

REQUEST FOR PROPOSALS

RFP NUMBER: CSP900815
INDEX NUMBER: DAS077
UNSPSC CATEGORY: 80101500, 84131610

The state of Ohio, through the Department of Administrative Services, Office of Procurement Services, for the Human Resources Division (HRD), Benefits Administration Services (BAS), of the Department of Administrative Services (DAS), is requesting proposals for:

HEALTH CARE (HCSA) AND DEPENDENT CARE (DCSA) FLEXIBLE SPENDING ACCOUNTS AND COMMUTER CHOICE PROGRAM ADMINISTRATION FOR STATE OF OHIO EMPLOYEES

RFP ISSUED: April 15, 2014
INQUIRY PERIOD BEGINS: April 15, 2014
INQUIRY PERIOD ENDS: April 29, 2014 at 8:00 a.m.
PROPOSAL DUE DATE: May 12, 2014 by 1:00 p.m.

Proposals received after the due date and time will not be evaluated.

**OPENING LOCATION: Department of Administrative Services
Office of Procurement Services
ATTN: Bid Desk
4200 Surface Rd.
Columbus, OH 43228-1395**

Offerors must note that all proposals and other material submitted will become the property of the state and may be returned only at the state's option. Proprietary information should not be included in a proposal or supporting materials because the state will have the right to use any materials or ideas submitted in any proposal without compensation to the offeror. Additionally, all proposals will be open to the public after the award of the contract has been posted on the State Procurement Web site. Refer to the Ohio Administrative Code, Section 123:5-1-08 (E).

This RFP consists of five (5) parts and ten (10) attachments, four (4) supplements, totaling 81 consecutively numbered pages. Please verify that you have a complete copy.

PART ONE: EXECUTIVE SUMMARY

PURPOSE. This is a Request for Competitive Sealed Proposals (RFP) under Section 125.071 of the Ohio Revised Code (ORC) and Section 123:5-1-08 of the Ohio Administrative Code (OAC). The Department of Administrative Services (DAS), Office of Procurement Services, on behalf of the Human Resources Division (HRD), Benefits Administration Services (BAS), of the Department of Administrative Services (DAS) (the Agency) is soliciting competitive sealed proposals (Proposals) for the Health Care (HCSA) and Dependent Care (DCSA) Flexible Spending Accounts and Commuter Choice Program for State of Ohio Employees and this RFP is the result of that request. If a suitable offer is made in response to this RFP, the state of Ohio (State), through DAS, may enter into a contract (the Contract) to have the selected Offeror (the Contractor) perform all or part of the Project (the Work). This RFP provides details on what is required to submit a Proposal for the Work, how the State will evaluate the Proposals, and what will be required of the Contractor in performing the Work.

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

Once awarded, the term of the Contract will be from the award date through 12/31/17. The State may solely renew this Contract at the discretion of DAS for a period of one month. Any further renewals will be by mutual agreement between the Contractor and DAS for any number of times and for any period of time. The cumulative time of all mutual renewals may not exceed three (3) additional twelve (12) month periods and are subject to and contingent upon the discretionary decision of the Ohio General Assembly to appropriate funds for this Contract in each new biennium. DAS may renew all or part of this Contract subject to the satisfactory performance of the Contractor and the needs of the Agency.

Any failure to meet a deadline in the submission or evaluation phases and any objection to the dates for performance of the Project may result in DAS refusing to consider the Proposal of the Offeror. Offerors shall submit costs on both Health Care and Dependent Spending Accounts and Commuter Choice summaries (Cost Summary – Attachment Ten) or Offeror will be disqualified and deemed unresponsive.

BACKGROUND. The State currently has approximately 50,000 employees who are eligible to participate in the Flexible Spending Accounts (FSA) (HCSA & DCSA) and Commuter Choice Programs. It is important to note that the state of Ohio is exempt from Employee Retirement Income Security Act of 1974 (ERISA).

Since January 1, 2005, the State has offered its employees a Health Care Spending Account (HCSA), which is currently being administered by a Third Party Administrator. The annual employee contribution cap is \$2500 for calendar year 2014 and debit card is provided to each participant. An annual run out period is permitted at the end of the calendar year or upon termination, but a grace period has not been implemented. Should the decision be made to implement a grace period, claims will be administered as directed by the State.

For 2013, about 5,900 employees participated in the HCSA program with a combined contribution total of \$9,195,000. The current HCSA program requires a monthly administrative fee, which is fully paid for by the state of Ohio. A summary of the current benefit plan can be reviewed in Supplement One and additional information may be obtained by visiting the state of Ohio Web site at <http://das.ohio.gov/FlexibleSpendingAccount>. There is no minimum dollar reimbursement amount when using the debit card but a \$25 minimum when a paper check is issued. The 2013 debit card reimbursement total was \$7,386,823 with approximately 89% of those claims being determined through auto adjudication services

In addition, the State offers its employees a Dependent Care Spending Account (DCSA) currently being administered by a Third Party Administrator. About 864 employees participate in a DCSA with a contribution total of \$3,077,000. Approximately 90% of the participants receive reimbursement by direct deposit. The 2013 DCSA reimbursement total was \$2,554,901. The administrative fee for DCSA participants is also paid for by the state of Ohio. A summary of the current benefit plan can be reviewed in Supplement One and additional information may be obtained by visiting the State's Web site at <http://das.ohio.gov/FlexibleSpendingAccount>

The State of Ohio payroll and benefits system is a PeopleSoft based system with which the contractor's software must be compatible. The State currently offers benefits through the following plans:

<u>Plan</u>	<u>Administrator</u>
Ohio Med PPO	Medical Mutual of Ohio United Healthcare Catamaran. (Pharmacy Manager)
Behavioral Health	United Behavioral Health
Dental	Delta Dental
Vision	Vision Service Plan (VSP) Eyemed (Bargaining Unit Only)

Data feed communication between the State's current health plan Contractors and the HCSA/DCSA Contractor for the auto adjudication of claims is an item for consideration upon implementation of this program. The State would facilitate this communication during the term of the Contract.

Lastly, the federal Transportation Equity Act for the 21st Century (TEA-21) was signed into law on June 9, 1998, resulting in a change in the Internal Revenue Code (IRC) affecting transit benefits by allowing pretax income to be used for the purchase of qualified parking on or near a work location at which the employee performs services for the employer. The Federal Transit Administration called the initiative "Commuter Choice." Information about the legislation can be found on the FTA web site: www.fta.dot.gov/library/policy/cc/cc.html.

While most private sector employers are able to fund the administrative cost of Commuter Choice programs by using payroll withholding savings (Social Security, Medicare, Unemployment Tax, etc.), the state of Ohio does not do so. Consequently, in order to fund the administrative cost, state employees must pay the cost from monies saved through reduced tax obligations.

The state of Ohio has approximately 52,000 employees who are eligible to participate in the Commuter Choice Programs throughout all 88 Ohio counties. Of those employees, there are approximately 395 enrolled in the transit program and 1,779 enrolled in the parking program.

The scope of work for the Project is provided in Attachment One: Part One of this RFP. This section only gives a summary of that work. If there is any inconsistency between this summary and the attachment's description of the Work, the attachment will govern.

OBJECTIVES. DAS has the following objectives that it wants this Work to fulfill, and it will be the Contractor's obligation to ensure that the personnel the Contractor provides are qualified to perform their portions of the Work.

The purpose of this RFP is to solicit proposals from qualified parties to administer the HCSA and DCSA flexible spending account (FSA) plans regulated by Internal Revenue Code Section 125 and 129, as well as the Commuter Choice Program. In summary, the Offeror is responsible for addressing how it will provide the following services in its proposal.

A. Administration of the HCSA, DCSA, and Commuter Choice to include:

1. High quality services at a competitive price.
2. Administration of an enrollment process, both real time and annually for Open Enrollment, via web based and paper form
3. Ability to electronically receive and process eligibility on a bi-weekly basis.
4. Ability to mail information, forms and enrollment packets to all eligible employees, specifically during the Annual Open Enrollment.
5. Proactive in effectively and correctly addressing the State employees' needs.
6. Superior customer service to State enrollees and DAS, with little to no redirection to State Human Resource Personnel.
7. Accurate and timely interface file exchanges honoring 4 different schedules as determined by the State's 4 pay groups
8. Administration of the HCSA, DCSA and Commuter Choice plan designs, as proposed, effectively and efficiently.
9. Innovative use of technology for submission and processing of claims/orders and employee self-service.
10. Support for efficient and complete implementation and ongoing operation of the plan.
11. Ability to accurately adjust participant HCSA/DCSA accounts when an allowable "change in status" has occurred
12. Administration of COBRA for HCSA accounts.
13. Ability to successfully meet performance guarantees
14. Employer based Web portal for administrative review of participant accounts, data reports, etc.
15. On-site visits as necessary
16. Ability to electronically transmit participant elections and deductions for each payroll period.
17. Clear and concise communication materials that can be customized i.e. claim forms, enrollment forms, and explanation of the plan for participants.

B. Accurate administration of HCSA and DCSA Reimbursements, it is expected that, at a minimum, the Offeror will:

1. Review and process claims in accordance with plan and regulatory requirements on a pre-determined schedule.
2. Accurate, timely and responsive payment/reimbursement of incurred claims submitted to the plan.
3. Acts as the main point of contact with employees on all matters pertaining to the program, including any and all employee questions, complaints and disputes.
4. The Offeror must be in total compliance with all HIPAA, HITECH, and other state and federal requirements for data privacy and security, including but not limited to safeguards of data integrity, confidentiality and availability.
5. Ensure that all state of Ohio employee data is treated as confidential.
6. Perform annual nondiscrimination testing for the FSA program using information from the state of Ohio payroll system.

7. The State expects that the claims processing system provide a high level of sophistication and flexibility and be capable of accepting eligibility and claim submission data electronically. In addition, the system must include the following features:
 - a. Flexibility to handle and record ongoing changes in employee records.
 - b. Tracking of both individual and total submitted claims and payments.
 - c. Processing of Explanation of Benefits showing the YTD accrual, YTD amount paid out and the unreimbursed balance of participant accounts.
 - d. Ability to offer and efficiently process claims through the use of a no-fee debit card and direct deposit.
 - e. Recordkeeping which complies with federal regulations and provides the necessary information for audit purposes
 - f. Ability to process claim reimbursements for the HCSA and the DCSA within 5 business days.
 - h. Work with designated state of Ohio staff member to reconcile discrepancy reports bi-weekly.
 - i. Reconcile individual accounts quarterly to make any adjustments in payroll deductions to meet the annual elected amount.

- C. Accurate Administration of Ohio Employee Commuter Choice Programs providing fully automated pretax benefit program.
 1. The successful Offeror must possess the knowledge of pretax transit regulations and ensure compatibility with current and future Internal Revenue Service regulations.
 2. Employees are able to enroll in the program with the State's third party administrator (TPA), Contractor, throughout the year.
 3. Parking or transit fees are deducted from the employee's pretax income and forwarded to the TPA.
 4. The Offeror must have the ability to either directly pay parking lot operators or transit authority on a monthly basis, or reimburse the employee for parking and transit expenses paid out-of-pocket.
 5. The Offeror agrees to total responsibility for the implementation and administration of the program, including all interactions and monetary transactions with employees, vendors, and the state.
 6. Acts as the sole point of contact with employees on all matters pertaining to the program, including any and all employee questions, complaints and disputes.
 7. The state's participation in the program is limited to interactions and monetary transactions between the state and the TPA, as well as employee payroll deductions and adjustments to taxable income pursuant to the election agreements made between the TPA and Employee.
 8. The state does not accept any responsibility for any inaccurate monetary exchanges between the participants and the Offeror.
 9. The Offeror will conduct monthly reconciliations of this program, as well as send monthly forfeitures to the state.

CALENDAR OF EVENTS. The schedule for the Project is given below, and is subject to change. DAS may change this schedule at any time. If DAS changes the schedule before the Proposal due date, it will do so through an announcement on the State Procurement Web site area for this RFP. The Web site announcement will be followed by an addendum to this RFP, also available through the State Procurement Web site. After the Proposal due date and before the award of the Contract, DAS will make scheduled changes through the RFP addendum process. DAS will make changes in the Project schedule after the Contract award through the change order provisions located in the general terms and conditions of the Contract. It is each prospective Offeror's responsibility to check the Web site question and answer area for this RFP for current information regarding this RFP and its calendar of events through award of the Contract. No contact shall be made with agency/program staff until contract award is announced.

DATES:

Firm Dates

RFP Issued:	April 15, 2014
Inquiry Period Begins:	April 15, 2014
Inquiry Period Ends:	April 29, 2014, at 8:00 a.m.
Proposal Due Date:	May 12, 2014, by 1:00 p.m.

Estimated Dates

Contract Award Notification:	TBD
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NOTE: These dates are subject to change.

There are references in this RFP to the Proposal due date. Prospective Offerors must assume, unless it is clearly stated to the contrary, that any such reference means the date and time (Columbus, OH local time) that the Proposals are due.

Proposals received after 1:00 p.m. on the due date will not be evaluated.

PART TWO: STRUCTURE OF THIS RFP

ORGANIZATION. This RFP is organized into five (5) parts, ten (10) attachments and four (4) supplements. The parts and attachments are listed below.

PARTS:

Part One	Executive Summary
Part Two	Structure of this RFP
Part Three	General Instructions
Part Four	Evaluation of Proposals
Part Five	Award of the Contract

ATTACHMENTS:

Attachment One	Work Requirements and Special Provisions
Part One	Work Requirements
Part Two	Special Provisions
Attachment Two	Requirements for Proposals
Attachment Three	General Terms and Conditions
Part One	Performance and Payment
Part Two	Work & Contract Administration
Part Three	Ownership & Handling of Intellectual Property & Confidential Information
Part Four	Representations, Warranties, and Liabilities
Part Five	Acceptance and Maintenance
Part Six	Construction
Part Seven	Law & Courts
Attachment Four	Contract
Attachment Five	Offeror Profile Summary
5-A	Offeror Profile Form
5-B	Offeror Prior Project Form
5-C	Offeror Prior Project Form
5-D	Offeror Prior Project Form
Attachment Six	Offeror References
Attachment Seven	Offeror's Candidate Summary
7-A	Offeror's Candidate References
7-B	Offeror's Candidate Education, Training, Licensure, and Certifications
7-C	Offeror's Candidate Experience
Attachment Eight	Offeror Performance Form
Attachment Nine	Contractor / Subcontractor Affirmation and Disclosure Form
Attachment Ten	Cost Summary Form

SUPPLEMENTS

Supplement One	State of Ohio's Program Overview for HCSA and DSCA Plans.
Supplement Two	Technical Requirements, Security, Interface and File Exchange Requirements
Supplement Three	Supplement Four Monthly Third Party Administrator Reporting Sample
Supplement Four	Business Associate Agreement

PART THREE: GENERAL INSTRUCTIONS

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

CONTACTS. The following person will represent DAS:

Nicole Erb, CPPB
Ohio Department of Administrative Services
Office of Procurement Services
4200 Surface Road
Columbus, OH 43228-1395

During the performance of the Work, a State representative (the "Agency Project Representative") will represent the Agency and be the primary contact for matters relating to the Work. The Agency Project Representative will be designated in writing after the Contract award.

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

1. Access the State Procurement Web site at <http://www.ohio.gov/procure>.
2. From the Navigation Bar on the left, select "Find It Fast".
3. Select "Doc/Bid/Schedule #" as the Type.
4. Enter the RFP Number found on Page 1 of the document. (RFP numbers begin with the letters "CSP")
5. Click "Find It Fast" button.
6. On the document information page, click "Submit Inquiry".
7. On the document inquiry page, complete the required "Personal Information" section by providing:
 - a. First and last name of the prospective Offeror's representative who is responsible for the inquiry.
 - b. Name of the prospective Offeror.
 - c. Representative's business phone number.
 - d. Representative's e-mail address.
8. Type the inquiry in the space provided including:
 - a. A reference to the relevant part of this RFP.
 - b. The heading for the provision under question.
 - c. The page number of the RFP where the provision can be found.
9. Click the "Submit" button.

Offerors submitting inquiries will receive an immediate acknowledgement that their inquiry has been received as well as an e-mail acknowledging receipt of the inquiry. Offerors will not receive a personalized e-mail response to their question, nor will they receive notification when the question has been answered.

Offerors may view inquiries and responses using the following process:

1. Access the State Procurement Web site at <http://www.ohio.gov/procure>.
2. From the Navigation Bar on the left, select "Find It Fast".
3. Select "Doc/Bid/Schedule #" as the Type.
4. Enter the RFP Number found on Page 1 of the document. (RFP numbers begin with the letters "CSP")
5. Click "Find It Fast" button.
6. On the document information page, click the "View Q & A" button to display all inquiries with responses submitted to date.

DAS will try to respond to all inquiries within 48 hours of receipt, excluding weekends and State holidays. DAS will not respond to any inquiries received after 8:00 a.m. on the inquiry end date.

Offerors are to base their RFP responses, and the details and costs of their proposed projects, on the requirements and performance expectations established in this RFP for the future contract, not on details of any other potentially related contract or project. If Offerors ask questions about existing or past contracts using the Internet Q&A process, DAS will use its discretion in deciding whether to provide answers as part of this RFP process.

DAS is under no obligation to acknowledge questions submitted through the Q&A process if those questions are not in accordance with these instructions or deadlines.

