

REQUEST FOR PROPOSALS

RFP NUMBER: 0A1180
DATE ISSUED: September 27, 2016

The State of Ohio, through the Department of Administrative Services, for the Ohio Department of Medicaid is requesting proposals for:

Independent Verification & Validation Services

INQUIRY PERIOD BEGINS: September 27, 2016
INQUIRY PERIOD ENDS: October 19, 2016
OPENING DATE: October 26, 2016
OPENING TIME: 1:00 P.M.
OPENING LOCATION: Department of Administrative Services
General Services Division
Bid Desk
4200 Surface Road
Columbus, Ohio 43228-1313

This RFP consists of five parts and ten attachments, totaling 81 consecutively numbered pages. 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.

In lieu of taking exceptions to RFP requirements, including but not limited to terms and conditions, scope of work statements, service levels requirements, etc., or providing assumptions that may be unacceptable to the State, offerors are strongly encouraged to use the inquiry process in Part Three of the RFP.

***Note:** Throughout this RFP, you may see the Contractor referenced as “Vendor” or “Service Provider.” “Contractor” and “Service Provider” terms may be used due to federal requirements being quoted verbatim in this document.



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 Department of Administrative Services, Office of Information Technology is soliciting competitive sealed proposals (“Proposals”) on behalf of the Ohio Department of Medicaid for Independent Verification and Validation (IV&V) services through the procurement; Design, Development, and Implementation (DDI); and, at the state's option, Maintenance and Operations (M&O) of this MMIS (the “Work”).

If a suitable single offeror solution is made in response to the Work, the State, through the Department of Administrative Services (DAS), 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 each 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 five (5) 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 Department of Administrative Services.

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. The Ohio Department of Medicaid (ODM) serves as the single State agency responsible for the administration of the Medical Assistance (“Medicaid”) Program. ODM has an annual benefits budget of about \$15 billion (SFY 2015), serves more than 2.7 million Ohio residents, and has more than 92,000 providers supporting the program. The current MMIS is a real-time multi-payer system and is designed to process about 64 million claims annually.

The current Medicaid Management Information System (MMIS), known as the Medicaid Information Technology System (MITS), went live in August 2011 and replaced a mainframe claims system that was then more than twenty years old. Hewlett Packard Enterprise Services (HPES) runs and maintains MITS for ODM.

MITS processes and adjudicates fee for service Medicaid claims. In addition to fee for service, ODM contracts with five managed care plans and these plans receive a per-member-per-month (“PMPM”) capitation rate. The corresponding managed care claims are paid directly by the managed care plans and not adjudicated in MITS, but MITS does process the associated encounter data. In addition to claims adjudication, MITS is used to verify Provider eligibility and Providers enrollment in Medicaid and has supported the implementation of a five-year limit on provider agreements and the revalidation process.

ODM's current MMIS contract will expire in 2017 with optional renewals through 2021. MITS touches several other systems and the future MMIS will interface with these systems as well. These include, but are not limited to, the Eligibility and Enrollment System (“Ohio Benefits”) and the Decision Support System.

Objectives.

The objective of this Request for Proposal (RFP) is to obtain a Contractor to provide independent validation and verification (IV&V) services through the procurement; design, development, and implementation (DDI); and, at the state's option, maintenance and operations (M&O) of this MMIS. The term MMIS is being used broadly to cover all the functions of the Medicaid Information Technology Architecture (MITA) 3.0 business model along with other components with which it integrates including but not limited to Decision Support Systems, Pharmacy Benefit Management Systems, Eligibility and Enrollment systems.

Chicago Systems Group (CSG) was selected by the state through a competitive RFP process (MMIS Procurement Support Services 0A1159) to assist in ODM's procurement and adoption of a new MMIS.

The IV&V Contractor represents the interests of CMS, and as such, provides an independent and unbiased perspective on the progress of MMIS development and the integrity and functionality of the system. CMS expects that the IV&V Contractor will participate in State System Development Life Cycle (SDLC) gate reviews and will inform CMS of significant risks or issues as the module(s) /system is planned, developed, and deployed. To ensure independence, the IV&V Contractor must not report to the same agency or department that oversees the Medicaid program. The IV&V Contractor will report to Department of Administrative Services (DAS). The IV&V Contractor must not be the contractor performing software testing.

As the planned MMIS solution may involve multiple procurements, the IV&V Contractor will be responsible for an initial assessment and follow-up reporting relating to the project's overall structure, management and approach, as well as for assessments and reporting associated with each procurement. The IV&V Contractor's role will extend through the project's life, from the planning stage through implementation and, ultimately, CMS certification of the MMIS solution.

The IV&V work will be comprehensive for the full project life of the MMIS project.

Overview of the Project's Scope of Work. The State is seeking a Contractor with the depth of experience and resources needed to support a diverse project of this size. The IV&V Contractor is expected to bring to bear experience with project management, business, and technology aspects of the project. Offerors should include in their proposals descriptions of tools, methodologies and standards on which their approach to IV&V is based.

The IV&V support will consist of three components to be completed by the Contractor:

- Component 1: Provide IV&V Milestone and Periodic reports to CMS and ODM
- Component 2: Provide additional reports and investigation as requested by ODM
- Component 3: Provide weekly updates

Component 1

The Contractor will complete Milestone reports as milestones are reached for the core MMIS and MMIS modules. These reports will be submitted to CMS and ODM simultaneously. The Contractor will also complete periodic reports on the entire MMIS project at least twice per year or as often as requested by CMS. These reports will be submitted to CMS and ODM simultaneously. Milestone and periodic reports are defined in the CMS Medicaid Enterprise Certification Lifecycle (MECL).

Component 2

The Contractor will complete additional reports and investigation as requested by ODM. For additional reports or investigation requested by ODM beyond the milestone, periodic, and weekly reports, the Contractor and ODM will agree on a cost and scope document that outlines the request or report and the estimated number of hours to complete the work will be prepared by the Contractor and agreed upon by ODM. Please see the IDA language in this RFP for additional details.

Component 3

The Contractor will provide weekly updates on the MMIS project for inclusion in the overall MMIS report. The Contractor will also provide a monthly current position report as specified by the State. The Contractor will charge a fixed monthly price for these updates and bill monthly.

Calendar of Events. The schedule for the RFP process and the Work is given below. The State may change this schedule at any time. 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 19 at 8:00 a.m.
Proposal Due Date:	October 26, 2016 at 1:00 p.m.

Estimated Dates

Award Date:	November 2016
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Estimated Work Dates

Work Begins:	December 2016
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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 ten (10) 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:

- 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 Standard Affirmation and Disclosure Form (EO 2011-2012K)
- Attachment Nine Cost Summary Workbook
- Attachment Ten Business Associate Agreement with the Ohio Department of Medicaid (Data Sharing and Confidentiality Agreement)

Supplements:

- Supplement 1 IV&V Services Scope of Work
- Supplement 2 Architecture and Computing Standards, Security, Privacy and Data Handling Requirements
- Supplement 3 Progress Report Template

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
Acquisition Analyst
Department of Administrative Services/OIT
Enterprise IT Contracting
30 East Broad Street, 39th Floor
Columbus, Ohio 43215

During the performance of the Project, a State representative (the "Project Representative") will represent the State and be the primary contact for the Project. The State will designate the Project Representative 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 who is responsible for the inquiry,
 - Name of the prospective offeror,
 - Representative's business phone number, and
 - 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; and
- Enter the Confirmation Number at the bottom of the page
- Click the "Submit" button.

An offeror submitting an inquiry will receive an immediate acknowledgement that the State has received the inquiry as well as 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 Webpage (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 (1) 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 three (3) complete copies of the cost section of the Proposal. Further, the offeror must mark the outside of each package with either **IV&V Services RFP – Technical Proposal**” either **IV&V Services RFP Services RFP – Cost Summary**,” as appropriate.

All offerors are subject to the architecture and computing standards, 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 “searchable” copy of everything contained within the package on CD-ROM in Microsoft Office (native format), Microsoft Word (native format), Microsoft Project (native format), Microsoft Excel (native format) and 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
Attn: Bid Desk
4200 Surface Road
Columbus, Ohio 43228

Bid Desk Main Phone Number: 614-466-5090

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 Desk 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 that 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 may have its Proposal rejected by the State. Further, any offeror that submits multiple Proposals for each of these options may have all of 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 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 their 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. Further, if the Auditor of State does not certify a Proposal due to lateness, the State will not open it. 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 all major decisions and make these a part of the Contract file, along with 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.

Financial Ability. Part of 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.

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.

The Contract is the result of and includes agreed upon changes to the RFP its attachments and supplements including any written amendments to the RFP, any materials incorporated by reference in the RFP, the Contractor's Proposal, and written, authorized amendments and clarifications to the Contractor's Proposal. It also includes any purchase orders and change orders issued under the Contract.

This Contract consists 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 five 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

SERVICES

DEPARTMENT OF ADMINISTRATIVE

SAMPLE – DO NOT FILL OUT

By: _____

By: Robert Blair

Title: _____

Title: DAS Director

Date: _____

Date: _____

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 five (5) 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 Department of Administrative Services.

Change Orders and amendments issued after the Contract is executed may expressly change the provisions of the Contract. If they do so expressly, then the most recent of them will take precedence over anything else that is part of the Contract.

ATTACHMENT ONE: EVALUATION CRITERIA

Mandatory Requirements. The first table lists this RFP's mandatory requirements for this RFP. 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 as described in the next table.

Mandatory Requirements	Accept	Reject
The offeror must have at least 60 months experience delivering IV&V services for a health and human services (HHS) agency that included IV&V design, development, and implementation activities.		
The offeror must have at least two (2) projects that demonstrate IV&V experience with MMIS or similar claims payment systems within the past 60 months.		
The offeror must have at least two (2) projects that demonstrate IV&V experience with state/federal partnerships within the past 60 months.		

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:

IV&V					
Mandatory Criteria	Weight	Does Not Meet	Partially Meets	Meets	Exceeds
The offeror must have at least 60 months experience delivering IV&V services for health and human services (HHS) agency that included IV&V design, development, and implementation activities.	8	Rejected	Rejected	5	7
The offeror must have at least two (2) projects that demonstrate IV&V experience with MMIS or similar claims payment systems within the past 60 months.	5	Rejected	Rejected	5	7
The offeror must have at least two (2) projects that demonstrate IV&V experience with state/federal partnerships within the past 60 months.	9	Rejected	Rejected	5	7
Scored Criteria					
The offeror must have successfully completed a minimum of three (3) IV&V assessments within the past five (5) years. Two of the three projects must be for a duration of at least six months and have included a staff of at least 4 team members involved in performing IV&V tasks. Each project reference must include the following information: <ul style="list-style-type: none"> • System description including size and complexity • Type of IV&V performed • IV&V task performed • Summary of project results 	8	0	2	5	7
The offeror must have successfully completed a minimum of one (1) IV&V project whose scope included meeting Federal administrative regulations.	9	0	2	5	7

IV&V					
The offeror must have successfully completed a minimum of one (1) successful full technical IV&V assessment.	10	0	2	5	7
Offeror Organization Overview					
The offeror must have 36 months experience conducting MITA State Self-Assessments (SS-A).	2	0	2	5	7
The offeror must have performed on two (2) projects where a thorough knowledge and understanding of the Centers for Medicare and Medicaid Services (CMS) Seven Conditions and Standards with emphasis on the Medicaid Information Technology Architecture (MITA) condition was required.	3	0	2	5	7
The offeror must have performed on two (2) projects that required knowledge and understanding of the CMS Enterprise Life Cycle (ELC) Gate Review process and CMS certification process, including required documents and their associated templates.	3	0	2	5	7
The offeror must have performed on two (2) projects that required experience in providing leadership and oversight quality assurance services for large scale, mission critical system development and deployment efforts.	2	0	2	5	7
The offeror must have performed on two (2) projects that required experience and expertise in the evaluation of Medicaid or similar current information technologies for large healthcare systems; familiarity with hub architectures, SOA (Service Oriented Architecture), virtualization, rules engines, security, and healthcare exchange structures.	3	0	2	5	7
The offeror must have performed on two (2) projects that required understanding of current technology relating to data management and sharing, warehousing, and business intelligence.	2	0	2	5	7
The offeror must have performed on two (2) projects that required knowledge of project management (including PMBOK and the Agile PM methodology) and the creation and evaluation of large project plans.	1	0	2	5	7
The offeror must have performed on two (2) projects that required experience with industry-standard and best practices regarding quality, quality assurance, and quality control principles and techniques such as Six Sigma, Capability Maturity Model (CMM), Control Objectives for Information and Related Technology (COBIT) and/or Information Technology Infrastructure Library (ITIL)	1	0	2	5	7
The offeror must have performed on two (2) projects that required expertise with software and system development methodologies (all phases), particularly Agile software development, including requirements management, change control, and configuration management.	1	0	2	5	7
The offeror must have performed on two (2) projects that required expertise with automated test tools and their most effective use within large-scale development and integration projects.	2	0	2	5	7
Knowledge and experience of the Medicaid Enterprise Certification Life Cycle (MECL) – bidders must provide a concise (2 pages or less), thorough description of the MECL process for MMIS components.	5	0	2	5	7
Staffing Capabilities					
Contractor's onsite presence at ODM during core business hours Monday through Friday (Offerors that fail to meet this requirement may be disqualified.)	8	0	2	5	7
Designated key personnel who will actually work on the project, are identified by name and possess IV&V experience on previous State and/or federal projects.	3	0	2	5	7

