

# REQUEST FOR PROPOSALS

**RFP NUMBER:** 0A1111  
**DATE ISSUED:** January 7, 2015

The State of Ohio, through the Department of Administrative Services, Office of Information Technology, on behalf of the Ohio Department of Medicaid is requesting proposals for:

## Pharmacy Benefits Management

**INQUIRY PERIOD BEGINS:** January 7, 2015  
**INQUIRY PERIOD ENDS:** February 13, 2015 at 8:00 a.m.  
**OPENING DATE:** February 23, 2015 at 1:00 p.m.

**OPENING LOCATION:** Department of Administrative Services  
General Services Division  
Bid Room  
4200 Surface Road  
Columbus, Ohio 43228

**PRE-PROPOSAL CONFERENCE DATE:** Monday, January 26, 2015

This RFP consists of five parts and 11 attachments, totaling 98 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 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.

## 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 Ohio Department of Medicaid (“ODM”) has asked the Department of Administrative Services (“DAS”), Office of Information Technology (“OIT”) to solicit competitive sealed proposals (“Proposals”) from qualified offerors to provide comprehensive Pharmacy Benefits Management (PBM) services (the “Project”) for the Ohio Medicaid Fee-For-Service (“FFS”) population, and this Request for Proposals (“RFP”) is the result of that request.

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

This RFP also gives the estimated dates for the various events in the submission process, selection process, and performance of the Project. 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 Project is completed to the satisfaction of the State and the Contractor is paid or June 30, 2017, whichever is sooner. As the implementation and on-going operations and maintenance of the Pharmacy Benefits Management system is a multi-year project, that this RFP is designed to complement, the State may renew this Contract for up to three (3) additional two-year term(s), at its sole option and subject to and contingent on the discretionary decision of the Ohio General Assembly to appropriate funds for this Contract in each new biennium. The maximum expiration date of the Contract is June 30, 2023. Any such renewal of all or part of the Contract also is subject to the satisfactory performance of the Contractor and the needs of the Department of Administrative Services, Office of Information Technology, for the Ohio Department of Medicaid.

**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 Project or the terms and conditions in this RFP.**

**Background.** ODM is the state Medicaid agency for the State of Ohio, and is responsible for administering Titles XIX and XXI of the Social Security Act (Ohio Medicaid program). ODM oversees the provision of health care services for eligible persons and reimburses providers for those services, including covered outpatient drugs. Ohio’s Medicaid population has significantly increased during the past year with implementation of a Medicaid expansion initiative pursuant to the Patient Protection and Affordable Care Act of 2010 (ACA). As of November 1, 2014, ODM provided coverage to approximately 2.3 million persons; that number continues to increase as more persons are enrolled through the expansion. Approximately 90% of current recipients are enrolled in one of five capitated Managed Care Plans (MCPs) which have contracted with ODM to provide Medicaid services, including the drug benefit. The Medicaid managed care plans and their corresponding PBMs are:

Managed Care Plan (MCP)	PBM
Buckeye Community Health Plan	US Script
CareSource	CVS/Caremark
Molina Healthcare	CVS/Caremark
Paramount Advantage	CVS/Caremark
United Health Care’s Unison Plan	Optum

ODM maintains and administers the FFS program for approximately 200,000 persons not required to enroll in MCPs. The current PBM contractor is Xerox. The FFS membership is comprised mainly of people dually eligible for Medicaid and Medicare, foster children, children enrolled in the Ohio Department of Health's Bureau for Children with Medical Handicaps, people in a spend-down or waiver program and people living in institutionalized settings.

ODM is currently administering a Centers for Medicare and Medicaid Services (CMS)-approved demonstration project, MyCareOhio, which is operating in 29 Ohio counties in seven geographical regions through a number of MCPs. Although not all dually eligible recipients are enrolled in MyCareOhio, this demonstration project coordinates physical, behavioral, long-term care and pharmacy services for individuals over the age of 18 who are eligible for both Medicaid and Medicare. The program is expected to serve more than 114,000 Ohio residents in 2014. The selected Contractor will be responsible for performing rebate activities for this group of recipients.

ODM's eligibility, provider enrollment information, and all claims data is loaded into the Medicaid Information Technology System (MITS) daily, therefore interfacing with the MITS system is a critical part of a successful implementation. The Contractor must interface with the MITS system and Enterprise Data Warehouse (EDW) as specified throughout this RFP and all costs required to do so must be included in the offeror's Not-To-Exceed Fixed Price.

Once the ODM Pharmacy Benefits Management system is successfully implemented, the Ohio Department of Health (with ODM input), may choose to meet with the successful Contractor to discuss the feasibility of using the developed ODM Pharmacy Benefits Management system for Title V use as well. If the discussions result in a feasibility study or system modification, any resulting contract would be entirely separate from the ODM Pharmacy Benefits Management Contract. A response from the Contractor regarding this statement is not expected at this time.

**Overview.** The State encourages offerors to propose creative, innovative solutions for operations as well as a suite of PBM applications or components to support a "best in class" delivery system for the ODM PBM solution. The solution must provide ODM the ability to administer and modernize all aspects of the pharmacy program without considerable changes to the underlying technology and coding that take significant time to complete. To create a modern solution that delivers cost-effective health care services that are population-specific, ODM will continue to adapt and make progress on how services are delivered to recipients. In addition, ODM will need the flexibility to adopt new payment methodologies and drug utilization management techniques that encourage quality services and healthy outcomes.

The proposed PBM solution cannot serve as a cost, time or resource constraint to implementing these evolving delivery programs. ODM is seeking an integrated and clinical evidence-based approach to manage drug utilization and possibly implement a value-based payment process which aligns with Ohio's Medicaid Quality Strategy to deliver better care, practice evidence-based medicine with the objective of improving the health of Ohioans. This is consistent with Governor John Kasich's Office of Health Transformation (OHT) goals of controlling Medicaid spending and improving health outcomes. OHT has implemented an aggressive package of Medicaid reforms to streamline Medicaid activities, link payment to performance, fight fraud and abuse, and to implement care coordination practices.

**Objectives.** Using a combined technology and business solution that is integrated with the State's MITS and EDW environments, the selected Contractor will be expected to provide a complete and comprehensive view of pharmaceutical use and cost for the entire Medicaid population of Ohio in order for ODM to meet its goals of better health, better care, and lower costs through improvement. The State has the following objectives that it wants the PBM Project to fulfill, and it will be the Contractor's obligation to ensure that the Project meets the State's goals and objectives:

1. Secure the services of a PBM contractor that will be responsible for all facets of the day-to-day operational administration of the ODM FFS pharmacy benefit program including managing the

State's pharmacy benefit program, adjudication of pharmacy claims, call center operations, prior authorization administration, pharmacy claim review (audit), and rate setting for drugs, including those billed with procedure codes as part of a medical claim.

2. Develop and implement a comprehensive data analytics plan that reviews, analyzes, and reports drug usage and cost metrics for Ohio's Medicaid pharmacy program, which includes FFS, managed care, and dually-eligible populations. The contractor will also make recommendations to ODM on quality improvements, program integrity and cost containment strategies. The PBM Contractor must be innovative and proactive in employing business techniques that ensure enhanced quality of care under the pharmacy benefit while controlling the growth of pharmacy benefit expenditures.
3. Provide comprehensive management of the federal drug rebate program for all covered outpatient drugs utilized by Ohio's Medicaid pharmacy program (FFS, managed care, and dual-eligibles). The Contractor will also provide ODM supplemental drug rebate and medical supply rebate program management for the FFS program.
4. The PBM solution and supporting processes will comply with the CMS Seven Standards and Conditions and the most current version of CMS' Medicaid Information Technology Architecture (MITA). The PBM solution also needs to be closely integrated with Ohio's MITS system, which is an integral part of Ohio's Health Services Enterprise (HSE) as well as with the Enterprise Data Warehouse. Payments to pharmacy providers for FFS claims are generated from the MITS system and therefore are not in the scope of this RFP.

**MITA Goals and Objectives**

<b>MITA Goals</b>	<ul style="list-style-type: none"> <li>• Achieve common Medicaid goals through interoperability and shared standards;</li> <li>• Promote an enterprise view that supports enabling technologies aligned with Medicaid business processes and technologies;</li> <li>• Promote an environment that supports flexibility, adaptability, and rapid response to changes in programs and technology;</li> <li>• Provide data that is timely, accurate, usable, and easily accessible to support analysis and decision making for healthcare management and program administration; and</li> <li>• Provide performance measurement for accountability and planning.</li> </ul>
<b>MITA Objectives</b>	<ul style="list-style-type: none"> <li>• Adopt data and industry standards;</li> <li>• Break down artificial boundaries between systems, geography, and funding (within the Title XIX Program);</li> <li>• Promote efficient and effective data sharing to meet stakeholder needs;</li> <li>• Promote good practices (e.g., the Capability Maturity Model [CMM] and data warehouse);</li> <li>• Promote reusable components; modularity;</li> <li>• Promote secure data exchange (single entry point);</li> <li>• Provide a beneficiary-centric focus; and</li> <li>• Support integration of clinical and administrative data.</li> </ul>

5. The State is committed to improving the number of minority-owned enterprises that do business with the State of Ohio. A "minority-owned enterprise" is an individual, partnership, corporation or

joint venture of any kind that is owned and controlled by U. S. Citizens and residents of Ohio, who are and have held themselves out as members of the following socially and economically disadvantaged groups: Blacks, American Indians, Hispanics and Asians.

While it is not a condition of award of the RFP, the offeror must use its best efforts to seek and set aside work for Ohio certified Minority Business Enterprises (MBE). The MBE must be certified by the Ohio Department of Administrative Services pursuant to ORC 123.151. For more information regarding MBE and MBE certification requirements please refer to the DAS Equal Opportunity Division Web site at:

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

In addition, to search for Ohio MBE-Certified Providers, utilize the following search routine published on the DAS Equal Opportunity Division website:

- a. Select "MBE Certified Providers" as the EOD Search Area selection;
- b. On the subsequent screen, at minimum, select the appropriate Procurement Type, e.g., "Information Technology Service" as a search criterion;
- c. Select "Search"; and
- d. A list of Ohio MBE Certified Service Providers will be displayed.