PROTESTS. Any Offeror that objects to the award of a Contract resulting from the issuance of this RFP may file a protest of the award of the Contract, or any other matter relating to the process of soliciting the Proposals. Such protest must comply with the following information:

1. The protest must be filed by a prospective or actual bidder objecting to the award of a Contract resulting from the RFP. The protest must be in writing and contain the following information:
 - a. The name, address, and telephone number of the protester;
 - b. The name and number of the RFP being protested;
 - c. A detailed statement of the legal and factual grounds for the protest, including copies of any relevant documents;
 - d. A request for a ruling by DAS;
 - e. A statement as to the form of relief requested from DAS; and
 - f. Any other information the protester believes to be essential to the determination of the factual and legal questions at issue in the written request.
2. A timely protest will be considered by DAS, on behalf of the agency, if it is received by the DAS Office of Procurement Services (OPS) within the following periods:
 - a. A protest based on alleged improprieties in the issuance of the RFP, or any other event preceding the closing date for receipt of proposals which are apparent or should be apparent prior to the closing date for receipt of proposals, must be filed no later than five (5) business days prior to the proposal due date.
 - b. If the protest relates to the recommendation of the evaluation committee for an award of the Contract, the protest must be filed as soon as practicable after the Offeror is notified of the decision by DAS regarding the Offeror's proposal.
3. An untimely protest may be considered by DAS at the discretion of DAS. An untimely protest is one received by the DAS OPS after the time periods set in paragraph 2 above. In addition to the information listed in paragraph 1, untimely protests must include an explanation of why the protest was not made within the required time frame.
4. All protests must be filed at the following location:

Department of Administrative Services
Office of Procurement Services
4200 Surface Road
Columbus, OH 43228-1395

SUBJECT: (CSP900815 – DAS077)

This protest language only pertains to this RFP offering.

ADDENDA TO THE RFP. If DAS decides to revise this RFP before the Proposal due date, an addendum will be announced on the State Procurement Web site.

Offerors may view addenda using the following process:

1. Access the State Procurement Web site at <http://www.ohio.gov/procure>;
2. From the Navigation Bar on the left, select "Find It Fast";
3. Select "Doc/Bid/Schedule #" as the Type;
4. Enter the RFP Number found on Page 1 of the document (RFP numbers begin with the letters "CSP");
5. Click "Find It Fast" button;
6. On the document information page, click on the addendum number to display the addendum.

When an addendum to this RFP is necessary, DAS may extend the Proposal due date through an announcement on State Procurement Web site. Addenda announcements may be provided any time before 5:00 p.m. on the day before the Proposal is due. It is the responsibility of each prospective Offeror to check for announcements and other current information regarding this RFP.

After the submission of Proposals, addenda will be distributed only to those Offerors whose submissions are under active consideration. When DAS issues an addendum to the RFP after Proposals have been submitted, DAS will permit Offerors to withdraw their Proposals.

This withdrawal option will allow any Offeror to remove its Proposal from active consideration should the Offeror feel that the addendum changes the nature of the transaction to the extent that the Offeror's Proposal is no longer in its interests. Alternatively, DAS may allow Offerors that have Proposals under active consideration to modify their Proposals in response to the addendum, as described below.

Whenever DAS issues an addendum after the Proposal due date, DAS will tell all Offerors whose Proposals are under active consideration whether they have the option to modify their Proposals in response to the addendum. Any time DAS amends the RFP after the Proposal due date, an Offeror will have the option to withdraw its Proposal even if DAS permits modifications to the Proposals. If the Offerors are allowed to modify their Proposals, DAS may limit the nature and scope of the modifications. Unless otherwise stated in the notice by DAS, modifications and withdrawals must be made in writing and must be submitted within ten (10) business days after the addendum is issued. If this RFP provides for a negotiation phase, this procedure will not apply to changes negotiated during that phase. Withdrawals and modifications must be made in writing and submitted to DAS at the address and in the same manner required for the submission of the original Proposals. Any modification that is broader in scope than DAS has authorized may be rejected and treated as a withdrawal of the Offeror's Proposal.

PROPOSAL SUBMITTAL. Each Offeror must submit a Technical Proposal and a Cost Proposal as part of its Proposal package. Proposals must be submitted as two (2) separate components (Cost Proposal and Technical Proposal) in separate sealed envelopes/packages. Each Technical Proposal package must be clearly marked "CSP900815 RFP – Technical Proposal" on the outside of each Technical Proposal package's envelope. Each Cost Proposal package must be clearly marked "CSP900815 RFP – Cost Proposal" on the outside of each Cost Proposal package's envelope. Each Offeror must submit one (1) original, completed and signed in blue ink, and four (4) copies for a total of five (5) Proposal packages.

The Offeror must also submit, in the sealed package, a complete copy of the Proposals on CD-ROM in Microsoft Office (Word, Excel, or Project) 2003 or higher, format and/or PDF format as appropriate. In the event there is a discrepancy between the hard copy and the electronic copy, the hard copy will be the official Proposal. Proposals are due no later than the proposal due date, at 1:00 p.m. Proposals submitted by e-mail or fax are not acceptable and will not be considered. Proposals must be submitted to:

Department of Administrative Services
Office of Procurement Services - Bid Desk
4200 Surface Road
Columbus, OH 43228-1395

DAS will reject any Proposals or unsolicited Proposal addenda that are received after the deadline. An Offeror that mails its Proposal must allow adequate mailing time to ensure its timely receipt. DAS recommends that Offerors submit proposals as early as possible. Proposals received prior to the deadline are stored, unopened, in a secured area until 1:00 p.m. on the due date. Offerors must also allow for potential delays due to increased security. DAS will 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, 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. DAS is not responsible for the accuracy of any information regarding this RFP that was gathered through a source different from the inquiry process described in the RFP.

ORC Section 9.24 prohibits DAS from awarding a Contract to any Offeror(s) against whom the Auditor of State has issued a finding for recovery if the finding for recovery is "unresolved" at the time of award. By submitting a Proposal, the Offeror warrants that it is not now, and will not become subject to an "unresolved" finding for recovery under Section 9.24, prior to the award of a Contract arising out of this RFP, without notifying DAS of such finding. ORC Section 9.231 applies to this contract.

DAS may reject any Proposal if the Offeror takes exception to the terms and conditions of this RFP, fails to comply with the procedure for participating in the RFP process, or the Offeror's Proposal fails to meet any requirement of this RFP. Any question asked during the inquiry period will not be viewed as an exception to the Terms and Conditions.

CONFIDENTIAL, PROPRIETARY OR TRADE SECRET INFORMATION. DAS procures goods and services through a RFP in a transparent manner and in accordance with the laws of the state of Ohio. All proposals provided to DAS in response to this RFP become records of DAS and as such, will be open to inspection by the public after award unless exempt from disclosure under the Ohio Revised Code or another provision of law.

Unless specifically requested by the State, an Offeror should not voluntarily provide to DAS any information that the Offeror claims as confidential, proprietary or trade secret and exempt from disclosure under the Ohio Revised Code or another provision of law. Additionally, the Offeror must understand that all Proposals and other material submitted will become the

property of the State and may be returned only at the State's option. Confidential, proprietary or trade secret information

should not be voluntarily included in a Proposal or supporting materials because DAS will have the right to use any materials or ideas submitted in any Proposal without compensation to the Offeror.

However, if the State requests from the Offeror, or if the Offeror chooses to include, information it deems confidential, proprietary or trade secret information, the Offeror may so designate information as such and request that the information be exempt from disclosure under the Ohio Revised Code or another provision of law. The Offeror must clearly designate the part of the proposal that contains confidential, proprietary or trade secret information in order to claim exemption from disclosure by submitting both an unredacted copy and a redacted copy of its proposal in both electronic and paper (hard) format. Both electronic and paper (hard) copies shall be clearly identified as either 'ORIGINAL COPY' or "REDACTED COPY". Failure to properly redact and clearly identify all copies will result in the State treating all information in the original proposal as a public record.

DAS will review the claimed confidential, proprietary or trade secret information to determine whether the material is of such nature that confidentiality is warranted.

The decision as to whether such confidentiality is appropriate rests solely with DAS. If DAS determines that the information marked as confidential, trade secret, or proprietary does not meet a statutory exception to disclosure, DAS will inform the Offeror, in writing, of the information DAS does not consider confidential.

Upon receipt of DAS' determination that all or some portion of the Offeror's designated information will not be treated as exempt from disclosure, the Offeror may exercise the following options:

1. Withdraw the Offeror's entire Proposal;
2. Request that DAS evaluate the Proposal without the claimed confidential, proprietary or trade secret information; or
3. Withdraw the designation of confidentiality, trade secret, or proprietary information for such information.

In submitting a proposal, each Offeror agrees that DAS may reveal confidential, proprietary and trade secret information contained in the proposal to DAS staff and to the staff of other state agencies, any outside consultant or other third parties who serve on an evaluation committee or who are assisting DAS in development of specifications or the evaluation of proposals. The State shall require said individuals to protect the confidentiality of any specifically identified confidential, proprietary or trade secret information obtained as a result of their participation in the evaluation.

Finally, if information submitted in the Proposal is not marked as confidential, proprietary or trade secret, it will be determined that the Offeror waived any right to assert such confidentiality.

DAS will retain all Proposals, or a copy of them, as part of the Contract file for at least ten (10) years. After the retention period, DAS may return, destroy, or otherwise dispose of the Proposals or the copies.

WAIVER OF DEFECTS. DAS may waive any defects in any Proposal or in the submission process followed by an Offeror. DAS will only do so if it believes that it is in the State's interests and will not cause any material unfairness to other Offerors.

MULTIPLE OR ALTERNATE PROPOSALS. DAS accepts multiple Proposals from a single Offeror, but DAS requires each such Proposal be submitted separately from every other Proposal the Offeror makes. Additionally, the Offeror must treat every Proposal submitted as a separate and distinct submission and include in each Proposal all materials, information, documentation, and other items this RFP requires for a Proposal to be complete and acceptable. No alternate Proposal may incorporate materials by reference from another Proposal made by the Offeror or refer to another Proposal. DAS will judge each alternate Proposal on its own merit.

ADDENDA TO PROPOSALS. Addenda or withdrawals of Proposals will be allowed only if the addendum or withdrawal is received before the Proposal due date. No addenda 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 Attachment Two of this RFP.

DAS wants clear and concise Proposals. Offerors should, however, take care to completely answer questions and meet the RFP's requirements thoroughly. All Offerors, including current contract holders, if applicable, must provide detailed and complete responses as Proposal evaluations, and subsequent scores, are based solely on the content of the Proposal.

No assumptions will be made or values assigned for the competency of the Offeror whether or not the Offeror is a current or previous contract holder.

The requirements for the Proposal's contents and formatting are contained in an attachment to this RFP.

DAS will not be liable for any costs incurred by an Offeror in responding to this RFP, regardless of whether DAS 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 by issuing another RFP.

1. PART FOUR: EVALUATION OF PROPOSALS

EVALUATION OF PROPOSALS. The evaluation process consists of, but is not limited to, the following steps:

1. Certification. DAS shall open only those proposals certified as timely by the Auditor of State.
2. Initial Review. DAS will review all certified Proposals for format and completeness. DAS normally rejects any incomplete or incorrectly formatted Proposal, though it may waive any defects or allow an Offeror to submit a correction. If the Offeror meets the formatting and mandatory requirements listed herein, the State will continue to evaluate the proposal.
3. Proposal Evaluation. The procurement representative responsible for this RFP will forward all timely, complete, and properly formatted Proposals to an evaluation committee, which the procurement representative will chair. The evaluation committee will rate the Proposals submitted in response to this RFP based on criteria and weight assigned to each criterion.

The evaluation committee will evaluate and numerically score each Proposal that the procurement representative has determined to be responsive to the requirements of this RFP. The evaluation will be according to the criteria contained in this Part of the RFP. An attachment to this RFP may further refine these criteria, and DAS has a right to break these criteria into components and weight any components of a criterion according to their perceived importance.

The committee may also have the Proposals or portions of them reviewed and evaluated by independent third parties or various State personnel with technical or professional experience that relates to the Work or to a criterion in the evaluation process. The committee may also seek reviews of end users of the Work or the advice or evaluations of various State committees that have subject matter expertise or an interest in the Work. In seeking such reviews, evaluations, and advice, the committee will first decide how to incorporate the results in the scoring of the Proposals. The committee may adopt or reject any recommendations it receives from such reviews and evaluations.

The evaluation will result in a point total being calculated for each Proposal. At the sole discretion of DAS, any Proposal, in which the Offeror received a significant number of zeros for sections in the technical portions of the evaluation, may be rejected.

DAS will document all major decisions in writing and make these a part of the Contract file along with the evaluation results for each Proposal considered.

4. Clarifications & Corrections. During the evaluation process, DAS may request clarifications from any Offeror under active consideration and may give any Offeror the opportunity to correct defects in its Proposal if DAS believes doing so does not result in an unfair advantage for the Offeror and it is in the State's best interests. Any clarification response that is broader in scope than what DAS has requested may result in the Offeror's proposal being disqualified.
5. Interviews, Demonstrations, and Presentations. DAS may require top Offerors to be interviewed. Such presentations, demonstrations, and interviews will provide an Offeror with an opportunity to clarify its Proposal and to ensure a mutual understanding of the Proposal's content. This will also allow DAS an opportunity to test or probe the professionalism, qualifications, skills, and work knowledge of the proposed candidates. The presentations, demonstrations, and interviews will be scheduled at the convenience and discretion of DAS. DAS may record any presentations, demonstrations, and interviews. No more than the top three (3) Proposals may be requested to present an oral presentation of their proposed Work Plan to the committee.
6. Contract Negotiations. Negotiations will be scheduled at the convenience of DAS. The selected Offeror(s) are expected to negotiate in good faith.
 - a. General. Negotiations may be conducted with any Offeror who submits a competitive Proposal, but DAS may limit discussions to specific aspects of the RFP. Any clarifications, corrections, or negotiated revisions that may occur during the negotiations phase will be reduced to writing and incorporated in the RFP, or the Offeror's Proposal, as appropriate. Negotiated changes that are reduced to writing will become a part of the Contract file open to inspection to the public upon award of the Contract. Any Offeror whose response continues to be competitive will be accorded fair and equal treatment with respect to any clarification, correction, or revision of the RFP and will be given the opportunity to negotiate revisions to its Proposal based on the amended RFP.
 - b. Top-ranked Offeror. Should the evaluation process have resulted in a top-ranked Proposal, DAS 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, DAS may then 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.

- c. Negotiation with Other Offerors. If DAS decides to negotiate with all the remaining Offerors, or decides that negotiations with the top-ranked Offeror are not satisfactory and negotiates with one or more of the lower-ranking Offerors, DAS will then determine if an adjustment in the ranking of the remaining Offerors is appropriate based on the negotiations. The Contract award, if any, will then be based on the final ranking of Offerors, as adjusted.

Negotiation 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.

- d. Post Negotiation. Following negotiations, DAS may set a date and time for the submission of best and final Proposals by the remaining Offeror(s) with which DAS conducted negotiations. If negotiations were limited and all changes were reduced to signed writings during negotiations, DAS need not require the submissions of best and final Proposals.

It is entirely within the discretion of DAS 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. DAS is free to limit negotiations to particular aspects of any Proposal, to limit the Offerors with whom DAS wants to negotiate, and to dispense with negotiations entirely.

DAS generally will not rank negotiations. The negotiations will normally be held to correct deficiencies in the preferred Offeror's Proposal. If negotiations fail with the preferred Offeror, DAS may negotiate with the next Offeror in ranking. Alternatively, DAS may decide that it is in the interests of the State to negotiate with all the remaining Offerors to determine if negotiations lead to an adjustment in the ranking of the remaining Offerors.

From the opening of the Proposals to the award of the Contract, everyone working on behalf of the State to evaluate the Proposals will seek to limit access to information contained in the Proposals solely to those people with a need to know the information. They will also seek to keep this information away from other Offerors, and the evaluation committee will not be allowed to 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.

The written changes will be drafted and signed by the Offeror and submitted to DAS within a reasonable period of time. If DAS accepts the change, DAS will give the Offeror written notice of DAS' acceptance. The negotiated changes to the successful offer will become a part of the Contract.

- e. 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, DAS may terminate negotiations with that Offeror and collect on the Offeror's proposal bond, if a proposal bond was required in order to respond to this RFP.
7. Best and Final Offer. If best and final proposals, or best and final offers (BAFOs), are required, they may be submitted only once; unless DAS makes a determination that it is in the State's interest to conduct additional negotiations. In such cases, DAS 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 Offeror's previous Proposal will be considered the Offeror's best and final proposal.
 8. Determination of Responsibility. DAS may review the highest-ranking Offerors or its key team members to ensure that the Offeror is responsible. The Contract may not be awarded to an Offeror that is determined not to be responsible. DAS' determination of an Offeror's responsibility may include the following factors: the experience of the Offeror and its key team members; past conduct and past performance on previous contracts; ability to execute this contract properly; and management skill. DAS will make such determination of responsibility based on the Offeror's Proposal, reference evaluations, and any other information DAS requests or determines to be relevant.
 9. Reference Checks. DAS may conduct reference checks to verify and validate the Offeror's or proposed candidate's past performance. Reference checks indicating poor or failed performance by the Offeror or proposed candidate may be cause for rejection of the proposal. In addition, failure to provide requested reference contact information may result in DAS not including the referenced experience in the evaluation process.