Evaluation Scoring 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	80%
Cost Summary	20%

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 Supplement 1 Technical Proposal will receive 800 points. The remaining offerors will receive a percentage of the maximum points available based upon the following formulas:

Technical Proposal Points = (Offeror's Technical Proposal Points/Highest Number of Technical Proposal Points Obtained) x 800

The offeror with the lowest proposed Not-To-Exceed Fixed Price will receive 200 points. The remaining offerors will receive a percentage of the maximum cost points available based upon the following formula:

Cost Summary Points = (Lowest Not-To-Exceed Fixed Price/Offeror's Not-To-Exceed Fixed Price) x 200

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 its tasks in a timely and professional manner that produces Deliverables that fully meet the Contract's requirements. And 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 Project Representative, who will review (or delegate review of) the materials or documents within a reasonable time after receipt, as specified in the State approved, base-lined Project Plan.

If the State determines that a Deliverable is not in compliance, the State Project Representative will note the reason for non-compliance and send notification to the Contractor Project 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 Project Representative will sign a Deliverable Submittal Form and return a copy to the Contractor. In addition, if the State Project Representative or designee determines that the State should make a payment associated with the Deliverable, the State Project 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).

Inconsistencies between Contract and Deliverables. If any terms and conditions that may be incorporated in a User, Operations, Training Document or Guide or Contractor created Deliverable, work product, assumption, responsibility or activity are inconsistent or conflict with the Contract, the Contract shall prevail.

The Contractor's Fee Structure. The Contract award will be for a Not-To-Exceed Fixed Price as agreed in the offerors Cost Summary Microsoft Excel® Workbook, Attachment Nine, (in native MS Excel format) payable in accordance with the following:

- **Project Deliverables: Component 1 – Milestone and Periodic Reports.** For CMS-required milestone (for each MMIS module) and MMIS periodic reports (at least two per year) the Contractor may submit an invoice for Deliverables or milestones upon receipt of: a signed Deliverable Submittal Form indicating State confirmation of CMS receipt of deliverable; or a signed Deliverable Submittal Form indicating State acceptance that the Deliverable or milestone was completed, met Contract requirements and payment should be made.

Project Deliverables will be paid within 30 days of receipt of a valid invoice, noting that the Deliverable has been accepted in accordance with the offeror's proposed Project Plan.

- **Project Deliverables: Component 2 – Additional Reports/Investigation as requested by ODM** For additional reports or investigation requested by ODM beyond the milestone and periodic reports, the Contractor and ODM will agree on a cost and scope document that outlines the scope of the request or report and the estimated number of hours to complete the work will be prepared by the Contractor and agreed upon by ODM. Please see the IDA language in this RFP for full details.

Project Deliverables will be paid within 30 days of receipt of a valid invoice, noting that the Deliverable has been accepted in accordance with the offeror's proposed Project Plan.

- **Project Deliverables: Component 3 - Weekly updates.** The Contractor will charge a fixed weekly price, submitted in the cost proposal for this RFP, to provide weekly updates for the overall MMIS weekly report. These updates will be submitted by a deadline determined by ODM. The Contractor will invoice for these updates monthly.

Project Deliverables will be paid within 30 days of receipt of a valid invoice, noting that the Deliverable has been accepted in accordance with the offeror's proposed Project Plan.

Reimbursable Expenses. None.

Bill to Address. The State will provide the bill to address(s) after contract award. The bill to address may vary depending upon the work or services delivered.

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.

Interval Deliverable Agreement (IDA). The State may use the Interval Deliverable Agreement (IDA) model for work identified during the life of the Contract that cannot be defined to the appropriate level of detail during the RFP process. The Contractor must work with designated State staff to develop the deliverables and identify all work for each IDA. Deliverables or sub-deliverables will be defined prior to the start of each designated interval, and monitored throughout the designated interval and the life of the Contract. The IDAs will be identified and agreed to at least 30 days in advance of the beginning of the interval. For each IDA, the State and the Contractor will agree, in writing, to specific deliverables, work assignments, sub-deliverables, services to be provided using time and materials, the length of the interval, due dates, and Contractor staffing requirements based on positions and not-to-exceed hourly rates quoted in the Rate Card on the Cost Summary. The IDA is not effective until the State and Contractor have signed the agreement and a purchase order is issued to the Contractor. The agreed upon IDA will be incorporated into the Contract.

The IDA (i.e., specifications, deliverables, work assignments, and due dates) may be amended based upon changing circumstances during a particular interval. An amendment to an IDA must be in writing and signed by both the State and the Contractor prior to performing the work specified in the amendment.

Specific application of standards of performance and acceptance may be defined in an IDA. The information below sets a guide and general rule of thumb for these standards.

If the IDA so indicates, there will be a period for performance testing in a production environment specific to the deliverables identified in the IDA. Prior to the performance period, the State, with the assistance of the Contractor, will perform user acceptance testing. Specifics of the performance period such as the timeframe, resources, support required, entrance and exit performance criteria, and standards of performance will be determined by the State, negotiated with the Contractor and incorporated in the IDA. The performance criteria in the IDA may be supplemented with 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 IDA. Acceptance of the Deliverable depends on a successful completion of the performance period defined in this section and the IDA. This section applies to the Deliverables defined in the IDA, and any part of it, as well as replacements or substitutes for the Deliverable after completion of a successful performance period.

If the Deliverable does not meet the standard of performance during the performance period, the State will document the issues in a timely manner and in a useful and relevant form. Until the Contractor has demonstrably corrected all outstanding problems, the performance period will not restart and the Deliverable (or part thereof) will not be accepted. The performance period will continue on a day-by-day basis until the standard of performance and exit criteria are met. The Contractor will not be compensated until the Deliverable is accepted and any additional cost associated with the iterations required to obtain acceptance are the responsibility of the Contractor.

If the work fails to meet the standard of performance and exit criteria during the 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 will have the right to request correction or replacement of the relevant portion of the IDA.

The work may have components that can be tested for acceptance individually. If so, there may be acceptance criteria listed in the IDA for each Deliverable that will be independently tested and accepted. But, unless the IDA expressly provides otherwise, the failure of any independently tested component to meet its acceptance criteria will give the State the right to reject the entire Deliverable. Alternatively, if the State determines that it is in the State's interest to reject only the part of the Deliverable 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.

All IDAs must contain the following information, at a minimum:

- The designated interval length for each IDA.
- Goals and Objectives for the interval.
- Deliverables to be completed or partially completed during the interval. This will include, but not be limited to:
 - Deliverable Name;
 - Description of Deliverable including tasks or milestones to be completed;
 - Detailed acceptance criteria and standards of performance;
 - State dependencies identified by the Contractor for successful completion of the Deliverable;
 - Deliverable Due Date;
 - Risks associated with delays and incomplete Deliverables; and
 - Fixed pricing for each Deliverable based on staffing requirements (services to be performed, identification of Contractor staff resource by name and position, number of hours allocated to the task for each assigned position, individual hourly rate for each Contractor resource assigned to a task, etc.).

The State may identify tasks and services that will be billed on a time and material basis. The State does not anticipate a need for time and material services for this work, however in the event that time and materials work is appropriate, at the sole discretion of the State, the following information, at a minimum, must be provided in the IDA:

- Name, title, identification of the employer (prime or subcontractor) and number of staff;
- Staff work hours with any known exceptions noted;
- Description of the work to be performed by the Contractor;
- Specific Contractor resources assigned;
- Individual rate for each Contractor resource assigned;
- Projected number of Contractor hours allocated (per resource);
- Dates covered in the work;
- Dependencies;
- Management or staffing issues;
- Standards of performance; and
- Work Breakdown Schedule (WBS) for all work in the IDA.

In addition, the following information may also be required:

- Staffing Issues
- Required work related travel and training.

It is the Contractor's responsibility to provide qualified professionals to meet the goals, tasks, and objectives of each IDA.

The State's intent is for all IDAs to be developed and negotiated in partnership between the State and the Contractor, with each having a vested interest in its success.

Conflict of Interest Language. Any contractor (and its subcontractors) serving in the role of independent validation and verification (IV&V) service contractor/provider to the State MMIS project is prohibited from soliciting, proposing, or being awarded any project management, quality assurance, software design, development, or other manner of planning, design, development, or implementation phase activity on the MMIS project for which these IV&V services are being procured.

This exclusion likewise extends to any other project within the department that may interact with or otherwise provide services to the MMIS project or to the department during the full term of this Contract. This exclusion is executed in accordance with federal regulations at 45 CFR 95.626, which require that this IV&V effort, "... be conducted by an entity that is independent from the State (unless the State receives an exception from the Department)".

For purposes of clarity, the Center for Medicaid and CHIP Services (CMCS) defines "the State" in the above regulatory citation as being a state's IT project, the IV&V agency itself, and the IV&V agency's umbrella agency or department. The primary purpose of this exclusion is to ensure the IV&V Contractor avoids any real or perceived conflicts of interest. For federal purposes, the scope of IV&V includes planning, management, and other programmatic activities in conformance with the term's usage in federal regulations at 45 CFR 95.626.

The IV&V is the set of verification and validation activities performed by an agency not under the control of the organization developing the software. The IV&V services must be provided and managed by an organization that is technically and managerially independent of the subject software development project. This independence takes two mandatory forms.

First, technical independence requires that the IV&V services Contractor organization, its personnel, and subcontractors are not and have not been involved in the software development or implementation effort or in the project's initial planning and/or subsequent design. Technical independence helps ensure that IV&V review reports are free of personal or professional bias, posturing, or gold plating.

Second, managerial independence is required to make certain that the IV&V effort is provided by an organization that is departmentally and hierarchically separate from the software development and program management organizations. Managerial independence helps ensure that the IV&V Contractor can deliver findings and recommendations to State and federal executive leadership and management without restriction, fear of retaliation, or coercion (e.g., reports being subject to prior review or approval from the development group before release to outside entities, such as the federal government).

Work Hours and Conditions. IV&V activities will occur during normal working hours on State property, Monday through Friday, 8:00 a.m. to 5:00 p.m. EST. **(Note: The Contractor must have an onsite presence at ODM Monday through Friday during core business hours and be onsite throughout the project, including as they provide guidance through the MECL.)**

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 are 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.

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.

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).*

Each Proposal must include a response to every request for information in this attachment and Supplement 1 whether the request requires a simple "yes" or "no" or requires a detailed explanation. 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 Supplement 1 and Supplement 2 to be no longer than three times the State provided page count for Supplement 1 and 2. As offeror responses are to respond in an in-line format, and by way of example, as Supplement 1 is approximately 80 pages, the offeror's in-line response, inclusive of State requirements shall not exceed 240 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.