In addition to procuring these services, Ohio's goal is to reengineer business processes to align them to industry best practices. The Contractor is required to strive to reengineer business processes as well as enable and, as requested by the State, assist ODM in reengineering State operated business processes utilizing the technology and tools resulting from this procurement. As such, the Contractor must have the necessary knowledge and experience in implementing and operating systems and services that fully meet the goals and objectives of the MITA business process model. The State expects that the chosen contractor will know and articulate explicitly how best to implement its processes to support this objective.

**Overview of the Project's Scope.** The statement of work for the Project is provided in Supplements 1, 2, 3, and 4, as applicable of this RFP. This section only gives a summary of that work. If there is any inconsistency between this summary and the supplement descriptions of the work, the supplements will govern.

Project scope at a high-level includes:

- Project Management Requirements
- Claims Processing
- Utilization Management
- Claim Review (Audit)
- Reporting/Analytics
- Drug Rebate
- MITA SS-A Activities
- CMS certification

Details regarding the Project's statement of work requirements are provided in Supplement 1: PBM Statement of Work.

Details regarding the Project's functional and technical requirements are provided in Supplement 2: PBM Requirements Matrix.

Details regarding the Project's data privacy and security requirements are provided in Supplement 3: PBM Security and Privacy Requirements.

Details regarding the Project's service level agreements (SLAs) and liquidated damages are provided in Supplement 4: PBM Performance Standards / Liquidated Damages.

**Mandatory Requirements Overview.** The offeror must show evidence of meeting the following mandatory requirements of this RFP:

Offeror / Subcontractor Mandatory Requirements:

The offeror (prime contractor) and/or its subcontractor(s) must demonstrate at least five (5) years of experience in the following areas for public sector clients of similar size, scope and characteristics of the Ohio Department of Medicaid RFP:

1. Pharmacy claims processing for large scale public sector programs;
2. Drug rebate administration;
3. Pharmacy audit (claim review) services;
4. Health plan preferred drug lists;
5. Prior authorization;
6. Lock-in programs for inappropriate controlled substance use;
7. Drug utilization review programs; and
8. Drug and medical claim analytics and reporting.

Key Project Personnel Mandatory Requirements:

The proposed **Implementation Manager** (e.g., Contractor Project Manager) for the PBM Project must:

1. Be a full-time employee of the offeror (prime contractor) or its subcontractor.
2. Have a minimum of five (5) years of Project Management experience managing implementations of public sector IT related projects. and
3. Must have attained a Project Management Professional (PMP) Certification from the Project Management Institute (PMI) or equivalent.

The proposed **Account Manager** for the PBM Project must:

1. Be a full-time employee of the offeror (prime contractor).
2. Have a minimum of five (5) years of public sector pharmacy benefit management or pharmacy program oversight related experience. and
3. Have a minimum of three (3) years of project / contract management experience.

**Calendar of Events.** The schedule for the RFP process and the Project 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 Project 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:	January 7, 2015
Inquiry Period Begins:	January 7, 2015
Pre-Proposal Conference Date:	January 26, 2015, at 1:00 p.m.
Inquiry Period Ends:	February 13, 2015, at 8:00 a.m.
Proposal Due Date:	February 23, 2015, at 1:00 p.m.

Estimated Dates

Award Date: June 2015

Estimated Project Dates

Project Begins: July 2015

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 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    | Project Requirements and Special Provisions                        |
| Attachment Three  | Requirements for Proposals   |
| Attachment Four   | General Terms and Conditions                                       |
| Attachment Five   | Sample Contract  |
| Attachment Six    | Offeror Certification Form   |
| Attachment Seven  | Offeror Profile Summary  |
| Attachment Eight  | Personnel Profile Summary  |
| Attachment Nine   | Standard Affirmation and Disclosure Form, Executive Order 2011-12K |
| Attachment Ten    | Data Sharing and Confidentiality Agreement                         |
| Attachment Eleven | Cost Summary   |

### **Supplements:**

- |                  |  |
|------------------|--|
| Supplement One   | PBM Statement of Work                          |
| Supplement Two   | PBM Requirements Matrix                        |
| Supplement Three | Security and Privacy                           |
| Supplement Four  | PBM Performance Standards / Liquidated Damages |

### 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:

Bruce Reichenbach, Acquisition Analyst  
Department of Administrative Services  
Office of Information Technology  
30 E. Broad Street, 39<sup>th</sup> Floor  
Columbus OH 43215

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

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

- Access the State's Procurement Website at <http://procure.ohio.gov/>
- From the Navigation Bar on the left, select "**Find It Fast**";
- Select "Doc/Bid/Schedule #" as the Type;
- Enter the RFP number found on the first page of this RFP (the RFP number begins with "**zero**" followed by the letter "**A**");
- Click the "Find It Fast" button;
- On the document information 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
- 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 "Find It Fast" 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.

**Pre-Proposal Conference.** The State will hold a Pre-Proposal Conference on Monday, January 26, 2015, at 1:00 p.m., in Lobby Hearing Room, of the Rhodes State Office Tower, 30 E. Broad Street, Columbus, Ohio 43215. The purpose of this conference is to discuss the RFP and the Project with prospective offerors and to allow them to ask questions arising from their initial review of this RFP.

Attendance at the Pre-Proposal Conference is not a prerequisite to submitting a Proposal.

**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 "Find It Fast" 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 originally signed technical section** and eight (8) copies of the technical section, and the package with the cost section also must be sealed and contain four (4) complete copies of the cost section of the Proposal. Further, the offeror must mark the outside of each package with either "**Pharmacy Benefits Management RFP – Technical Proposal**" or "**Pharmacy Benefits Management RFP – Cost Summary**" as appropriate.

Included in every sealed package, the offeror also must provide a **searchable electronic copy** of everything contained within the package on CD-ROM in Microsoft Office, Microsoft Project, 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. (Columbus, Ohio local time) 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  
Office of Information Technology  
Attn: Bid Room  
4200 Surface Road  
Columbus, Ohio 43228

BID ROOM MAIN PHONE NUMBER: 1-614-466-5090

The State may reject any Proposals or unsolicited modifications that it receives after the deadline. An offeror that mails its Proposal must allow for adequate mailing time to ensure its timely receipt. 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 that 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 that it is not subject to an unresolved Finding under Section 9.24 at the time of its submission. The offeror also warrants that 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 that 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 that 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 will have submitted a defective Proposal that the State may reject. Further, any offeror that submits multiple Proposals may have all its Proposals rejected.

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

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

The State is not liable for any costs an offeror incurs in responding to this RFP or from participating in the evaluation process, regardless of whether the State awards the Contract through this process, decides not to go forward with the Project, cancels this RFP for any reason, or contracts for the Project 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. The State also 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 Project 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 Procurement Representative will review all Proposals for their format and completeness. The State normally rejects incomplete or incorrectly formatted Proposals, though the State 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 Project or the advice or evaluations of various State personnel that have subject matter expertise or an interest in the Project.

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 on the project that collectively meets all the team requirements. However, the experience of multiple candidates may not be combined to meet a single requirement. Further, previous experience of the candidate submitted for the Contractor's Implementation Manager (e.g., Contractor's Project Manager) position may not be used to meet any other team member requirements. Each candidate proposed for the Project 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. 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. However, 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 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. Further, 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;
- Show the features and functions of its proposed hardware, software, or solution; 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. 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 work on the project 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 Project. 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 Project 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 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.

The State usually will not rank negotiations and normally will hold them only to correct deficiencies in or enhance the value of the highest-ranked offeror's 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 Project 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 Contract will bind the State only when the State's duly authorized representative signs all copies and returns one to the Contractor with an award letter, the State issues a purchase order, and all other prerequisites identified in the Contract have occurred.

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 Project, 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 offeror's failure to perform under the Contract.

**Contract.** If this RFP results in a Contract award, the Contract will consist of this RFP, including all attachments, written amendments to this RFP, the Contractor's accepted Proposal, and written, authorized amendments to the Contractor's Proposal. It also will include any materials incorporated by reference in the above documents and any purchase orders and change orders issued under the Contract. The form of the Contract is included as a one-page attachment to this RFP, but it incorporates all the documents identified above. The general terms and conditions for the Contract are contained in Attachment Four to this RFP. If there are conflicting provisions between the documents that make up the Contract, the order of precedence for the documents is as follows:

1. The one page Contract (Attachment Five) in its final format; and
2. The State's Pharmacy Benefits Management Services system Negotiated Contract dated MONTH DAY, 201x which includes the referenced RFP, and the Best and Final Offer (BAFO).

Notwithstanding the order listed above, 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. To be binding on the State, a duly authorized representative of the Department of Administrative Services must sign any change order under or amendment to the Contract.

**ATTACHMENT ONE: EVALUATION CRITERIA**

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

<b>Offeror or Subcontractor Mandatory Requirement</b>	<b>Reject</b>	<b>Accept</b>
<p>The following requirement(s) may be met through the experience of either the offeror or its subcontractor(s).</p> <p>The offeror (prime contractor) and/or its subcontractor(s) must demonstrate at least five (5) years of experience in the following areas for public sector clients of similar size, scope and characteristics of the Ohio Department of Medicaid RFP:</p> <ol style="list-style-type: none"> <li>1. Pharmacy claims processing for large scale public sector programs;</li> <li>2. Drug rebate administration;</li> <li>3. Pharmacy audit (claim review) services;</li> <li>4. Health plan preferred drug lists;</li> <li>5. Prior authorization;</li> <li>6. Lock-in programs for inappropriate controlled substance use;</li> <li>7. Drug utilization review programs; and</li> <li>8. Drug and medical claim analytics and reporting.</li> </ol>		

<b>Key Project Personnel Mandatory Requirements</b>	<b>Reject</b>	<b>Accept</b>
<p>The proposed <b>Implementation Manager</b> (e.g., Contractor Project Manager) for the PBM Project must:</p> <ol style="list-style-type: none"> <li>1. Be a full-time employee of the offeror (prime contractor) or its subcontractor;</li> <li>2. Have a minimum of five (5) years of Project Management experience managing implementations of public sector IT related projects; and</li> <li>3. Must have attained a Project Management Professional (PMP) Certification from the Project Management Institute (PMI) or equivalent.</li> </ol>		
<p>The proposed <b>Account Manager</b> for the PBM Project must:</p> <ol style="list-style-type: none"> <li>1. Be a full-time employee of the offeror (prime contractor);</li> <li>2. Have a minimum of five (5) years of public sector pharmacy benefit management or pharmacy program oversight related experience; and</li> <li>3. Have a minimum of three (3) years of project / contract management experience.</li> </ol>		

Offerors who do not meet ALL the above mandatory experience and qualifications may be disqualified from further consideration for Contract award.