The reference evaluation will measure the criteria contained in this part of the RFP as it relates to the Offeror's previous contract performance including, but not limited, to its performance with other local, state, and federal

entities. DAS reserves the right to check references other than those provided in the Offeror's Proposal. DAS may obtain information relevant to criteria in this part of the RFP, which is deemed critical to not only the successful operation and management of the Project, but also the working relationship between the State and the Offeror.

10. Financial Ability. Part of the Proposal evaluation criteria is the qualifications of the Offeror which may include, as a component, the Offeror's financial ability to perform the Contract. This RFP may expressly require the submission of financial statements from all Offerors in the Proposal contents attachment. If the Proposal contents attachment does not make this an expressed requirement, the State may still request that an Offeror submit audited financial statements for up to the past three (3) years if the State is concerned that an Offeror may not have the financial ability to carry out the Contract.

In evaluating an Offeror's financial ability, if requested, the State will review the documentation provided by the Offeror to determine if the Offeror's financial position is adequate or inadequate. If the State believes the Offeror's financial ability is not adequate, the State may reject the Proposal despite its other merits.

DAS will decide which phases are necessary. DAS has the right to eliminate or add phases at any time in the evaluation process.

To maintain fairness in the evaluation process, all information sought by DAS will be obtained in a manner such that no Offeror is provided an unfair competitive advantage.

MANDATORY REQUIREMENTS. The following Table 1 contains items that are considered minimum requirements for this RFP.

Determining the Offeror's ability to meet the minimum requirements is the first step of the DAS evaluation process. The Offeror must demonstrate, to DAS, it meets all minimum requirements listed in the Mandatory Requirements section (Table 1). The Offeror's response to the minimum requirements must be clearly labeled "Mandatory Requirements" and collectively contained in Tab 1 of the Offeror's Proposal in the "Cover Letter and Mandatory Requirements" section. (Refer to Attachment Two of the RFP document for additional instructions.)

DAS will evaluate Tab 1, alone, to determine whether the Proposal meets all Mandatory Requirements. If the information contained in Tab 1 does not clearly meet every Mandatory Requirement, the Proposal may be disqualified by DAS and DAS may not evaluate any other portion of the Proposal.

TABLE 1 - MANDATORY PROPOSAL REQUIREMENTS

MANDATORY OFFEROR REQUIREMENTS
Offeror shall demonstrate it has administered flexible spending accounts for a minimum of three clients, with at least five thousand (5,000) participants enrolled in one or both of these programs, within the last five (5) years while operating as the TPA of a Commuter Choice Program with at least one client who had 1500 enrollees
The Offeror must provide a statement documenting that annual independent audit results provide evidence that it meets or exceeds IRS compliance standards.
The Offeror must demonstrate that it has a fully automated Web-based system with the ability to transfer files confidentially via FTP (File Transfer Protocol) or other format determined by the state.

If the State receives no Proposals meeting all of the mandatory requirements, the State may elect to cancel this RFP.

PROPOSAL EVALUATION CRITERIA. If the Offeror provides sufficient information to DAS, in Tab 1, of its proposal, demonstrating it meets the Mandatory Requirements, the Offeror's Proposal will be included in the next part of the evaluation process which involves the scoring of the Proposal Technical Requirements, followed by the scoring of the Cost Proposals. In the Proposal evaluation phase, DAS rates the Proposals submitted in response to this RFP based on the following listed criteria and the weight assigned to each criterion. The possible points allowed in this RFP are distributed as indicated in the Table 2 - Scoring Breakdown.

TABLE 2 - SCORING BREAKDOWN

Criteria	Maximum Allowable Points
Proposal Technical Requirements	700 Points
Proposal Cost	300 Points
Total	1000 Points

The scale below (0-5) will be used to rate each proposal on the criteria listed in the Technical Proposal Evaluation table.

DOES NOT MEET 0 POINTS	WEAK 1 POINT	WEAK TO MEETS 2 POINTS	MEETS 3 POINTS	MEETS TO STRONG 4 POINTS	STRONG 5 POINTS
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DAS will score the Proposals by multiplying the score received in each category by its assigned weight and adding all categories together for the Offeror's Total Technical Score in Table 3. Representative numerical values are defined as follows:

DOES NOT MEET (0 pts.): Response does not comply substantially with requirements or is not provided.

WEAK (1 pt.): Response was poor related to meeting the objectives.

WEAK TO MEETS (2 pts.): Response indicates the objectives will not be completely met or at a level that will be below average.

MEETS (3 pts.): Response generally meets the objectives (or expectations).

MEETS TO STRONG (4 pts.): Response indicates the objectives will be exceeded.

STRONG (5 pts.): Response significantly exceeds objectives (or expectations) in ways that provide tangible benefits or meets objectives (or expectations) and contains at least one enhancing feature that provides significant benefits.

TABLE 3 - TECHNICAL PROPOSAL EVALUATION

Criterion	Weight	Rating (0=Does not Meet to 5=Strong)	Extended Score
OFFEROR PROFILE			
The Offeror demonstrates a minimum of five (5) years of experience in the development, implementation and administration of Flexible Spending Account projects and fully automated pretax Commuter Choice benefit programs. (Attachments Five A, B, C & D).	3		
Offeror has administered flexible spending accounts for a minimum of three previous clients, with at least five thousand (5,000) participants enrolled in one or both of the FSA programs, within the last five (5) years	3		
Offeror has provided Commuter Choice TPA services for 3 clients over the past 3 years with more than 1500 enrollees	3		
The Offeror has sufficient trained and qualified staff to administer this program, including claim processing, customer service, accurate payroll deduction and account management. The Offeror submitted a list of the key qualified personnel that will be involved in the Work, along with their work experience in the management of Flexible Spending Accounts of a similar size, as well as Commuter Choice Programs.	3		

OFFEROR REFERENCES			
Offeror provided a description of its current relationships and capabilities to provide parking passes from multiple Vendors in Ohio and insures timely delivery of passes to employee's home addresses.	3		
Offeror provided 3 references of companies that it has successfully administered both FSA and Commuter Choice Programs	3		
SCOPE OF WORK			
<u>ADMINISTRATION OF THE HSCA AND DCSA ACCOUNTS INCLUDES:</u> <ul style="list-style-type: none"> • A dedicated account liaison/manager • Ability to receive the eligibility file electronically and to determine the eligibility of HCSA participants based on the initial probationary end date provided on an interface file. • Ability to allow participants to make qualified changes in status and adjust their accounts accordingly • Plan of Action for accounts when participants are on a nonpaid leave of absence or miss deductions. • Ability to perform non-discrimination testing for the HCSA and the DCSA • Federal and State tax interpretations that may impact the HCSA and/or DCSA. • Established procedures for the resolution and escalation of problems or issues between the TPA and the State • Provided any imminent business changes in operations within the next three years. 	10		
<u>ADMINISTRATION OF THE COMMUTER CHOICE PROGRAMS INCLUDES:</u> <ul style="list-style-type: none"> • Capability for real time/anywhere enrollment via Internet and paper forms accessible to all state employees • Established agreements with parking vendors and employees; • Process to receive monthly payments from the State, remit monthly payments to contracted Vendors and receive monthly parking receipts/certification from Employees and make appropriate reimbursements directly to the employee. • Process to receive and distribute monthly parking and /or transit passes to Employees. • Agreement to act as the sole point of contact with participant or those wishing to participate in the program. • A plan for processing employee credits for monies received from the State but not reimbursed to employees. • Ability to balance participants accounts • Comply with all federal regulations and provisions of TEA-21. • Ability to research and provide proactive strategic advice and recommendations to address regulatory issues associated with the programs. 	10		
<u>OPEN ENROLLMENT</u> Annual Open Enrollment process for the HCSA and DCSA includes: <ul style="list-style-type: none"> • Ability to work closely with the State to design and distribute customized Open Enrollment Materials • Ability to enroll via internet or paper forms • Ability to distribute debit cards to all employees enrolled in the HCSA with the correct annual election amount available on January 1. 	10		
<u>CHANGE IN STATUS</u> Processing Change in Status requests for the HCSA and DCSA programs includes:	10		

<ul style="list-style-type: none"> • A protocol to efficiently and effectively process eligible changes in status • A demonstration of a bi-weekly file exchange to reflect the change in status in the state's payroll system • Ability to make accurate deductions based on the file exchange • A communication to the Employee verifying the change has been made in the HCSA or DCSA • A detailed description of its ability to allow participants to make qualified changes in status per the attached matrix (supplement two). The description should include the process participants must follow to make the change, the recalculation and deduction process, and how the change will be communicated to the State payroll via file exchange, including the turn-around time. 			
<p>MEMBER SERVICES:</p> <ul style="list-style-type: none"> • The Call center must be able to answer participant questions 95% of the time regarding allowable change in status situations and offer valid directions on how to make the change according to the Program Overview, and not redirect the participant to the State of Ohio. • Customer Service must have access to forms used by the State • Offeror must have the ability to notify its Customer Service of urgent or DAS specific messages when necessary. • The Offeror will submit its established procedures for the resolution, and escalation if necessary, of participant issues or issues between the TPA and the State. • Customer service representatives must have on-line access to the following information: <ol style="list-style-type: none"> 1) IRS approved IIAS (inventory information approval system) merchant listing updated at least monthly. 2) Employer-specific benefit summaries 3) Eligibility information 	6		
<p>CLAIMS:</p> <ul style="list-style-type: none"> • Ability to accept claims via US Mail, fax, e-mail and online claim submission. • Average turnaround time from the date a claim is received to the date a check or direct deposit is processed for HCSA,DCSA and Commuter Choice claims, not to exceed 5 calendar days • Process for tracking receipts and handling of claims. • Ability to auto-adjudicate known copays and work with the State's medical, prescription, behavioral health, dental and vision, etc. insurance providers to auto-adjudicate common insurance related claims • The capability for direct deposit reimbursements to State employees. • Ability to provide account summaries online or mailed to the participant's address. • Process for screening duplicate claims and manually substantiating claims that are unable to be auto-substantiated. • Procedure for processing claims during the run out period • Claims review process. • Communication to participants regarding incomplete or denied claims • Process for reconciling incorrect payment of claims • Appeals process • Agreement to return to the State all monies not disbursed to contract Vendors or reimbursed to Employees. Monies must be returned no later than 30 days after any of the following events: <ul style="list-style-type: none"> • The Employee withdraws from the program; • The Employee ceases to be an eligible participant; • The Contract with the TPA expires or is terminated for any reason. 	10		

<p><u>COBRA ADMINISTRATION</u> The Contractor will administer the Consolidated Omnibus Budget Reconciliation Act (COBRA) in compliance with established COBRA guidelines for the HCSA.</p>	4		
<p><u>CONTRACTOR CAPABILITIES</u> Overview provided of its procedures and processes regarding the financial aspects of managing the FSA and Commuter Choice programs.</p> <ol style="list-style-type: none"> a. Process to replace reimbursement checks or direct deposits made into closed accounts. b. Handling of checks that have voided. c. The time period for un-deposited or outstanding checks. d. Process for returning funds that have not cleared the bank within the established stale dated check timeframe e. Process for month-end account reconciliations f. Process for reconciliation of all reimbursements issued and voided. g. Forfeiture process and timelines h. Initial deposit/pre-funding arrangements. i. "No returned check" clause. j. Procedure for establishing banking arrangements for clearance of health care spending account (HCSA)/dependent care spending account (DCSA) checks through its processor. 	10		
<p><u>WEBSITE</u> Website includes on-line services and information related to the programs. Offeror must demonstrate the capabilities of the Web-site that will be accessed by the State employees to register enroll, process claims, review explanation of benefits, etc.</p>	10		
<p><u>COMMUNICATION MATERIALS</u> Agreement to collaborate with the state of Ohio to develop ongoing employee communications that enhance employee program knowledge and increase program participation levels.</p> <ol style="list-style-type: none"> a. An agreement that the State will approve all text prior to release of documents and to customize materials for the state of Ohio upon request at no extra cost to the State. b. An agreement to provide a summary plan document (SPD) including a summary of benefit levels and coverage, plan provisional chart and appeal process annually to all state employee home addresses. c. Agreement to provide the State with a web-formatted version of the SPD for the State's Website. d. A minimum of one educational communication piece semi-annually provided to employee home addresses, which may include brochure, postcard or other creative media. e. Appeals letter sent to members will adequately explain the technical process members need to follow to file an appeal. An example of a letter is to be included in the Offeror's response. f. A description of educational services to be provided including plan highlights/educational brochure, participation in benefits fairs, webinars and development of articles for State newsletters. 	6		
<p><u>RECORDS AND REPORTS</u> The Contractor provided a process to store and maintain all records in compliance with IRS requirements for records retention, during the term of the Contract. The State has a ten (10) year records retention requirement. The Contractor must provide a plan to relinquish records subsequent to the expiration of the Contract. . The Offeror must maintain all claims and eligibility history on behalf of the State for 48 months and maintain this data on-line for at least 18 months. This includes maintenance of data regarding eligibility changes for the employee and their dependents (including specific plan options</p>	7		

<p>elected). Contractor agrees to maintain complete and accurate public record information and make available for inspection or audit with reasonable notice</p>			
<p>FEES Offeror agrees to no administrative fees paid during the pre-enrollment notification period or during the enrollment period or during the 6 month run-out period following the final calendar year of the contract. Fees will include the costs associated with the six (6) month run-out period following the expiration of the final plan year</p> <p>Administrative fees shall be proposed on a composite, per participant per month basis. There are to be no minimum participation standards.</p>	6		
<p>RISK AND PERFORMANCE GUARANTEES The Contractor agreed to meet the performance standards</p>	5		
<p>CONFIDENTIALITY AND SECURITY REQUIREMENTS The Contractor's computer system is able to accept an employee ID different from the employee social security number and able to interact successfully with the State's Ohio Administrative Knowledge System (OAKS) (PeopleSoft).</p> <p>The Offeror has a contingency plan(s), procedures, and systems in place to provide backup service in the event of any backlog or acts of God.</p>	3		
<p>TECHNICAL AND SECURITY STANDARD The Ability to meet the state of Ohio interface framework to enable data interchange between the state of Ohio and contractor.</p>	15		

Total Technical Score: _____

In this RFP, DAS asks for responses and submissions from Offerors, most of which represent components of the above criteria. While each criterion 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 will normally result in a rejection of that Offeror's Proposal. The value assigned above to each criterion is only a value used to determine which Proposal is the most advantageous to the State in relation to the other Proposals that DAS received.

Once the technical merits of a Proposal are evaluated, the costs of that Proposal will be considered. It is within DAS' discretion to wait to factor in a Proposal's cost until after any interviews, presentations, demonstrations or discussions. Also, before evaluating the technical merits of the Proposals, DAS may do an initial review of costs to determine if any Proposals should be rejected because of excessive cost. DAS may reconsider the excessiveness of any Proposal's cost at any time in the evaluation process.

COST PROPOSAL POINTS. DAS will calculate the Offeror's Cost Proposal points after the Offeror's total technical points are determined, using the following method:

Cost points = (lowest Offeror's cost/Offeror's cost) x Maximum Allowable Cost Points as indicated in the "Scoring Breakdown" table. The value is provided in the Scoring Breakdown table. "Cost" = Total Not to Exceed Cost identified in the Cost Summary section of Offeror Proposals. In this method, the lowest cost proposed will receive the Maximum Allowable Points.

The number of points assigned to the cost evaluation will be prorated, with the lowest accepted cost proposal given the maximum number of points possible for this criterion. Other acceptable cost proposals will be scored as the ratio of the lowest price proposal to the proposal being scored, multiplied by the maximum number of points possible for this criterion.

An example for calculating cost points, where Maximum Allowable Cost Points Value = 60 points, is the scenario where Offeror X has proposed a cost of \$100.00. Offeror Y has proposed a cost of \$110.00 and Offeror Z has proposed a cost of \$120.00. Offeror X, having the lowest cost, would get the maximum 60 cost points. Offeror Y's cost points would be calculated as \$100.00 (Offeror X's cost) divided by \$110.00 (Offeror Y's cost) equals 0.909 times 60 maximum points, or a total of 54.5 points. Offeror Z's cost points would be calculated as \$100.00 (Offeror X's cost) divided by \$120.00 (Offeror Z's cost) equals 0.833 times 60 maximum points, or a total of 50 points.

Cost Score: _____

FINAL STAGES OF EVALUATION. The Offeror with the highest point total from all phases of the evaluation (Technical Points + Cost Points) will be recommended for the next phase of the evaluation.

Technical Score: _____ + Cost Score: _____ = Total Score: _____

If DAS finds that one or more Proposals should be given further consideration, DAS may select one or more of the highest-ranking Proposals to move to the next phase. DAS may alternatively choose to bypass any or all subsequent phases and make an award based solely on the proposal evaluation phase.

REJECTION OF PROPOSALS. DAS may reject any Proposal that is not in the required format, does not address all the requirements of this RFP, or that DAS believes is excessive in price or otherwise not in its interests to consider or to accept. In addition, DAS may cancel this RFP, reject all the Proposals, and seek to do the Project through a new RFP or by other means.

DISCLOSURE OF PROPOSAL CONTENTS. DAS will seek to open the Proposals in a manner that avoids disclosing their contents. Additionally, DAS will seek to keep the contents of all Proposals confidential until the Contract is awarded. DAS will prepare a registry of Proposals containing the name and address of each Offeror. That registry will be open for public inspection after the Proposals are opened.