State evaluators read every RFP from front-to-back inclusive of all Attachments, Supplements, Forms and other elements. Offerors are advised to limit offeror marketing statements and positioning to the area(s) of the RFP 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 **tabbed sections in the in-line response**:

Technical Proposal

1. Cover Letter
2. Supplier Information Form (OBM-5657)
3. Subcontractor Letters
4. Offeror Certification Form
5. Offeror Profile (as it relates to the proposed work)
6. Staffing Capabilities
7. Proposed Solution – Supplement 1 Response
8. Acceptance of Supplement 2 – State Architecture and Computing Standards, Security and Privacy, IT Computing Policy and Data Handling Requirements.
9. Proof of Insurance
10. Payment Address
11. Legal Notice Address
12. W-9 Form
13. Independent Contractor Acknowledgement
14. Standard Affirmation and Disclosure Form (EO 2011-12K)
15. Attachment 4: General Terms and Conditions Acceptance
16. Assumptions
17. Support Requirements

Cost Proposal

Cost Summary - Microsoft Excel Workbook – Attachment Nine (must be separately sealed, **in native Excel format – not PDF**)

Cover Letter. The cover letter must be in the form of a standard business letter and must be signed by an individual authorized to legally bind the offeror. The cover letter must include a brief executive summary of the solution the offeror plans to provide. The letter must also have the following:

- a. A statement regarding the offeror’s legal structure (e.g., an Ohio corporation), Federal tax identification number, and principal place of business;
- b. A list of the people who prepared the Proposal, including their titles;
- c. A statement certifying the Contractor is a business entity and will not submit the Independent Contractor/Worker Acknowledgement to the ordering agency.
- d. An overview of projects similar in scope and complexity to the project described in this RFP; and
- e. If the offeror is not under a contractual obligation of non-disclosure of such information, the offeror must provide a listing of software development contracts/clients in the MMIS space on which they are currently bidding or underway.

Supplier Information Form. The offeror must submit a signed and completed Supplier Information Form (OBM-5657). 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 Certification Form. The offeror must complete Attachment 6, Offeror Certification Form.

Offeror Profile. Each Supplement Response must include a description of the offeror capability, capacity, and experience in support of the requirements of each Supplement's response. The description should include the date the offeror was established, its leadership, number of employees, number of employees the offeror will engage in tasks directly related to the Project, and any other background information or relevant experience that will help the State gauge the ability of the offeror to fulfill the obligations of the Contract.

The offeror must use the Offeror Profile Summary Form(s) (Attachment Seven) and fill them out completely to provide the required information. All offerors must demonstrate experience to meet each of the applicable mandatory requirement(s) evaluation criteria by including the offeror mandatory requirement form provided in this RFP. Each offeror must meet the applicable mandatory requirement(s) in the RFP. If an offeror does not meet the applicable mandatory requirement(s), the State may reject the offeror's Proposal as non-responsive.

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

a) **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. 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.
- **Project Name.** The offeror must provide the name of the project where 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 Project. 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 to achieve the milestones within the scope of work of this RFP.**

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

- b) **Offeror organization overview.** This section details the offeror's corporate background and experience. The section should include the following information:
1. **Offeror's knowledge of the MECL:** The offeror is to describe its understanding of and experience with the Medicaid Enterprise Certification Life Cycle (MECL), including any experience supporting states through CMS certification.
 2. **Offeror's knowledge of health and human services:** The offeror is to describe its understanding of health and human services (HHS). The offeror is to provide an explanation of its strategies and areas of focus within this sector. The offeror must discuss key trends affecting this sector in the next three to five years and how your perspective will translate into benefits for Ohio.
 3. **Existing business relationships with Ohio:** The offeror is required to explain any existing business relationships that the offeror (including affiliates and proposed subcontractors) currently have with the State of Ohio. The offeror is required to disclose all existing projects and/or contracts, whether the offeror serves as the prime or sub-contractor. The offeror must also provide a name for the Account Representative of each project and/or contract and information regarding the Account Representatives interaction with the Integrate Eligibility and HHS Business Intelligence Project. . (This has been captured in the Attachment Seven Forms.)
 4. **HHS contracts in the last five years:** The offeror must provide a listing and contact information for all contracts/clients in the HHS space for the last five (5) years, and denote any that are pending

litigation or Terminated for Cause or Convenience and associated reasons. If offeror uses subcontractors, associated companies and consultants that will be involved in any phase of this contract, offeror's response will include pertinent subcontractor information. The offeror must denote any contracts that are related to IV&V space.

Staffing Capabilities. The offeror must provide qualified staff to perform the activities described in this RFP and maintain appropriate staffing levels throughout the term of the Contract. All core project personnel will be available on-site. ODM reserves the right to approve all project personnel assigned to the contract and any changes in such personnel throughout the life of the contract. This will include, but is not limited to, review and approval of all staff resumes. **Proposed staff must have IV&V experience and have performed IV&V on previous State and/or federal projects.**

The offeror's response must include the following information:

- An organizational chart including any subcontractors and key management and administrative personnel assigned to this project.
- A minimum of two references for each named Key Project Personnel;
- A contingency plan that shows the ability to add more staff if needed to ensure meeting the Project's due date(s); and
- The number of people onsite at State location(s) at any given time to allow the State to plan for the appropriate workspace. **(Note: The Contractor must have an onsite presence at ODM Monday through Friday and be onsite throughout the project, including as they provide guidance through the MECL. Offerors that fail to meet this requirement may be disqualified.)**
- A statement that clearly indicates the time commitment of the proposed candidate. The offeror also must include a statement indicating to what extent, if any, the proposed candidate may work on other projects during the term of the Contract. The State may reject any Proposal that commits the proposed candidate to other projects during the term of the Project, if the State believes that any such commitment may be detrimental to the offeror's performance.

In addition, the offeror's proposal must identify all Key Project Personnel who will provide services as part of the resulting Contract. The State has identified the Project Manager as a key position in Supplement 1. The State expects that the proposed named Key Project Personnel will be available as proposed to work on the Project. Resumes for the proposed candidates must be provided for all proposed Key Project Personnel. Representative resumes are **NOT** acceptable. The resumes will be used to supplement the descriptive narrative provided by the offeror regarding their proposed Project team.

The resume (2-page limit per resume) of the proposed Key Project Personnel must include:

1. Proposed Candidate's Name;
2. Proposed role on this Project;
3. Listings of completed projects (a minimum of two references for each named Key Project Personnel) that are comparable to this Project or required similar skills based on the person's assigned role/responsibility on this Project. Each project listed should include at a minimum the beginning and ending dates, client/company name for which the work was performed, client contact information for sponsoring Directors, Managers or equivalent level position (name, phone number, email address, company name, etc.), project title, project description, and a detailed description of the person's role/responsibility on the project.
4. Education
5. Professional Licenses/Certifications/Memberships
6. Employment History.

In addition to providing a resume, the offeror must provide a detailed narrative highlighting why the proposed Key Project Personnel possesses the necessary experience, education, training and professional certifications to successfully perform their assigned role/responsibility on the Project.

The offeror must confirm in their Proposal that all Contractor and subcontractor personnel assigned to the Project will have Background Checks completed before Project Start or before reporting to State designated Project facilities.

Proposed Solution – Supplement 1 Response. The offeror must describe in detail how its proposed solution meets the Scope of Work and 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 requirements of this RFP and how the offeror's proposed services meets those requirements.

- All Supplements are being provided as a Microsoft Word through the State's procurement website as a convenience for responding to the RFP. The supplement's content must not be modified. If the content is modified, reformatted or omitted, the offeror's response may be disqualified. As part of their response, Offerors are to provide native Microsoft Word, Excel and Project based documents that comprise the requirements of a Supplement, inclusive of their response.

Acceptance of Supplement 2 – State Architecture and Computing Standards, Security and Privacy, IT Computing Policy and Data Handling Requirements. Offerors must include the entire content of Supplement 2 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 Requirements contained in Supplement 2.

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 Eight) 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>

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.

Assumptions. The Offeror must list all the assumptions the Offeror made in preparing the Proposal. If any assumption is unacceptable to the State, the State may at its sole discretion request that the Offeror remove the assumption or choose to reject the Proposal. No assumptions may be included regarding the outcomes of negotiation, terms and conditions, or requirements. Assumptions should be provided as part of the Offeror response

as a stand-alone response section that is inclusive of all assumptions with reference(s) to the section(s) of the RFP that the assumption is applicable too. Offerors should not include assumptions elsewhere in their 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.

Cost Summary (must be separately sealed package). This RFP includes Cost Summary Workbooks in Microsoft Excel® as Attachments Nine. Offerors may not reformat the State's Cost Summary Workbooks. Each offeror must complete the applicable Cost Summary Workbooks in the exact format provided, since the State may reject any Proposal with a reformatted Cost Summary Workbook or that is not separately sealed. (See: Part Three: General Instructions, Proposal Submittal.)

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

The offeror's total cost for all the Project must be represented as the Not-To-Exceed Fixed Price.

The State will not be liable for or pay any Project costs that the offeror does not identify in its Proposal.

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 "total 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 Project or, in the case of milestone payments or periodic payments of an hourly, daily, weekly, monthly, or annual rate, all relevant parts of the Project 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 Contractor's Implementation Manager (e.g., Contractor's Project Manager), the Contractor's Project executive, the State's Project 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.

Payment of an invoice by the State will not prejudice the State's right to object to or question that or any other invoice or matter in relation thereto. The Contractor's invoice will be subject to reduction for amounts included in any invoice or payment made which are determined by the State not to constitute allowable costs, on the basis of audits conducted in accordance with the terms of this Contract. At the State's sole discretion all payments shall be subject to reduction for amounts equal to prior overpayments to the Contractor.

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 the Project, 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.

The State may pay any part of the not-to-exceed fixed price identified in the RFP documents as being for a license in Commercial Material from a third party in accordance with the applicable license agreement, if the license agreement addresses payment. For all Key Commercial Software with a license agreement substantially in the form of Attachment Twelve, payment of any license or support fees will be governed exclusively by that license agreement.

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:

- (a) All statutory provisions under the Revised Code, including Section 126.07, have been met;
- (b) All necessary funds are made available by the appropriate State entities;
- (c) If required, the Controlling Board of Ohio approves this Contract; and
- (d) 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, 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 contractor assigned to this Project. Such cooperation includes expeditiously providing the contractor(s) with full and complete access to all project work product, records, materials, personnel, meetings, and correspondence as the contractor may request. If the State assigns a contractor to the Project, the State will obligate the 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:

- (a) 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.
- (b) 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. Such policy must designate the State of Ohio as an additional insured, as its interest may appear. The policy also must be endorsed to include a waiver of subrogation. 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

The Contractor shall, for each policy required by this Contract, provide the State with 30-days prior written notice of cancellation, material change, or non-renewal, except a 10 days-notice of non-payment of premium. And the Contractor's Commercial General Liability must be primary over any other insurance coverage.

- (c) Commercial Automobile Liability insurance with a combined single limit of \$500,000.
- (d) Professional Liability insurance covering all staff with a minimum limit of \$1,000,000 per incident and \$3,000,000 aggregate. If the Contractor's policy is written on a "claims made" basis, the Contractor must provide the State with proof of continuous coverage at the time the policy is renewed. If for any reason the policy expires, or coverage is terminated, the Contractor must purchase and maintain "tail" coverage through the applicable statute of limitations.

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:

- (a) 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.
- (b) 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.

Replacement Personnel Background Checks. All Contractor and subcontractor personnel assigned to the IV&V Project who may have access to sensitive or confidential information or to sensitive State systems must have a current fingerprint search and background check performed by the Federal Bureau of Investigation or other Federal investigative authority. The fingerprint search and background checks must be completed before any such Contractor or subcontractor personnel gain access to State facilities, sensitive and/or confidential information or systems. All costs associated with this requirement will be at the Contractor's expense. At its discretion, the State may reject any Contractor or subcontractor personnel based on the information provided in the completed background check.

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 prorated 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/forms-archive/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.

Background Checks. All Contractor and subcontractor personnel assigned to the IV&V Project who have access to sensitive or confidential information or to sensitive State systems must have a current fingerprint search and background check performed by the Federal Bureau of Investigation or other Federal investigative authority. The fingerprint search and background checks must be completed before any such Contractor or subcontractor personnel gain access to State facilities, sensitive and/or confidential information or systems. All costs associated with this will be at the Contractor's expense. At its discretion, the State may reject any Contractor or subcontractor personnel based on the information provided in the completed background check.

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 Pre-existing 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.

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.

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.