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

Scored Criteria	Weight	Does Not Meet	Partially Meets	Meets	Exceeds
<b>Offeror Experience and Capabilities (10%)</b>					
Experience with pharmacy claims processing for Fee-For-Service (FFS) Medicaid.	4	0	2	5	7
Experience with Federal drug rebate administration for Medicaid.	4	0	2	5	7
Experience with State supplemental drug rebate administration for Medicaid.	6	0	2	5	7
Experience with pharmacy audit (claim review) services.	2	0	2	5	7
Experience with creating/maintaining FFS preferred drug lists for Medicaid.	4	0	2	5	7
Experience with Prior authorization administration for Medicaid.	3	0	2	5	7
Experience with Lock-in program administration for Medicaid.	1	0	2	5	7
Experience with drug utilization review programs for Medicaid.	1	0	2	5	7
Experience with drug and medical claim analytics and reporting.	6	0	2	5	7
Experience in developing, implementing, maintaining, troubleshooting, and modifying/enhancing a “data dashboard” that tracks key performance indicators to monitor a pharmacy program and provides comparative analyses of current data and/or historical trends.	1	0	2	5	7
Experience developing, implementing, maintaining, and modifying/enhancing a performance scorecard to evaluate the performance of health plans and/or providers using a standardized scoring methodology and a meaningful rating system (e.g., stars, letter grades).	2	0	2	5	7

Scored Criteria	Weight	Does Not Meet	Partially Meets	Meets	Exceeds
Experience providing technical assistance to the state and/or health plans related to quality improvement, performance improvement, health systems reform, payment reform strategies, value-based purchasing, research design, evaluation methods, statistical/data analysis, data systems, Medicaid policies/regulations and/or care coordination/management strategies.	6	0	2	5	7
<b>Key Project Personnel Requirements (15%)</b>					
The proposed <b>Implementation Manager</b> (e.g., Contractor Project Manager) for the PBM Project must: 1. Be a full-time employee of the offeror (prime contractor) or its subcontractor; 2. Have a minimum of five (5) years of Project Management experience managing implementations of public sector IT related projects; and 3. Must have attained a Project Management Professional (PMP) Certification from the Project Management Institute (PMI) or equivalent.	8			5	7
The proposed <b>Account Manager</b> for the PBM Project must: 1. Be a full-time employee of the offeror (prime contractor); 2. Have a minimum of five (5) years of public sector pharmacy benefit management or pharmacy program oversight related experience; and 3. Have a minimum of three (3) years of project / contract management experience.	8			5	7

Scored Criteria	Weight	Does Not Meet	Partially Meets	Meets	Exceeds
<p>The Contractor's proposed <b>Clinical Account Manager</b> for the PBM Project must:</p> <ol style="list-style-type: none"> <li>1. Be a full-time employee of the offeror (prime contractor) or its sub-contractor,</li> <li>2. Be an Ohio-licensed registered pharmacist in good standing,</li> <li>3. Have a minimum of three (3) years of management experience with Medicaid or large private sector pharmacy benefits management,</li> <li>4. Have at least three (3) years of experience working with pricing algorithms, preferably in public sector programs, and</li> <li>5. Demonstrated knowledge in the clinical therapeutic groupings of drugs using various data elements available through drug information databases including but not limited to: HIC3, HICL, GCN, GSN and NDC.</li> </ol> <p><u>Requested Qualifications:</u></p> <ul style="list-style-type: none"> <li>• Pharm D. degree;</li> <li>• MBA, MHA, MPA or other advanced business degree or comparable work experience;</li> <li>• Demonstrated knowledge of CMS rules, regulations and guidance regarding Medicare and Medicaid;</li> <li>• Specialty pharmacy program management experience; and</li> <li>• Previous experience in working with drug compendia/databases such as First DataBank or Medi-Span.</li> </ul>	8	0	2	5	7

Scored Criteria	Weight	Does Not Meet	Partially Meets	Meets	Exceeds
<p>The Contractor's proposed <b>Configuration Manager</b> for the PBM Project must:</p> <ol style="list-style-type: none"> <li>1. Be a full-time employee of the offeror (prime contractor) or its sub-contractor,</li> <li>2. Be an qualified pharmacy technician or have equivalent relevant work experience,</li> <li>3. Have a minimum of three (3) years of experience with Medicaid or large private sector pharmacy benefits management,</li> <li>4. Demonstrated knowledge of drug data elements published by drug compendia/databases such as First DataBank or Medi-Span,</li> <li>5. Demonstrated expertise with offeror's claims processing system and how business rules are to be configured efficiently, and</li> <li>6. Demonstrated knowledge of NCPDP transaction sets.</li> </ol> <p><u>Requested Qualifications:</u></p> <ul style="list-style-type: none"> <li>• Four (4) year degree in related field, or equivalent work experience, and</li> <li>• Demonstrated knowledge of CMS rules, regulations and guidance regarding Medicare and Medicaid.</li> </ul>	8	0	2	5	7

Scored Criteria	Weight	Does Not Meet	Partially Meets	Meets	Exceeds
<p>The Contractor's proposed <b>Data Analyst</b> for the PBM Project must:</p> <ol style="list-style-type: none"> <li>1. Be a full-time employee of the offeror (prime contractor) or its sub-contractor,</li> <li>2. Be a data analytics professional with at least 5 years of work experience in data-mining and healthcare analytics,</li> <li>3. Have a minimum of three (3) years of experience working with Cognos® or SAS®, or similar business intelligence tools, and</li> <li>4. Demonstrated knowledge of drug data file elements published by drug compendia/databases such as First DataBank® or Medi-Span®.</li> </ol> <p><u>Requested Qualifications:</u></p> <ul style="list-style-type: none"> <li>• MS in Public Health/Public Health Administration or other related field;</li> <li>• Minimum of three (3) years of direct database query experience using Structured Query Language (SQL) or comparable experience; and</li> <li>• Familiarity with non-pharmacy government claims processing data such as medical and institutional claim data elements.</li> </ul>	8	0	2	5	7
<p>The Contractor's proposed <b>Rebate Manager</b> for the PBM Project must:</p> <ol style="list-style-type: none"> <li>1. Be a full-time employee of the offeror (prime contractor) or its sub-contractor,</li> <li>2. Have at least three (3) years of management experience with federal drug rebate administration, and</li> <li>3. Have at least three (3) years of experience with Medicaid supplemental drug rebate administration.</li> </ol> <p><u>Requested Qualifications:</u></p> <ul style="list-style-type: none"> <li>• A Certified Public Accountant (CPA) and/or Certified Government Financial Manager (CGFM); and</li> <li>• MBA, MHA, MPA or other advanced business degree or comparable work experience.</li> </ul>	8	0	2	5	7

Scored Criteria	Weight	Does Not Meet	Partially Meets	Meets	Exceeds
<p>The Contractor's proposed <b>Service Desk Manager</b> for the PBM Project must:</p> <ol style="list-style-type: none"> <li>1. Have extensive knowledge of Medicaid claims processing and pharmacy practices, and</li> <li>2. Have at least three (3) years of experience with Medicaid or private sector health care payer in a call center environment.</li> </ol> <p><u>Requested Qualifications:</u></p> <ul style="list-style-type: none"> <li>• BS degree in related field, and</li> <li>• Qualified pharmacy technician.</li> </ul>	4	0	2	5	7
<p>The Contractor's proposed <b>Pharmacy Claim Review Manager</b> for the PBM Project must:</p> <ol style="list-style-type: none"> <li>1. Have extensive knowledge of Medicaid claims processing, data management and pharmacy practices,</li> <li>2. Have a bachelor's degree, preferably in health care administration, nursing, health information administration or comparable work experience, and</li> <li>3. Have at least two (2) years of pharmacy auditing management experience.</li> </ol> <p><u>Requested Qualifications:</u></p> <ul style="list-style-type: none"> <li>• Qualified pharmacy technician or Pharmacist licensed in Ohio, in good standing; and</li> <li>• A Certified Fraud Examiner (CFE) designation or eligible to earn such designation within 6 months of contract award and/or a Registered Health Information Administrator (RHIA)</li> </ul>	4	0	2	5	7

Scored Criteria	Weight	Does Not Meet	Partially Meets	Meets	Exceeds
<p>The Contractor's proposed <b>Clinical Pharmacist</b> for the PBM Project must:</p> <ol style="list-style-type: none"> <li>1. Be a full-time employee of the offeror (prime contractor) or its sub-contractor,</li> <li>2. Be a registered pharmacist licensed in Ohio in good standing,</li> <li>3. Have extensive knowledge of claims processing systems (including Medicaid) and drug information systems,</li> <li>4. Have three (3) years of experience with government or private sector health care payer, and</li> <li>5. Have knowledge of hospital, home infusion, community and long term care pharmacy practices.</li> </ol> <p>Requested Qualifications:</p> <ul style="list-style-type: none"> <li>• Previous experience with clinical call centers with large healthcare payer; and</li> <li>• Pharm D. degree.</li> </ul>	4	0	2	5	7

Proposed PBM Solution					
Supplement 1: PBM Statement of Work (10%)					
Scored Criteria	Weight	Does Not Meet	Partially Meets	Meets	Exceeds
Project Management Requirements	15	0	2	5	7
System Development Life Cycle	5	0	2	5	7
<i>Project Plan / Staffing Plan and Time Commitment</i>					
Project Plan Requirements	10	0	2	5	7
Staffing Plan & Time Commitment Requirements excluding key staff	10	0	2	5	7

**Supplement 2: Requirements Matrix**

***Claims Processing Requirements (10%)***

<b>Scored Criteria</b>	<b>Weight</b>	<b>Does Not Meet</b>	<b>Partially Meets</b>	<b>Meets</b>	<b>Exceeds</b>
Drug File Requirements	1	0	2	5	7
Configurability Requirements	15	0	2	5	7
Adjudication Requirements	3	0	2	5	7
Adjustment Requirements	3	0	2	5	7
Paper Claim/Attachment Requirements	1	0	2	5	7
ProDUR Requirements	4	0	2	5	7
Quality Requirements	6	0	2	5	7
Third Party Liability Requirements	6	0	2	5	7
Transaction Management Requirements	1	0	2	5	7