PART FIVE: AWARD OF THE CONTRACT

CONTRACT AWARD. DAS plans to award the Contract based on the schedule in the RFP, if DAS decides the Project is in the best interests of the State and has not changed the award date.

The signature page for the Contract is included as Attachment Four of this RFP. In order for an Offeror's Proposal to remain under active consideration, the Offeror must sign, the two (2) copies enclosed, in blue ink and return the signed Contracts to DAS with its response. Submittal of a signed Contract does not imply that an Offeror will be awarded the Contract. In awarding the Contract, DAS will issue an award letter to the selected Contractor. The Contract will not be binding on DAS until the duly authorized representative of DAS signs both copies and returns one (1) to the Contractor, the Agency issues a purchase order, and all other prerequisites identified in the Contract have occurred.

DAS expects the Contractor to commence work upon receipt of a state issued purchase order. If DAS awards a Contract pursuant to this RFP and the Contractor is unable or unwilling to commence the work, DAS reserves the right to cancel the Contract and return to the original RFP process and evaluate any remaining Offeror Proposals reasonably susceptible of being selected for award of the Contract. The evaluation process will resume with the next highest ranking, viable Proposal.

CONTRACT. If this RFP results in a Contract award, the Contract will consist of this RFP including all attachments, written addenda to this RFP, the Contractor's accepted Proposal and written authorized addenda to the Contractor's Proposal. It will also include any materials incorporated by reference in the above documents and any purchase orders and change orders issued under the Contract. The general terms and conditions for the Contract are contained in Attachment Three of 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. This RFP, as amended;
2. The documents and materials incorporated by reference in the RFP;
3. The Offeror's proposal, as amended, clarified, and accepted by DAS; and
4. The documents and materials incorporated by reference in the Offeror's Proposal.

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.

ATTACHMENT ONE: WORK REQUIREMENTS AND SPECIAL PROVISIONS
PART ONE: WORK REQUIREMENTS

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

I. Scope of Work

By submitting an Offer the Offeror acknowledges and agrees that it will comply with the following Scope of Work:

Offerors should respond clearly and completely to all requirements listed below and describe, in as much detail as possible, the individual roles and obligations of the Contractor, as well as applicable subcontractors, to ensure that DAS will be satisfied with eventual outcomes in each of the areas of responsibility represented in this RFP. Explain in detail the steps you anticipate will be needed to ensure efficient, accurate, and timely implementation of the Health Care Spending Account (HCSA), Dependent Care Spending Account (DCSA) and the Commuter Choice programs. Include a definition of specific activities and a timetable of events. Any supporting documents must be included in the Offeror's RFP response.

The Contractor must provide overall project management for the tasks in this Contract, including the day-to-day management of its staff and assist State staff as pertaining to their assignment to this RFP Project. The Contractor must provide administrative support for its staff and activities. Throughout the Project, the Contractor must employ ongoing project management techniques to ensure a comprehensive Work Plan is developed, executed, monitored, reported, and maintained. The State will provide oversight for the entire Project.

The selected Contractor must utilize qualified personnel that are able to perform the Work required and specified in this RFP. Unless otherwise approved by the BAS Contract Administrator, all work performed and materials used under the Contract shall conform to the latest version of all DAS manuals, standards, specifications, statewide special specifications, policies, procedures, and associated addenda and amendments.

A. FLEXIBLE SPENDING ACCOUNT SPECIFICS

The Flexible Spending Accounts provide benefits to State employees (Employee) by allowing pretax income to be used for the purchase of allowable medical and dependent care (childcare, elder care) expenses. The Employee can enroll in either program during an annual Open Enrollment Period, upon being newly hired, or after experiencing an allowable "change in status". The employee determines an annual election amount, which is then divided among the remaining pay periods for the calendar year (no more than 24 for the biweekly pay schedule or 12 for those paid monthly), and deducted from each pay. The deductions are electronically forwarded to the Vendor; the FSA fees are paid by the state of Ohio via a monthly invoice. Employee annual elections can range between a minimum of \$240 for either account and a maximum of no more than \$2500 for a HCSA and \$5000 for DCSA.

The TPA is responsible for the implementation and administration of the program, including all interactions and monetary transactions with Employees, Vendors, and the State. The TPA is the main point of contact with Employees on all matters pertaining to the program, including any and all Employee complaints and disputes.

The State's participation in the program is limited to interactions and monetary transactions between the State and the TPA, plus all Employee payroll deductions and adjustments to taxable income that are made pursuant to election agreements made between the TPA and Employee. The state of Ohio will retain employee payroll deductions for the HCSA and the DCSA in pre-established funds. Funds will be remitted to the Contractor via EFT upon invoicing for claims payments. Minimum paper check amount is \$25.00.

B. COMMUTER CHOICE PROGRAM SPECIFICS

The Commuter Choice program provides a benefit to State employees (Employee) by allowing pretax income to be used for the purchase of parking near the Employee's work location or for transit fees. The Employee enrolls in the program with the State's third party administrator (TPA) the Contractor. Parking or transit fees are deducted from the Employee's pretax income and forwarded to the TPA. The TPA either directly pays the Employee's parking lot operator (Vendor) on a monthly basis, or reimburses the Employee for parking and transit expenses paid out-of-pocket. The Employee's taxable income can be reduced by as much as the limit set by the federal government which is subject to periodic change.

The TPA is totally responsible for the implementation and administration of the program, including all interactions and monetary transactions with Employees, Vendors, and the State. The TPA is the sole point of contact with Employees on all matters pertaining to the program, including any and all Employee complaints and disputes.

The State's participation in the program is limited to interactions and monetary transactions between the State and the TPA, plus all Employee payroll deductions and adjustments to taxable income that are made pursuant to election agreements made between the TPA and Employee.

Employees having monthly parking passes with TPA-contracted Vendors:

1. Employee makes election to participate and identifies the amount to be deducted for parking expenses.
2. TPA provides information to the State that identifies the Employee and the monthly deduction amount.
3. The State deducts monthly parking fee and administrative fee from Employee's paycheck, and sends with corresponding Employee information to TPA.
4. TPA forwards payment with corresponding Employee information to the Employee's parking Vendor.
5. The TPA or vendor provides the parking pass to the Employee.

For Employees paying monthly parking expenses out-of-pocket:

1. Employee makes election to participate and identifies the amount to be deducted for parking expenses.
2. TPA provides information to the State that identifies the Employee and the monthly deduction amount.
3. The State deducts monthly parking fee and administrative fee from Employee's paycheck, and sends with corresponding Employee information to TPA.
4. Employee provides daily parking receipts or a certification of incurred expenses to the TPA.
5. TPA provides appropriate reimbursement to the Employee within two weeks.

For Employees paying monthly transit expenses with TPA – contracted Vendor:

1. Employee makes election to participate and identifies the amount to be deducted for transit expenses.
2. TPA provides information to the State that identifies the Employee and the monthly deduction amount.
3. The State deducts monthly transit fee and administrative fee from Employee's paycheck, and sends with corresponding Employee information to TPA.
4. TPA forwards payment with corresponding Employee information to the Employee's parking Vendor.
5. The TPA or vendor provides the parking pass to the Employee.

For Employees paying monthly transit expenses out-of-pocket:

1. Employee makes election to participate and identifies the amount to be deducted for transit expenses.
2. TPA provides information to the State that identifies the Employee and the monthly deduction amount.
3. The State deducts monthly transit fee and administrative fee from Employee's paycheck, and sends with corresponding Employee information to TPA.
4. Employee provides daily parking receipts or a certification of incurred expenses to the TPA. TPA provides appropriate reimbursement to the Employee within two weeks.

The State will be responsible for the following, based upon monthly data received from the TPA:

1. Providing the TPA a monthly data file of eligible employees;
2. Making appropriate monthly pretax payroll deductions from Employee for parking or transit expenses, subject to the federal limit, and availability of funds from the employee payroll;
3. Making appropriate monthly after-tax payroll deductions from the Employee's wages for the TPA's administrative fee;
4. Adjusting Employee taxable income;
5. Remitting funds to TPA for parking/transit expenses and administrative fees, and accounting data of corresponding employee wage deductions.

The Employee is responsible for:

1. Contacting the TPA and completing an election to participate in the program;
 - a. This must be done by a mutually acceptable time of the month preceding participation in the program, or on another date mutually agreed upon by the State and the TPA.
 - b. Employee must provide all information required by the TPA, including identification of the parking Vendor (for monthly parking passes), and the amount to be deducted from the Employee's pay for monthly parking expenses.
 - c. Employee deductions are made in advance of the month in which parking expenses are incurred.
2. Submitting monthly parking receipts/certifications to the TPA no later than 180 days after the month in which the expense was incurred (for Employees paying monthly parking expenses out of pocket);
 - a. Employees are encouraged to submit documentation monthly in order to receive timely reimbursements.
 - b. This documentation should be submitted to the TPA no later than the day of the month identified in item 1.a. above.
 - c. If documentation is submitted more than 180 days after the month in which the expenses were incurred, no reimbursement will be made for those expenses. However, un-reimbursed monies will be credited against future employee deductions.
3. Notifying the TPA by the day of the month identified in item 1.a. above, of any changes to the Employee's parking arrangements, including a change of parking Vendor and/or a change in the monthly deduction amount. Any excess monies deducted but not disbursed to the Vendor or reimbursed to the employee will not be returned to the employee. However, monies not disbursed or reimbursed will be credited against future employee deductions.

4. Notifying the TPA by the day of the month identified in item 1.a. above, of the Employee's intention to withdraw from the program. If the Employee withdraws from the program after the monthly deduction has been made, no refund or credit of any monies will be made to the Employee.

II. Deliverables

The State is seeking a Third Party Administrator (TPA) to provide administration of the pretax Health Care and Dependent Care Spending Accounts and to act as the turnkey for the fully automated Commuter Choice parking benefit programs. The TPA must have knowledge of the IRS regulations governing both pretax Flexible Spending Accounts as well as transit regulations and ensure compatibility with current and future Internal Revenue Service regulations. The TPA must implement and administer the State of Ohio Employee Flexible Spending Accounts and Commuter Choice Programs.

The offeror is expected to provide detailed responses to all Deliverable items contained in sections A. – K.:

A. ADMINISTRATION

1. The Offeror's plan for administering the HCSA and DCSA programs must include:
 - a. An account liaison dedicated to the State who will meet with the State's DAS personnel, at least weekly, as well as State agencies and other State contractors as needed. The account liaison must be able to make decisions or report to a person who can make decisions concerning process changes and respond to the State's needs and issues within 24 hours.
 - b. Ability to allow paper form enrollment throughout the year to eligible employees as well as web based enrollment during the Annual Open Enrollment Period.
 - c. Ability to receive an eligibility file every two weeks in the format used by the State (e.g. HIPAA 834 or other form of electronic media) and be able to determine the eligibility of participants based on the initial probationary end date provided on the file.
 - d. Ability to terminate accounts timely when participants leave employment.
 - e. Written statement accepting financial responsibility for any charges to a HCSA account for ineligible participants that the Offeror permitted to enroll or failed to timely terminate accounts when participants are no longer employees.
 - f. Ability to make accurate and timely deductions in order to meet participant's yearly election amounts within the parameters of the State's currently published payroll schedules for the four established pay groups.
 - g. A plan of action to manage participant accounts for those who are on a nonpaid leave of absence or have missed deductions.
 - h. Ability to train all staff associated with the State account on the specifics of this account, as laid out in Supplement One Program Overview.
 - i. A plan to make system modifications, as necessitated by benefit year changes, and provide staff training for State specific plan administration prior to the change effective date.
 - j. An agreement to create, update, edit, print and distribute Summary Plan Document (SPDs) within 90 days following the plan year effective date.
 - k. Ability and agreement to perform yearly non-discrimination testing for the HCSA and the DCSA plans including: (1) IRC Section 125 cafeteria plan nondiscrimination testing and (2) IRC Section 129 dependent care 55% average benefits test and one or several projections of this 55% average benefits test.
 - l. Agreement to research and provide guidance on Federal and State tax interpretations that may impact the HCSA and/or DCSA.
 - m. Ability to provide ERISA guidance and information in the event the State would be required to comply with ERISA. The state of Ohio is currently ERISA exempt.
 - n. Ability to research and provide guidance on any type of regulatory or other issues and changes that may impact the FSA plans.
 - o. Provide/disclose any imminent business changes in your operations within the next three years (consolidations, new centers, enhancements etc.) that could have an impact on the workflow of the State's FSA administration.
 - p. Agreement to notify the State of future IRS regulation changes that will have an effect on the state's plan and assist in complying with those changes, including revisions to the plan document and summary plan description.
 - q. Contractor must provide a minimum of two (2) debit cards to each account holder for reimbursement, at no additional cost to the State. A copy of the Terms & Conditions, if applicable, that will be issued with the debit card to a participant must be provided.
2. The Offeror's plan for administering the Commuter Choice programs must include:
 - a. Capability for real time/anywhere enrollment via Internet and paper forms accessible to all state employees
 - b. Establishing and administering agreements with parking vendors and employees;
 - c. Process for receiving monthly payments from the State;
 - d. Process to remit monthly payments to contracted Vendors
 - e. Process to receive monthly parking receipts/certification from Employees and make appropriate reimbursements directly to the employee.

- f. Process to receive and distribute monthly parking and /or transit passes to Employees.
- g. Agreement to act as the sole point of contact with participant or those wishing to participate in the program.
- h. A plan for processing employee credits for monies received from the State but not reimbursed to employees.
- i. Capability as a third-party administrator of turnkey, fully automated pretax Commuter Choice benefit programs with knowledge of pretax transit regulations that must ensure compatibility with current and future Internal Revenue Service regulations.
- j. Capability for electronic communication to the State's payroll administrator of employee identification and payroll adjustments via FTP or some other method mutually agreed upon by the State and the TPA;
- k. Ability to credit participants account if the amount of the Employee deduction exceeds the amount reimbursed, based on the Employee's receipts or certification allowing the Employee to use the amount for future monthly parking expense deductions
- l. If the Employee fails to submit receipts or a certification of expenses within 180 days after the end of the month in which the expense was incurred, that month's deduction will be credited against future month's Employee deductions.
- m. Comply with all federal regulations and provisions of TEA-21.
- n. Ability to research and provide guidance on any type of regulatory or other issues and changes that may impact the Commuter Choice Programs.
- o. An agreement to hold the State harmless from all claims arising from Employees and parking vendors with respect to the TPA's administration of this program.
- p. Agree to pursue recoveries with participants and not the state of Ohio. The state will not be held liable for any uncollected funds related to the administration of the Commuter Choice Programs.

B. OPEN ENROLLMENT

1. The Offeror's plan for administering an annual Open Enrollment process for the HCSA and DCSA programs must demonstrate:

- a. Ability to work closely with the State to design and distribute customized Open Enrollment Materials
- b. Ability to allow individuals to enroll via internet or paper forms (the website needs to be able to discern between those employees who are eligible for Dependent Care Spending Accounts but not Health Care Spending Accounts)
- c. Ability to produce, and deliver timely, 2 separate Open Enrollment computer files to accommodate the State's payroll system.
- d. Ability to read the eligibility files produced by the state to only allow eligible employees to enroll
- e. Ability to accurately determine the amount to be deducted over either 24 or 12 payroll cycles to meet the employee annual election amount.
- f. Ability to distribute debit cards to all employees enrolled in the HCSA with the correct annual election amount available on January 1.

C. CHANGE IN STATUS

1. The Offeror's plan for processing Change in Status requests for the HCSA and DCSA programs must include:

- a. A protocol to efficiently and effectively process eligible changes in status
- b. A demonstration of a bi-weekly file exchange to reflect the change in status in the state's payroll system
- c. Ability to make accurate deductions based on the file exchange
- d. A communication to the Employee verifying the change has been made in the HCSA or DCSA
- e. A detailed description of its ability to allow participants to make qualified changes in status per the attached matrix (supplement three). The description should include the process participants must follow to make the change, the recalculation and deduction process, and how the change will be communicated to the State payroll via file exchange, including the turn-around time.