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. This Contract may be amended at any time upon request by the Centers for Medicare & Medicaid Services (CMS). 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 Suppliers. The State encourages Contractor to purchase goods and services from Minority Business Enterprises (MBE) and Encouraging Diversity, Growth, and Equity (EDGE) suppliers.

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) 466-3910, or visit <http://www.sos.state.oh.us> .

ATTACHMENT FIVE SAMPLE CONTRACT

**A CONTRACT BETWEEN THE OFFICE OF INFORMATION TECHNOLOGY ON BEHALF OF THE
_____ AND**

(CONTRACTOR)

THIS CONTRACT, which results from RFP 0A1180, entitled IV&V , is between the State of Ohio, through the Department of Administrative Services, on behalf of the Ohio Department of Medicaid and _____ (the "Contractor").

This Contract consists 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 five 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.

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.

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

CONTRACTOR

STATE OF OHIO
DEPARTMENT OF ADMINISTRATIVE SERVICES

SAMPLE – DO NOT FILL OUT

By:

By: DAS Director

Title: _____

Title: Director

Date: _____

Date: _____

ATTACHMENT SIX
OFFEROR CERTIFICATION FORM

Note: Offeror must provide a response to each of the numbered items in the 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 it's regular, fulltime employees will perform at least 50% 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 that any MBE program participants will provide necessary data to ensure program reporting and compliance.

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 SEVEN
OFFEROR PROFILE**

OFFEROR REQUIREMENTS

Knowledge and experience of the MECL – Offerors must provide a concise (2 pages or less), thorough description of the MECL process for MMIS components. The offeror is to describe its understanding of and experience with the Medicaid Enterprise Certification Life Cycle (MECL), including any experience supporting states through CMS certification.

**ATTACHMENT SEVEN
OFFEROR PROFILE**

OFFEROR REQUIREMENTS

Offeror's knowledge of health and human services: The offeror is to describe its understanding of health and human services (HHS). The offeror is to provide an explanation of its strategies and areas of focus within this sector. The offeror must discuss key trends affecting this sector in the next three to five years and how your perspective will translate into benefits for Ohio.

Responses should be no longer than 3 pages using not smaller than 8 point fonts to work under this page limit restriction.

ATTACHMENT EIGHT: 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.

CONTRACTOR/SUBCONTRACTOR AFFIRMATION AND DISCLOSURE:

By the signature affixed to this response, the Bidder/Offeror affirms, understands and will abide by the requirements of Executive Order 2011-12K. If awarded a contract, the Bidder/Offeror becomes the Contractor and affirms that both the Contractor and any of its Subcontractors shall perform no services requested under this Contract outside of the United States.

The Bidder/Offeror 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 Bidder/Offeror to sanctions, termination or a damages assessment. If the Bidder/Offeror 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)

(Name)

(Address, City, State, Zip)

ATTACHMENT EIGHT

**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)

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

(Name)

(Address, City, State, Zip)

4. Location where services to be performed will be changed or shifted by Contractor:

(Address)

(Address, City, State, Zip)

Name/Location(s) where services will be changed or shifted to be performed by Subcontractor(s):

(Name)

(Address, City, State, Zip)



JOHN R. KASICH
GOVERNOR
STATE OF OHIO

Executive Order 2011-12K

Governing the Expenditure
of Public Funds for Offshore Services

WHEREAS, State of Ohio officials and employees must remain passionately focused on initiatives that will create and retain jobs in the United States in general and in Ohio in particular, and must do so especially during Ohio's continuing efforts to recover from the recent recession.

WHEREAS, allowing public funds to pay for services provided offshore has the potential to undermine economic development objectives in Ohio.

WHEREAS, the expenditure of public funds for services provided offshore may deprive Ohioans and other Americans of critical employment opportunities and may also undermine efforts to attract businesses to Ohio and retain them in Ohio, initiatives in which this State has invested heavily.

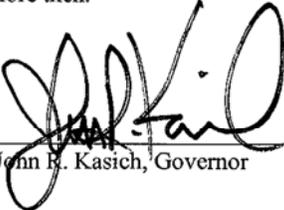
NOW THEREFORE, I, John R. Kasich, Governor of the State of Ohio, by virtue of the authority vested in me by the Constitution and the laws of this State, do hereby order and direct that:

1. No State Cabinet Agency, Board or Commission ("Executive Agency") shall enter into any contract which uses any public funds within its control to purchase services which will be provided outside the United States. This Executive Order applies to all purchases of services made directly by an Executive Agency and services provided by subcontractors of those providing services purchased by an Executive Agency.
2. This Executive Order will be personally provided, by the Director, Chair or other chief executive official of each Executive Agency, to the Chief Procurement Officer or other individual at that entity responsible for contracts for services.
3. The Department of Administrative Services, through Ohio's Chief Procurement Officer, shall have in place, by July 1, 2011, procedures to ensure all of the following:
 - a. All agency procurements officers (APOs), or the person with equivalent duties at each Executive Agency, have standard language in all Executive Agency contracts which:
 - i. Reflect this Order's prohibition on the purchase of offshore services.

- ii. Require service providers or prospective service providers to:
 - 1. Affirm that they understand and will abide by the requirements of this Order.
 - 2. Disclose the location(s) where all services will be performed by any contractor or subcontractor.
 - 3. Disclose the locations(s) where any state data associated with any of the services they are providing, or seek to provide, will be accessed, tested, maintained, backed-up or stored.
 - 4. Disclose any shift in the location of any services being provided by the contractor or any subcontractor.
 - 5. Disclose the principal location of business for the contractor and all subcontractors who are supplying services to the state under the proposed contracts.
 - b. All APOs confirm that all quotations, statements of work, and other such proposals for services affirm this Order's prohibition on the purchase of offshore services and include all of this Order's disclosure requirements.
 - i. Any such proposal for services lacking the affirmation and disclosure requirements of this Order will not be considered.
 - ii. Any such proposal where the performance of services is proposed to be provided at a location outside the United States by the contractor or any subcontractor will not be considered.
 - c. All procurement manuals, directive, policies, and procedures reflect the requirements of this Order.
 - d. All APOs have adequate training which addresses the terms of this Order.
4. Nothing in this Order is intended to contradict any state or federal law. In addition, this Order does not apply to:
- a. Services necessary to support the efforts of the Department of Development to attract jobs and business to the state of Ohio;
 - b. Academic, instructional, educational, research or other services necessary to support the international missions of Ohio's public colleges and universities; or
 - c. Situations in which the Director of the Department of Administrative Services, or the Director's designee, shall determine that it is an emergency or that it is necessary for the State to waive some or all of the requirements of this Order. The Director shall establish standards by which Executive Agencies may request a waiver of some or all of the requirements of this Order and by which such requests will be evaluated and may be granted.
5. Executive Order 2010-09S is hereby rescinded.

I signed this Executive Order on June 21, 2011 in Columbus, Ohio and it will expire on my last day as Governor of Ohio unless rescinded before then.





John R. Kasich, Governor

ATTEST:

Jon Husted, Secretary of State

**ATTACHMENT NINE
SUPPLEMENT ONE – IV&V
COST PROPOSAL**

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
OHIO DEPARTMENT OF MEDICAID
DATA SHARING AND CONFIDENTIALITY AGREEMENT**

D-1617-__-____

This Data Sharing and Confidentiality Agreement (Agreement) is entered into by and between the Ohio Department of Medicaid (ODM) and Awarded Vendor in furtherance of the Contract entitled Independent Verification & Validation Services identified as RFP Number 0A1180 (the DAS Contract).

ARTICLE I - PURPOSE AND LEGAL AUTHORITY

- A. This Agreement is entered into by ODM and **Awarded Vendor**, in accordance with the terms and conditions of the DAS Contract that require the use or disclosure of protected health information.
- B. The authority to release this data is found in Title 42 of the Code of Federal Regulations (CFR), specifically 42 CFR 431.300, 431.302, 431.304, 431.305 431.306, 435.945; Privacy regulations 45 CFR 164.502(e); 164.504(e) and security regulations 45 CFR 164.308,164.314 issued pursuant to the Health Insurance Portability and Accountability Act [42 USC 1320d - 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, rules, or regulations of the State of Ohio.
- C. The parties agree that any data or records provided under this Agreement may only be used or disclosed in accordance with Medicaid regulations.

**ARTICLE II – DESCRIPTION OF RECORDS
TO BE PROVIDED TO OR ACCESSED BY **AWARDED VENDOR****

The **Awarded Vendor** shall have the minimal amount of access necessary to protected health information records to perform the work required under the DAS Contract.

ARTICLE III - CONFIDENTIALITY OF INFORMATION

- A. **Awarded Vendor** agrees that it shall not use any information, systems, or records made available to it for any purpose other than to fulfill the obligations specified herein. **Awarded Vendor** specifically agrees to comply with state and federal confidentiality and information disclosure laws, rules, and regulations applicable to programs under which this Agreement exists, including, but not limited to:
 - 1. United States Code, 42 USC 1320d through 1320d-8 (HIPAA);
 - 2. Code of Federal Regulations, 42 CFR 431.300, 431.302, 431.305, 431.306, 435.945, 45 CFR 164.502(e), 164.504(e), and 162.100;
 - 3. Ohio Revised Code, ORC 173.20, 173.22, 2305.24, 2305.251, 3701.243, 3701.028, 4123.27, 5101.26, 5101.27, 5160.39, 5168.13, and 5165.88; and
 - 4. Corresponding Ohio Administrative Code rules.
- B. **Awarded Vendor** agrees that any data created, received, maintained or transmitted on behalf of ODM by **Awarded Vendor** shall be returned to ODM not later than 90 calendar days following termination of this Agreement and shall certify that no copies of source data were retained by **Awarded Vendor**, unless as may be otherwise provided for in this Agreement or by law.
- C. **Awarded Vendor** shall implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the paper and/or electronic protected personal data and health information that it creates, receives, maintains, or transmits on behalf of ODM against use or disclosure not provided for by this Agreement.
- D. **Awarded Vendor** agrees that access to the records and data provided by ODM and described in ARTICLE II will be restricted to only those authorized employees, officials, subcontractors, and other persons who

need it to perform duties related to this Agreement. **Awarded Vendor** agrees to provide the ODM Agreement Manager with a complete listing of any and all such persons who shall have access to the above referenced records and/or data.

- E. **Awarded Vendor** agrees that the above records and/or data and any records, reports, databases, and/or other derivative documents created from the information provided under this Agreement shall be stored in an area that is physically safe from access from unauthorized persons during duty and non-duty hours. Information provided under this Agreement shall be protected electronically to prevent unauthorized access by computer, remote access, or any other means. **Awarded Vendor** expressly agrees that no records will be accessed, tested, maintained, backed up or stored outside of the United States.
- F. **Awarded Vendor** shall assure that all persons who have access to the above referenced information shall be fully apprised as to the confidential nature of the information, the safeguards required to protect the information, and the applicable civil and criminal sanctions and penalties associated with any intentional or non-intentional disclosure. No subcontractor shall receive any information without a written agreement with **Awarded Vendor** incorporating these assurances.
- G. **Awarded Vendor** shall not disclose any of the above referenced information to any third party without the specific written authorization of the Director of ODM.
- H. **Awarded Vendor** shall permit onsite inspection by the State of Ohio (including but not limited to ODM, the Auditor of the State of Ohio, the Inspector General of Ohio, the Ohio Attorney General or any duly authorized law enforcement officials) and by agencies of the United States government.
- I. ODM will prepare data pursuant to the security and encryption standards found in Ohio IT Standard ITS-SEC-01, Data Encryption and Cryptography; and NIST Special Publication 800-53. **Awarded Vendor** shall retain this encryption while the data is in transit or at rest.
- J. The express terms and conditions of this Article shall be included in all subcontracts executed by **Awarded Vendor** for any and all work under this Agreement.

ARTICLE IV - TIME OF PERFORMANCE

- A. This Agreement shall be in effect upon execution by the Director of ODM, until the DAS Contract is terminated, unless this Agreement is suspended or terminated pursuant to ARTICLE VI prior to the termination date.
- B. The Confidentiality and Business Associate provisions of this Agreement shall survive the termination of this Agreement.

ARTICLE V - COST OF DATA PREPARATION

The parties agree that no reimbursement will be sought under the terms of this Agreement.