***Utilization Management Requirements (15%)***

<b>Scored Criteria</b>	<b>Weight</b>	<b>Does Not Meet</b>	<b>Partially Meets</b>	<b>Meets</b>	<b>Exceeds</b>
Boards and Committees Requirements	8	0	2	5	7
PDL Administration / Utilization Management Requirements	8	0	2	5	7
Prior Authorization Administration Requirements	8	0	2	5	7
Lock-In Administration Requirements	4	0	2	5	7
MAC Pricing Requirements	8	0	2	5	7
Provider Administered Pharmaceutical Requirements	8	0	2	5	7
Service Desk Requirements	5	0	2	5	7
Communications Requirements	4	0	2	5	7
Website Requirements	5	0	2	5	7
Contact Management Requirements	2	0	2	5	7

<b>Rebate Requirements (12.5%)</b>					
<b>Scored Criteria</b>	<b>Weight</b>	<b>Does Not Meet</b>	<b>Partially Meets</b>	<b>Meets</b>	<b>Exceeds</b>
Federal Rebate Requirements	25	0	2	5	7
State Supplemental Rebate Requirements	20	0	2	5	7
Medical Supply Requirements	5	0	2	5	7

<b>Claim Review Requirements (7.5%)</b>					
<b>Scored Criteria</b>	<b>Weight</b>	<b>Does Not Meet</b>	<b>Partially Meets</b>	<b>Meets</b>	<b>Exceeds</b>
Risk Assessment Requirements	5	0	2	5	7
Desk Claim Review Requirements	4	0	2	5	7
Concurrent Claim Review Requirements	5	0	2	5	7
On-Site Claim Review Requirements	3	0	2	5	7
Long-Term Care Returned Medication Claim Review Requirements	3	0	2	5	7
Claim Review Reconsideration Requirements	2	0	2	5	7
Claim Review Financial Management Requirements	5	0	2	5	7
Claim Review Reporting Requirements	3	0	2	5	7

<b>Reporting / Analytics Requirements (15%)</b>					
<b>Scored Criteria</b>	<b>Weight</b>	<b>Does Not Meet</b>	<b>Partially Meets</b>	<b>Meets</b>	<b>Exceeds</b>
ProDUR Requirements	3	0	2	5	7
Prior Authorization Requirements	3	0	2	5	7
Monthly Status Report/Dashboard Requirements	3	0	2	5	7
Specialty Requirements	4	0	2	5	7
340B Requirements	3	0	2	5	7
Pharmacy Enrollment Requirements	3	0	2	5	7
MAC Requirements	4	0	2	5	7

<b>Reporting / Analytics Requirements (15%)</b>					
<b>Scored Criteria</b>	<b>Weight</b>	<b>Does Not Meet</b>	<b>Partially Meets</b>	<b>Meets</b>	<b>Exceeds</b>
CMS 64.9R Requirements	3	0	2	5	7
CMS 64 Requirements	2	0	2	5	7
CMS Annual DUR Report Requirements	2	0	2	5	7
Quarterly Drug Rebate Report	2	0	2	5	7
T-MSIS Requirements	2	0	2	5	7
TPL Cost Avoidance Report Requirements	3	0	2	5	7
Canned Report Requirements	3	0	2	5	7
Quarterly Clinical Report Requirements	5	0	2	5	7
PDL Evaluation Report Requirements	5	0	2	5	7
DSS/Business Intelligence Requirements	5	0	2	5	7
Ad Hoc Reporting Requirements	5	0	2	5	7

<b>Optional Requirements (5%)</b>					
<b>Scored Criteria</b>	<b>Weight</b>	<b>Does Not Meet</b>	<b>Partially Meets</b>	<b>Meets</b>	<b>Exceeds</b>
Retro-DUR Requirements	5	0	2	5	7
Specialty Pharmacy Requirements	5	0	2	5	7
Provider Administered Drug Adjudication Requirements	5	0	2	5	7
DSS/Data Warehouse	5	0	2	5	7

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

Criteria	Percentage
<b>Technical Proposal</b>	<b>70%</b>
<b>Cost Summary</b>	<b>20%</b>
- Start-Up / Implementation Costs	5%
- Ongoing Operations & Maintenance Costs	15%
<b>MBE Set-aside</b>	<b>10%</b>

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

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

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

**Cost Summary Points:** The offeror with the lowest proposed Start-Up / Implementation Not-To-Exceed Fixed Price will receive 50 points. The remaining offerors will receive a percentage of the maximum cost points available based upon the following formula:

$$\text{Start-Up / Implementation Cost Points} = \frac{\text{Lowest Not-To-Exceed Fixed Price}}{\text{Offeror's Not-To-Exceed Fixed Price}} \times 50$$

The offeror with the lowest proposed On-going Operations and Maintenance Not-To-Exceed Fixed Price will receive 150 points. The remaining offerors will receive a percentage of the maximum cost points available based upon the following formula:

$$\text{On-going Operations and Maintenance Cost Points} = \frac{\text{Lowest Not-To-Exceed Fixed Price}}{\text{Offeror's Not-To-Exceed Fixed Price}} \times 150$$

**Total Cost Summary Points:**

$$\text{Total Cost Summary Points} = \text{Offeror's Start-Up / Implementation Cost Points} + \text{Offeror's On-going Operations and Maintenance Cost Points}$$

**MBE Set-aside Points:** The offeror with the highest proposed MBE Set-aside Cost percentage will receive 100 points respectively. The remaining offerors will receive a percentage of the maximum MBE Set-aside point available based upon the following formula:

$$\text{MBE Set-aside Points} = \frac{\text{Offeror Set-aside Cost Percentage}}{\text{Highest MBE Set-aside Cost Percentage}} \times 100$$

**Total Points Score:** The total points score is calculated using the following formula:

$$\text{Total Points Score} = \text{Offeror's Technical Proposal Points} + \text{Offeror's Total Cost Summary Points} + \text{Offeror's MBE Set-aside Points}$$

## ATTACHMENT TWO: PROJECT REQUIREMENTS AND SPECIAL PROVISIONS

### PART ONE: PROJECT REQUIREMENTS

This attachment describes the Project and what the Contractor must do to get the job done. It also describes what the Contractor must deliver as part of the completed Project (the "Deliverables"). Additionally, it gives a detailed description of the Project's schedule.

**Statement of Work.** The Statement of Work, Contractor Responsibilities and Deliverables are contained in the following supplements:

Supplement 1: PBM Statement of Work;  
Supplement 2: PBM Requirements Matrix;  
Supplement 3: Security and Privacy; and  
Supplement 4: PBM Performance Standards / Liquidated Damages.

The offeror's proposal must specify a firm and fixed fee for completion of all activities set forth in this RFP. Compensation will be based on the selected offeror's accepted cost proposal. That is the only compensation the offeror may claim for services provided as described in this RFP.

### PART TWO: SPECIAL PROVISIONS

**Work Hours and Conditions.** The State shall be available to participate in the Project during normal business hours Monday through Friday (generally 8:30 a.m. to 5:00 p.m.) during non-State holidays. The offeror shall indicate, as part of its response, any dependencies on the State by way of work location, hours outside those indicated or any other project delivery work, location or conditions requirements.

**Software Licenses.** The Contractor must provide or arrange for appropriate software licenses to meet the internal users, external users and other user's access to the Contractor's proposed hosted PBM solution necessary to meet the requirements of this RFP. The PBM software licensing model provided by the Contractor will allow all required users access as appropriate (e.g., user permissions) to applicable functionality, information and data in the PBM solution. The PBM software licensing also gives the State the right to provide authorized individuals access to the PBM solution remotely through a browser or client software and an Internet or similar connection for all uses and purposes identified in this RFP and Supplements.

**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. The Contractor must complete its work in steps that will result in Deliverables associated with those steps, and the Contractor must provide the required Deliverables no later than the due dates proposed in the RFP or included in the Contractor's Project Plan as approved by the State.

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

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

If the State determines that a Deliverable is not in compliance, the Project Representative will note the reason for non-compliance and send the form to the Contractor Implementation Manager (e.g., Contractor's 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 unless otherwise stipulated by the State.

If the State agrees the Deliverable is compliant, the Project Representative will indicate that by signing the Deliverable Submittal Form and returning a copy of it to the Contractor. In addition, if the Project Representative or designee determines that the State should make a payment associated with the Deliverable, the 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.

**General Systems Implementation Standards.** The Contractor must use its best efforts through quality assurance procedures to ensure the following for the work provided under this Contract:

- there are no viruses or malware;
- there are no undocumented features in its approach in providing the Services; and
- there are no embedded devices or code (e.g., time bomb) that is intended to obstruct or prevent any use of or access by the State.

**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.

**MBE Set-aside and Reporting.** In the State's commitment to make more State contracts, services, benefits and opportunities available to minority business enterprises(MBE), the State included in the Evaluation Scoring Formula of this RFP, a provision for the offeror to seek and set aside work for MBEs. The work set aside should equate to a minimum of 15% of the offeror's cost proposal under RFP 0A1111. In seeking bids, the offeror must:

- Utilize a competitive process to which only Ohio certified MBEs may respond;
- Have established criteria by which prospective MBEs will be evaluated including business ability and specific experience related to the work requirements;
- Require the MBE to maintain their certification throughout the term of the Contract, including any renewals; and
- Propose the awarded MBE as a subcontractor under RFP 0A1111.

After award of the RFP, the Contractor must submit a quarterly report to the DAS Equal Opportunity Division's (EOD) Contract Manager or designee documenting the work performed by and payments made to the MBE. These reports must reflect the level of MBE commitment agreed to in the Contract. The reports must be filed at a time and in a form prescribed by the DAS/EOD Contract Manager or designee.

**The Contractor's Fee Structure.** The Contract award will be for a Not-To-Exceed Fixed Price, payable in accordance with the selected Contractor's Cost Summary, a Microsoft Excel® Workbook (Attachment Eleven) native format.

- 1) The Contractor's "Start-Up & Implementation Costs (total Not-To-Exceed Fixed Price)" will be paid as a one-time payment upon implementation and acceptance of the PBM solution in the Production environment (Go-Live) by the State and upon receipt of a valid invoice from the Contractor.
- 2) The Contractor's "On-going PBM Operations and Maintenance Costs for the identified Claims Processing Services, Utilization Management Services, Rebate Services, Claim Review Services, and Reporting/Analytics Services (total Not-To-Exceed Fixed Price)" will be paid monthly by the State upon receipt of a valid invoice from the Contractor.