D. MEMBER SERVICES

- a. Contractor shall provide a dedicated, toll free number for claims and customer service issues.
- b. Live telephone assistance shall be available at a minimum from 8:00 am to 8:00 pm EST; 5 days a week. Interactive voice response system shall be available 24 hours a day, 7 days a week, 365 days a year.
- c. Customer service number must maintain an average of 30 seconds speed of answer
- d. Calls must not be routed to an offshore call center location.
- e. Offeror will provide the ratio of call center staff to participants and if the member service representatives are specialized to handle HCSA and DCSA calls
- f. The Offeror shall describe its call monitoring / recording capabilities.
- g. The Call center must be able to answer participant questions 95% of the time regarding allowable change in status situations and offer valid directions on how to make the change according to the Program Overview, without redirecting the participant to the State of Ohio or individual agency Human Resource Staff.
- h. Customer Service must have access to enrollment forms used by the State and the ability to direct participants to the forms located on the vendor website or email the forms directly to the participant

- i. Offeror must have the ability to notify its Customer Service of urgent or DAS specific messages when necessary.
- j. The Offeror will submit its established procedures for the resolution, and escalation if necessary, of participant issues or issues between the TPA and the State.
- k. Customer service representatives must have on-line access to the following information:
 - a) IRS approved IAS (inventory information approval system) merchant listing updated at least monthly.
 - b) Employer-specific benefit summaries
 - c) Eligibility information.
- l. Offeror must provide, if requested, the following communications materials, with all special requirements, at no extra cost to the State:
 - a) Hearing impaired.
 - b) TTY

E. CLAIMS

1. Offeror must provide an overview of the claims processing procedure. At a minimum, the following areas must be addressed:
 - a. Ability to accept claims via US Mail, fax, e-mail and online claim submission.
 - b. Average turnaround time from the date a claim is received to the date a check or direct deposit is processed for HCSA,DCSA and Commuter Choice claims, not to exceed 5 calendar days
 - c. Process for tracking receipts and handling of claims.
 - d. The capability for direct deposit reimbursements to State employees.
 - e. Ability to auto-adjudicate known copays and work with the State's medical, prescription, behavioral health, dental and vision, insurance providers, including those of the Union Benefits Trust to auto-adjudicate common insurance related claims
 - f. Ability to provide account summaries online or mailed to the participant's address.
 - g. Process for screening duplicate claims.
 - h. Process for manually substantiating claims that are unable to be auto-substantiated.
 - i. Procedure for processing claims during the run-out period.
 - j. Claims review process.
 - k. Invoicing process to ensure all claims billed to client have cleared the Offeror's bank account prior to invoicing.
 - l. Communication to participants regarding incomplete or denied claims
 - m. Process for reconciling incorrect payment of claims
 - n. Appeals process
 - o. The structure, number of representatives, qualifications and average years of experience of the claims processing unit that will be assigned to the account
 - p. Agreement to return to the State all monies not disbursed to contract Vendors or reimbursed to Employees. Monies must be returned no later than 30 days after any of the following events:
 - a. The Employee withdraws from the program;
 - b. The Employee ceases to be an eligible participant;
 - c. The Contract with the TPA expires or is terminated for any reason.

F. QUALITY ASSURANCE

- a. Offeror must have formal, written Quality Assurance (QA) and Risk Management Plans. A copy of these plans must be provided with the Offeror's response.
- b. There must be explicit protocols for handling complaints. A quarterly summary (log) of telephone and written complaints shall be submitted to the state of Ohio.
- c. Written complaints must receive written acknowledgment within 5 working days and be resolved within 30 working days.

G. COBRA ADMINISTRATION

1. The Contractor will administer the Consolidated Omnibus Budget Reconciliation Act (COBRA) in compliance with established COBRA guidelines for HCSA accounts to include, at a minimum, the following:
 - a. Initial announcement / notification letter of COBRA rights for new enrollees
 - b. Ability to receive notification of qualifying event from the State or qualified beneficiary and action taken
 - c. COBRA notice of rights mailing to qualified beneficiary following a qualifying event
 - d. Election form receipt and processing
 - e. Offeror will accept COBRA data in the form of paper and electronic regarding enrollment, account updates, and termination at no extra charge.
 - f. The Contractor will provide employees with Explanations of Benefits (EOBs) and claim forms.
 - g. Communications regarding initial billing letter; termination of COBRA – late/grace period; termination of COBRA rights; termination of COBRA benefits due to end of eligibility.

H. CONTRACTOR FINANCIAL CAPABILITIES

1. Offeror must provide an overview of its procedures and processes regarding the financial aspects of managing the FSA and Commuter Choice programs. At a minimum, the following areas must be addressed:

- a. Provide a copy of most recent SSAE 16
- b. Process to replace reimbursement checks or direct deposits made into closed accounts.
- c. Handling of checks that have voided.
- d. The detailed process related to the time period for un-deposited or outstanding checks.
- e. Process for returning funds that have not cleared the bank within the established stale dated check timeframe
- f. Process for month-end account reconciliations
- g. Process for reconciliation of all reimbursements issued and voided.
- h. Forfeiture process and timelines
- i. Initial deposit/pre-funding amount arrangements to equal no more than 3% of the total Health Care Spending Account elections..(see attachment 3 - Financial & Banking Requirements section for reference)
- j. "No returned check" clause.
- k. Procedure for establishing banking arrangements for clearance of health care spending account (HCSA)/dependent care spending account (DCSA) checks through its processor.

I. WEBSITE

1. The Contractor shall maintain a Website that includes on-line services and information related to the programs. Offeror must demonstrate the capabilities of the Website that will be accessed by the State employees to register, process claims, review explanation of benefits, etc. The State may request a demonstration of the Offeror's Web-site capabilities, prior to award. Verify that the following capabilities are available via the Contractor's Web-site:

- a. Ability to enroll into the all plans, HCSA, DCSA, Commuter Choice
- b. Ability for participants to access real time claim status, payment information and account summaries.
- c. Ability to review eligibility guidelines, tools to help employees make enrollment and election decisions.
- d. Ability to calculate tax savings
- e. Ability to view list of eligible HCSA expense items
- f. Ability to access reports by the project manager

J. COMMUNICATION MATERIALS

1. The Offeror will collaborate with the state of Ohio to develop ongoing employee communications that enhance employee program knowledge and increase program participation levels. The Offeror will provide an overview of its communication materials for the FSA and Commuter Choice programs. At a minimum, the following areas must be addressed:

- a. An agreement that the State will approve all text prior to release of documents and to customize materials for the state of Ohio upon request at no extra cost to the State.
- b. An agreement to provide a summary plan document (SPD) including a summary of benefit levels and coverage, plan provisional chart and the appeal process annually to all state employee home addresses.
- c. Agreement to provide the State with a web-formatted version of the SPD for the State's Website.
- d. A minimum of one educational communication piece semi-annually provided to employee home addresses, which may include brochure, postcard or other creative media.
- e. Sample denial letter sent to members adequately explaining the technical process members need to follow to file an appeal. A description of educational services to be provided including plan highlights/educational brochure, participation in benefits fairs, webinars and development of articles for State newsletters.

K. RECORDS AND REPORTS

1. The Contractor must provide the process that is used to store and maintain all records in compliance with IRS requirements for records retention, during the term of the Contract. The State has a ten (10) year records retention requirement. The Contractor must provide a plan to relinquish records subsequent to the expiration of the Contract. . The Offeror must maintain all claims and eligibility history on behalf of the State for 48 months and maintain this data on-line for at least 18 months. This includes maintenance of data regarding eligibility changes for the employee and their dependents (including specific plan options elected). Contractor agrees to maintain complete and accurate information and make available for inspection or audit with reasonable notice, records to include but not be limited to:

- a. Employee enrollment and elections;
- b. Employee contributions, claims and accounts balances
- c. Pre-paid monthly parking and transit pass transactions;

- d. Employee monthly parking and transit expense receipts and reimbursements;
- e. Administrative fees earned and received;
- f. Employee complaints and the resolution to the complaints.
- g. A copy of an annual independent SSAE 16 audit report or the results of an annual independent third party audit report guaranteeing compliance with IRS regulations for Flexible Spending programs.

2. The Contractor must provide, on a pre-determined basis, a set of management reports to be used by the State in analyzing the cost and quality of plan services to include but not be limited to:

- a. Discrepancy (bi-weekly)
- b. Bank Reconciliation (monthly)
- c. Forfeiture Report annually for HCSA and DCSA, monthly for Commuter Choice
- d. Stale dated Checks (annual)
- e. Account Summary (monthly)
- f. Account Reconciliation (quarterly)
- g. Dependent Care W2 (annual)
- h. Call Activity (quarterly)
- i. Pay Back Report (monthly)
- j. Non-discrimination testing results (annual)
- k. Payroll Deduction Report/Contribution Report (semi-monthly)
- l. Check Register Report/Payment Report (semi-monthly)
- m. Plan Balances Report (monthly)
- n. HCSA Debit card usage report (monthly)
- o. HCSA Debit card suspension report (monthly)
- p. Enrollment Confirmation
- q. Commuter Choice Program Participation Report – containing the individual participant’s name, monthly parking expense, Parking Contractor’s name, their location address, management office address where funds must be sent, and a telephone number.
- r. Program Participation Summary Report - sorted by county with parking and commuter participants sorted separately.
- s. Parking Lot Contractors –alphabetically sorted by county with address and summary.
- t. Funding Summary and Reconciliation Balance Sheet by participant.
 - 1. Monthly reconciliation of money received from the State, and
 - 2. Money disbursed directly to Vendors;
 - 3. Money reimbursed to Employees;
 - 4. Money held pending receipt of Employee reimbursement documentation;
 - 5. Money not reimbursed that was returned to the State.

The State may require additional reports, as necessary.

L. RISK AND PERFORMANCE GUARANTEES

The Contractor must review and meet the following performance standards. The State expects the Contractor to maintain, at a minimum, the following Performance Guarantees throughout the term of the contract. The State Requires a minimum risk of 30% of the monthly administrative fees for the performance guarantees listed. These performance guarantees will also be incorporated into the final Contract with the State.

Performance Category	Definition and Measurement Standard	Calculation, Payment and Reporting Frequency	Risk-Sharing
Administration	Prepare for and participate in an on-site visit for file mapping meeting and program review, conducted by the contractor and held according to a mutually agreeable timeline and location.	Annually	2% of the Administrative fees
Administration-Systems	Perform and complete internal file testing at least one month prior to the beginning of the benefit year.	Annually	2% of the Administrative fees

Administration - Satisfaction	Measure satisfaction with overall process using mutually agreeable scorecard.	Annually	2% of the Administrative fees
Administration - Debit Cards	Mail debit cards at least ten business days prior to the beginning of the benefit year or ten business days after new enrollment during the benefit year. If disagree, provide alternative provisions.	Annually / Monthly	1% of the Administrative fees
Administration - Account Management	Measuring satisfaction using a mutually agreeable scorecard.	Every 6 Months	2% of the Administrative fees
Administration - Discrepancy Report	Regularly produce a discrepancy report on funding files so that manual adjustments can be made timely per the State's payroll calendars.	Four times per Month	2% of the Administrative fees
Customer Service	The Contract Administrator will guarantee that the percentage of incoming calls that are disconnected or abandoned by the caller will not exceed 3%	Monthly	1% of the Administrative fees
Customer Service	The Contract Administrator will guarantee that the average speed of answer by a live customer service representative, not including busy signals, will be 30 seconds or less during regular business hours. The call blockage rate/busy signal rate will not exceed 5%.	Monthly	1% of Administrative fees
Customer Service	The Contract Administrator will guarantee that 80% of all calls will be resolved during the first call and that all inbound calls will be recorded and calls tracked to monitor that they are properly routed to the correct staff member.	Monthly	1% of the Administrative fees
Account Management	Resolution of performance issues to be resolved in 24 hours, if not successful Offeror should provide remediation plan within 24 hours Return all calls received by the successful Offeror from the State's Program Manager within 24 hours by the designated account executive, with issue resolution within 10 business days	Monthly	2% of the Administrative fees
Eligibility File Transmission	Process eligibility files within two business days of file availability.	Monthly	4% of the Administrative fees

Funding Transmissions	File	Deliver timely funding files per the inbound due date of the state payroll schedule. There are four different payroll schedules.	Per payroll schedule	4% of the Administrative fees
Claims Processing		<p>Turnaround Time</p> <ul style="list-style-type: none"> • 92% of all non-investigated claims will be paid in 14 calendar days, and, • 99% of all non- investigated claims will be paid in 30 calendar days, and, <p>An "investigated claim" means any claim for which the plan needs to obtain clarification or additional information from either a provider or Member to process the claim correctly</p>	Monthly	1% of the Administrative fees
Claims Processing		Reimbursing FSA claims with a financial accuracy of 99%.	Monthly	1% of the Administrative fees
Accurate Enrollment and Account Management		The contractor will guarantee accurate enrollment of eligible participants and accurate management of their accounts. The state will forgive 2 errors per pay period that are the direct result of the contractor's actions, anything over will be subject to fine.	Monthly	2 % of the Administrative fees
Reporting		All requested reports will be received by the end of the month following the reporting month (i.e. June reports will be received no later than July 31)	Monthly	2% of the Administrative fees

N. SAMPLE FORMS

1. Offeror shall provide with its response samples of the following forms.

- a. Educational Information for Employees
 - 1) Poster
 - 2) Brochures
 - 3) Flyers
- b. Enrollment Information for Employees
 - 1) Open enrollment form
 - 2) Initial enrollment form for new hire
 - 3) Change In Status form
 - 4) Direct deposit form
 - 5) Fax form (if applicable)
- c. COBRA forms
 - 1) COBRA announcement letter / Initial notice of COBRA rights
 - 2) Initial billing letter
 - 3) Termination of COBRA rights
 - (i) Due to late payment
 - (ii) Due to grace period expiration
 - (iii) Due to end of eligibility
- d. Samples of all Debit Card related forms
- e. Sample of participant account statement
- f. Web-site shots of online web pages

Forms shall be included in a separate tab with the Technical Proposal and shall be titled "Sample Forms".

O. CONFIDENTIALITY AND SECURITY REQUIREMENTS

1. The Contractor must meet the State's confidentiality requirements as stated in Attachment Three, Part Three, Confidentiality.
2. The Contractor must meet the security requirements stated in Attachment Three, Part Three, Handling of the State's Data.
3. The Contractor's computer system must be able to accept an employee ID different from the employee social security number. Social Security numbers will not be used for participant identifier.
4. The Contractor must be able to interact successfully with the State's Ohio Administrative Knowledge System (OAKS). This includes the State's PeopleSoft interface layouts for the outbound eligibility file to the Contractor from OAKS in HIPAA 834 format. (Reference Supplement One).
5. The Offeror must have contingency plan(s), procedures, and systems in place to provide backup service in the event of any backlog or acts of God, including, but not limited to, strikes, natural disasters, acts of terrorism, or acts of war.

P. TECHNICAL AND SECURITY STANDARDS

1. Technical Standards. The state of Ohio interface architecture provides a framework to enable data interchange between the state of Ohio and agencies/contractors. The following are key standards:

a. Data Set / File – Data is exchanged in files using a fixed width, text-based 8-bit ASCII flat file format that is human-readable using everyday text editors such as vi and Notepad. The files will be processed on both Windows and Unix servers. End-of-line characters may be either a newline (\n - UNIX)(10 or 0x0a) or a carriage return / line feed combination (CRLF – Windows)(13/10 or 0x0d/0x0a).

b. Communication Protocol – Communication Protocol. The state of Ohio accepts connections using SSL-encrypted File Transfer Protocol (FTP): FTPS, and SFTP (both forms of encrypted FTP). The state of Ohio does not accept FTP (unencrypted FTP).

2. Security Standards. The state of Ohio uses the following security approaches to minimize security risks to data exchange:

a. IP Filtering – The state of Ohio uses the IP addresses that contractors supply to permit network access to its FTPS server. All other IP addresses will be blocked. The Contractor will be required to provide a fixed IP address from which it will transfer files.

b. 128-bit SSL encryption – 128-bit encryption secures the transmission channel between the Contractor and the state of Ohio for the duration of the session. Contractors use a 128-bit SSL FTPS-capable client to connect to the state of Ohio server. A partial list of compatible FTPS clients are:

- 1) CuteFTP
- 2) WSFTP
- 3) Core FTP Pro
- 4) SecureFTP
- 5) TumbleWeed
- 6) FileZilla

c. User ID & Password – Each Contractor is assigned a user ID and password on the state of Ohio's FTPS server. Anonymous "sign on" or "login" is not supported.

3. File Exchange Approach – Contractor Connects to the state of Ohio. The sequence of events for exchanging files with the State of Ohio is:

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

Notes:

1. The state of Ohio interface file names are not time-stamped while under transit. The name serves only to identify the type of data contained. The data in the file captures any business date information. Contractors and the state of Ohio may timestamp files when stored on their own internal file systems but the state of Ohio expects that files are named conforming to the state of Ohio naming standards while in transit. This means that contractors must adhere to schedules when transferring files.
2. The state of Ohio archives all files that are transferred, for a set retention period (defined per interface – see your state of Ohio business liaison). Inbound files that miss processing deadlines are not processed in the current processing iteration. The Contractor should be aware of this so that appropriate steps can be taken to have the data processed.
3. The state of Ohio requires all files to follow standard form. In order to meet the current file layout, files need to be formatted as demonstrated at the following websites:

INH03B_Inbound Standard_Deduction_Interface_File_Layout.xls

[S:https://procure.ohio.gov/pdf/INH03B_Inbound_Standard_Deduction_Interface_File_Layout.xls](https://procure.ohio.gov/pdf/INH03B_Inbound_Standard_Deduction_Interface_File_Layout.xls)

INH04A outbound interface layout.xls

https://procure.ohio.gov/pdf/DAS018_INH04A_outbound_interface_layout.xls

INH24_QTP_Eligibility Outbound Interface File Layout.xls

https://procure.ohio.gov/pdf/DAS018_INH24_QTP_Eligibility_Outbound_Interface_File_Layout.xls

INH25_FSA_File_Layout_EligibilityOutbound.xls

https://procure.ohio.gov/pdf/INH25_FSA_File_Layout_Eligibility_Outbound_Interface_20130225.xls

CONTRACTOR RESPONSIBILITIES. The Contractor must meet all RFP requirements and perform Work as defined in the Scope of Work.

ATTACHMENT ONE: WORK REQUIREMENTS AND SPECIAL PROVISIONS
PART TWO: SPECIAL PROVISIONS

THE OFFEROR'S FEE STRUCTURE. The Contractor will be paid as proposed on the Cost Summary Form after the Agency approves the receipt of product(s) and continued completion of all deliverables.

REIMBURSABLE EXPENSES. None.

BILL TO ADDRESS.