ARTICLE VI - SUSPENSION AND TERMINATION

- A. Upon 30 calendar days written notice to the other party, either party may terminate this Agreement.
- B. Notwithstanding Section A of this Article, ODM may suspend or terminate this Agreement immediately upon delivery of written notice to **Awarded Vendor**, if ODM discovers any illegal conduct on the part of **Awarded Vendor** or if there is any breach of the confidentiality provisions of ARTICLE III or ARTICLE XI herein.
- C. Notice of termination or suspension under either Section A or B of this Article must be sent to: the ODM Chief Legal Counsel, 50 West Town Street, 4th Floor, Columbus, Ohio 43215; and to **Awarded Vendor's** representative at the address appearing on the signature page of this Agreement.

ARTICLE VII - BREACH OR DEFAULT

- A. Upon breach or default of any of the provisions, obligations or duties embodied in this Agreement, ODM may exercise any administrative, contractual, equitable or legal remedies available, without limitation. The waiver of any occurrence of breach or default is not a waiver of subsequent occurrences, and ODM retains the right to exercise all remedies hereinabove mentioned.
- B. If either of the parties fails to perform an obligation or obligations under this Agreement and thereafter such failure(s) is (are) waived by the other party, such waiver shall be limited to the particular failure(s) so waived and shall not be deemed to waive other failure(s) hereunder. Waiver by ODM shall not be effective unless it is in writing signed by the ODM Director.

ARTICLE VIII - AMENDMENTS

This Agreement may be modified or amended provided that any such modification or amendment is in writing and is signed by the Director of ODM and **Awarded Vendor**. It is agreed, however, that any amendments to laws, rules, or regulations cited herein will result in the correlative modification of this Agreement, without the necessity for executing a written amendment.

ARTICLE IX - INDEPENDENT CONTRACTOR

Awarded Vendor agrees that no agency, employment, joint venture, or partnership has been or will be created between the parties hereto pursuant to the terms and conditions of this Agreement. **Awarded Vendor** also agrees that, as an independent contractor, it assumes all responsibility for any federal, state, municipal, or other tax liabilities along with workers compensation, unemployment compensation, and insurance premiums which may accrue as a result of compensation received for services or deliverables rendered hereunder. **Awarded Vendor** agrees that it is an independent contractor for all purposes including, but not limited to, the application of the Fair Labor Standards Act, the Social Security Act, the Federal Unemployment Tax Act, the Federal Insurance Contribution Act, provisions of the Internal Revenue Code, Ohio Tax law, Workers Compensation law, and Unemployment Insurance law. **Awarded Vendor** certifies that all approvals, licenses, or other qualifications necessary to conduct business in Ohio have been obtained and are operative. If at any time during the contractual period **Awarded Vendor** becomes disqualified from conducting business in Ohio, for whatever reason, **Awarded Vendor** must immediately notify ODM of the disqualification and will immediately cease performance of its obligations hereunder.

ARTICLE X - LIMITATION OF LIABILITY

To the extent allowable by law, **Awarded Vendor** agrees to defend, indemnify and hold ODM, its officials, employees and agents harmless from and against any and all liability, loss and expense (including reasonable attorneys' fees) or claims for personal injury, property damage, patent and copyright infringement, or for any liability or claims under ARTICLE XI, Business Associate Requirements Under HIPAA, below, and/or any other type of claim that arises from the performance under this Agreement. **Awarded Vendor's** sole and exclusive remedy for any ODM failure to perform under this Agreement will be an action in the Ohio Court of Claims pursuant to ORC Chapter 2743 that will be subject to the limitations set forth in this Article. In no event will ODM be liable for any indirect or consequential damages, including loss of profits, even if ODM knew or should have known of the possibility of such damages. To the extent that ODM is a party to any litigation arising out of or relating in any way to this Agreement or the performance thereunder, such an action shall be brought only in a court of competent jurisdiction in Franklin County, Ohio. Subject to ORC 109.02, **Awarded Vendor** agrees to defend ODM against any such claims or legal actions if called upon by ODM to do so.

ARTICLE XI - BUSINESS ASSOCIATE REQUIREMENTS UNDER HIPAA

- A. The definitions contained in this Section are derived from federal law. Should there be any conflict between the meanings assigned in this Agreement and the meanings defined in applicable federal law (even in the event of future amendments to law that create such conflict), the definitions found in federal law will prevail.
 - 1. **General Definitions.** The following terms used in this Agreement shall have the same meaning as those terms in the HIPAA Rules: Breach, Data Aggregation, Designated Record Set, Disclosure, Health Care Operations, Individual, Minimum Necessary, Notice of Privacy Practices, Required by Law, Secretary, Security Incident, Subcontractor, Unsecured Protected Health Information and Use.

2. **Specific Definitions.**

- a. HIPAA means the Health Insurance Portability and Accountability Act of 1996, the American Recovery and Reinvestment Act of 2009 (ARRA) and any other applicable federal statute or regulation.
 - b. HIPAA Rules shall mean the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Part 160 and Part 164.
 - c. Covered Entity means a health plan, a health care clearinghouse, or health care provider under 45 CFR 160.103.
 - d. Business Associate means a person or entity that, on behalf of the Covered Entity, maintains, performs, or assists in the performance of a function or activity that involves the use or disclosure of "Protected Health Information" under 45 CFR 160.103.
 - e. Protected Health Information (PHI) means individually identifiable information including but not limited 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 under 45 CFR 164.501 and any amendments thereto, received or sent on behalf of the Department.
- B. **Awarded Vendor** acknowledges that ODM is a Covered Entity under HIPAA. **Awarded Vendor** further acknowledges that it is a Business Associate of ODM, and, in carrying out the work described in this Agreement, agrees to comply with all of the following provisions:
1. **Permitted Uses and Disclosures.** **Awarded Vendor** will not use or disclose PHI except as provided in this Agreement or as otherwise required under HIPAA regulations or other applicable law.
 2. **Safeguards.** **Awarded Vendor** will implement sufficient safeguards, and comply with Subpart C of 45 CFR Part 164 pertaining to electronic PHI to prevent the use or disclosure of PHI other than as provided for under this Agreement. Safeguards will be implemented for all paper and electronic PHI created, received, maintained, or transmitted on behalf of ODM.
 3. **Reporting of Disclosures.** **Awarded Vendor** agrees to promptly report to ODM any inappropriate use or disclosure of PHI that is not in accordance with this Agreement or applicable law, including breaches of unsecured protected health information as required at 45 CFR 164.410 and any security incident the **Awarded Vendor** has knowledge of or reasonably should have knowledge of under the circumstances.
 4. **Mitigation Procedures.** **Awarded Vendor** agrees to coordinate with ODM to determine specific actions that will be required of the Business Associates for mitigation, to the extent practical, of the breach. These actions will include notification to the appropriate individuals, entities, or other authorities. Notification or communication to any media outlet must be approved, in writing, by ODM prior to any such communication being released. **Awarded Vendor** will report all of its mitigation activity to ODM and shall preserve all relevant records and evidence.
 5. **Incidental Costs.** **Awarded Vendor** shall bear the sole expense of all costs to mitigate any harmful effect, of any breaches or security incidents of which **Awarded Vendor** has knowledge which are directly caused by the use or disclosure of protected health information by **Awarded Vendor** in violation of the terms of this Agreement. These costs will include, but are not limited to, the cost of investigation, remediation and assistance to the affected individuals, entities or other authorities.
 6. **Agents and Subcontractors.** **Awarded Vendor**, in compliance with 45 CFR 164.502(e)(1)(ii) and 164.308(b)(2) as applicable, will ensure that all its agents and subcontractors that create, receive, maintain, or transmit PHI from or on behalf of **Awarded Vendor** and/or ODM agree to have, in a written agreement, the same restrictions, conditions, and requirements that apply to **Awarded Vendor** with respect to the use or disclosure of PHI.

7. **Accessibility of Information.** **Awarded Vendor** will make available to ODM such information as ODM may require to fulfill its obligations to provide access to, provide a copy of any information or documents with respect to PHI pursuant to HIPAA and regulations promulgated by the United States Department of Health and Human Services, including, but not limited to, 45 CFR 164.524 and 164.528 and any amendments thereto.
8. **Amendment of Information.** **Awarded Vendor** shall make any amendment(s) to PHI as directed by, or agreed to, by ODM pursuant to 45 CFR 164.526, or take other steps as necessary to satisfy ODM's obligations under 45 CFR 164.526. In the event that **Awarded Vendor** receives a request for amendment directly from the individual, agent, or subcontractor **Awarded Vendor** will notify ODM prior to making any such amendment(s). **Awarded Vendor's** authority to amend information is explicitly limited to information created by **Awarded Vendor**.
9. **Accounting for Disclosure.** **Awarded Vendor** shall maintain and make available to ODM or individuals requesting the information as appropriate, records of all disclosures of PHI in a Designated Record Set as necessary to satisfy ODM's obligations under 45 CFR 164.528. For every disclosure the record will include, at a minimum, the name of the individual who is the subject of the disclosure, the date of the disclosure, reason for the disclosure if any, and the name and address of the recipient to which the protected health information was disclosed.
10. **Obligations of ODM.** When **Awarded Vendor** is to carry out an obligation of ODM under Subpart E of 45 CFR 164, **Awarded Vendor** agrees to comply with all applicable requirements of Subpart E that would apply to ODM in the performance of such obligation.
11. **Access to Books and Records.** **Awarded Vendor** shall make available to ODM 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 ODM, or created or received on behalf of ODM. Such access is for the purposes of determining compliance with the HIPAA Rules.
12. **Material Breach.** In the event of material breach of **Awarded Vendor's** obligations under this Article, ODM may immediately terminate this Agreement as set forth in ARTICLE VI, Section B. Termination of this Agreement will not affect any provision of this Agreement, which, by its wording or its nature, is intended to remain effective and to continue to operate after termination.
13. **Return or Destruction of Information.** Upon termination of this Agreement and at the request of ODM, **Awarded Vendor** will return to ODM or destroy all PHI in **Awarded Vendor's** possession stemming from this Agreement as soon as possible but no later than 90 days, and will not keep copies of the PHI except as may be requested by ODM or required by law, or as otherwise allowed for under this Agreement. If **Awarded Vendor**, its agent(s), or subcontractor(s) destroy any PHI, then **Awarded Vendor** will provide to ODM documentation evidencing such destruction. Any PHI retained by **Awarded Vendor** will continue to be extended the same protections set forth in this Section, HIPAA regulations and this Agreement for as long as it is maintained.
14. **Survival.** These provisions shall survive the termination of this Agreement.

ARTICLE XII – COUNTERPART

This Agreement may be executed in one, or more than one counterpart, and each executed counterpart shall be considered an original, provided that such counterpart is delivered to the other party by facsimile, mail courier or electronic mail, all of which together shall constitute one and the same agreement.

ARTICLE XIII - CONSTRUCTION

This Agreement shall be governed, construed, and enforced in accordance with the laws of the State of Ohio. Should any portion of this Agreement be found to be unenforceable by operation of statute or by administrative or

Supplement **1**

Independent Validation & Verification Services
Scope of Work

1.0 Scope of Work Requirements

1.1 Services to be provided

The Contractor shall provide IV&V services for CMS and Ohio in support of the MECL in accordance with guidance found in the Medicaid Enterprise Certification Toolkit (MECT).

The IV&V Contractor represents the interests of CMS, and as such, provides an independent and unbiased perspective on the progress of MMIS development and the integrity and functionality of the system. CMS expects that the IV&V Contractor will participate in State System Development Life Cycle (SDLC) gate reviews and will inform CMS of significant risks or issues as the module(s) /system is planned, developed, and deployed. To ensure independence, the IV&V Contractor must not report to the same agency or department that oversees the Medicaid program. The IV&V Contractor will report to Department of Administrative Services (DAS). The IV&V Contractor must not be the contractor performing software testing.

As the planned MMIS solution may involve multiple procurements, the IV&V Contractor will be responsible for an initial assessment and follow-up reporting relating to the project's overall structure, management and approach, as well as for assessments and reporting associated with each procurement. The IV&V Contractor's role will extend through the project's life, from the planning stage through implementation and, ultimately, CMS certification of the MMIS solution.

