch mode.

2.7.8. GIS Hosting

GIS Hosting delivers dynamic maps, spatial content, and spatial analysis via the Internet. User agencies can integrate enterprise-level Geographic Information Systems (GIS) with map capabilities and spatial content into new or existing websites and applications.

2.8. Productivity, Administrative and Communication Requirements

2.8.1. Communication Services

The State of Ohio Office of Information Technology (OIT) provides a number of Enterprise Shared Services to State agencies as outline in the IT Services Catalog available at:

<http://das.ohio.gov/Divisions/InformationTechnology/StateofOhioITServiceCatalog.aspx>

At a minimum, proposed vendor application designs that include the following Communication Services **must** use the Communication Services outlined in the IT Services Catalog.

Exchange

- Exchange Mail
- Office 365
- Skype for Business Instant Messaging & Presence
- Enterprise Vault
- Clearwell eDiscovery
- Exchange Web Services
- Bulk Mailing
- External Mail Encryption
- Outbound Fax

- Mobile devices

EDI/Application Integration/Medicaid EDI

Lyris Listserv

On-premise application based FAX: eFAX

Fax2Mail is a “hosted” fax solution that allows agencies to seamlessly integrate inbound and outbound Fax with their existing desktop E-mail and back-office environments. Fax2Mail is a “cloud-based” solution.

Voice over Internet Protocol (VoIP)

Audio Conference

Video Conference

Call Centers

3. General State Security and Information Privacy Standards and Requirements

The selected Contractor will accept the security and privacy requirements outlined in this supplement in their entirety as they apply to the services being provided to the State. The Contractor will be responsible for maintaining information security in environments under the Contractor's management and in accordance with State IT Security Policies. The Contractor will implement an information security policy and security capability as set forth in this Contract. The Contractor shall provide the State with contact information for a single point of contact for security incidents.

The Contractor's responsibilities with respect to Security Services will include the following:

- Provide vulnerability management services for the Contractor's internal secure network connection, including supporting remediation for identified vulnerabilities as agreed. As a minimum, the Contractor shall provide vulnerability scan results to the State monthly.
- Support the implementation and compliance monitoring for State IT Security Policies.
- Develop, maintain, update, and implement security procedures, with State review and approval, including physical access strategies and standards, ID approval procedures and a breach of security action plan.
- Manage and administer access to the systems, networks, System software, systems files and State Data, excluding end-users.
- Provide support in implementation of programs to educate State and Contractor end-users and staff on security policies and compliance.
- Install and update Systems software security, assign and reset passwords per established procedures, provide the State access to create User ID's, suspend and delete inactive logon IDs, research system security problems, maintain network access authority, assist in processing State security requests, perform security reviews to confirm that adequate security procedures are in place on an ongoing basis, and provide incident investigation support (jointly with the State), and provide environment and server security support and technical advice.
- Develop, implement, and maintain a set of automated and manual processes to ensure that data access rules are not compromised.
- Perform physical security functions (e.g., identification badge controls, alarm responses) at the facilities under the Contractor's control.
- Prepare an Information Security Controls Document. This document is the security document that is used to capture the security policies and technical controls that the Contractor will implement, as requested by the State, on Contractor managed systems, supported servers and the LAN within the scope of this contract. The Contractor will submit a draft Information Security Controls document for State review and approval during the transition period.

The State will:

- Develop, maintain and update the State IT Security Policies, including applicable State information risk policies, standards and procedures.
- Provide the contractor with contact information for security and program personnel for incident reporting purposes.
- Provide a State Single Point of Contact with responsibility for account security audits.
- Support intrusion detection and prevention and vulnerability scanning pursuant to State IT Security Policies.
- Provide the State security audit findings material for the Services based upon the security policies, standards and practices in effect as of the Effective Date and any subsequent updates.
- Assist the Contractor in performing a baseline inventory of access IDs for the systems for which the Contractor has security responsibility.

- Authorize User IDs and passwords for the State personnel for the Systems software, software tools and network infrastructure systems and devices under Contractor management.

3.1. State Provided Elements: Contractor Responsibility Considerations

The State is responsible for Network Layer (meaning the internet Protocol suite and the open systems interconnection model of computer networking protocols and methods to process communications across the IP network) system services and functions that build upon State infrastructure environment elements, the Contractor shall not be responsible for the implementation of Security Services of these systems as these shall be retained by the State.

To the extent that Contractor's accesses or utilizes State- provided networks, the Contractor is responsible for adhering to State policies and use procedures and doing so in a manner that does not diminish established State capabilities and standards.

The Contractor will be responsible for maintaining the security of information in environment elements that it accesses, utilizes, develops or manages in accordance with the State Security Policy. The Contractor will implement information security policies and capabilities, upon review and contract by the State, based on the Contractors standard service center security processes that satisfy the State's requirements contained herein.