State of Ohio
Department of Administrative Services
30 E. Broad St., 27th Floor
Columbus, Ohio 43215

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

ATTACHMENT TWO: 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 will 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. 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.

Each Proposal must contain the following information, chronologically in order, with tabbed sections as listed below:

1. Cover Letter and Mandatory Requirements
2. Certification
3. Signed Contracts and Business Associate Agreement
4. Offeror Profile and Prior Projects
5. Offeror References
6. Staffing Plan
7. Personnel Profile Summary
8. Work Plan
9. Support Requirements
10. Conflict of Interest Statement
11. Assumptions
12. Proof of Insurance
13. Payment Address
14. Contract Performance
15. W-9 Form and Additional Vendor Information Form
16. Affirmative Action Plan
17. Banning the Expenditure of Public Funds on Offshore Services
18. Cost Summary Form
19. Business Associate Agreement

REQUIREMENTS:

1. **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 will provide an executive summary of the solution the Offeror plans to provide. The letter must also have the following:
 - a. A statement regarding the Offeror's legal structure (e.g., an Ohio corporation), Federal tax identification number, and principal place of business.
 - b. A list of the people who prepared the Proposal, including their titles.
 - c. The name, phone number, fax number, e-mail address, and mailing address of a contact person who has authority to answer questions regarding the Proposal.
 - d. A list of all subcontractors, if any, that the Offeror will use on the Project if the Offeror is selected to do the Work.
 - e. 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, tax identification number, and principal place of business address.
 - 2) The name, phone number, fax number, e-mail 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.
 - 5) A statement that the subcontractor has read and understood the RFP and will comply with the requirements of the RFP.
 - 6) A statement that the Subcontractor will maintain any permits, licenses, and certifications required to perform work.

- f. A statement that the Offeror's proposed solution for the Project meets all the requirements of this RFP.
- g. A statement that the Offeror has not taken any exception to the Terms and Conditions.
- h. A statement that the Offeror does not assume there will be an opportunity to negotiate any aspect of the proposal.
- i. A statement indicating the Offeror will comply with all Federal and Ohio (Ohio Revised Code) Laws and Rules of the Ohio Administrative Code as those law and rules are currently enacted and promulgated, and as they may subsequently be amended and adopted.
- j. A statement that the Contractor shall not substitute, at Project start-up, different personnel from those evaluated by the State except when a candidate's unavailability is no fault of the Contractor (e.g., Candidate is no longer employed by the Contractor, is deceased, etc.).
- k. A statement that the Offeror is not now, and will not become subject to an "unresolved" finding for recovery under Revised Code Section 9.24, prior to the award of a Contract arising out of this RFP, without notifying DAS of such finding.
- l. A statement that all the Offerors personal and business associates are in compliance with Chapter 3517 of the Revised Code regarding limitations on political contributions and will remain in compliance for the duration of the Contract and with all applicable provisions that extend beyond the expiration of the Contract. Refer to the Political Contributions paragraph in Attachment Three, Part Seven of this RFP document.
- m. All contractors from whom the State or any of its political subdivisions make purchases in excess of \$2500.00 shall have a written affirmative action program for the employment and effective utilization of economically disadvantaged persons, as referred to in division (E)(1) of section 122.71 of the Revised Code. Annually, each such contractor shall file a description of the affirmative action program and a progress report on its implementation with the Equal Employment Opportunity office of the Department of Administrative Services. Provide a statement that the Offeror has been approved through this affirmative action program. Refer to the Affirmative Action paragraph in Attachment Two and to the Equal Employment Opportunity paragraph in Attachment Three, Part Seven of this RFP.
- n. Registration with the Secretary of State. By the signature affixed to this Offer, the Offeror attests that the Offeror is:
 - 1) An Ohio corporation that is properly registered with the Ohio Secretary of State; or
 - 2) A foreign corporation, not incorporated under the laws of the state of Ohio, but is registered with the Ohio Secretary of State pursuant to Ohio Revised Code Sections 1703.01 to 1703.31, as applicable.

Any foreign corporation required to be licensed under Sections 1703.01 to 1703.31 of the Ohio Revised Code, which transacts business in the state of Ohio, without being so licensed, or when its license has expired or been canceled, shall forfeit not less than \$250 nor more than ten thousand dollars. No officer of a foreign corporation shall transact business in the state of Ohio, if such corporation is required by Section 1703.01 to 1703.31 of the Revised Code to procure and maintain a license, but has not done so. Whoever violates this is guilty of a misdemeanor of the fourth degree.

Offeror attests that it is registered with the Ohio Secretary of State.

The Offeror's Charter Number is: _____.

Questions regarding registration should be directed to (614) 466-3910 or visit the Web site at:

<http://www.sos.state.oh.us>

All Offerors who seek to be considered for a contract award must submit a response that contains an affirmative statement using the language in paragraph(s) a. through n. above.

Responses to all Mandatory Requirements from Table 1 must be included in this section (Tab 1).

2. **Certification.** Each Proposal must include the following certification signed by the individual Offeror.

(Insert Company name) affirms they are the prime Offeror.

(Insert Company name) affirms it shall not and shall not allow others to perform work or take data outside the United States without express written authorization from DAS.

(Insert Company name) affirms that all personnel provided for the Project, who are not United States citizens, will have executed a valid I-9 form and presented valid employment authorization documents.

(Insert Company name) affirms that any small business program participants will provide necessary data to ensure program reporting and compliance.

(Insert Company name) agrees that it is a separate and independent enterprise from the state of Ohio, the Agency, and the Department of Administrative Services. *(Insert Company name)* has a full opportunity to find other business and has

made an investment in its business. Moreover *(Insert Company name)* will retain sole and absolute discretion in the judgment of the manner and means of carrying out its obligations and activities under the Contract. This Contract is not to be construed as creating any joint employment relationship between *(Insert Company name)* or any of the personnel provided by *(Insert Company name)*, the Agency, or the Department of Administrative Services.

(Insert Company name) affirms that the individuals supplied under the Contract are either: (1) employees of *(Insert Company name)* with *(Insert Company name)* withholding all appropriate taxes, deductions, or contributions required under law; or (2) independent contractors to *(Insert Company name)*.

If the Offeror's personnel are independent Contractors to the Offeror, the certification must also contain the following sentence:

(Insert Company name) affirms that it has obtained a written acknowledgement from its independent Contractors that they are separate and independent enterprises from the state of Ohio and the Department of Administrative Services and the Agency for all purposes including the application of the Fair Labor Standards Act, Social Security Act, Federal Unemployment Tax Act, Federal Insurance Contributions Act, the provisions of the Internal Revenue Code, Ohio tax law, worker's compensation law and unemployment insurance law.

3. Signed Contracts. The Offeror must provide two (2) originally signed, blue ink copies of the included, Attachment Four. Offeror must complete, sign and date both copies of the Contract and Business Associate Agreement and include it with their Proposal. (Attachment Four).
4. Offeror Profile and Prior Projects. Each Proposal must include a profile of the Offeror's capability, capacity, and relevant experience working on projects similar to this Work. The profile must also include the Offeror's legal name; address; telephone number; fax number; e-mail address; home office location; date established; ownership (such as public firm, partnership, or subsidiary); firm leadership (such as corporate officers or partners); number of employees; number of employees engaged in tasks directly related to the Work; and any other background information that will help the State gauge the ability of the Offeror to fulfill the obligations of the Contract. The financial stability of the company should also be described and is considered a necessary component of this portion of the Proposal's response. This RFP includes Offeror Profile Summary Form as Attachment Five A which must be completed for the Offeror. The Offeror must use this form and fill it out completely to provide the Offeror requirement information.

The Offeror shall also provide information on the firm's background as well as evidence that it has in place the personnel, internal procedures, and any other resources required under the terms of the Contract to ensure successful performance and contract compliance. Offerors must describe current operational capacity of the organization and the Offeror's ability to absorb the additional workload resulting from this Project. Failure to recreate the form accurately to include all fields, may lead to the rejection of the Offeror's Proposal.

The Offeror must document previous experience and expertise in providing a minimum of three (3) previous projects, similar in size and complexity, in the previous five (5) years. These projects must be of similar size, scope and nature. Details of the similarities must be included. Attachment Five B, C, and D must be filled out completely for each of the three (3) projects provided. The Offeror must use these forms and fill them out completely to provide the Offeror requirement information. Failure to recreate the form accurately to include all fields, may lead to the rejection of the Offeror's Proposal.

5. Offeror References. The Offeror must include a minimum of three (3) references for organizations and/or clients for whom the Offeror has successfully provided services on projects that were similar in their nature, size, and scope to the Work. These references must relate to work that was completed within the past five (5) years. This RFP includes an Offeror Reference Form as Attachment Six. Failure to recreate the form accurately may lead to the rejection of the Offeror's Proposal.

The State does not assume that since the experience requirement is provided at the top of the page that all descriptions on that page relate to that requirement. Offerors must reiterate the experience being described, including the capacity in which the experience 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. Previous experience must include the conduct, management, and coordination of projects. Incumbents must ensure specifics are addressed. Evaluations will not be based on intrinsic knowledge of evaluation committee members.

The description of the related service shows the Offeror's experience, capability, and capacity to develop this Project's deliverables and/or to achieve this Project's milestones. Details such as the size of the contracting organizations, duration of involvement, level of responsibility, significant accomplishments, as well as a thorough description of the nature of the experience will be required for appropriate evaluation by the committee.

- a. Contact Information. The contact name, title, phone number, e-mail address, company name, and mailing address must be completely filled out. If the primary contact cannot be reached, the same information must be included for an alternate contact in lieu of the primary contact. Failure to provide requested contact information may result in the State not including the reference in the evaluation process.
- b. Project Name. The name of the project where the mandatory experience was obtained and/or service was provided.
- c. Dates of Experience. Must be completed to show the length of time the Offeror performed the experience being described, not the length of time the Offeror was engaged for the reference. The Offeror must complete these dates with a beginning month and year and an ending month and year.
- d. Description of the Related Service Provided. The State does not assume that since the experience requirement is provided at the top of the page that all descriptions on that page relate to that requirement. Offerors must reiterate the experience being described, including the capacity in which the experience 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.
- e. Description of how the related service shows the Offeror's experience, capability and capacity to develop this Project's deliverables and/or to achieve this Project's milestones.
- f. The Offeror's project 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.

When contacted, each reference must be willing to discuss the Offeror's previous performance on projects that were similar in their nature, size, and scope to the Work.

6. Staffing Plan. The Offeror must provide a staffing plan that identifies all key personnel required to do the Project and their responsibilities on the Project. The State is seeking a staffing plan that matches the proposed Project personnel and qualifications to the activities and tasks that will be completed on the Project. In addition, the plan must have the following information:
 - a. A matrix matching each key team member to the staffing requirements in this RFP.
 - b. A contingency plan that shows the ability to add more staff if needed to ensure meeting the Project's due date(s).
 - c. A discussion of the Offeror's ability to provide qualified replacement personnel.
 - d. The Offeror must submit a statement and chart that clearly indicate the time commitment of the proposed work team, including the Project Manager, to the Project and any other, non-related work during the term of the Contract. The Offeror must also include a statement indicating to what extent, if any, the Project Manager may be used on other projects during the term of the Contract. The Evaluation Committee may reject any Proposal that commits the proposed Project Manager to other work during the term of the Contract if the committee believes that doing so will be detrimental to the Offeror's performance.
7. Personnel Profile Summary. This RFP includes Offeror Candidate Forms as Attachments Seven A, B and C. The Offeror must use these forms and fill them out completely for each key candidate referenced. The forms must be completed using typewritten or electronic means. The forms may be recreated electronically, but all fields and formats must be retained. Failure to recreate the forms accurately may lead to the rejection of the Offeror's Proposal.

All candidate requirements must be provided using the Offeror Candidate Forms (See Attachments Seven A, B and C.) The various sections of the form are described below:

- a. Candidate References. If fewer than three (3) projects are provided, the Offeror must include information as to why fewer than three (3) projects were provided. The State may disqualify the proposal if fewer than three (3) projects are given. (Refer to Attachment Seven A.)

For each reference the following information must be provided:

1. Candidate's Name.
2. Contact Information. The contact name, title, phone number, e-mail address, company name, and mailing address must be completely filled out. If the primary contact can not be reached, the same information must be included for an alternate contact in lieu of the primary contact. Failure to provide requested contact information may result in the State not including the reference experience in the evaluation process.
3. Dates of Experience. Must be completed to show the length of time the candidate performed the technical experience being described, not the length of time the candidate worked for the company. The Offeror must complete these dates with a beginning month and year and an ending month and year.
4. Description of the Related Service Provided. The State does not assume that since the technical requirement is provided at the top of the page that all descriptions on that page relate to that requirement. Contractors must

reiterate the technical experience being described, including the capacity in which the experience was performed and the role of the candidate in the reference project as it relates to this RFP Project. It is the Contractors' responsibility to customize the description to clearly substantiate the candidate's qualification.

- b. **Education and Training.** This section must be completed to list the education and training of the proposed candidates and will demonstrate, in detail, the proposed candidate's ability to properly execute the Contract based on the relevance of the education and training to the requirements of the RFP. Must include copies of any pertinent licenses and or certificates. (Refer to Attachment Seven B.)
- c. **Required Experience and Qualifications.** This section must be completed to show how the candidate meets the required experience requirements. If any candidate does not meet the required requirements for the position the candidate has been proposed to fill, the Offeror's Proposal may be rejected as non-responsive. (Refer to Attachment Seven C.)

The candidate's project 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.

One of the criteria on which the State may base the award of the Contract is the quality of the Offeror's Work Team. Switching personnel after the award will not be accepted without due consideration. The Offeror must propose a Work Team that collectively meets all the requirements in this RFP. Additionally, each team member may have mandatory requirements listed in this RFP that the team member must individually meet. All candidates proposed must meet the technical experience for the candidate's position and be named.

8. **Work Plan.** Offeror must fully describe its current capacity, approach, methods, and specific work steps for doing the Work on this Project. The State encourages responses that demonstrate a thorough understanding of the nature of the Project and what the Contractor must do to complete the Project satisfactorily. To this end, the Offeror must submit for this section of the Proposal the Project plan that will be used to create a consistent, coherent management plan of action that will be used to guide the Project. The Project plan should include detail sufficient to give the State an understanding of the Offeror's knowledge and approach, including Gantt charts documenting the successful completion of all of the deliverables to complete the Project.

The Work Plan must demonstrate an understanding of the requirements of the project as described in Attachment One Part One Work Requirements. Describe the methodologies, processes and procedures it will utilize in the implementation and production of the Scope of Work. Provide a comprehensive Work Plan that gives ample description and detail as to how it proposes to accomplish this project and what resources are necessary to meet the deliverables.

The State seeks insightful responses that describe proven state-of-the-art methods. Recommended solutions should demonstrate that the Offeror would be prepared to immediately undertake and successfully complete the required tasks. The Offeror's Work Plan should clearly and specifically identify key personnel assignments. (NOTE: The staffing plan should be consistent with the Work plans).

Additionally, the Offeror should address potential problem areas, recommended solutions to the problem areas, and any assumptions used in developing those solutions.

9. **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 should address the following:
 - a. Nature and extent of State support required in terms of staff roles, percentage of time available, etc.;
 - b. Assistance from State staff and the experience/qualification level required; and
 - c. 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 must therefore 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 unwilling or unable to meet the requirements.

10. **Conflict of Interest Statement.** Each Proposal must include a statement indicating whether the Offeror or any people that may work on 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 has the right to reject a Proposal in which a conflict is disclosed or cancel the Contract if any interest is later discovered that could give the appearance of a conflict.
11. **Assumptions.** The Offeror must provide a comprehensive listing of any and all of the assumptions that were made in preparing the proposal. If any assumption is unacceptable to the State, it may be cause for rejection of the Proposal. No assumptions shall be included regarding negotiation, terms and conditions, and requirements.

12. Proof of Insurance. In this section, the Offeror must provide the certificate of insurance required by the General Terms & Conditions, Attachment Three, Part Two. The policy may be written on an occurrence or claims made basis.
13. Payment Address. The Offeror must provide the address to which payments to the Offeror will be sent prior to submitting invoices.
14. Contract Performance. The Offeror must complete Attachment Eight, Offeror Performance Form.
15. W-9 Form and Vendor Information Form. The Offeror must complete Federal Form W-9, Request for Taxpayer Identification Number and Certification form and the Vendor Information Form (OBM-5657) in their entirety. At least one (1) original of each form (signed in blue ink) must be submitted in the "original" copy of the Proposal. All other copies of the Proposal may contain duplicates of these completed forms. If a subsidiary company is involved, Offerors must have an original W-9 and OBM-5657 for both the parent and subsidiary companies. These documents and directions can be found on the OBM Web site under the heading "Vendor Forms" at <http://www.ohiosharedservices.ohio.gov/Vendors.aspx>
16. 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>.

Approved Affirmative Action Plans can be found by going to the Equal Opportunity Department's Web site:

<http://eodreporting.oit.ohio.gov/searchAffirmativeAction.aspx>

Copies of approved Affirmative Action plans shall 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.

17. Banning the Expenditure of Public Funds on Offshore Services. The Offeror must complete the Contractor/Subcontractor Affirmation and Disclosure form (Attachment Nine) to abide with Executive Order 2011-12K issued by the Governor of Ohio, affirming no services of the Contractor or its subcontractors under this Contract will be performed outside the United States.