The State is seeking a contractor with the depth of experience and resources needed to support a diverse project of this size. The IV&V Contractor is expected to bring to bear experience with project management, business, and technology aspects of the project. Offerors should include in their proposals descriptions of tools, methodologies and standards on which their approach to IV&V is based.

The IV&V work will be comprehensive for the full project life of the MMIS project.

The Contractor must:

1. Be independent from the state agency that manages the MMIS project.
2. Not perform software testing.
3. Review project management.
4. Review technical design (including security, performance management, claims editing, etc.).
5. Prepare and submit periodic certification progress reports (including drafts) to CMS Regional Office (RO) and/or Central Office (CO), and the State simultaneously throughout the certification life cycle.
 - a. Reports shall be submitted before each milestone review.
 - b. Reports shall be submitted throughout the project.
 - c. A minimum of two reports (including reports before milestone reviews) per project must be submitted per year.
 - d. Reports must provide sufficient information that CMS has a 'solid understanding' of MMIS risks and progress.
6. Review project and technical progress against the State's baseline plans.
7. Review project and technical progress against requirements contained within the Medicaid Enterprise Certification Checklists.
8. Participate in sprint burn downs if the State is using an agile approach.
9. IV&V Contractor may be requested to update the State's self-assessment.
10. Participate in kick-off meeting to explain the State's goals, SDLC, module release plans, and checklist set the State selected. This output will be submitted to CMS RO.
11. The IV&V Contractor must comport with 45 CFR 95.625 (b) and (c):



According to 45 CFR § 95.626 (b) and (c),

(b) Independent verification and validation efforts must be conducted by an entity that is independent from the State (unless the State receives an exception from the Department [CMS]) and the entity selected must:

- (1) Develop a project work plan. The plan must be provided directly to the Department [CMS] at the same time it is given to the state.
- (2) Review and make recommendations on both the management of the project, both state and vendor, and the technical aspects of the project. The IV&V provider must give the results of its analysis directly to the federal agencies that required the IV&V at the same time it reports to the state.
- (3) Consult with all stakeholders and assess the user involvement and buy-in regarding system functionality and the system's ability to support program business needs.
- (4) Conduct an analysis of past project performance sufficient to identify and make recommendations for improvement.
- (5) Provide risk management assessment and capacity planning services.
- (6) Develop performance metrics, which allow tracking project completion against milestones set by the State.

(c) The acquisition document and contract for selecting the IV&V provider (or similar documents if IV&V services are provided by other state agencies) must include requirements regarding the experience and skills of the key personnel proposed for the IV&V analysis. The contract (or similar document if the IV&V services are provided by other state agencies) must specify by name the key personnel who actually will work on the project. The acquisition documents and contract for required IV&V services must be submitted to the Department [CMS] for prior written approval.

12. Monitor and review to verify that all MMIS modules and components effectively support the business functions for which they are designed.
13. Monitor and review to verify that each module and the MMIS solution as a whole support efficient management of the OH Medicaid program and of the OH HHS enterprise.
14. Monitor and review to verify that all MMIS modules and services are functionally interoperable, and that they satisfy business, functional, non-functional and data requirements.
15. Monitor and review to verify that the MMIS solution meets CMS MITA 3.0 standards; advances the State's MITA maturity level for business, architecture and data; aligns with CMS SCS; and achieves CMS Certification at project completion.
16. Monitor and review to verify that the MMIS project is managed in accordance with federal and state project management requirements and best practices.

The IV&V support will consist of three components to be completed by the Contractor:

- Component 1: Provide IV&V Milestone and Periodic reports to CMS and ODM
- Component 2: Provide additional reports and investigation as requested by ODM
- Component 3: Provide weekly updates

Component 1

The Contractor will complete Milestone reports as milestones are reached for the core MMIS and MMIS modules. These reports will be submitted to CMS and ODM simultaneously. The Contractor will also complete periodic reports on the entire MMIS project at least twice per year or as often as requested by CMS. These



reports will be submitted to CMS and ODM simultaneously. Milestone and periodic reports are defined in the CMS Medicaid Enterprise Certification Lifecycle (MECL).

Component 2

The Contractor will complete additional reports and investigation as requested by ODM. For additional reports or investigation requested by ODM beyond the milestone, periodic, and weekly reports, the Contractor and ODM will agree on a cost and scope document that outlines the request or report and the estimated number of hours to complete the work will be prepared by the Contractor and agreed upon by ODM. Please see the IDA language in this RFP for additional details.

Component 3

The Contractor will provide weekly updates on the MMIS project for inclusion in the overall MMIS report. The Contractor will also provide a monthly current position report as specified by the State. The Contractor will charge a fixed monthly price for these updates and bill monthly.

The Contractor must have an onsite presence at ODM Monday through Friday and be onsite throughout the project, including as they provide guidance through the Medicaid Enterprise Certification Life Cycle (MECL).

The Contractor must use the IV&V processes iteratively throughout the System Development Life Cycle (SDLC) (including transition to operations and CMS certification processes, as needed) to determine whether the plans, methods, and products delivered fulfill the requirements placed on them by previous iterations, phases, and states and are internally complete, consistent, and sufficiently correct to adequately support the next iteration, phase and step.

The Contractor must use the IV&V processes to examine and validate the complete application (software, hardware, procedures, and documentation) to determine whether requirements have been met. The Contractor must identify deficiencies or gaps in processes, within systems and between systems and will provide corrective recommendations. The Contractor must work with the State and the DDI contractor(s) to remediate the issues identified in the corrective recommendations.

IV&V must begin at the start of the SDLC to ensure that the process will move in a direction to eventually satisfy requirements.

IV&V must occur periodically throughout the SDLC and upon completion of deliverables to ensure the deliverable meets the latest requirements (regardless of changes to these requirements during the project).

1.2 Project Plan

The Contractor must submit the following project documents:

1. Approach
2. Project plan assumptions
3. Project schedule
4. Organization and management structure – oversight and control
5. Review processes and performance measures
6. Communications plan
7. High level Responsibility Assignment Matrix (RACI) - Assessments and Enterprise Life Cycle (ELC) gate reviews
8. Detailed RACI matrix – Assessments and ELC gate reviews
9. Project management log
10. Change management
11. Subcontractor management

1.3 Work Plan

The Contractor must submit the following documents:

1. Overview
2. General overview of Quality Assurance (QA)/IV&V scope of work



3. IV&V assessment requirements
4. IV&V project management requirements
5. IV&V response action plan
6. IV&V quality assurance services requirements
7. Additional IV&V deliverables
8. Project deliverables schedule
9. Master IV&V deliverable list
10. Overview of IV&V responsibilities
11. Program initiation activities
12. IV&V service costs

1.4 Certification Progress Reports

Periodically, the IV&V Contractor must produce exception-based Certification Progress Reports that objectively illustrate the strengths and weaknesses of the project and provide recommendations for correcting any identified weaknesses. The IV&V contractor uses the provided report template (Supplement 3) the Medicaid Enterprise Certification Checklists, and the MMIS Critical Success Factors (CSFs) to prepare the reports. Certification Progress Reports are prepared in advance of MMIS certification milestone reviews with CMS.

The IV&V Contractor staff will interview and observe MMIS project management staff, and the MMIS project development contractor staff (including any sub-contractors). Contractor staff also will observe project meetings and activities to understand the processes, procedures, and tools used in the MMIS program and MMIS project environments. They will review and analyze all applicable and available documentation for adherence to accepted, contractually-defined industry standards. The IV&V contractor will fill out the reviewer comment portion of the Medicaid Enterprise Certification Checklists and append them to the progress report.

In preparation for the MMIS certification milestone reviews, the IV&V Contractor shall evaluate state documents and evidence along with any working modules/code applicable to that particular review, and complete the reviewer comments portion of the Medicaid Enterprise Certification Checklists. The completed checklists are appended to the Certification Progress Report. The progress report shall be delivered prior to the scheduled MMIS certification milestone review.

The IV&V Contractor shall provide the certification progress reports to CMS at the same time they are presented to the state. This reporting process, in accordance with federal regulations, includes final report issuance as well as all draft report submissions.

The designated IV&V report template is found as an appendix to the MECT issued by CMS.

Overview of MMIS Certification Lifecycle

The Medicaid Certification Enterprise Lifecycle (MCEL) administered by CMS contains four lifecycle phases and three types of certification milestone reviews. The milestone reviews occur at different phases of system / module development. The types of milestone reviews are the Project Initiation Milestone Review, the Operational Milestone Review, and the MMIS Certification Final Review. The life cycle and its milestone reviews are explained in detail in the CMS Medicaid Enterprise Certification Toolkit.

Reviews should include a single Project Initiation Milestone Review, Operational Milestone Reviews, and MMIS Certification Final Reviews, determined by Ohio's release plan. The exact number of milestone reviews may change, however.

1.5 Dashboard Reporting

The IV&V Contractor will periodically submit project progress data to the CMS dashboard.

1.6 Oversight

IV&V services will be part of the larger oversight of the day-to-day operations and management of the MMIS project. The IV&V Contractor shall have complete access to MMIS project documents, facilities, and staff during normal business hours as required to carry out its oversight role. The IV&V Contractor shall have access to all key staff on site at the MMIS project location(s) daily, as needed to observe meetings, review deliverables and



documentation, and conduct interviews, etc., to ensure a high level of integrity and confidence in the IV&V Contractor's MMIS project oversight and monitoring.

The IV&V Contractor will review project and MMIS system processes and progress in areas including, but not limited to, the following:

- Project management
 - Progress against budget and schedule
 - Risk management
 - Inclusion of State goals / objectives and all federal MMIS requirements in requests for proposal and contracts
 - Adherence to the state's SDLC
 - Incorporation of the standards and conditions for Medicaid IT into design and development
 - Reasonability, thoroughness, and quality of MITA self-assessment, concept of operations, information architecture, and data architecture
 - Reflection of the State's MITA goals and plans into actual MMIS design and development
 - Configuration management that is robust and includes state or developer configuration audits against configuration baseline
 - Change management
 - Adherence to service level agreements
- Modular development
 - Completeness and reasonability of MMIS concept of operations, architecture, and designs
 - Accuracy of capture of interfaces and data sharing requirements with systems external to the MMIS
 - Viability and completeness of the data transition plan
 - Traceability of requirements through design, development, and testing
 - Adequacy of system security and privacy policies, plans, technical designs, and implementations
 - Coverage and integrity of all system testing, including stress testing and testing of interfaces between modules and with external partner systems
 - Capacity management, including consideration of future contractors' support and release plans for underlying databases, software, and hardware
 - Adequacy of disaster recovery planning

The IV&V Contractor will evaluate and make recommendations about the state artifacts that are required for MMIS certification milestone reviews. A list of required artifacts is included in the CMS Medicaid Enterprise Certification Toolkit (MECT).

2.0 State Project Delivery, Management, Methodology and Approach Requirements

2.1 Meeting Attendance and Reporting Requirements.

The Contractor's project delivery approach must adhere to the following meeting and reporting requirements:

- Immediate Reporting - The Project Manager or a designee must immediately report any Project staffing changes to the State Project Representative;
- Attend Weekly Status Meetings - The State and Contractor Project Managers and other Project team members must attend weekly status meetings with the Project Representative and other members of the Project teams deemed necessary to discuss Project issues. These weekly meetings must follow an agreed upon agenda and allow the Contractor and the State to discuss any issues that concern them;
- Provide Weekly Status Reports - The Contractor must provide written status reports to the Project Representative at least one full business day before each weekly status meeting; and
- At a minimum, weekly status reports must contain the items identified below:



- Status of currently planned tasks, specifically identifying tasks not on schedule and a resolution plan to return to the planned schedule;
- Issues encountered, proposed resolutions, and actual resolutions;
- A problem tracking report must be attached;
- Anticipated tasks to be completed in the next week;
- Task and Deliverable status, with percentage of completion and time ahead or behind schedule for tasks and milestones;
- Planned absence of Contractor staff and the expected return date;
- The Contractor's proposed format and level of detail for the status report is subject to the State's approval.