The Contractor's responsibilities with respect to Security Services must also include the following:

- Support intrusion detection & prevention, including prompt agency notification of such events, reporting, monitoring and assessing security events. Notification is to be provided to the State for suspected as well as verified security events. For suspected events, the Contractor shall provide regular updates to the State on the status of efforts to verify the event as an actual security event.
- Provide vulnerability management services including supporting remediation for identified vulnerabilities as agreed.
- Support the State IT Security Policy which includes the development, maintenance, updates, and implementation of security procedures with the agency's review and approval, including physical access strategies and standards, ID approval procedures and a breach of security action plan.
- Support OIT in the implementation, maintenance and updating of statewide data security policies, including the State information risk policies, standards and procedures.
- Managing and administering access to the systems, networks, Operating Software or System Software, [including programs, device drivers, microcode and related code supporting documentation and media] that: 1) perform tasks basic to the functioning of data processing and network connectivity; and 2) are required to operate Applications Software), systems files and the State Data.
- Supporting the State in implementation of programs to raise the awareness of End Users and staff personnel to security risks and to the existence and importance of security policy compliance.
- Installing and updating State provided or approved system security Software, assigning and resetting passwords per established procedures, providing the agency access to create user ID's, suspend and delete inactive logon IDs, research system security problems, maintain network access authority, assisting in processing the agency requested security requests, performing security audits to confirm that adequate security procedures are in place on an ongoing basis, with the agency's assistance providing incident investigation support, and providing environment and server security support and technical advice.
- Developing, implementing, and maintaining a set of automated and manual processes so that the State Data access rules, as they are made known by the State, are not compromised.
- Performing physical security functions (e.g., identification badge controls, alarm responses) at the facilities under Contractor control.

3.2. Periodic Security and Privacy Audits

The State shall be responsible for conducting periodic security and privacy audits, and generally utilizes members of the OIT Chief Information Security Officer and Privacy teams, the OBM Office of Internal Audit and the Auditor of State, depending on the focus area of an audit. Should an audit issue or finding be discovered, the following resolution path shall apply:

- If a security or privacy issue exists in any of the IT resources furnished to the Contractor by the State (e.g., code, systems, computer hardware and software), the State will have responsibility to address or resolve the issue. Dependent on the nature of the issue, the State may elect to contract with the Contractor under mutually agreeable terms for those specific resolution services at that time or elect to address the issue independent of the Contractor. The Contractor is responsible for resolving any security or privacy issues that exist in any of the IT resources they provide to the State.
- For in-scope environments and services, all new systems implemented or deployed by the Contractor shall comply with State security and privacy policies.

3.3. Annual Security Plan: State and Contractor Obligations

The Contractor will develop, implement and thereafter maintain annually a Security Plan, that is in alignment with the National Institute of Standards and Technology (“NIST”) Special Publication (SP) 800-53 (current, published version), for review, comment and approval by the State Information Security and Privacy Officers. As a minimum, the Security Plan must include and implement processes for the following items related to the system and services:

- Security policies
- Logical security controls (privacy, user access and authentication, user permissions, etc.)
- Technical security controls and security architecture (communications, hardware, data, physical access, software, operating system, encryption, etc.)
- Security processes (security assessments, risk assessments, incident response, etc.)
- Detail the technical specifics to satisfy the following:
 - Network segmentation
 - Perimeter security
 - Application security and data sensitivity classification
 - PHI and PII data elements
 - Intrusion management
 - Monitoring and reporting
 - Host hardening
 - Remote access
 - Encryption
 - State-wide active directory services for authentication
 - Interface security
 - Security test procedures
 - Managing network security devices
 - Security patch management
 - Detailed diagrams depicting all security-related devices and subsystems and their relationships with other systems for which they provide controls
 - Secure communications over the Internet

The Security Plan must detail how security will be controlled during the implementation of the System and Services and contain the following:

- High-level description of the program and projects
- Security risks and concerns
- Security roles and responsibilities
- Program and project security policies and guidelines
- Security-specific project deliverables and processes

- Security team review and approval process
- Security-Identity management and Access Control for Contractor and State joiners, movers, and leavers
- Data Protection Plan for personal/sensitive data within the projects
- Business continuity and disaster recovery plan for the projects
- Infrastructure architecture and security processes
- Application security and industry best practices for the projects
- Vulnerability and threat management plan (cyber security)

3.4. State Network Access (VPN)

Any remote access to State systems and networks, Contractor or otherwise, must employ secure data transmission protocols, including the secure sockets layer (SSL) protocol and public key authentication, signing and encryption. In addition, any remote access solution must use Secure Multipurpose Internet Mail Extensions (S/MIME) to provide encryption and non-repudiation services through digital certificates and the provided PKI. Multi-factor authentication is to be employed for users with privileged network access by leveraging the State of Ohio RSA or Duo Security solutions.

3.5. Security and Data Protection.

All Services must also operate at the [moderate level baseline] as defined in NIST (SP) 800-53 (current, published version) [moderate baseline requirements], be consistent with Federal Information Security Management Act (“FISMA”) requirements, and offer a customizable and extendable capability based on open-standards APIs that enable integration with third party applications. Services must provide the State’s systems administrators with 24x7 visibility into the services through a real-time, web-based “dashboard” capability that enables them to monitor, in real or near real time, the Services’ performance against the established SLAs and promised operational parameters.