**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 offeror has not submitted an appropriate affirmation form (Attachment Nine) representing that it will ensure that all work on the project will be performed in the United States and 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.

## ATTACHMENT THREE: REQUIREMENTS FOR PROPOSALS

**Proposal Format.** Each Proposal must include sufficient data to allow the State to verify the total cost for the Project and all of the offeror's claims of meeting the RFP's requirements. Each Proposal must respond to every request for information in this attachment, whether the request requires a simple "yes" or "no" or requires a detailed explanation. Simply repeating the RFP's requirement and agreeing to comply may be an unacceptable response and may cause the Proposal to be rejected.

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 a 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.

**Response Specifics.** Offeror responses should use a consistent contrasting color (**blue** is suggested to contrast with the black text of this RFP 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 (**font size 10**) 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 in Supplements 1, 2, 3 and 4 (per the response options), whether the request requires a simple "yes" or "no" or requires a detailed explanation. Simply repeating the RFP's requirement and agreeing to comply may be an unacceptable response and may cause the Proposal to be rejected.

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.

Each Proposal must contain the following ***tabbed sections in the in-line response:***

**Technical Proposal**

- Cover Letter
- Vendor Information Form (OBM-5657)
- Subcontractor Letters
- MBE Certification
- Offeror Experience and Capabilities
- Offeror Certification Form
- Offeror Profile Summary Forms
- Personnel Profile Summary Forms
- Proposed Solution
  - Supplement 1: PBM Scope of Work and Project Requirements
  - Supplement 2: PBM Requirements Matrix
  - Supplement 3: Security and Privacy Requirements
  - Supplement 4: PBM Performance Standards / Liquidated Damages
- Project Plan (Microsoft Project as required in Supplement 1 and this RFP)
- Staffing Plan and Time Commitment
- Assumptions
- Support Requirements
- Conflict of Interest Statement
- Proof of Insurance
- Payment Address
- Legal Notice Address
- W-9 Form
- Independent Contractor Acknowledgement Form
- Standard Affirmation and Disclosure Form (EO 2011-12K)
- Background Checks
- Affirmative Action
- Attachment Two: Special Provisions Response
- Attachment Four Acceptance: General Terms and Conditions

**Cost Proposal**

- Cost Summary – Microsoft Excel workbook (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; and
- c. A statement certifying the Contractor is a business entity and will not submit the Independent Contractor/Worker Acknowledgement to the ordering agency.

**Vendor Information Form.** The offeror must submit a signed and completed Vendor Information Form (OBM-5657) for itself and for each subcontractor the offeror plans to use under the Contract. The form is available at <http://obm.ohio.gov/MiscPages/Forms/default.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.

**MBE Certification.** Any offeror seeking to submit a proposal must be certified by the Department of Administrative Services pursuant to ORC 123.151 (MBE) and must provide a copy of their Ohio MBE Certification.

**Offeror Experience and Capabilities.** As part of the evaluation process, offerors are to provide the following information to be scored by the State:

1. A brief description (i.e., no more than two, single-spaced pages) of the offeror's (organization's) history and current operations in Ohio and the United States, including an identification of the states (i.e., state Medicaid agencies) with which the offeror contracted or currently contracts to conduct pharmacy benefit management or pharmacy program oversight activities for Medicaid managed care. Include any subcontractors in the response.
2. The total number of corporate years and the total number of staff years, separately, that the offeror and staff have been performing pharmacy benefit management and pharmacy program oversight activities for each state contract identified in response to item 1 above.
3. For each state listed in item 1 above, that the offeror holds/held a contract with to conduct pharmacy benefit management or pharmacy program oversight activities for Medicaid managed care, indicate if the offeror is/was physically located in, and hires/hired residents of, each state.
4. The offeror (prime contractor) or its subcontractor(s) must demonstrate at least five (5) years of experience in the following areas for Medicaid clients of similar size and characteristics to the Ohio Department of Medicaid:
  - i. Pharmacy claims processing;
  - ii. Federal drug rebate administration;

- iii.State supplemental drug rebate administration;
- iv.Pharmacy audit (claim review) services;
- v.Health plan preferred drug lists;
- vi.Prior authorization;
- vii.Lock-in programs for inappropriate controlled substance use;
- viii.Drug utilization review programs; and
- ix.Drug and medical claim analytics and reporting

For each activity the offeror shall select the state as identified in item 1 above, and address each of the following components (a. through f.) at a minimum:

- a. Effective dates of the state contract;
  - b. Total years that the activity is/was performed for the state;
  - c. The number of full time equivalents (FTEs) allocated by the offeror to perform the activity;
  - d. A brief description of the activity conducted including the list of deliverables produced for the state;
  - e. An indication if the deliverables were produced according to requirements established by the state for the deliverable;
    - i. Did the offeror receive payment in full for producing the deliverables as required by the state?
    - ii. Was the offeror placed under a corrective plan or subject to a performance withhold due to a breach of the contract or failure to meet contract requirements?
    - iii. Was the deliverable completed on/before or after the established due date?
  - f. Contact information for the state contact (preferably the clients project/contract manager) that can validate the information provided by the offeror.
5. Developing, implementing, maintaining, troubleshooting, and modifying/enhancing a “data dashboard” that tracks key performance indicators to monitor a pharmacy program and provides comparative analyses of current data and/or historical trends.

**Note:** *The offeror may submit a description of a project completed for a non-Medicaid contract. In the response, the offeror should provide all applicable information for the contract for which the service was performed.*

- 6. Developing, implementing, maintaining, and modifying/enhancing a performance scorecard to evaluate the performance of health plans and/or providers using a standardized scoring methodology and a meaningful rating system (e.g., stars, letter grades).
- 7. Providing technical assistance to the state and/or health plans related to quality improvement, performance improvement, health systems reform, payment reform strategies, value-based purchasing, research design, evaluation methods, statistical/data analysis, data systems, Medicaid policies/regulations and/or care coordination/management strategies.

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

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

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

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

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

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

- **Contact Information.** The offeror must provide a client contact name, title, phone number, email address, company name, and mailing address. The offeror also must include the same information for an alternate client contact, in case the State cannot reach the primary contact. Failure to provide this information or providing information that is inaccurate or out of date may result in the State not including the reference in the evaluation process or rejecting the offeror's Proposal. The contact information given must be for a person within the client's organization and not a co-worker or a contact within the offeror's organization, subsidiaries, partnerships, etc.
- **Project Name.** The offeror must provide the name or title for the work, such as a project name, from which it obtained the mandatory experience.
- **Dates of Experience.** The offeror must complete this area with a beginning month and year and an ending month and year to show the length of time the offeror performed the work, not just the length of time the offeror was engaged by the reference.
- **Description of the Related Service Provided.** The State will not assume that, since the experience requirement is provided at the top of the page, all descriptions on that page relate to that requirement. The offeror must reiterate the experience being described, including the capacity in which the work was performed and the role of the offeror on the 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 do the Project.**

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

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

THE OFFEROR MAY USE THE EXPERIENCE OR QUALIFICATIONS OF THE OFFEROR OR A SUBCONTRACTOR TO MEET THE OFFEROR MANDATORY QUALIFICATIONS OR EXPERIENCE DOCUMENTED IN THIS RFP. If the offeror seeks to meet any of the offeror qualifications and experience through a subcontractor, the offeror must identify the subcontractor by name in the appropriate part of the offeror Profile Summary Form, in Attachment Seven to this RFP, for each reference.

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

**The Personnel Profile Summary Forms contained in this RFP have been customized for the applicable candidate requirements. Each page of the forms may contain minor variations. If an offeror elects to duplicate the forms electronically, the offeror must carefully review each form to**

**ensure that it has been copied accurately. Failure to duplicate the forms exactly may lead to the rejection of the offeror's Proposal.**

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

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

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

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

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

- d) Required Experience and Qualifications. The offeror must complete this section to show how its candidate meets the experience requirements. (Refer to Supplement 1, Section 2.3, PBM Project Team Organization and Attachment One: Evaluation Criteria of the RFP document.)

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

- Candidate's Name, Organization (Offeror / Subcontractor Name), Proposed Project Position.
- Contact Information. The offeror must provide a client contact name, title, phone number, email address, company name, and mailing address. The offeror also must include the same information for an alternate client contact, in case the State cannot reach the primary contact. Failure to provide this information or providing information that is inaccurate or out of date may result in the State not including the reference in the evaluation process or rejecting the offeror's Proposal. The contact information given must be for a person within the client's organization and not a co-worker or a contact within the offeror's organization, subsidiaries, partnerships, etc.
- Dates of Experience. The offeror must complete this section with a beginning month and year and an ending month and year to show the length of time the candidate performed the technical experience being described, not just the length of time the candidate worked for the company.

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

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

**Proposed Solution.** The offeror must describe in detail how its proposed solution meets the functional and technical requirements described in this RFP. The offeror may not simply state that the proposed solution will meet or exceed the specified requirements. Instead, the offeror must provide a written narrative that shows that the offeror understands the functionality and the technical requirements of this RFP and how the offeror's proposed solution meets those requirements.

The offeror's proposed system solution section of the Proposal should include the insertion of the offeror's in-line responses to Supplements 1, 2, 3, and 4 as noted below:

- Supplement 1: PBM Statement of Work Requirements – is being provided as a Microsoft Word document 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.

The offeror must demonstrate a complete and coherent solution to Supplement 1 pertaining to the PBM solution including the quality and content of the offeror's proposal response to (1) the proposed PBM Project Management methodology to meet the RFP's requirements, (2) the PBM solution implementation activities, and (3) the on-going operations and maintenance of the proposed PBM solution in Production. The narrative addressing the project plank project schedule and staffing plan must be consistent and complementary and must be presented in an appropriate level of detail. This area of the offeror's proposal must clearly demonstrate the offeror will be prepared to quickly undertake and successfully complete the required services, activities, and Deliverables.

The offeror's response to Supplement 1 must be inserted in this section of the offeror's proposal response.

- Supplement 2: PBM Requirements Matrix – is being provided as a Microsoft Word document 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.

The quality and content of the offeror's response for the requirements defined in Supplement 2 will be critical aspects of the State's review. The narrative (e.g., Offeror Proposed Solution, if applicable, and Offeror Comments) addressing the Supplement 2 requirements must be consistent and complementary and must be presented in an appropriate level of detail. This area of the offeror's proposal must clearly demonstrate how the functionality will be provided for in the PBM solution.