2.2 Utilize Document Sharing/Collaboration Capability

In conjunction with the delivery of the Project, coincident with the start of the project through its conclusion, the Contractor must use the State provided and hosted document management and team collaboration capability (Microsoft® SharePoint™ or designated resource) to provide access through internal state networks and secure external connections to all project team members, approved project stakeholders and participants. In conjunction with the utilization of this tool, the Contractor must:

- Structure the document management and collaboration pages and data structures in such a manner as to support the overall requirements of the Project;
- Store all documents in machine readable, editable and native formats (e.g., XLSx, PPTx, VSD, DOCx) as opposed to proprietary, non-editable, image format or PDF based renderings;
- Post all final documents, reports, and deliverables to this resource
- At the conclusion of the project, or upon request of the State, ensure that the State is provided a machine readable and comprehensive backup of all prepared reports and documents.

2.3 Future Project Services Pricing Response and Rate Card

Offerors must provide a Rate Card, by project personnel role and experience level as well as Technical role and experience level that is binding over the Contract term. The Contractor may not propose rates (blended or otherwise) in any Project SOW that differ from this rate card as allowed under any contract arising from this RFP.

3.0 Schedule of Deliverables and Work Products

To support the execution of the Project and provide supporting follow-on documentation, the Contractor will create and deliver to the State the following set of Deliverables and Work Products. The State Project Lead will serve as the representative for coordinating respective internal reviews of the subject Deliverable(s) and Work Products for sign off by the State.

- Deliverable 001.** Project Plan
- Deliverable 002.** Work Plan
- Deliverable 003.** Project Progress Reports
- Deliverable 004.** Periodic IV&V assessment reports
- Deliverable 005.** Milestone IV&V assessment reports

Additional deliverables as defined by IDAs.

3.1 Delivery and Deliverable Standards



- The Contractor will define, document and submit all standards they intend to utilize in the performance of this project. Once the State approves these standards, variances to standards must be approved by the State prior to implementation of other than standard practices.
- The Contractor's work and deliverables will be in accordance with the contractor's standards (e.g., SDLC, project management, etc.).

3.2 Schedule of Key Project Management Deliverables and Work Products

Name	Key Project Management Deliverable / Work Product Descriptions
Kickoff Meeting Presentation	Documents the governance for the Project, roles, approach, timeline, and deliverables in a presentation format to be presented to the Project team.
Work Breakdown Structure (WBS)	This document is a hierarchical decomposition of the project into phases, deliverables and work packages. In the work breakdown structure supplied, sufficient detail needs to be presented and maintained over the course of the project to track the earned value against the proposed costs and work efforts. This WBS will be reflected in the Project Work Plan.
Resource Plan	The resource plan must specify resources required, by type, over the duration of the project. Contractor must identify all required resources (Contractor, State or otherwise) to complete the project, except where otherwise specified in this document, and include all costs for those resources that are to be provided by the Contractor. The Contractor will specify the percent of time the each resource will perform their role on State premises.
Organization Structure	This is an organization structure reflecting a high-level org structure that incorporates both Contractor and State resources. Roles to address may include any of the following: <ul style="list-style-type: none"> • Sponsors and Stakeholders • Project Management • Quality Assurance • Team Structure and Leads
Project Workplan	Documents the tasks required to complete the Project, the responsible party for the task, task dependencies, and the resources, duration and work hours required. This plan should include key milestones and phases. The project work plan should be in an acceptable format for the State (e.g., MS Project). The contractor's project manager will work with the State's project manager to ensure an acceptable Project Work Plan is completed and accepted as baseline within 20 business days after the Kickoff Meeting.
Periodic Reports	To be completed per CMS guidance; at least two reports per year, submitted simultaneously to CMS and the state.
Milestone Reports	To be completed for the core MMIS and the MMIS modules as milestones are reached; submitted simultaneously to CMS and the state
Weekly Updates	To be submitted weekly, by a deadline established by the state, for inclusion into the overall project weekly status report.
Additional reports and investigations as needed	Scope and budget for additional reports and investigations to be agreed upon by Contractor and the state. Once agreed upon deliverable is completed and approved by the state, Contractor may invoice for the additional deliverable.
Communication Plan	This specifies typical project stakeholders, communication frequency, and communications vehicles. It must also include the approval process for communications, and how the approval process may differ based on target audience. The communication plan needs to include communication plans for each MMIS module and specify how documents will be shared with CMS (e.g. CALT, Zone, email) and the state.

4.0 State Staffing Requirements

The State will provide oversight for the Project, but the Contractor must provide overall Project 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 Project. Additionally, the Contractor must provide all administrative support for its staff and activities. Throughout the Project effort, the Contractor



must employ ongoing management techniques to ensure a comprehensive Project Plan is developed, executed, monitored, reported on, and maintained.

The Contractor must provide a Project Manager for the Work. The Contractor must employ the proposed Project Manager as a regular, fulltime employee on the Proposal submission date and throughout the term of the Contract, including all renewals. Additionally, the Contractor's full-time regular employees must perform at least 50% of the effort required to complete the Project. The Contractor may use its personnel or subcontractor personnel to meet the remaining 50% of the effort.



Supplement [2]:

State Architecture and Computing Standards Requirements

State Security and Privacy Requirements

State IT Computing Policy Requirements

State Data Handling Requirements

Version Identifier:	Date:
2.0	8/29/2016

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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).

Storage Pool	Availability	Performance	Typical Applications
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/Medicare 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 Contractor's 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, HIPAA 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

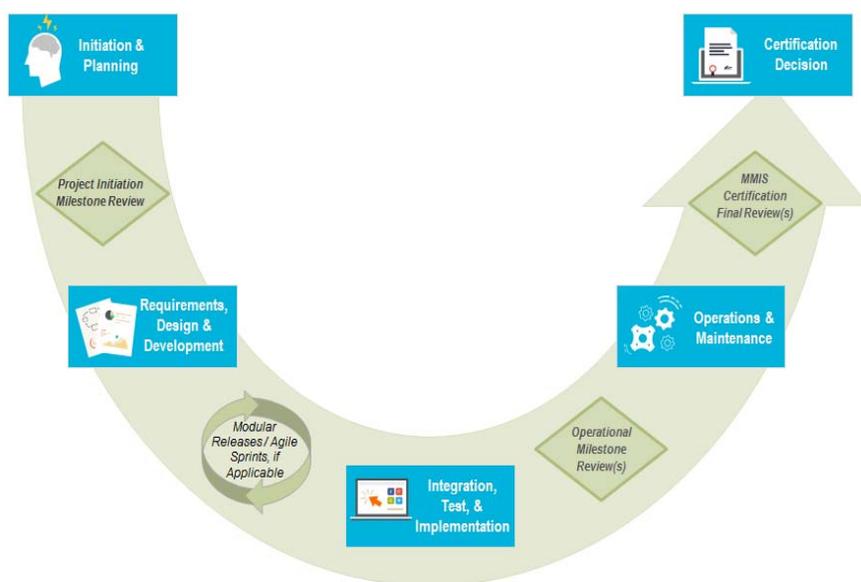
- Revised and Implement updates to the System security program plan
- Update and Implement Risk Assessment Policies and procedures
- Update and implement incident response procedures

SUPPLEMENT 3

Independent Validation & Verification Services Progress Report

MMIS IV&V PROGRESS REPORT

<State>: <IV&V Contractor>



<Draft or Final>

Version <0.0>

<Date>

Notes to the Author

[This document is a template (V 1.0) for creating a Progress Report for a given project. The template includes instructions to the author, boilerplate text, and fields that should be replaced with the values specific to the particular project.]

- *Blue italicized text provides instructions to the document author, or describes the intent, assumptions, and context for content included in this document.*
- *Blue text enclosed in angle brackets (i.e., <text>) indicates a field that should be replaced with information specific to the particular project.*
- *Text and tables in black are provided as sample examples of wording and formats that may be used or modified as appropriate.*

When using this template, follow these steps:

1. *Delete all blue text and replace with information specific to your state (including this “Notes to the Author”).*
2. *To add new sections to the document, ensure that the appropriate header and body text styles are maintained.*
3. *To update the Table of Contents, right-click, select “Update field” and choose the option “Update entire table.” Ensure that sub-headings at each level in the Table of Contents are indented appropriately for improved readability.*

Revision History

[Use the table below to record changes made to the document.]

No.	Date	Reference	Description of Change

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Introduction

This progress report provides feedback from milestone reviews to states in support of certification for a Medicaid Management Information System (MMIS). For additional information about MMIS certification follow this link: <http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Data-and-Systems/MMIS.html>.

- Per 45 CFR – Part 95 §95.605, Medicaid Management Information System (MMIS) is a commonly accepted term for Mechanized Claim Processing and Information Retrieval System as provided by Section 1903(a)(3) and 1903(r) of the Social Security Act (SSA) and 42 CFR 433.110 et seq.
- Section 1903(a)(3)(A) of the SSA authorizes the Secretary to provide 90 percent Federal Financial Participation (FFP) to states for the design, development, and installation of MMIS for efficient, economical, and effective administration of the state plan.
- Section 1903(a)(3)(B) of the SSA authorizes the Secretary to provide 75 percent FFP to states for the maintenance and operation of an approved MMIS.
- In accordance with 42 CFR – Part 433 §433.116 et al, CMS will approve MMIS for operations.

Part 1. IV&V Report

In Part 1 of the MMIS IV&V Progress Report, the IV&V contractor summarizes the state’s status and progress toward MMIS certification. These progress reports are prepared periodically and before each milestone review. The state fills out / updates its portion of all the checklists. Then the IV&V contractor fills out / updates its portion of all the checklists and appends them to this report. Please refer to the guidance in the Medicaid Enterprise Certification Lifecycle (MECL) for details. The reports, including any drafts, and the associated checklists are delivered as a zip file to the state and CMS simultaneously.

1.1 Methodology & Scope of the Progress Report

For this progress report, <State Name> has selected the <MITA Business Module Checklist Set, Medicaid System Module Checklist Set, or customized Checklist set> path. The state is pursuing a <MITA Alignment, Modular Alignment or Customized Alignment> certification approach. The checklists applicable to this progress report are listed below and are available in an attached zip file:<List checklists in this paragraph that are in scope for this progress report>.

Describe how IV&V contractors have engaged with other contractors, state staff, and SMEs. List all tools, repositories, etc., used to examine and collect evidence and oversee operations.

Table 1. Evidence Locations and Point of Contact

Type of Evidence	Location / Tool	Primary Point of Contact
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1.2 Project Advancement Since Last Progress Report

Briefly summarize the state's progress since the last progress report, unless this is the first progress report for this MMIS project. Include items from the last progress report, such as the status of corrective actions and whether or not the corrective action was taken or is still outstanding. In the table below, list all the modules. For each, indicate in the milestone columns the anticipated / actual date for each type of milestone review. Examples are shown in gray.

Table 2. Status of Each Module

MITA / MMIS Module	Milestone Review for the Module		
	Project Initiation	Operational	Final
Financial	2/2016	12/2016	6/2017
Provider Enrollment	2/2016	3/2017	9/2017
Claims Processing	2/2016	3/2017	9/2017

1.3 Risks

Document the high impact / high probability programmatic and technical risks. The IV&V contractor is encouraged to use the following table to explain risk situations and how the state is / is not addressing them. For whether or not the risk is likely to occur indicate High/Medium/Low probability of occurrence. When considering severity of impact, indicate High/Medium/Low severity of impact. (Data from this table will be uploaded into CMS' tracking tool.)

Table 3: Risks



Microsoft Excel
97-2003 Worksheet

<Provide additional risk narrative explanations here if needed.>

1.4 PMO Status and Report

Describe how the IV&V contractor has engaged with contractors, state staff, and subject matter experts (SME). List all tools, repositories, etc., used to examine and collect evidence and oversee operations. The IV&V contractor reviews PMO status (including budget, schedule, etc.) and fills out the following table.