3.6. State Information Technology Policies

The Contractor is responsible for maintaining the security of information in environment elements under direct management of the Contractor and in accordance with State Security policies and standards. The Contractor will implement information security policies and capabilities as set forth in Statements of Work and, upon review and contract by the State, based on the Offeror’s standard service center security processes that satisfy the State’s requirements contained herein. The Offeror’s responsibilities with respect to security services include the following:

- Support intrusion detection & prevention including prompt agency notification of such events, reporting, monitoring and assessing security events.
- Support the State IT Security Policy which includes the development, maintenance, updates, and implementation of security procedures with the agency’s review and approval, including physical access strategies and standards, ID approval procedures and a breach of security action plan.
- Managing and administering access to the Operating Software, systems files and the State Data.
- Installing and updating State provided or approved system security Software, assigning and resetting administrative passwords per established procedures, providing the agency access to create administrative user ID’s, suspending and deleting inactive logon IDs, researching system security problems, maintaining network access authority, assist processing of the agency requested security requests, performing security audits to confirm that adequate security procedures are in place on an ongoing basis, providing incident investigation support with the agency’s assistance, and providing environment and server security support and technical advice.
- Developing, implementing, and maintaining a set of automated and manual processes so that the State Data access rules are not compromised.
- Where the Contractor identifies a potential issue in maintaining an “as provided” State infrastructure element with the more stringent requirement of an agency security policy (which may be federally

mandated or otherwise required by law), identifying to agencies the nature of the issue, and if possible, potential remedies for consideration by the State agency.

- The State shall be responsible for conducting periodic security and privacy audits and generally utilizes members of the OIT Chief Information Security Officer and Privacy teams, the OBM Office of Internal Audit and the Auditor of State, depending on the focus area of an audit. Should an audit issue be discovered the following resolution path shall apply:
 - If a security or privacy issue is determined to be pre-existing to this Contract, the State will have responsibility to address or resolve the issue. Dependent on the nature of the issue the State may elect to contract with the Contractor under mutually agreeable terms for those specific resolution services at that time or elect to address the issue independent of the Contractor.
 - If over the course of delivering services to the State under this Statement of Work for in-scope environments the Contractor becomes aware of an issue, or a potential issue that was not detected by security and privacy teams the Contractor is to notify the State within two (2) hours. This notification shall not minimize the more stringent Service Level Contracts pertaining to security scans and breaches contained herein, which due to the nature of an active breach shall take precedence over this notification. Dependent on the nature of the issue the State may elect to contract with the Contractor under mutually agreeable terms for those specific resolution services at that time or elect to address the issue independent of the Contractor.
 - For in-scope environments and services, all new systems implemented or deployed by the Contractor shall comply with State security and privacy policies.

The Contractor will comply with State Security and Privacy policies and standards. For purposes of convenience, a compendium of links to this information is provided in the Table below.

State of Ohio Security and Privacy Policies

Item	Link
Statewide IT Standards	http://das.ohio.gov/Divisions/InformationTechnology/StateofOhioITStandards.aspx
Statewide IT Bulletins	http://das.ohio.gov/Divisions/InformationTechnology/StateofOhioITBulletins.aspx
IT Policies and Standards	http://das.ohio.gov/Divisions/InformationTechnology/StateofOhioITPolicies/tabid/107/Default.aspx
DAS Standards (Computing and??	100-11 Protecting Privacy), (700 Series – Computing) and (2000 Series – IT Operations and Management) http://das.ohio.gov/Divisions/DirectorsOffice/EmployeesServices/DASPolicies/tabid/463/Default.aspx

4. State and Federal Data Privacy Requirements

Because the privacy of individuals’ personally identifiable information (PII) and State Sensitive Information, generally information that is not subject to disclosures under Ohio Public Records law, (SSI) is a key element to maintaining the public’s trust in working with the State, all systems and services shall be designed and shall function according to the following fair information practices principles. To the extent that personally identifiable information in the system is “protected health information” under the HIPAA Privacy Rule, these principles shall be implemented in alignment with the HIPAA Privacy Rule. To the extent that there is PII in the system that is not “protected health information” under HIPAA, these principles shall still be implemented and, when applicable, aligned to other law or regulation.

The Contractor specifically agrees to comply with state and federal confidentiality and information disclosure laws, rules and regulations applicable to work associated with this RFP including but not limited to:

- United States Code 42 USC 1320d through 1320d-8 (HIPAA);
- Code of Federal Regulations, 42 CFR 431.300, 431.302, 431.305, 431.306, 435.945,45 CFR164.502 (e) and 164.504 (e);
- Ohio Revised Code, ORC 173.20, 173.22, 1347.01 through 1347.99, 2305.24, 2305.251, 3701.243, 3701.028, 4123.27, 5101.26, 5101.27, 5101.572, 5112.21, and 5111.61; and
- Corresponding Ohio Administrative Code Rules and Updates.
- Systems and Services must support and comply with the State’s security operational support model, which is aligned to NIST SP 800-53 (current, published version).