The offeror's response to Supplement 2 must be inserted in this section of the offeror's proposal response.

- Supplement 3: Security and Privacy – is being provided as a Microsoft Word document 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.

The quality and content of the offeror's response to Supplement 3 must demonstrate the quality, completeness, and rigor applied to adherence to State Security and Privacy, IT Computing and Data Handling requirements as it pertains to the PBM Project requirements in Supplements 1 and 2. Additionally, the offeror's agreement and understanding of Supplement 3 will be a factor in the State's review.

The offeror's response to Supplement 3 must be inserted in this section of the offeror's proposal response.

- Supplement 4: PBM Performance Standards / Liquidated Damages – is being provided as a Microsoft Word document 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.

Offerors must include the entire content of Supplement 4 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 PBM Performance Standards / Liquidated Damages contained in Supplement 4. The State may reject any Proposal if the offeror takes exception to performance standards / liquidated damages provisions of this RFP.

The offeror's response to Supplement 4 must be inserted in this section of the offeror's proposal response.

**Project Plan.** The State encourages responses that demonstrate a thorough understanding of the nature of the Project and what the Contractor must do to get the Project done properly. The offeror must submit a Project Plan for the PBM services work (Supplement 1, 2, 3 and 4) that the offeror will use to create a consistent and coherent management plan for the Project. The Project Plan must be provided by the offeror and should not be included in an inline response (i.e., offerors should provide the Project Plan as a separate file in native Microsoft Project or Office formats) as attachments to their response.

The Project Plan must include detail sufficient to give the State an understanding of how the offeror's knowledge and approach will:

- Manage the Project;
- Guide Project execution;
- Document planning assumptions and decisions;
- Facilitate communication among stakeholders;
- Define key management review as to content, scope, and schedule; and
- Provide a baseline for progress measurement and Project control.

At a minimum, the offeror's Project Plan, as applicable must include the following:

- Description of the Project management approach;
- A summary work breakdown structure; Scope statement that includes the Project objectives and the Project Deliverables and milestones;
- The offeror must provide a detailed Project Plan as a Microsoft Project Gantt chart, showing all major Project tasks on a week-by-week schedule and indications of State participation requirements in the Project to serve as the basis for managing and delivering the Project. The schedule must clearly demonstrate how the Project will become fully operational by the delivery date. Within this detailed plan, the offeror must give dates for when all Deliverables and

milestones will be completed and start and finish dates for tasks. The offeror also must identify and describe all risk factors associated with the forecasted schedule;

- Who is assigned responsibility for each Deliverable within the work breakdown structure to the level at which control will be exercised;
- Performance measurement baselines for technical scope and schedule;
- Description of the offeror's proposed organization(s) and management structure responsible for fulfilling the Contract's requirements and supporting the Project, in terms of oversight and control;
- A summary required State staff and their expected roles, participation and level of effort;
- Description of the review processes for each milestone and Deliverable (e.g. mandatory design review) and a description of how the parties will conduct communication and status review;
- Description of the Project issue resolution process including an escalation plan;
- Description of the approach to manage subcontractors effectively, if the offeror is proposing subcontractors; and
- High-level subsidiary Project management plans:
  - Integration Management,
  - Issue Management,
  - Change Management,
  - Scope Management,
  - Time Management,
  - Cost Management,
  - Quality Management, including: Quality Planning, Quality Assurance, and Quality Control,
  - Communication Management, and
  - Risk Management (including constraints and assumptions, planned responses and contingencies).

**Staffing Plan and Time Commitment.** The offeror must provide a staffing plan that identifies all the personnel by position that the offeror proposes and that are required to do the Project. The staffing plan must show each individual's responsibilities on the Project. The State also requires a staffing plan that matches the proposed Project key personnel and qualifications to the activities and tasks that will be completed on the project.

At minimum the offeror's proposal must identify the following Contractor Key Project Personnel:

1. Implementation Manager (e.g., Contractor's Project Manager),
2. Account Manager,
3. Clinical Account Manager,
4. Configuration Manager,
5. Data Analyst,
6. Rebate Manager,
7. Service Desk Manager,
8. Pharmacy Claim Review Manager, and
9. Clinical Pharmacist.

Additionally, the State has documented Key Project Personnel qualifications along with other personnel implementation and operations resource qualifications and requirements in Supplement 1, Section 2.3. PBM Project Team Organization.

In addition, the plan must have the following information:

- An organizational chart including any subcontractors and key management and administrative personnel assigned to this project;
- A minimum of three references (Attachment Eight) for each named Contractor Key Project Personnel;
- A contingency plan that shows the ability to add more staff if needed to ensure meeting the Work's due date(s);
- The number of people onsite at the State location at any given time to allow the State to plan for the appropriate workspace; and
- A statement and a chart that clearly indicates the time commitment of the offeror's Key Project Personnel, and the offeror's proposed team members for this Project during each phase of the project, the System Development Life Cycle associated with the Project, and the commencement and ongoing operation and administration of the proposed PBM solution.
- The offeror also must include a statement indicating to what extent, if any, the candidates may work on other projects or assignments that are not State related during the term of the Contract. The State may reject any Proposal that commits the proposed Implementation Manager, Account Manager or any proposed Key Project Personnel to other projects during the term of the work, 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 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 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 (4-page limit per resume) of the proposed Key Project Personnel must include:

- Proposed Candidate's Name;
- Proposed role on this project;
- Listings of completed projects 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;
- Education;
- Professional Licenses/Certifications/Memberships; and
- 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.

**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 to. 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.

**Conflict of Interest Statement.** Each Proposal must include a statement indicating whether the offeror or any people that may work on or benefit from the Project through the offeror have a possible conflict of interest (e.g., employed by the State of Ohio, etc.) and, if so, the nature of that conflict. The State may reject a Proposal in which an actual or apparent conflict is disclosed. The State also may terminate the Contract if it discovers any actual or apparent conflict of interest that the offeror did not disclose in its Proposal.

**Proof of Insurance.** The offeror must provide the certificate of insurance in the form that Attachment Four requires. 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> \l "zoom=80

**Standard Affirmation and Disclosure Form (EO 2011-12K).** The offeror must complete and sign the Affirmation and Disclosure Form (Attachment Nine) 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>

**Background Checks.** All Contractor and subcontractor personnel assigned to the Pharmacy Benefits Management Services 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.

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 ODM designated Project facilities.

**Affirmative Action.** Before a contract can be awarded or renewed, an Affirmative Action Program Verification Form must be completed using:  
<http://das.ohio.gov/Divisions/EqualOpportunity/AffirmativeActionProgramVerification/tabid/133/Default.aspx>

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

**Acceptance of Attachment Two: Project Requirements and Special Provisions.** Offerors must include the entire content of Attachment Two 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 Project Requirements and Special Provisions contained in Attachment Two. The State may reject any Proposal if the offeror takes exception to special provisions of this RFP.

In addition, the attachment's content must not be modified. If the content is modified, reformatted or omitted, the offeror's response may be disqualified.

**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. The State may reject any Proposal if the offeror takes exception to the terms and conditions of this RFP.

In addition, the attachment's content must not be modified. If the content is modified, reformatted or omitted, the offeror's response may be disqualified.

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

In addition, offerors must indicate the MBE cost and percentage for each element of the offeror's proposed cost utilizing the Cost Workbook in Attachment Eleven. The total MBE cost will be the sum of all MBE elements in the Cost Proposal. The percentage will be the total MBE cost divided by the total offeror proposed cost.

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

The offeror's total cost for the entire 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.

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.

**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 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: PROJECT AND CONTRACT ADMINISTRATION

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

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

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

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

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

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

**Record Keeping.** The Contractor must keep all financial records in accordance with generally accepted accounting principles 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.

**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 Pharmacy Benefits Management Services 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 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 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, it will be entitled to cover for the Project 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 Project to the extent that such costs, when combined with payments already made to the Contractor for the Project 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 termination is for the convenience of the State, the Contractor will be entitled to compensation for any work on the project that the Contractor has performed before the termination. Such compensation will be the Contractor's exclusive remedy in the case of termination for convenience and will be available to the Contractor only once the Contractor has submitted a proper invoice for such, with the invoice reflecting the amount that the State determines it owes to the Contractor. The State will make that determination based on the lesser of the percentage of the Project completed or the hours of work performed in relation to the estimated total hours required to perform the entire Project.

The State will have the option of suspending 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 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. If the suspension is for the convenience of the State, then termination of the Contract will be a termination for convenience. If the suspension is with cause, the termination will also be for cause.

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 Pharmacy Benefits Management Services 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. Background checks and fingerprint searches must be completed before a Contractor or subcontractor gaining access to State facilities, sensitive and/or confidential information or systems. The State may not accept Contractor or subcontractor personnel whose background contains a history of misdemeanor or felony convictions for offenses related to; theft, bad checks, violence, sex crimes, drugs, or dishonesty. All costs associated with this will be at the Contractor's expense.

**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.

#### **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.** Contractor's sole and exclusive remedy for any ODM failure to perform under this contract will be an action in the Ohio Court of Claims pursuant to ORC Chapter 2743. 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, Contractor agrees to defend ODM against any such claims or legal actions if called upon by ODM to do so.

## PART FIVE: ACCEPTANCE AND MAINTENANCE

**Acceptance.** There will be a formal acceptance procedure for the Project Deliverables. Acceptance of the Project depends on a successful completion of the Project Deliverables defined in the RFP. If the Project Representative issues a letter of noncompliance, then the Contractor will have 30 calendar days to correct the problems listed in the noncompliance letter. If the Contractor fails to do so, the Contractor will be in default without a cure period. If the Project Representative has issued a noncompliance letter, the Deliverables or the Project as a whole will not be accepted until the Project Representative issues a letter of acceptance indicating that each problem noted in the noncompliance letter has been cured. If the problems have been fixed during the 30 day period, the Project Representative will issue the acceptance letter within 15 calendar days or as mutually agreed to by the State and Contractor.

If the Project Deliverables fail to meet the requirements after 30 calendar days from the issue date of the noncompliance letter, 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 Project Deliverables.

**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. 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 the 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.

## **PART SEVEN: LAW AND COURTS**

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

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

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

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

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

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

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

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

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

must comply with all security and safety rules, regulations, and policies applicable to people on those premises.