Table 4. State PMO Status

Status Item		State PMO Status	Comments
Earned Value Management*	The percentage of earned value reporting based on discrete and measurable activities and the percentage based on level of effort.		<i>(Narrative explaining how % of reporting based on discrete measurable activity is maximized and how any LOE is isolated because EVM based on LOE skews schedule metrics.)</i>
* If appropriate			
Budget: project to date percentage variance to plan (Advance Planning Document)	a. Cost Variance Current Period b. Cost Variance Cumulative c. Cost Performance Index (the budgeted cost of work performed / actual work performed – this may be shown as a chart)	a. <i>Cost Variance current period = Budgeted Cost of Work Performed – Actual Cost of Work Performed for current period</i> b. <i>Cost Variance cumulative = Budgeted Cost of Work Performed – Actual Cost of Work Performed for entire project to date</i> c. <i>Cost of Performance Index = Budgeted Cost of Work Performed / Actual Cost of Work Performed for entire project to date</i>	<i>(Narrative explaining variance, the cause of the variance, how long the variance is predicted to persist, the corrective actions taken to address the variance, and how well past corrective actions have worked.)</i>
Schedule: project schedule to date percentage variance to plan (APD)	a. Schedule Variance Current Period b. Schedule Variance Cumulative c. Schedule Performance Index	a. <i>Schedule Variance current period = Budgeted Cost of Work Performed – Budgeted Cost of Work Scheduled for current period</i>	<i>(Narrative explaining variance, the cause of the variance, how long the variance is predicted to persist, the corrective actions taken to address</i>

		<p>b. <i>Schedule Variance cumulative = Budgeted Cost of Work Performed – Budgeted Cost of Work Scheduled for entire project to date</i></p> <p>c. <i>Schedule Performance Index = Budgeted Cost of Work Performed / Budgeted Cost of Work Scheduled</i></p>	<p><i>the variance and how well past corrective actions have worked.)</i></p>
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Corrective Actions occurring since last report: *Show programmatic corrective actions and their status here since the last report.*

Critical Success Factors (CSF) updates since last report: *In a paragraph, explain the timeframe and actions taken to determine the status of the programmatic critical success factors in Appendix A: MMIS Programmatic Critical Success Factors Report. For each critical success factor, IV&V contractor will enter the status, comments about the status (if necessary), and recommendations in Appendix A. For Programmatic CSFs:*

Met = state’s PMO is performing project activity sufficiently.

Not Met = state’s PMO is not performing project activity sufficiently.

1.5 MMIS CSF Progress

Critical Success Factors updates since last report: *(In a paragraph, explain the timeframe and actions taken to determine the status of the MMIS critical success factors as well as comments and recommendations for current CSF met or unmet status. Individual MMIS critical success factors status and comments are documented in the checklists attached in the zip file.)*

IV&V contractor may also note CSFs that have a prior status rating of “unmet” or indicated possible risks. *For MMIS Module CSFs:*

Met = All criteria under a CSF has met reviewer’s expectations.

Not Met = One or more criteria has not met reviewer’s expectations.

1.6 MITA and Standards and Conditions for Medicaid IT Update

Summarize the state’s Medicaid Information Technology Architecture (MITA) goals and Standards and Conditions for Medicaid IT progress in moving toward maturity from the organizational perspective as found in this review. Explain any exceptions or areas of concern and how the state is progressing toward maturity based on the state self-assessment and the IV&V review. This section must be filled out whether or not the state has organized its modules around MITA business areas because MITA maturity progress is expected of every state. A zip file of the checklists will be included with this report when delivered to the state and CMS.

1.6.1 Business Architecture

Discuss how the state is progressing toward maturity in business architecture. Use examples from the checklist criteria and note progress from previous reviews as needed.

1.6.2 Information Architecture

Discuss the state's progress toward maturity in information architecture. Use examples from the checklist criteria and note progress from previous reviews as needed.

1.6.3 Technical Architecture

Discuss the state's progress toward maturity in technical architecture. Use examples from the checklist criteria and note progress from previous reviews as needed.

1.6.4 Standards and Conditions for Medicaid IT

Discuss the state's progress toward maturity in the Standards and Conditions for Medicaid IT. Use examples from the checklist criteria and note progress from previous reviews as needed. Definitions are available at: <https://www.medicaid.gov/medicaid-chip-program-information/by-topics/data-and-systems/downloads/efr-seven-conditions-and-standards.pdf>

1.6.4.1 Modularity Standard

State how the state's proposed solution is meeting the modularity standard.

1.6.4.2 MITA Condition

State how the state's proposed solution is meeting the MITA condition.

1.6.4.3 Industry Standards Condition

State how the state's proposed solution is meeting the Industry standards condition.

1.6.4.4 Leverage Condition

State how the state's proposed solution is meeting the leverage condition.

1.6.4.5 Business Results Condition

State how the state's proposed solution is meeting the business results condition.

1.6.4.6 Reporting Condition

State how the state's proposed solution is meeting the reporting condition.

1.6.4.7 Interoperability Condition

State how the state's proposed solution is meeting the interoperability condition.

1.7 Recommendations

In the following table, list recommendations for the state. If this is a report prepared in preparation for a milestone review, give a recommendation whether the milestone review should proceed or not. Information from this recommendation table may be incorporated into other CMS reports. The item in grey is an example.

Table 5: IV&V Recommendations

Recommendation Number	Date	Evidence or Checklist Reference for Recommendation	Recommendation
1	3/16/2016	CONOPS	<i>The state should ensure that the CONOPs reflects the most current version of the system architecture.</i>

<Provide additional recommendation explanations here if needed.>

Part 2. CMS Report

In this section, CMS responds to the IV&V findings. Periodically throughout the MMIS project, the IV&V contractor assesses the state's progress and creates a progress report. If this is a routine progress report and not a report produced for a milestone review, CMS may not have a long response. CMS may only include a set of general statements of approval or recommendations. When this report is the result of a milestone review, CMS may include more detail about specific areas requiring attention.

2.1 Milestone Review Summary

Delete this section if this progress report is not tied to a milestone review. Below is an example summary graphic generated from the CMS tracking database.

Gate Review Assessment Summary (North Carolina)																					
Final Phase																					
MECT Checklist											Other										
Checklist Name	Criteria Count	Meets	%	Partially Meet	%	Doesn't Meet	%	Not Assessed	%	Blanks	%	MITA	Meets	%	CFR	Meets	%	State-Specific	Meets	%	
01 BA Business Relationship Management	1	1	100%	0	0%	0	0%	0	0%	0	0%	5	1	20%	0	0	0%	0	0	0%	
02 BA Care Management	80	25	31%	2	3%	2	3%	50	63%	1	1%	9	0	0%	6	6	100%	0	0	0%	
03 BA Contractor Management	16	15	94%	0	0%	0	0%	1	6%	0	0%	10	1	10%	5	5	100%	0	0	0%	
04 BA Eligibility and Enrollment Manageme	53	49	92%	2	4%	0	0%	2	4%	0	0%	8	0	0%	27	25	93%	0	0	0%	
05 BA Financial Management	178	158	89%	3	2%	6	3%	11	6%	0	0%	22	2	9%	30	30	100%	1	1	100%	
06 BA Member Management	31	26	84%	1	3%	0	0%	4	13%	0	0%	4	0	0%	8	8	100%	0	0	0%	
07 BA Operations Management	180	147	82%	14	8%	7	4%	12	7%	0	0%	9	0	0%	28	22	79%	13	13	100%	
08 BA Performance Management	51	44	86%	7	14%	0	0%	0	0%	0	0%	5	0	0%	13	10	77%	0	0	0%	
09 BA Plan Management	49	29	59%	1	2%	2	4%	17	35%	0	0%	10	0	0%	6	5	83%	14	0	0%	
10 BA Provider Management	53	50	94%	1	2%	0	0%	2	4%	0	0%	6	1	17%	9	9	100%	8	8	100%	
11 IA Components	21	9	43%	2	10%	1	5%	9	43%	0	0%	8	0	0%	0	0	0%	0	0	0%	
12 TA Access And Delivery	143	124	87%	8	6%	2	1%	3	2%	6	4%	53	45	85%	31	27	87%	4	4	100%	
13 TA Intermediary and Interface	31	17	55%	8	26%	6	19%	0	0%	0	0%	23	10	43%	5	5	100%	0	0	0%	
14 TA Integration and Utility	35	19	54%	13	37%	3	9%	0	0%	0	0%	28	12	43%	1	1	100%	0	0	0%	
15 Seven Standards and Conditions	83	33	40%	9	11%	40	48%	1	1%	0	0%	67	21	31%	1	1	100%	0	0	0%	
Total	1005	746	74.2%	71	7.1%	69	6.9%	112	11.1%	7	0.7%	267	93	34.8%	170	154	90.6%	40	26	65.0%	

Figure 1. Milestone Review Assessment Summary

Give a summary of the certification milestone review decisions / recommendations. Include which milestone review was conducted on which dates.

2.2 Milestone Review

Complete this section if this progress report is tied to a milestone review.

Table 6. Milestone Review Leads

Role	Name	Organization
Overall MECT Certification Lead		
Overall RFP / Procurement / Funding		
Overall MITA		
Overall ELC/SDLC		

Role	Name	Organization
Claims Processing		
Business Operations		
Financial Management		
Enrollment and Outreach		
Care Management		
Data/Information		
Technical		
Access/Security		

2.3 CMS Recommendations / Decisions

This section documents CMS’s confirmation of IV&V assessments and additions after the milestone review. Final CMS decisions are documented here. CMS runs an MMIS functional CSF summary report showing the status of business CSFs, focusing on those CSFs not met (see Appendix B of this template for a sample report and instructions for generating the report).

In this section, CMS does the following:

- *Identifies the critical success factors and checklist criteria items of concern and documents the findings here. Updates the current status, comments, and CMS recommendations / decisions*
- *Uses the narrative form shown below to describe items of concern when possible.*

Final Comments:

Indicate what the state has done well in addition to those areas requiring corrective action. Mention whether the Medicaid organization is high or low MITA maturity in each area – refer to section 2.1 Milestone Summary Report, as appropriate. Mention any areas of concern that are not serious enough to prevent certification. Avoid making recommendations here.

Findings:

Findings are serious issues that prevent CMS from certifying the MMIS or module.

Corrective Actions:

Corrective actions are activities that CMS expects states to address before the next review. If there are no findings, this section should read “Not required.”

Recommendations:

Insert any recommendations for improvement. Recommendations do not impact the certification decision, but are provided as suggestions for the state. Recommendations could identify opportunities to introduce best practices or improve efficiencies. Use words like “should” and “could” and include a brief explanation of why the recommendations should be followed.

Signature Page

< CMS will sign confirming the content of this document. >

Technical Director

DHHS/CMS/OA/CMCS/DSG/DSS

Name

Associate Regional Administrator

Division of Medicaid and Children's Health Operations

Appendix A. MMIS Programmatic Critical Success Factors Report



Appendix A MMIS
Programmatic CSFs R

Appendix B. MMIS Functional Critical Success Factors Summary Report

CMS will generate and insert the MMIS functional critical success factors report here.

Critical Success Factors Summary Report generating instructions:

1. *Enter the CMS Medicaid Enterprise Data Tool*
2. *Click on the CSF Assessment Summary option under the MECT (left side) selections,*
3. *Enter the two-letter state abbreviation when prompted,*
4. *Click OK to generate the report*

Appendix B: MMIS Functional Critical Success Factors Summary Report		
<i>CMS will generate and insert the MMIS Functional Critical Success Factors Summary Report here.</i>		
<i>Critical Success Factors Summary Report generating instructions:</i>		
1) Enter the <i>CMS Medicaid Enterprise Database Tool</i>		
2) Under the MECT (left side) selections, click on the <i>CSF Assessment Summary</i> option		
3) When prompted, enter the two-letter state abbreviation		
4) Click OK to generate the report		
<i>(the report will be saved in the C:\Medicaid Enterprise DBTool\OutputChecklist folder)</i>		
Care Management Checklist (MMIS Module) State ID		
CSF #	Critical Success Factor	Status:
BE1	Beneficiary population information from diverse sources is collected and managed.	Met
MG1	Medicaid eligibles enrollment into Primary Care Case Management (PCCM) or Gatekeeper program is supported	Not met
MG5	Reports are generated to monitor quality and cost of care provided to enrollees.	Met
Decision Support System Checklist (MMIS Module) State ID		
MC6	State collects and reports on financial data for Medicaid managed care programs	Not met
WA1	State controls enrollment of participants into the Home & Community Based Services (HCBS) (1915(c)) waiver programs to meet the State's objectives.	Met
WA2	State enrolls traditional and nontraditional service providers, who meet identified standards of care, into the program.	Not met

Sample