- IRS Publication 1075, Tax Information Security Guidelines for Federal, State and Local Agencies

4.1. Protection of State Data

- **Protection of State Data.** “State Data” includes all data and information created by, created for, or related to the activities of the State and any information from, to, or related to all persons that conduct business or personal activities with the State, including, but not limited to, PII and SSI. To protect State Data as described in this Contract, in addition to its other duties regarding State Data, Contractor will: Maintain in confidence any personally identifiable information (“PI”) and State Sensitive Information (“SSI”) it may obtain, maintain, process, or otherwise receive from or through the State in the course of the Contract;
- Use and permit its employees, officers, agents, and independent contractors to use any PII/SSI received from the State solely for those purposes expressly contemplated by the Contract;
- Not sell, rent, lease or disclose, or permit its employees, officers, agents, and independent contractors to sell, rent, lease, or disclose, any such PII/SSI to any third party, except as permitted under this Contract or required by applicable law, regulation, or court order;
- Take all commercially reasonable steps to (a) protect the confidentiality of PII/SSI received from the State and (b) establish and maintain physical, technical and administrative safeguards to prevent unauthorized access by third parties to PII/SSI received by the Contractor from the State;
- Give access to PII/SSI of the State only to those individual employees, officers, agents, and independent contractors who reasonably require access to such information in connection with the performance of Contractor’s obligations under this Contract;
- Upon request by the State, promptly destroy or return to the State in a format designated by the State all PII/SSI received from the State;
- Cooperate with any attempt by the State to monitor Contractor’s compliance with the foregoing obligations as reasonably requested by the State from time to time. The State shall be responsible for all costs incurred by Contractor for compliance with this provision of this subsection;
- Establish and maintain data security policies and procedures designed to ensure the following:
 - Security and confidentiality of PII/SSI;
 - Protection against anticipated threats or hazards to the security or integrity of PII/SSI; and
 - Protection against the unauthorized access to, disclosure of or use of PII/SSI.

4.1.1. Disclosure

Disclosure to Third Parties. This Contract shall not be deemed to prohibit disclosures in the following cases:

- Required by applicable law, regulation, court order or subpoena; provided that, if the Contractor or any of its representatives are ordered or requested to disclose any information provided by the State, whether PII/SSI or otherwise, pursuant to court or administrative order, subpoena, summons, or other legal process or otherwise believes that disclosure is required by any law, ordinance, rule or regulation, Contractor will promptly notify the State in order that the State may have the opportunity to seek a protective order or take other appropriate action. Contractor will also cooperate in the State’s efforts to obtain a protective order or other reasonable assurance that confidential treatment will be accorded the information provided by the State. If, in the absence of a protective order, Contractor is compelled as a matter of law to disclose the information provided by the State, Contractor may disclose to the party compelling disclosure only the part of such information as is required by law to be disclosed (in which case, prior to such disclosure, Contractor will advise and consult with the State and its counsel as to the scope of such disclosure and the nature of wording of such disclosure) and Contractor will use commercially reasonable efforts to obtain confidential treatment for the information;
- To State auditors or regulators;

- To service providers and agents of either party as permitted by law, provided that such service providers and agents are subject to binding confidentiality obligations; or
- To the professional advisors of either party, provided that such advisors are obligated to maintain the confidentiality of the information they receive.

4.2. Handling the State's Data

The Contractor must use due diligence to ensure computer and telecommunications systems and services involved in storing, using, or transmitting State Data are secure and to protect State Data from unauthorized disclosure, modification, use or destruction. To accomplish this, the Contractor must adhere to the following principles:

- Apply appropriate risk management techniques to balance the need for security measures against the sensitivity of the State Data.
- Ensure that its internal security policies, plans, and procedures address the basic security elements of confidentiality, integrity, and availability of State Data.
- Maintain plans and policies that include methods to protect against security and integrity threats and vulnerabilities, as well as detect and respond to those threats and vulnerabilities.
- Maintain appropriate identification and authentication processes for information systems and services associated with State Data.
- Maintain appropriate access control and authorization policies, plans, and procedures to protect system assets and other information resources associated with State Data.
- Implement and manage security audit logging on information systems, including computers and network devices.

4.3. Contractor Access to State Networks Systems and Data

The Contractor must maintain a robust boundary security capacity that incorporates generally recognized system hardening techniques. This includes determining which ports and services are required to support access to systems that hold State Data, limiting access to only these points, and disable all others.