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

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

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

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

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

**ATTACHMENT FIVE: SAMPLE CONTRACT**

**A CONTRACT BETWEEN  
THE DEPARTMENT OF ADMINISTRATIVE SERVICES  
ON BEHALF OF THE OHIO DEPARTMENT OF MEDICAID  
AND**

\_\_\_\_\_  
**(CONTRACTOR)**

**THIS CONTRACT**, which results from RFP #0A1111, entitled Pharmacy Benefits Management, 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. The one page Contract (Attachment Five) in its final format; and
2. The State's Pharmacy Benefits Management Services Negotiated Contract dated MONTH, DAY, 201x which includes the referenced RFP, and the Best and Final Offer (BAFO).

The Contract is the result of 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.

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.

This Contract has an effective date of the later of \_\_\_\_\_, 20\_\_\_\_, or the occurrence of all conditions precedent specified in the General Terms and Conditions.

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

**CONTRACTOR**  
**<<CONTRACTOR NAME>>**

**STATE OF OHIO**  
**DEPARTMENT OF ADMINISTRATIVE SERVICES**

SAMPLE – DO NOT FILL OUT

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: Robert Blair  
Title: Director  
Date: \_\_\_\_\_

**ATTACHMENT SIX**

**OFFEROR CERTIFICATION FORM**

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

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

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

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

Potential Conflicts (by person or entity affected)

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

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

5. The offeror certifies that all its and its subcontractors' personnel provided for the Project 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 30% of the Project.
7. The following is a complete list of all subcontractors, if any, that the offeror will use on the Project, if the State selects the offeror to do the Project:

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

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 Project.

8. The offeror certifies that any MBE program participants will provide necessary data to ensure program reporting and compliance.

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

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

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Company D-U-N-S Number

**ATTACHMENT SEVEN  
OFFEROR PROFILE SUMMARY  
OFFEROR MANDATORY REQUIREMENTS**

Note: This form may be duplicated as necessary to provide sufficient information to provide that the offeror meets the Mandatory requirement.

**OFFEROR MANDATORY REQUIREMENT:** The offeror (prime contractor) and/or its subcontractor(s) must demonstrate at least five (5) years of experience in the following areas for public sector clients of similar size, scope and characteristics of the Ohio Department of Medicaid RFP:

1. Pharmacy claims processing for large scale public sector programs;
2. Drug rebate administration;
3. Pharmacy audit (claim review) services;
4. Health plan preferred drug lists;
5. Prior authorization;
6. Lock-in programs for inappropriate controlled substance use;
7. Drug utilization review programs; and
8. Drug and medical claim analytics and reporting.

<b>Offeror (prime contractor) / Subcontractor Name:</b>		
<b>Company (Client) Name:</b>	<b>Contact Name:</b> <small>(Indicate Primary or Alternate)</small>	
	<b>Contact Title:</b>	
<b>Company Address:</b>	<b>Contact Phone Number:</b>	
	<b>Contact Email Address:</b>	
<b>Project Name:</b>	<b>Beginning Date of Experience:</b> <small>Month/Year</small>	<b>Ending Date of Experience:</b> <small>Month/Year</small>
<b>List Related Service Provided:</b>		
<p><b>Describe how the related service shows the offeror’s experience, capability, and capacity to develop the Deliverables or to achieve the Project:</b></p>		

**ATTACHMENT SEVEN  
OFFEROR PROFILE SUMMARY - CONTINUED  
OFFEROR REQUIREMENTS**

Note: This form may be duplicated as necessary to provide sufficient information to provide that the offeror meets the offeror requirement.

**OFFEROR REQUIREMENT:** Experience with pharmacy claims processing for Fee-For-Service (FFS) Medicaid.

<b>Offeror (prime contractor) / Subcontractor Name:</b>		
<b>Company (Client) Name:</b>	<b>Contact Name:</b> (Indicate Primary or Alternate)	
	<b>Contact Title:</b>	
<b>Company Address:</b>	<b>Contact Phone Number:</b>	
	<b>Contact Email Address:</b>	
<b>Project Name:</b>	<b>Beginning Date of Experience:</b>	<b>Ending Date of Experience:</b>
	Month/Year	Month/Year
<b>List Related Service Provided:</b>		
<p><b>Describe how the related service shows the offeror's experience, capability, and capacity to develop the Deliverables or to achieve the Project:</b></p>		

**ATTACHMENT SEVEN  
OFFEROR PROFILE SUMMARY - CONTINUED  
OFFEROR REQUIREMENTS - CONTINUED**

Note: This form may be duplicated as necessary to provide sufficient information to provide that the offeror meets the offeror requirement.

**OFFEROR REQUIREMENT:** Experience with Federal drug rebate administration for Medicaid.

<b>Offeror (prime contractor) / Subcontractor Name:</b>		
<b>Company (Client) Name:</b>	<b>Contact Name:</b> (Indicate Primary or Alternate)	
	<b>Contact Title:</b>	
<b>Company Address:</b>	<b>Contact Phone Number:</b>	
	<b>Contact Email Address:</b>	
<b>Project Name:</b>	<b>Beginning Date of Experience:</b>	<b>Ending Date of Experience:</b>
	Month/Year	Month/Year
<b>List Related Service Provided:</b>		
<p><b>Describe how the related service shows the offeror's experience, capability, and capacity to develop the Deliverables or to achieve the Project:</b></p>		

**ATTACHMENT SEVEN  
OFFEROR PROFILE SUMMARY - CONTINUED  
OFFEROR REQUIREMENTS - CONTINUED**

Note: This form may be duplicated as necessary to provide sufficient information to provide that the offeror meets the offeror requirement.

**OFFEROR REQUIREMENT:** Experience with State supplemental drug rebate administration for Medicaid.

<b>Offeror (prime contractor) / Subcontractor Name:</b>		
<b>Company (Client) Name:</b>	<b>Contact Name:</b> (Indicate Primary or Alternate)	
	<b>Contact Title:</b>	
<b>Company Address:</b>	<b>Contact Phone Number:</b>	
	<b>Contact Email Address:</b>	
<b>Project Name:</b>	<b>Beginning Date of Experience:</b>	<b>Ending Date of Experience:</b>
	Month/Year	Month/Year
<b>List Related Service Provided:</b>		
<p><b>Describe how the related service shows the offeror's experience, capability, and capacity to develop the Deliverables or to achieve the Project:</b></p>		

**ATTACHMENT SEVEN  
OFFEROR PROFILE SUMMARY - CONTINUED  
OFFEROR REQUIREMENTS - CONTINUED**

Note: This form may be duplicated as necessary to provide sufficient information to provide that the offeror meets the offeror requirement.

**OFFEROR REQUIREMENT:** Experience with pharmacy audit (claim review) services.

<b>Offeror (prime contractor) / Subcontractor Name:</b>		
<b>Company (Client) Name:</b>	<b>Contact Name:</b> <small>(Indicate Primary or Alternate)</small>	
	<b>Contact Title:</b>	
<b>Company Address:</b>	<b>Contact Phone Number:</b>	
	<b>Contact Email Address:</b>	
<b>Project Name:</b>	<b>Beginning Date of Experience:</b>	<b>Ending Date of Experience:</b>
	<small>Month/Year</small>	<small>Month/Year</small>
<b>List Related Service Provided:</b>		
<p><b>Describe how the related service shows the offeror’s experience, capability, and capacity to develop the Deliverables or to achieve the Project:</b></p>		

**ATTACHMENT SEVEN  
OFFEROR PROFILE SUMMARY - CONTINUED  
OFFEROR REQUIREMENTS - CONTINUED**

Note: This form may be duplicated as necessary to provide sufficient information to provide that the offeror meets the offeror requirement.

**OFFEROR REQUIREMENT:** Experience with creating/maintaining FFS preferred drug lists for Medicaid.

<b>Offeror (prime contractor) / Subcontractor Name:</b>		
<b>Company (Client) Name:</b>	<b>Contact Name:</b> <small>(Indicate Primary or Alternate)</small>	
	<b>Contact Title:</b>	
<b>Company Address:</b>	<b>Contact Phone Number:</b>	
	<b>Contact Email Address:</b>	
<b>Project Name:</b>	<b>Beginning Date of Experience:</b>	<b>Ending Date of Experience:</b>
	<small>Month/Year</small>	<small>Month/Year</small>
<b>List Related Service Provided:</b>		
<p><b>Describe how the related service shows the offeror's experience, capability, and capacity to develop the Deliverables or to achieve the Project:</b></p>		

**ATTACHMENT SEVEN  
OFFEROR PROFILE SUMMARY - CONTINUED  
OFFEROR REQUIREMENTS - CONTINUED**

Note: This form may be duplicated as necessary to provide sufficient information to provide that the offeror meets the offeror requirement.

**OFFEROR REQUIREMENT:** Experience with Prior authorization administration for Medicaid.

<b>Offeror (prime contractor) / Subcontractor Name:</b>		
<b>Company (Client) Name:</b>	<b>Contact Name:</b> (Indicate Primary or Alternate)	
	<b>Contact Title:</b>	
<b>Company Address:</b>	<b>Contact Phone Number:</b>	
	<b>Contact Email Address:</b>	
<b>Project Name:</b>	<b>Beginning Date of Experience:</b>	<b>Ending Date of Experience:</b>
	Month/Year	Month/Year
<b>List Related Service Provided:</b>		
<p><b>Describe how the related service shows the offeror's experience, capability, and capacity to develop the Deliverables or to achieve the Project:</b></p>		

**ATTACHMENT SEVEN  
OFFEROR PROFILE SUMMARY - CONTINUED  
OFFEROR REQUIREMENTS - CONTINUED**

Note: This form may be duplicated as necessary to provide sufficient information to provide that the offeror meets the offeror requirement.

**OFFEROR REQUIREMENT:** Experience with Lock-in program administration for Medicaid.

<b>Offeror (prime contractor) / Subcontractor Name:</b>		
<b>Company (Client) Name:</b>	<b>Contact Name:</b> (Indicate Primary or Alternate)	
	<b>Contact Title:</b>	
<b>Company Address:</b>	<b>Contact Phone Number:</b>	
	<b>Contact Email Address:</b>	
<b>Project Name:</b>	<b>Beginning Date of Experience:</b>	<b>Ending Date of Experience:</b>
	Month/Year	Month/Year
<b>List Related Service Provided:</b>		
<p><b>Describe how the related service shows the offeror’s experience, capability, and capacity to develop the Deliverables or to achieve the Project:</b></p>		

**ATTACHMENT SEVEN  
OFFEROR PROFILE SUMMARY - CONTINUED  
OFFEROR REQUIREMENTS - CONTINUED**

Note: This form may be duplicated as necessary to provide sufficient information to provide that the offeror meets the offeror requirement.