During the performance of this Contract, the Offeror must not change the location(s) of the country where the services are performed, change the location(s) of the country where the data are maintained, or made available without express written authorization of the Department of Administrative Services.

18. Cost Summary Form. The Cost Summary Form (Attachment Ten) must be submitted with the Offeror's Proposal. The Offeror's total cost for the entire Project must be represented as the firm fixed price, for a not-to-exceed fiscal year cost. Offerors shall provide a comprehensive cost analysis; this cost must include all ancillary costs. All costs for furnishing the services must be included in the Cost Proposals as requested. No mention of or reference to, the Cost Proposals may be made in responses to the general, technical, performance, or support requirements of this RFP.

All prices, costs, and conditions outlined in the proposal shall remain fixed and valid for acceptance for 120 days, starting on the due date for proposals. The awarded contractor must hold the accepted prices and/or costs for the entire contract period. No price change shall be effective without prior written consent from DAS, OPS.

NOTE: Offeror's should ensure Cost Proposals are submitted separately from the Technical Proposals, as indicated the Proposal Submittal paragraph of this RFP (see Part Three). This information should not be included in the Technical Proposal.

The State shall not be liable for any costs the Offeror does not identify in its Proposal.

ATTACHMENT THREE: GENERAL TERMS AND CONDITIONS
PART ONE: PERFORMANCE AND PAYMENT

STATEMENT OF WORK. The RFP and the Offeror's Proposal (collectively referred to as the "RFP") are a part of this Contract and describe the Work (the "Project") the Contractor will do and any materials the Contractor will deliver (the "Deliverables") under this Contract. The Contractor will do the Project in a professional, timely, and efficient manner and will provide the Deliverables in a proper fashion. The Contractor will also furnish its own support staff necessary for the satisfactory performance of the Project.

The Contractor will 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. The Contractor will 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 and the Contractor is paid. 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 State however, 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 will also apply to the end of any subsequent biennium during which the Project continues. Termination or expiration of this Contract will not limit the Contractor's continuing obligations with respect to Deliverables that the State paid for before termination or limit the State's rights in such.

It is understood that the State's funds are contingent upon the availability of lawful appropriations by the Ohio General Assembly. If the General Assembly fails at any time to continue funding for the payments and other obligations due as part of this Contract, the State's obligations under this Contract are terminated 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. The RFP may also have several dates for 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 and the mutually agreed to Work Plan requires. 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 may also have certain obligations to meet. Those obligations, if any, are also listed in the RFP. If the State agrees that the Contractor's failure to meet the delivery, milestone, or completion dates in the RFP 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 all professional 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 (5) business days of the Contractor's realization that the State's delay will impact the Project. The notice to the State must be directed at making the State aware of its delay and the impact of its delay. It must be sent to the Agency Project Representative and the State Procurement Representative. Remedies resulting from the State's delay will be at the State's discretion.

The State seeks a complete Project. Any incidental items omitted in the RFP will be provided as part of the Contractor's not-to-exceed fixed price. The Contractor must fully identify, describe, and document all systems that are delivered as a part of the Project. All hardware, software, supplies, and other required components (such as documentation, conversion, training, and maintenance) for the Project to be complete and useful to the State are included in the Project and the not-to-exceed fixed price.

ECONOMIC PRICE ADJUSTMENT. The Contract prices(s) will remain firm throughout the initial term of the Contract. Thereafter, prior to Contract renewal, the Contractor may submit a request to adjust their price(s) to be effective on the effective date of the Contract's renewal. No price adjustment will be permitted prior to the effective date; on purchase orders that already being processed; or on purchase orders that have been filled.

Price increases must be supported by a general price increase in the cost of the materials/services rendered due to documented increases in the cost of related materials/services. Detailed documentation, to include a comparison list of the Contract items and proposed price adjustments must be submitted to support the requested adjustment. Supportive documentation should include, but is not limited to: copies of the old and the current price lists or similar documents which indicate the original base cost of the product to the Contractor and the corresponding adjustment, and/or copies of correspondence sent by the Contractor's supplier on the supplier's letterhead, which contain the above price information and explains the source of the adjusted costs in such areas as raw materials, freight, fuel or labor, etc.

Should there be a decrease in the cost of the finished product due to a general decline in the market or some other factor, the Contractor is responsible to notify DAS immediately. The price decrease adjustment will be incorporated into the Contract and will be effective on all purchase orders issued after the effective date of the decrease. If the price decrease is a temporary decrease, such should be noted on the invoice. In the event that the temporary decrease is revoked, the Contract pricing will be returned to the pricing in effect prior to the temporary decrease. Failure to comply with this provision will be considered as a default and will be subject to the Suspension and Termination section contained herein.

COMPENSATION. In consideration of the Contractor's promises and satisfactory performance, the State will pay the Contractor the amount(s) identified in the RFP (the "Fee"), plus any other expenses identified as reimbursable in the RFP. In no event will payments under this Contract exceed the "not-to-exceed" amount in the RFP 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 is also contingent on the Contractor delivering a proper invoice and any other documents required by the RFP.

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 fifteen (15) business days after it receives a defective invoice of any defect and provide the information necessary to correct the defect.

The Contractor will send all invoices under this Contract to the "bill to" address in the RFP 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 may then deduct the disputed amount from its payment as a non-exclusive remedy. If, in the opinion of the State, a material breach has occurred by the Contractor, the State retains the right to withhold payment from the Contractor. Both parties agree that an attempt at resolution of any claims or material breach or disputes will first be made jointly by the Contractor Project Manager, the Contractor Project Principal, the Agency Project Representative and the State Procurement Administrator. If, within 30 calendar days following the above notification, the claim or dispute has not been resolved, only then will it be submitted to non-binding mediation (pursuant to the rules as stipulated by the American Arbitration Association). A claim or dispute must be submitted to non-binding mediation prior to the initiation of any formal legal process. 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. No payments are required to be made by the State until the matter is resolved.

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 will reimburse the State for that amount at the end of the 30 calendar days as a non-exclusive 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.

REIMBURSABLE EXPENSES. The State will pay all reimbursable expenses identified in the RFP, if any, in accordance with the terms in the RFP and, where applicable, Section 126.31 of the Revised Code. The Contractor will assume all expenses that it incurs in the performance of this Contract that are not identified as reimbursable in the RFP.

In making any reimbursable expenditure, the Contractor will always comply with the more restrictive of its own, then-current internal policies for making such expenditures or with the State's then-current policies. All reimbursable travel will require the advance written approval of the State's Agency Project Representative. All reimbursable expenses will be billed monthly and paid by the State within 30 business days of receiving the Contractor's invoice.

FINANCIAL & BANKING REQUIREMENTS

1. There will be no fees paid during the pre-enrollment notification period or during the open enrollment period prior to the start of this contract. In addition, there will be no fees paid during the 6 month period following the end of the final calendar year of this contract.

- a. Administrative fees shall be proposed on a composite, per participant per month basis. As provided above, no fees will be paid separately for the 6 month run-out period following the final calendar year of the contract. As such, fees will include the costs associated with the six (6) month run-out period following the expiration of the final plan year.
- b. Administrative fees proposed shall be listed on the Offeror's Cost Summary, Attachment Nine.
- c. The HCSA, DCSA and Commuter Choice plans will cover calendar years beginning January 1, 2014, January 1, 2015, January 1, 2016 and any mutually agreed upon renewal thereafter.
- d. Any required initial deposit/pre-funding amounts should be requested via invoice with detailed calculations no less than 30 days prior to the date the funds are needed. Upon review and approval of the calculated pre-fund, the State

will submit the invoice for payment. The 30 day review and approval period requirement will also apply to any future year pre-fund adjustments and may require a full refund remitted to the State and the new pre-fund reissued in total. The cumulative sum of any requested pre-fund amounts will not be approved if greater than 3% of the annualized healthcare spending account elections based on open enrollment. This pre-fund is subject to the Public Depository & Collateralization requirements in section 2.

- e. Only claims incurred after the effective dates of the plans shall be processed.
- f. The Contractor must adhere to all State eligibility rules and dependent definitions
- g. The Contractor will process and pay claims for all HCSA and DCSA plans. The State will reimburse the Contractor subsequent to the processing of health care and dependent care claim
- h. The monthly participation fees must include all cost of administering the HCSA, DCSA and Commuter Choice programs. This will include but not be limited to all operating expenses, pre-enrollment notification, participant enrollment process, administration of the Contract, the adjudication of claims, attending meetings with DAS as necessary and mailing required notifications.
- i. Monthly participation fees will be paid Net 30, upon receipt of a properly prepared, detailed invoice including the following:
 - 1) Purchase Order #
 - 2) Invoice Date
 - 3) Invoice period.
 - 4) Description of service(s) delivered
 - 5) Amount (detailed by service or component as required by State program administrator)
 - 6) Remit to Address (this information should be forwarded to the State upon setup)
- j. The Contractor agrees to be the fiduciary for the benefit plan and be responsible for plan benefits determination and review of denied claims of benefits under the plan.

2. Public Depository & Collateralization: Public funds - Ohio Uniform Depository Act – ORC Chapter 135: All public funds held by vendor in excess of actual invoiced payments for services or payments for reimbursements of claims must be held in a State of Ohio public depository (135.03) and collateralized (135.18). Public funds must be held in banks that are public depositories physically located and doing business in Ohio. To be considered located in Ohio means that the financial institution has a brick and mortar building, not just an ATM or etc.

- a. For a current list of Ohio public depositories please see: <http://www.tos.ohio.gov/depositorybanks>
- b. Monthly Third Party Administrator (TPA) Financial Reporting: A financial summary is required to be completed monthly by the 15th calendar day of the following month. This report must be accompanied by a bank statement and signed by a properly authorized agent of the TPA, saved and submitted to the State of Ohio in pdf format. An example of the required report is attached in supplement four. _____.
- c. Claims reimbursements will be approved and paid for claims that have cleared the Offeror's bank account prior to invoicing. Any outstanding items should not be included on the invoice.
- d. Claims reimbursements will be paid Due Now, upon receipt of a properly prepared, detailed claims invoice including the following:
 - a. Invoice Date
 - b. Invoice period.
 - c. Description of claims paid
 - d. Amount (detailed by claims type as required by State program administrator)
 - e. Remit to Address (this information should be forwarded to the State upon setup)
- e. Claims paid "Due Now" are generally received by vendors in 2 to 4 business days depending on their bank. Saturdays, Sundays and Mondays are not considered as funding days for "Due Now" purposes. As such, all invoices received after 5:00pm on Thursdays will be transacted on the following Tuesday.

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

1. All statutory provisions under ORC Section 126.07, have been met.
2. All necessary funds are made available by the appropriate state agencies.
3. If required, approval of this Contract is given by the Controlling Board of Ohio.

If the State is relying on Federal or third-party funds for this Contract, the State gives the Contractor written notice that such funds have been made available.

EMPLOYMENT TAXES. Each party will be solely responsible for reporting, withholding, and paying all employment related taxes, payments, and withholdings for its own personnel, including, but not limited to, Federal, state and local income taxes, social security, unemployment or disability deductions, withholdings, and payments (together with any interest and penalties not disputed with the appropriate taxing authority). All people the Contractor provides to the State under this Contract will be deemed employees of the Contractor for purposes of withholdings, taxes, and other deductions or contributions required under the law.

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. 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 at a later time.

NOTICE ON THE USE OF SOCIAL SECURITY NUMBERS AS FEDERAL TAX IDENTIFICATION NUMBERS. DAS requires vendors and contractors wishing to do business with the State to provide their Federal Taxpayer Identification Number to the Department. The Department does this so that it can perform statutorily required "responsibility" analyses on those vendors and contractors doing business with the State and, under limited circumstances, for tax reporting purposes. If you are a vendor or contractor using your Social Security Number as your Federal Taxpayer Identification Number, please be aware that the information you submit is a public record, and the Department may be compelled by Ohio law to release Federal Taxpayer Identification Numbers as a public record. If you do not want to have your Social Security Number potentially disclosed as a Federal Taxpayer Identification Number, the Department encourages you to use a separate Employer Identification Number (EIN) obtained from the United States Internal Revenue Service's to serve as your Federal Taxpayer Identification Number.

ELECTRONIC COMMERCE PROGRAM. The State of Ohio is an active participant in E-Commerce to include Electronic Data Interchange (EDI). This program will benefit both the State and the Contractor by reducing time delays in receiving invoices and making payments that are associated with the existing manual processes. The contractor is encouraged to move toward compliance with electronic commerce technologies as this will be the preferred method of doing business with the State of Ohio. Information regarding E-Commerce is available on the Office of Budget and Management's website at <http://obm.ohio.gov/sectionpages/electroniccommerce/> for additional information regarding E-Commerce.

ATTACHMENT THREE: GENERAL TERMS AND CONDITIONS
PART TWO: WORK & 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.

BANNING THE EXPENDITURE OF PUBLIC FUNDS ON OFFSHORE SERVICES.

1. Executive Order Requirements. The Contractor affirms to have read and understands [Executive Order 2011-12K](#) and shall abide by those requirements in the performance of this Contract. Notwithstanding any other terms of this Contract, the State reserves the right to recover any funds paid for services the Contractor performs outside of the United States for which it did not receive a waiver. The State does not waive any other rights and remedies provided the State in this Contract.

The Offeror must complete the attached Contractor/Subcontractor Affirmation and Disclosure form attachment to abide with Executive Order 2011-12K, affirming no services of the Contractor or its subcontractors under this Contract will be performed outside the United States. During the performance of this Contract, the Contractor must not change the location(s) of the country where the services are performed, change the location(s) of the country where the data are maintained, or made available unless a duly signed waiver from the State has been attained to perform the services outside the United States.

2. Termination, Sanction, Damages. If Contractor or any of its subcontractors perform services under this Contract outside of the United States, the performance of such services shall be treated as a material breach of the Contract. The State is not obligated to pay and shall not pay for such services. If Contractor or any of its subcontractors perform any such services, Contractor shall immediately return to the State all funds paid for those services. The State may also recover from the Contractor all costs associated with any corrective action the State may undertake, including but not limited to an audit or a risk analysis, as a result of the Contractor performing services outside the United States.

The State may, at any time after the breach, terminate the Contract, upon written notice to the Contractor. The State may recover all accounting, administrative, legal and other expenses reasonably necessary for the preparation of the termination of the Contract and costs associated with the acquisition of substitute services from a third party.

If the State determines that actual and direct damages are uncertain or difficult to ascertain, the State in its sole discretion may recover a payment of liquidated damages in the amount of one percent (1.0 %) of the value of the Contract.

The State, in its sole discretion, may provide written notice to Contractor of a breach and permit the Contractor to cure the breach. Such cure period shall be no longer than 21 calendar days. During the cure period, the State may buy substitute services from a third party and recover from the Contractor any costs associated with acquiring those substitute services.

Notwithstanding the State permitting a period of time to cure the breach or the Contractor's cure of the breach, the State does not waive any of its rights and remedies provided the State in this Contract, including but not limited to recovery of funds paid for services the Contractor performed outside of the United States, costs associated with corrective action, or liquidated damages.

3. Assignment / Delegation. The Contractor will not assign any of its rights, nor delegate any of its duties and responsibilities under this Contract, without prior written consent of the State. Any assignment or delegation not consented to may be deemed void by the State.

SUBCONTRACTING. The Contractor may not enter into subcontracts for the Work after award without written approval from the State. 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 Work. All subcontracts will be at the sole expense of the Contractor unless expressly stated otherwise in the RFP.

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 will hold the State harmless for and will indemnify the State against any such claims.

The Contractor will assume responsibility for all Deliverables whether it, a subcontractor, or third-party manufacturer produces them in whole or in part. Further, the State will consider the Contractor to be the sole point of contact with regard to contractual matters, including payment of all charges resulting from the Contract. 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 must also 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 exclusions 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 will indemnify the State for the damage.

RECORD KEEPING. The Contractor will keep all financial records in accordance with generally accepted accounting procedures consistently applied. The Contractor will file documentation to support each action under this Contract in a manner allowing it to be readily located. The Contractor will keep all Project-related records and documents at its principal place of business or at its office where the work was performed.

The Contractor will keep a separate account for the Project (the "Project Account"). All payments made from the Project Account will be only for obligations incurred in the performance of this Contract and will be supported by contracts, invoices, vouchers, and any other data needed to audit and verify the payments. All payments from the Project Account will be for obligations incurred only after the effective date of this Contract unless the State has given specific written authorization for making prior payments from the Project Account.

AUDITS. During the term of this Contract and for three (3) 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 will also apply to the State's duly authorized representatives and any person or organization providing financial support for the Project.

Unless it is impracticable to do so, all records related to this Contract must be kept in a single location, either at the Contractor's principle place of business or its place of business where the work was done. If this is not practical, the Contractor will assume the cost of collecting, organizing, and relocating the records and any technology needed to access the records to the Contractor's office nearest Columbus whenever the State or anyone else with audit rights requests access to the Contractor's Project records. The Contractor will do so with all due speed, not to exceed five (5) business days.

If any audit reveals any material deviation from the Project's specifications, any misrepresentation, or any overcharge to the State, the State will be entitled to recover damages, as well as the cost of the audit.

For each subcontract in excess of \$25,000, the Contractor will require its subcontractors to agree to the requirements of this section and of the record-keeping section. Subcontracts with smaller amounts involved need not meet this requirement. The Contractor may not artificially break up contracts with its subcontractors to take advantage of this exclusion.