To do this, the Contractor must:

- Use assets and techniques such as properly configured firewalls, a demilitarized zone for handling public traffic, host-to-host management, Internet protocol specification for source and destination, strong authentication, encryption, packet filtering, activity logging, and implementation of system security fixes and patches as they become available.
- Use two-factor authentication to limit access to systems that contain particularly sensitive State Data, such as personally identifiable information.
- Assume all State Data is both confidential and critical for State operations. The Contractor's security policies, plans, and procedure for the handling, storage, backup, access, and, if appropriate, destruction of State Data must be commensurate to this level of sensitivity unless the State instructs the Contractor otherwise in writing.
- Employ appropriate intrusion and attack prevention and detection capabilities. Those capabilities must track unauthorized access and attempts to access State Data, as well as attacks on the Contractor's infrastructure associated with the State Data. Further, the Contractor must monitor and appropriately address information from its system tools used to prevent and detect unauthorized access to and attacks on the infrastructure associated with the State Data.
- Use appropriate measures to ensure that State Data is secure before transferring control of any systems or media on which State Data is stored. The method of securing the State Data must be appropriate to the situation and may include secure overwriting, destruction, or encryption of the State Data before transfer of control. The transfer of any such system or media must be reasonably necessary for the performance of the Contractor's obligations under this Contract.

- Have a business continuity plan in place that the Contractor tests and updates at least annually. The plan must address procedures for response to emergencies and other business interruptions. Part of the plan must address backing up and storing data at a location sufficiently remote from the facilities at which the Contractor maintains State Data in case of loss of State Data at the primary site. The Contractor's backup solution must include plans to recover from an intentional deletion attempt by a remote attacker with compromised administrator credentials (e.g., keeping periodic copies offline, or in write-only format).

The plan also must address the rapid restoration, relocation, or replacement of resources associated with the State Data in the case of a disaster or other business interruption. The Contractor's business continuity plan must address short- and long-term restoration, relocation, or replacement of resources that will ensure the smooth continuation of operations related to the State's Data. Such resources may include, among others, communications, supplies, transportation, space, power and environmental controls, documentation, people, data, software, and hardware. The Contractor also must provide for reviewing, testing, and adjusting the plan on an annual basis.

- Not allow the State Data to be loaded onto portable computing devices or portable storage components or media unless necessary to perform its obligations under this Contract. If necessary for such performance, the Contractor may permit State Data to be loaded onto portable computing devices or portable storage components or media only if adequate security measures are in place to ensure the integrity and security of the State Data. Those measures must include a policy on physical security for such devices to minimize the risks of theft and unauthorized access that includes a prohibition against viewing sensitive or confidential data in public or common areas. In addition, all state data on portable media shall be encrypted.
- Ensure that portable computing devices have anti-virus software, personal firewalls, and system password protection. In addition, the State Data must be encrypted when stored on any portable computing or storage device or media or when transmitted from them across any data network.
- Maintain an accurate inventory of all such devices and the individuals to whom they are assigned.

4.4. Portable Devices, Data Transfer and Media

Any encryption requirement identified in this Supplement means encryption that complies with National Institute of Standards Federal Information Processing Standard 140-2 as demonstrated by a valid FIPS certificate number. Any sensitive State Data transmitted over a network, or taken off site via removable media must be encrypted pursuant to the State's Data encryption standard ITS-SEC-01 Data Encryption and Cryptography.

The Contractor must have reporting requirements for lost or stolen portable computing devices authorized for use with State Data and must report any loss or theft of such devices to the State in writing as quickly as reasonably possible. The Contractor also must maintain an incident response capability for all security breaches involving State Data whether involving mobile devices or media or not. The Contractor must detail this capability in a written policy that defines procedures for how the Contractor will detect, evaluate, and respond to adverse events that may indicate a breach or attempt to attack or access State Data or the infrastructure associated with State Data.

To the extent the State requires the Contractor to adhere to specific processes or procedures in addition to those set forth above in order for the Contractor to comply with the managed services principles enumerated herein, those processes or procedures are set forth in this contract.

4.5. Limited Use; Survival of Obligations.

Contractor may use PII/SSI only as expressly authorized by the Contract and for no other purpose. Contractor's limited right to use PII/SSI expires upon conclusion, non-renewal or termination of this Agreement for any reason. Contractor's obligations of confidentiality and non-disclosure survive termination or expiration for any reason of this Agreement.

4.6. Disposal of PII/SSI.

Upon expiration of Contractor's limited right to use PII/SSI, Contractor must return all physical embodiments to the State or, with the State's permission; Contractor may destroy PII/SSI. Upon the State's request, Contractor shall provide written certification to the State that Contractor has returned, or destroyed, all such PII/SSI in Contractor's possession.

4.7. Remedies

If Contractor or any of its representatives or agents breaches the covenants set forth in these provisions, irreparable injury may result to the State or third parties entrusting PII/SSI to the State. Therefore, the State's remedies at law may be inadequate and the State shall be entitled to seek an injunction to restrain any continuing breach. Notwithstanding any limitation on Contractor's liability, the State shall further be entitled to any other rights or remedies that it may have in law or in equity.