**OFFEROR REQUIREMENT:** Experience with drug utilization review programs for Medicaid.

<b>Offeror (prime contractor) / Subcontractor Name:</b>		
<b>Company (Client) Name:</b>	<b>Contact Name:</b> (Indicate Primary or Alternate)	
	<b>Contact Title:</b>	
<b>Company Address:</b>	<b>Contact Phone Number:</b>	
	<b>Contact Email Address:</b>	
<b>Project Name:</b>	<b>Beginning Date of Experience:</b>	<b>Ending Date of Experience:</b>
	Month/Year	Month/Year
<b>List Related Service Provided:</b>		
<p><b>Describe how the related service shows the offeror’s experience, capability, and capacity to develop the Deliverables or to achieve the Project:</b></p>		

**ATTACHMENT SEVEN  
OFFEROR PROFILE SUMMARY - CONTINUED  
OFFEROR REQUIREMENTS - CONTINUED**

Note: This form may be duplicated as necessary to provide sufficient information to provide that the offeror meets the offeror requirement.

**OFFEROR REQUIREMENT:** Experience with drug and medical claim analytics and reporting.

<b>Offeror (prime contractor) / Subcontractor Name:</b>		
<b>Company (Client) Name:</b>	<b>Contact Name:</b> (Indicate Primary or Alternate)	
	<b>Contact Title:</b>	
<b>Company Address:</b>	<b>Contact Phone Number:</b>	
	<b>Contact Email Address:</b>	
<b>Project Name:</b>	<b>Beginning Date of Experience:</b>	<b>Ending Date of Experience:</b>
	Month/Year	Month/Year
<b>List Related Service Provided:</b>		
<p><b>Describe how the related service shows the offeror's experience, capability, and capacity to develop the Deliverables or to achieve the Project:</b></p>		

**ATTACHMENT SEVEN  
OFFEROR PROFILE SUMMARY - CONTINUED  
OFFEROR REQUIREMENTS - CONTINUED**

Note: This form may be duplicated as necessary to provide sufficient information to provide that the offeror meets the offeror requirement.

**OFFEROR REQUIREMENT:** Experience in developing, implementing, maintaining, troubleshooting, and modifying/enhancing a “data dashboard” that tracks key performance indicators to monitor a pharmacy program and provides comparative analyses of current data and/or historical trends.

<b>Offeror (prime contractor) / Subcontractor Name:</b>		
<b>Company (Client) Name:</b>	<b>Contact Name:</b> <small>(Indicate Primary or Alternate)</small>	
	<b>Contact Title:</b>	
<b>Company Address:</b>	<b>Contact Phone Number:</b>	
	<b>Contact Email Address:</b>	
<b>Project Name:</b>	<b>Beginning Date of Experience:</b>	<b>Ending Date of Experience:</b>
	<small>Month/Year</small>	<small>Month/Year</small>
<b>List Related Service Provided:</b>		
<p><b>Describe how the related service shows the offeror’s experience, capability, and capacity to develop the Deliverables or to achieve the Project:</b></p>		



**ATTACHMENT SEVEN  
OFFEROR PROFILE SUMMARY - CONTINUED  
OFFEROR REQUIREMENTS - CONTINUED**

Note: This form may be duplicated as necessary to provide sufficient information to provide that the offeror meets the offeror requirement.

**OFFEROR REQUIREMENT:** Experience providing technical assistance to the state and/or health plans related to quality improvement, performance improvement, health systems reform, payment reform strategies, value-based purchasing, research design, evaluation methods, statistical/data analysis, data systems, Medicaid policies/regulations and/or care coordination/management strategies.

<b>Offeror (prime contractor) / Subcontractor Name:</b>		
<b>Company (Client) Name:</b>	<b>Contact Name:</b> (Indicate Primary or Alternate)	
	<b>Contact Title:</b>	
<b>Company Address:</b>	<b>Contact Phone Number:</b>	
	<b>Contact Email Address:</b>	
<b>Project Name:</b>	<b>Beginning Date of Experience:</b>	<b>Ending Date of Experience:</b>
	Month/Year	Month/Year
<b>List Related Service Provided:</b>		
<p><b>Describe how the related service shows the offeror's experience, capability, and capacity to develop the Deliverables or to achieve the Project:</b></p>		

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

**CANDIDATE REFERENCES**

<b>Candidate's Name:</b> <b>Organization (Offeror / Subcontractor Name):</b>  <b>Proposed Project Position:</b>
--

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

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

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

**Reference #1**

<b>Candidate's Name:</b>
--------------------------

<b>Client Company:</b>	<b>Client Contact Name:</b>	<b>Client Contact Title:</b>	
<b>Client Address:</b>		<b>Client Contact Phone Number: Email:</b>	
<b>Project Name:</b>		<b>Beginning Date of Employment:</b> <small>Month/Year</small>	<b>Ending Date of Employment:</b> <small>Month/Year</small>
<b>Description of services provided that are in line with those to be provided as part of the Project:</b>			
<b>Description of how client work size and complexity are similar to the State's PBM Project:</b>			

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

**CANDIDATE REFERENCES CONTINUED**

**Reference #2**

<b>Candidate's Name:</b>
--------------------------

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



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

**CANDIDATE EDUCATION AND TRAINING**

<b>Candidate's Name:</b>
--------------------------

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

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

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

Note: This form may be duplicated as necessary to provide sufficient information to provide that the proposed candidate meets the Mandatory requirement.

**CANDIDATE MANDATORY REQUIREMENTS  
IMPLEMENTATION MANAGER**

<b>Candidate's Name:</b> <b>Organization (Offeror / Subcontractor Name):</b>
---

**Requirement:**

The proposed **Implementation Manager** (e.g., Contractor Project Manager) for the PBM Project must:

1. Be a full-time employee of the offeror (prime contractor) or its subcontractor;
2. Have a minimum of five (5) years of Project Management experience managing implementations of public sector IT related projects; and
3. Must have attained a Project Management Professional (PMP) Certification from the Project Management Institute (PMI) or equivalent.

<b>Company (Client) Name:</b>	<b>Contact Name:</b>	<b>Contact Title:</b>	
<b>Address:</b>		<b>Contact Phone Number:</b>	
		<b>Email Address:</b>	
<b>Project Name:</b>	<b>Beginning Date of Experience:</b> Month/Year	<b>Ending Date of Experience:</b> Month/Year	
<b>Description of technical experience, capacity performed, and role related to services to be provided for the Project:</b>			

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

Note: This form may be duplicated as necessary to provide sufficient information to provide that the proposed candidate meets the Mandatory requirement.

**CANDIDATE MANDATORY REQUIREMENTS CONTINUED  
ACCOUNT MANAGER**

<b>Candidate's Name:</b> <b>Organization (Offeror / Subcontractor Name):</b>
---

**Requirement:**

The proposed **Account Manager** for the PBM Project must:

1. Be a full-time employee of the offeror (prime contractor);
2. Have a minimum of five (5) years of public sector pharmacy benefit management or pharmacy program oversight related experience; and
3. Have a minimum of three (3) years of project / contract management experience.

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

**ATTACHMENT NINE:  
STANDARD AFFIRMATION AND DISCLOSURE FORM (EO 2011-12K)**



**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.

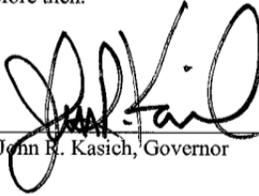
**NOW THEREFORE**, I, John R. Kasich, Governor of the State of Ohio, by virtue of the authority vested in me by the Constitution and the laws of this State, do hereby order and direct that:

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 E. Kasich, Governor

ATTEST:

\_\_\_\_\_  
Jon Husted, Secretary of State

DEPARTMENT OF ADMINISTRATIVE SERVICES  
STANDARD AFFIRMATION AND DISCLOSURE FORM EXECUTIVE ORDER 2011-12K  
Governing the Expenditure of Public Funds on Offshore  
Services

All of the following provisions must be included in all invitations to bid, requests for proposals, state term schedules, multiple award contracts, requests for quotations, informal quotations, and statements of work.

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This information is to be submitted as part of the response to any of the procurement methods listed.

**CONTRACTOR/SUBCONTRACTOR AFFIRMATION AND DISCLOSURE:**

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. Name/Principal location of business of Contractor:**

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

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

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

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

**2. Name/Location where services will be performed by Contractor:**

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

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

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

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

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

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

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

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

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

\_\_\_\_\_  
(Name) (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)

**ATTACHMENT TEN:  
OHIO DEPARTMENT OF MEDICAID  
DATA SHARING AND CONFIDENTIALITY AGREEMENT**

This Data Sharing and Confidentiality Agreement (Agreement) is entered into by and between the Ohio Department of Medicaid (ODM) and the Awarded Vendor in furtherance of the Pharmacy Benefits Management (PBM) Department of Administrative Services (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 PBM 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 PBM 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 the 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 a portable format (e.g. tape, laptop, flash/USB drive).
- 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 PBM 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

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. 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 judicial decision, the operation of the balance of this Agreement is not affected thereby; provided, however, the absence of the illegal provision does not render the performance of the remainder of this Agreement impossible.

*SIGNATURE PAGE FOLLOWS*

### **OHIO DEPARTMENT OF MEDICAID DATA SHARING AND CONFIDENTIALITY AGREEMENT Signature Page**

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date of the signature of the Director of the Ohio Department of Medicaid.

**Vendor Name**

\_\_\_\_\_  
Authorized Signature (Blue Ink Please)

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Address

\_\_\_\_\_  
City, State, Zip

**Ohio Department of Medicaid**

\_\_\_\_\_  
John B. McCarthy, Director

\_\_\_\_\_  
Date

50 West Town Street  
Columbus, Ohio 43215

**ATTACHMENT ELEVEN  
COST PROPOSAL**

Attachment Eleven: Cost Proposal – is being provided as a Microsoft Excel workbook through the State's procurement website as a convenience for responding to the RFP. The workbook's content must not be modified. If the content is modified, reformatted or omitted, the offeror's response may be disqualified.

The Cost Proposal is to be submitted in Microsoft Excel workbook native format (e.g., .xls, .xlsx) – not in PDF or other software tool format.