4.8. Prohibition on Off-Shore and Unapproved Access

The Contractor shall comply in all respects with U.S. statutes, regulations, and administrative requirements regarding its relationships with non-U.S. governmental and quasi-governmental entities including, but not limited to the export control regulations of the International Traffic in Arms Regulations ("ITAR") and the Export Administration Act ("EAA"); the anti-boycott and embargo regulations and guidelines issued under the EAA, and the regulations of the U.S. Department of the Treasury, Office of Foreign Assets Control, HIPPA Privacy Rules and other conventions as described and required in this Supplement.

The Contractor will provide resources for the work described herein with natural persons who are lawful permanent residents as defined in 8 U.S.C. 1101 (a)(20) or who are protected individuals as defined by 8 U.S.C. 1324b(a)(3). It also means any corporation, business association, partnership, society, trust, or any other entity, organization or group that is incorporated to do business in the U.S. It also includes any governmental (federal, state, local), entity.

The State specifically prohibits sending, taking or making available remotely (directly or indirectly) any State information including State Data, software, code, intellectual property, designs and specifications, system logs, system data, personal or identifying information and related materials out of the United States in any manner, except by mere travel outside of the U.S. by a person whose personal knowledge includes technical data; or transferring registration, control, or ownership to a foreign person, whether in the U.S. or abroad, or disclosing (including oral or visual disclosure) or transferring in the United States any State article to an embassy, any agency or subdivision of a foreign government (e.g., diplomatic missions); or disclosing (including oral or visual disclosure) or transferring data to a foreign person, whether in the U.S. or abroad.

The Contractor shall not use State data for any engagements outside of the scope of the contracted agreement. Using State of Ohio data to test or provide proof-of-concept for other engagements is expressly prohibited.

It is the responsibility of all individuals working at the State to understand and comply with the policy set forth in this document as it pertains to end-use export controls regarding State restricted information.

Where the Contractor is handling confidential employee or citizen data associated with Human Resources data, the Contractor will comply with data handling privacy requirements associated with HIPAA and as further defined by The United States Department of Health and Human Services Privacy Requirements and outlined in <http://www.hhs.gov/ocr/privacysummary.pdf>

It is the responsibility of all Contractor individuals working at the State to understand and comply with the policy set forth in this document as it pertains to end-use export controls regarding State restricted information.

Where the Contractor is handling confidential or sensitive State, employee, citizen or Ohio Business data associated with State Data, the Contractor will comply with data handling privacy requirements associated

with the data HIPAA and as further defined by The United States Department of Health and Human Services Privacy Requirements and outlined in <http://www.hhs.gov/ocr/privacysummary.pdf>.

4.9. Background Check of Contractor Personnel

Contractor agrees that (1) it will conduct 3rd party criminal background checks on Contractor personnel who will perform Sensitive Services (as defined below), and (2) no Ineligible Personnel will perform Sensitive Services under this Contract. "Ineligible Personnel" means any person who (a) has been convicted at any time of any criminal offense involving dishonesty, a breach of trust, or money laundering, or who has entered into a pre-trial diversion or similar program in connection with a prosecution for such offense, (b) is named by the Office of Foreign Asset Control (OFAC) as a Specially Designated National, or (c) has been convicted of a felony.

"Sensitive Services" means those services that (i) require access to Customer/Consumer Information, (ii) relate to the State's computer networks, information systems, databases or secure facilities under circumstances that would permit modifications to such systems, or (iii) involve unsupervised access to secure facilities ("Sensitive Services").

Upon request, Contractor will provide written evidence that all of Contractor's personnel providing Sensitive Services have undergone a criminal background check and are eligible to provide Sensitive Services. In the event that Contractor does not comply with the terms of this section, the State may, in its sole and absolute discretion, terminate this Contract immediately without further liability.

4.10. Federal Tax Information

Contract Language for General Services

4.10.1. Performance

In performance of this Contract, the Contractor agrees to comply with and assume responsibility for compliance by its employees with the following requirements:

- All work will be done under the supervision of the Contractor or the Contractor's employees.
- Any return or return information made available in any format shall be used only for the purposes of performing this Contract. Information contained in such material will be treated as confidential and will not be divulged or made known in any manner to any person except as may be necessary in the performance of this Contract.
Disclosure to anyone other than an officer or employee of the Contractor will be prohibited.
- All returns and return information will be accounted for upon receipt and properly stored before, during, and after processing. In addition, all related output will be given the same level of protection as required for the source material.
- The Contractor certifies that the data processed during the performance of this Contract will be completely purged from all data storage components of its computer facility, and no output will be retained by the Contractor after the work is completed. If immediate purging of all data storage components is not possible, the Contractor certifies that any IRS data remaining in any storage component will be safeguarded to prevent unauthorized disclosures.
- Any spoilage or any intermediate hard copy printout that may result during the processing of IRS data will be given to the agency or its designee. When this is not possible, the Contractor will be responsible for the destruction of the spoilage or any intermediate hard copy printouts, and will provide the agency or its designee with a statement containing the date of destruction, description of material destroyed, and the method used.
- All computer systems receiving, processing, storing, or transmitting Federal Tax Information must meet the requirements defined in IRS Publication 1075. To meet functional and assurance requirements, the security features of the environment must provide for the managerial, operations,

and technical controls. All security features must be available and activated to protect against unauthorized use of and access to Federal Tax Information.

- No work involving Federal Tax Information furnished under this Contract will be subcontracted without prior written approval of the IRS.
- The Contractor will maintain a list of employees authorized access. Such list will be provided to the agency and, upon request, to the IRS reviewing office.
- The agency will have the right to void the Contract if the Contractor fails to provide the safeguards described above.

4.10.2. Criminal/Civil Sanctions

1. Each officer or employee of any person to whom returns or return information is or may be disclosed will be notified in writing by such person that returns or return information disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any such returns or return information for a purpose or to an extent unauthorized herein constitutes a felony punishable upon conviction by a fine of as much as \$5,000 or imprisonment for as long as 5 years, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized further disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount not less than \$1,000 with respect to each instance of unauthorized disclosure. These penalties are prescribed by IRCs 7213 and 7431 and set forth at 26 CFR 301.6103(n)-1.
2. Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this Contract. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of the Contract. Inspection by or disclosure to anyone without an official need-to-know constitutes a criminal misdemeanor punishable upon conviction by a fine of as much as \$1,000 or imprisonment for as long as 1 year, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized inspection or disclosure of the officer or employee (United States for Federal employees) in an amount equal to the sum of the greater of \$1,000 for each act of unauthorized inspection or disclosure with respect to which such defendant is found liable or the sum of the actual damages sustained by the plaintiff as a result of such unauthorized inspection or disclosure plus in the case of a willful inspection or disclosure which is the result of gross negligence, punitive damages, plus the costs of the action. These penalties are prescribed by IRC 7213A and 7431.
3. Additionally, it is incumbent upon the Contractor to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a(i)(1), which is made applicable to contractors by 5 U.S.C. 552a(m)(1), provides that any officer or employee of a contractor, who by virtue of his/her employment or official position, has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.

4.10.3. Criminal/Civil Sanctions

The IRS and the Agency shall have the right to send its officers and employees into the offices and plants of the Contractor for inspection of the facilities and operations provided for the performance of any work under this Contract. On the basis of such inspection, specific measures may be required in cases where the contractor is found to be noncompliant with Contract safeguards

5. Contractor Responsibilities Related to Reporting of Concerns, Issues and Security/Privacy Issues

5.1. General

If, over the course of the Contract a security or privacy issue arises, whether detected by the State, a State auditor or the Contractor, that was not existing within an in-scope environment or service prior to the commencement of any contracted service associated with this Contract, the Contractor must:

- notify the State of the issue or acknowledge receipt of the issue within two (2) hours;
- within forty-eight (48) hours from the initial detection or communication of the issue from the State, present an potential exposure or issue assessment document to the State Account Representative and the State Chief Information Security Officer with a high level assessment as to resolution actions and a plan;
- within four (4) calendar days, and upon direction from the State, implement to the extent commercially reasonable measures to minimize the State's exposure to security or privacy until such time as the issue is resolved; and
- upon approval from the State implement a permanent repair to the identified issue at the Contractor's cost.

5.2. Actual or Attempted Access or Disclosure

If the Contractor determines that there is any actual, attempted or suspected theft of, accidental disclosure of, loss of, or inability to account for any PII/SSI by Contractor or any of its subcontractors (collectively "Disclosure") and/or any unauthorized intrusions into Contractor's or any of its subcontractor's facilities or secure systems (collectively "Intrusion"), Contractor must immediately:

- Notify the State within two (2) hours of the Contractor becoming aware of the unauthorized Disclosure or Intrusion;
- Investigate and determine if an Intrusion and/or Disclosure has occurred;
- Fully cooperate with the State in estimating the effect of the Disclosure or Intrusion's effect on the State and fully cooperate to mitigate the consequences of the Disclosure or Intrusion;
- Specify corrective action to be taken; and
- Take corrective action to prevent further Disclosure and/or Intrusion.

5.3. Unapproved Disclosures and Intrusions: Contractor Responsibilities

- The Contractor must, as soon as is reasonably practicable, make a report to the State including details of the Disclosure and/or Intrusion and the corrective action Contractor has taken to prevent further Disclosure and/or Intrusion. Contractor must, in the case of a Disclosure cooperate fully with the State to notify the effected persons as to the fact of and the circumstances of the Disclosure of the PII/SSI. Additionally, Contractor must cooperate fully with all government regulatory agencies and/or law enforcement agencies having jurisdiction to investigate a Disclosure and/or any known or suspected criminal activity.
- Where the Contractor identifies a potential issue in maintaining an "as provided" State infrastructure element with the more stringent of an Agency level security policy (which may be Federally mandated or otherwise required by law), identifying to Agencies the nature of the issue, and if possible, potential remedies for consideration by the State agency.
- If over the course of delivering services to the State under this Statement of Work for in-scope environments the Contractor becomes aware of an issue, or a potential issue that was not detected by security and privacy teams the Contractor is to notify the State within two (2) hour. This notification shall not minimize the more stringent Service Level Contracts pertaining to security scans and breaches contained herein, which due to the nature of an active breach shall take precedence over this notification. Dependent on the nature of the issue the State may elect to contract with the Contractor under mutually agreeable terms for those specific resolution services at that time or elect to address the issue independent of the Contractor.

5.4. Security Breach Reporting and Indemnification Requirements

- In case of an actual security breach that may have compromised State Data, the Contractor must notify the State in writing of the breach within two (2) hours of the Contractor becoming aware of the breach. In the case of a suspected breach, the Contractor must notify the State in writing of the suspected breach within twenty-four (24) hours of the Contractor becoming aware of the suspected breach.
- The Contractor must fully cooperate with the State to mitigate the consequences of such a breach/suspected breach. This includes any use or disclosure of the State Data that is inconsistent with the terms of this Contract and of which the Contractor becomes aware, including but not limited to, any discovery of a use or disclosure that is not consistent with this Contract by an employee, agent, or subcontractor of the Contractor.
- The Contractor must give the State full access to the details of the breach/suspected breach and assist the State in making any notifications to potentially affected people and organizations that the State deems are necessary or appropriate. The Contractor must document all such incidents/suspected incidents, including its response to them, and make that documentation available to the State on request.
- In addition to any other liability under this Contract related to the Contractor's improper disclosure of State Data, and regardless of any limitation on liability of any kind in this Contract, the Contractor will be responsible for acquiring one year's identity theft protection service on behalf of any individual or entity whose personally identifiable information is compromised while it is in the Contractor's possession. Such identity theft protection must provide coverage from all three major credit reporting agencies and provide immediate notice through phone or email of attempts to access the individuals' credit history through those services.

6. Security Review Services

As part of a regular Security Review process, the Contractor will include the following reporting and services to the State:

6.1. Hardware and Software Assets

The Contractor will support the State in defining and producing specific reports for both hardware and software assets. At a minimum this should include:

- Deviations to hardware baseline
- Inventory of information types by hardware device
- Software inventory against licenses (State purchased)
- Software versions and then scans of versions against patches distributed and applied

6.2. Security Standards by Device and Access Type

The Contractor will:

- Document security standards by device type and execute regular scans against these standards to produce exception reports
- Document and implement a process for deviation from State standards

6.3. Boundary Defenses

The Contractor will:

- Work with the State to support the denial of communications to/from known malicious IP addresses*

- Ensure that the System network architecture separates internal systems from DMZ and extranet systems
- Require remote login access to use two-factor authentication
- Support the State's monitoring and management of devices remotely logging into internal network
- Support the State in the configuration firewall session tracking mechanisms for addresses that access System

6.4. Audit Log Reviews

The Contractor will:

- Work with the State to review and validate audit log settings for hardware and software
- Ensure that all systems and environments have adequate space to store logs
- Work with the State to devise and implement profiles of common events from given systems to both reduce false positives and rapidly identify active access
- Provide requirements to the State to configure operating systems to log access control events
- Design and execute bi-weekly reports to identify anomalies in system logs
- Ensure logs are written to write-only devices for all servers or a dedicated server managed by another group.

6.5. Application Software Security

The Contractor will:

- Perform configuration review of operating system, application and database settings
- Ensure software development personnel receive training in writing secure code

6.6. System Administrator Access

The Contractor will

- Inventory all administrative passwords (application, database and operating system level)
- Implement policies to change default passwords in accordance with State policies, particular following any transfer or termination of personnel (State, existing MSV or Contractor)
- Configure administrative accounts to require regular password changes
- Ensure service level accounts have cryptographically strong passwords
- Store passwords in a hashed or encrypted format
- Ensure administrative accounts are used only for administrative activities
- Implement focused auditing of administrative privileged functions
- Configure systems to log entry and alert when administrative accounts are modified
- Segregate administrator accounts based on defined roles

6.7. Account Access Privileges

The Contractor will:

- Review and disable accounts not associated with a business process
- Create daily report that includes locked out accounts, disabled accounts, etc.
- Implement process for revoking system access
- Automatically log off users after a standard period of inactivity
- Monitor account usage to determine dormant accounts
- Monitor access attempts to deactivated accounts through audit logging
- Profile typical account usage and implement or maintain profiles to ensure that Security profiles are implemented correctly and consistently

6.8. Additional Controls and Responsibilities

The Contractor will meet with the State no less frequently than annually to:

- Review, Update and Conduct Security training for personnel, based on roles
- Review the adequacy of physical and environmental controls
- Verify the encryption of sensitive data in transit
- Review access control to information based on established roles and access profiles
- Update and review system administration documentation
- Update and review system maintenance policies
- Update and Review system and integrity policies
- Revised and Implement updates to the System security program plan
- Update and Implement Risk Assessment Policies and procedures
- Update and implement incident response procedures