INSURANCE. The Contractor shall 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 shall also maintain employer's liability insurance with at least a \$1,000,000 limit.
- b. Commercial General Liability insurance coverage for bodily injury, personal injury, wrongful death, property damage. The defense cost shall be outside of the policy limits. Such policy shall designate the state of Ohio as an additional insured, as its interest may appear. The policy shall also be endorsed to include a blanket waiver of subrogation. At a minimum, the limits of the insurance shall 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 policy shall also be endorsed to provide the State with 30-day prior written notice of cancellation or material change to the policy. It is agreed upon that the Contractor's Commercial General Liability shall be primary over any other insurance coverage.

- c. Commercial Automobile Liability insurance with a combined single limit of \$500,000.

Certificates for Worker's Compensation and proof of insurance must be provided. 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.

STATE PERSONNEL. During the term of this Contract and for one (1) year after completion of the Project, the Contractor will not hire or otherwise contract for the services of any state employee involved with the Project.

REPLACEMENT PERSONNEL. If the Offeror's Proposal contains the names of specific people 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 will use all commercially reasonable efforts to ensure the continued availability of those people. Also, the Contractor will 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 its Proposal from the Project if doing so is necessary for legal or disciplinary reasons. The Contractor must make a reasonable effort to give the State 30 calendar days' prior, written notice of the removal.

The Contractor must have qualified replacement people available to replace any people listed by name in its Proposal. When the removal of a listed person is permitted under this Section, or if a person becomes unavailable, the Contractor will submit the resumes for two (2) replacement people for each person removed or who otherwise becomes unavailable. The Contractor will submit the two (2) resumes, along with such other information as the State may reasonably request, within five (5) 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(s). Should the State reject both replacement candidates due to their failure to meet the minimum qualifications identified in the RFP, or should the Contractor fail to provide the notice required under this Section or fail to provide two (2) 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 the event of such a default, the State will have the right to terminate this Contract and to have the damages specified elsewhere in this Contract for termination due to default.

The State may determine that proposed replacement candidates meet the minimum qualifications of this Contract and still substantially reduce the value the State perceived it would receive through the work 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 will 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, then such rejection may be deemed a termination for 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, and right to ensure, that its operations are carried out in an efficient, professional, legal, and secure manner. The State, therefore, will have the right to require the Contractor to remove any individual working on 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 will follow the procedures identified above for replacing unavailable people. This provision applies to people engaged by the Contractor's subcontractors if they are listed as key people in the Proposal.

CONTRACT NON-COMPLIANCE. A primary goal of the Agency is to assure that the program receives high quality services from the Contractor. To this end, the Agency will work in partnership with the Contractor(s) to meet this goal. The partnership is defined by the Contract and it is important that communication between the Contractor and state agencies be open and supportive. Should contract non-compliance be an issue, the Agency shall make every effort to resolve the problem.

1. Non-Compliance Issues. Contractor non-compliance with the specifications and terms and conditions outlined in the Contract may result in the imposition of remedies as explained below in paragraph 2.

The Agency must be promptly notified of any procedural changes outside the technical requirements listed herein.

2. Resolution for Contract Non-Compliance. The Agency will be responsible for monitoring the Contractor's performance and compliance with the terms, conditions, and specifications of the contract.
 - a. For any infractions not immediately remedied by the Contractor, the Agency will notify DAS through a Complaint to Vendor (CTV) to help resolve the infraction.

- b. DAS will impose upon the Contractor remedies for non-compliance regarding contract specifications and terms and conditions. Remedies imposed will be in proportion with the severity of the non-compliance and may be progressive in nature.

SUSPENSION AND TERMINATION. The State may terminate this Contract 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 may also 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. The State may also 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 (3) times. After the third notice, the State may terminate this Contract without a cure period if the Contractor again fails to meet any obligation. The three (3) 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. 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 may also 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 may also terminate this Contract should that third party fail to release any Project funds. The RFP identifies any third party source of funds for the Project.

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 will 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 will also immediately prepare a report and deliver it to the State. The report must be all-inclusive; no additional information will be accepted following the initial submission. The report 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 will also deliver all the completed and partially completed Deliverables to the State with its report. If delivery in that manner would not be in the State's interest, then the Contractor will propose a suitable alternative form of delivery.

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 it 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 will also 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 determined to be owing to the Contractor by the State. 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 applicable unit(s) of Work.

The State will have the option of suspending rather than terminating the Project where 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 amount of compensation due to the Contractor for work performed before the suspension will be determined 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. No payment under this provision will be made to the Contractor until the Contractor submits a proper invoice.

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 will perform no work without the consent of the State and will 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 will not suspend the Project for its convenience more than once during the term of this Contract, and any suspension for the State's convenience will 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 period, 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 will indemnify the State for any liability to them. Each subcontractor will hold the State harmless for any damage caused to them from a suspension or termination. They will look solely to the Contractor for any compensation to which they may be entitled.

The Contractor may, at its discretion, request termination with a minimum 60 day notice in writing. The State will review the request and respond in writing to the Contractor with its findings.

CONTRACT REMEDIES.

1. Actual Damages. Contractor is liable to the state of Ohio for all actual and direct damages caused by Contractor's default. The State may buy substitute supplies or services, from a third party, for those that were to be provided by Contractor. The State may recover the costs associated with acquiring substitute supplies or services, less any expenses or costs saved by Contractor's default, from Contractor.
2. Liquidated Damages. If actual and direct damages are uncertain or difficult to determine, the State may recover liquidated damages in the amount of 1% of the value of the order, deliverable or milestone that is the subject of the default, for every day the default is not cured by Contractor.
3. Deduction of Damages from Contract Price. The State may deduct all or any part of the damages resulting from Contractor's default from any part of the price still due on the contract, upon prior written notice being issued to the Contractor by the State.

REPRESENTATIVES. The State's representative under this Contract will be the person identified in the RFP or a subsequent notice to the Contractor as the "Agency Project Representative". The Agency Project Representative will review all reports made in the performance of the Project by the Contractor, will conduct all liaison with the Contractor, and will accept or reject the Deliverables and the complete Project. The Agency Project Representative may assign to a manager, responsibilities for individual aspects of the Project to act as the Agency Project Representative for those individual portions of the Project.

The Contractor's Project Manager under this Contract will be the person identified in the Proposal as the "Project Manager." The Project Manager will conduct all liaisons with the State under this Contract. Either party, upon written notice to the other party, may designate another representative. The Project Manager may not be replaced without the approval of the State if that individual is identified in the Proposal as a key individual on the Project.

WORK RESPONSIBILITIES. The State will be responsible for providing only those things expressly identified, if any, in the RFP. 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/or equipment or has voluntarily waived an inspection and will work with the equipment and/or facilities on an "as is" basis.

The Contractor will assume the lead in the areas of management, design, and development of the Project. The Contractor will 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 Agency Project Representative. The Contractor will be responsible for all communications regarding the progress of the Project and will discuss with the Agency Project Representative any issues, recommendations, and decisions related to the Project.

If the Project, or parts of it, 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 will complete an installation letter and secure the signature of Agency Project Representative certifying that installation is complete and the Project, or applicable portion of it, is operational. The letter will describe the nature, date, and location of the installation, as well as the date it was certified as installed and operational by the Agency Project Representative.

Unless otherwise provided in the RFP, the Contractor will be 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 will have the right to request a Change Order from the State. Scope of Work changes will be managed as follows: pricing will be provided from the Contractor 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. Within five (5) business days after receiving the Change Order, the Contractor will sign it to signify agreement.

If a change causes an increase in the cost of, or the time required for, the performance of the Project, the Contractor will notify the State in writing and request an equitable adjustment in the Contractor's 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 of the claim within five (5) 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 relevant change was specifically ordered in writing by the State 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, and the Contractor seeks an equitable adjustment in its Fee, either party may submit the dispute to the senior management of the Contractor and the State for resolution. If, within 30 calendar days following referral to senior management, the claim or dispute has not been resolved, only then will it be submitted to non-binding mediation (pursuant to the rules as stipulated by the American Arbitration Association). A claim or dispute must be submitted to non-binding mediation prior to the initiation of any formal legal process. Costs of mediation will be shared equally. Both parties further agree to use best efforts to resolve any claims or disputes arising during the performance of this Contract within 30 calendar days following the initiation of the dispute process. The resolved 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 will be 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 work a subcontractor will do under a Change Order.

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 will notify the other promptly of any material delay in performance and will 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 must also 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 Contractor has no legal control.

INDEPENDENT STATUS OF THE CONTRACTOR. The parties will be acting as independent contractors. The partners, employees, officers, and agents ("Personnel") of one party, in the performance of this Contract, will act only in the capacity of representatives of that party and not as Personnel of the other party and will not be deemed for any purpose to be Personnel of the other. Each party assumes full responsibility for the actions of its Personnel while they are performing services pursuant to this Contract and will be solely responsible for paying its Personnel (including withholding of and/or paying income taxes and social security, workers' compensation, disability benefits and the like). Neither party will commit, nor be authorized to commit, the other party in any manner. The Contractor's subcontractors will be considered the agents of the Contractor for purposes of this Contract.

ATTACHMENT THREE: GENERAL TERMS AND CONDITIONS
PART THREE: OWNERSHIP & HANDLING OF INTELLECTUAL PROPERTY & 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 interests of the public, other contractors or potential contractors with the State, or individuals or organizations about whom the State keeps information. By way of example, information should 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 expressly excluded by Ohio law from public records disclosure requirements.

The Contractor agrees not to disclose any Confidential Information to third parties and to use it solely to do the Project. The Contractor will 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 be liable for any unintentional disclosure of Confidential Information that results despite the Contractor's exercise of at least the same degree of care as it normally takes to safeguard its own secrets, except when the Contractor's procedures are not reasonable given the nature of the Confidential Information or when the disclosure nevertheless results in liability to the State.

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 will cause all of its employees 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) 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 will return all originals of any Confidential Information and destroy any copies it has made on termination or expiration of this Contract.

The Contractor may disclose Confidential Information to its subcontractors on a need-to-know basis, but they will be obligated to the requirements of this section.

HANDLING OF THE STATE'S DATA. The Contractor must use due diligence to ensure computer and telecommunications systems and services involved in storing, using, or transmitting State data are secure and to protect that data from unauthorized disclosure, modification, or destruction. To accomplish this, the Contractor must:

1. Apply appropriate risk management techniques to ensure security for all sensitive data, including but not limited to any data identified as Confidential Information elsewhere in this Contract.
2. Ensure that its internal security policies, plans, and procedures address the basic security elements of confidentiality, integrity, and availability.
3. Maintain plans and policies that include methods to protect against security and integrity threats and vulnerabilities, as well as and detect and respond to those threats and vulnerabilities.
4. Maintain appropriate identification and authentication process for information systems and services associated with State data.
5. Maintain appropriate access control and authorization policies, plans, and procedures to protect system assets and other information resources associated with State data.
6. Implement and manage security audit logging on information systems, including computers and network devices.

The Contractor must maintain a robust boundary security capacity that incorporates generally recognized system hardening techniques. This includes determining which ports and services are required to support access to systems that hold State data, limiting access to only these points, and disable all others. To do this, the Contractor must use assets and techniques such as properly configured firewalls, a demilitarized zone for handling public traffic, host-to-host management, Internet protocol specification for source and destination, strong authentication, encryption, packet filtering, activity logging, and implementation of system security fixes and patches as they become available. The Contractor must use two-factor authentication to limit access to systems that contain particularly sensitive State data, such as personally identifiable data.

Unless the State instructs the Contractor otherwise in writing, the Contractor must assume all State data is both confidential and critical for State operations, and the Contractor's security policies, plans, and procedure for the handling, storage, backup, access, and, if appropriate, destruction of that data must be commensurate to this level of sensitivity. As part of the Contractor's protection and control of access to and use of data, the Contractor must employ appropriate intrusion and attack prevention and detection capabilities. Those capabilities must track unauthorized access and attempts to access the State's data, as well as attacks on the Contractor's infrastructure associated with the State's data. Further, the Contractor must monitor and appropriately address information from its system tools used to prevent and detect unauthorized access to and attacks on the infrastructure associated with the State's data.

The Contractor must use appropriate measures to ensure that State's data is secure before transferring control of any systems or media on which State data is stored. The method of securing the data must be appropriate to the situation and may include erasure, destruction, or encryption of the data before transfer of control. The transfer of any such system or media must be reasonably necessary for the performance of the Contractor's obligations under this Contract.

The Contractor must have a business continuity plan in place. The Contractor must test and update the IT disaster recovery portion of its business continuity plan at least annually. The plan must address procedures for response to emergencies and other business interruptions. Part of the plan must address backing up and storing data at a location sufficiently remote from the facilities at which the Contractor maintains the State's data in case of loss of that data at the primary site. The plan also must address the rapid restoration, relocation, or replacement of resources associated with the State's data in the case of a disaster or other business interruption. The Contractor's business continuity plan must address short- and long-term restoration, relocation, or replacement of resources that will ensure the smooth continuation of operations related to the State's data. Such resources may include, among others, communications, supplies, transportation, space, power and environmental controls, documentation, people, data, software, and hardware. The Contractor also must provide for reviewing, testing, and adjusting the plan on an annual basis.

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

Any encryption requirement identified in this provision must meet the Ohio standard as defined in Ohio IT standard ITS-SEC-01, "Data Encryption and Cryptography".

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

In case of an actual security breach that may have compromised State data, including but not loss or theft of devices or media, the Contractor must notify the State in writing of the breach within 24 hours of the Contractor becoming aware of the breach, and fully cooperate with the State to mitigate the consequences of such a breach. This includes any use or disclosure of the State data that is inconsistent with the terms of this Contract and of which the Contractor becomes aware, including but not limited to, any discovery of a use or disclosure that is not consistent with this Contract by an employee, agent, or subcontractor of the Contractor.

The Contractor must give the State full access to the details of the breach and assist the State in making any notifications to potentially affected people and organizations that the State deems are necessary or appropriate. The Contractor must document all such incidents, including its response to them, and make that documentation available to the State on request. In addition to any other liability under this Contract related to the Contractor's improper disclosure of State data, and regardless of any limitation on liability of any kind in this Contract, the Contractor will be responsible for acquiring one year's identity theft protection service on behalf of any individual or entity whose personally identifiable information is compromised while it is in the Contractor's possession.

OWNERSHIP OF DELIVERABLES. All deliverables produced by the Contractor and covered by this Contract, including any software modifications, and documentation, shall be owned by the State, 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 will 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 in 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, sell, and otherwise distribute all Pre-existing Materials that are incorporated in any custom-developed Deliverable rather than grant the State ownership of the Pre-existing Materials provided however, that the State may distribute such Pre-existing materials to the extent required by governmental funding mandates. The Contractor will 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 in a custom Deliverable, the Contractor must first disclose this and seek the State's approval for doing so in advance. On the request of the Contractor, the State will incorporate any proprietary notice the Contractor may reasonably want for any Pre-existing Materials included in a custom Deliverable in all copies the State makes of that 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.

LICENSE IN COMMERCIAL MATERIAL. As used in this section, "Commercial Material" means anything that has been developed at private expense by the Contractor or a third party, commercially available in the marketplace, subject to intellectual property rights, and readily copied through duplication on magnetic media, paper, or other media. Examples include written reports, books, pictures, videos, movies, computer programs, and computer source code and documentation.

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

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

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

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

For Commercial Software, the State will have the rights in items (1) through (8) of this section with respect to the software. The State will not use any Commercial Software except as provided in items (1) through (8) of this section or as expressly stated otherwise in this Contract. The Commercial Software may be:

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

5. Disclosed to and reproduced for use on behalf of the State by support service contractors or their subcontractors, subject to the same restrictions set forth in this Contract.
6. Used or copied for use in or transferred to a replacement computer.

However:

7. If the Commercial Software delivered under this Contract is published and copyrighted, it is licensed to the State without disclosure prohibitions.
8. If any Commercial Software is delivered under this Contract with the copyright notice in 17 U.S.C. 401, it will be presumed to be published, copyrighted, and licensed to the State without disclosure restrictions, unless a statement substantially as follows accompanies such copyright notice: "Unpublished -- rights reserved under the copyright laws of the United States." The State will treat such Commercial Software as Confidential Information to the extent that such is actually the case.

ATTACHMENT THREE: GENERAL TERMS AND CONDITIONS
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; (2) Unless otherwise provided in the RFP, be the work solely of the Contractor; and (3) No Deliverable will infringe on the intellectual property rights of any third party.

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; (4) The Contractor has good and marketable title to any goods delivered under this Contract and in which title passes to the State; (5) All hardware, software, firmware, and similar devices and materials provided under this Contract will be designed to operate without regard to the turning of a century and process dates in a manner that takes into account dates occurring before and after the turning of a century; and (6) The Contractor has the right and ability to grant the license granted in any Deliverable in which title does not pass to the State.

The warranty regarding material defects is a 1-year warranty. 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 will correct such failure with all due speed or will refund the amount of the compensation paid for such portion of the Project. The Contractor will also 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 agrees to 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 will do one (1) of the following four (4) things: (1) Modify the Deliverable so that it is no longer infringing; (2) Replace the Deliverable with an equivalent or better item; (3) Acquire the right for the State to use the infringing Deliverable as it was intended for the State to use under this Contract; or (4) Remove the Deliverable and refund the amount the State paid for the Deliverable and the amount of any other Deliverable or item that requires the availability of the infringing Deliverable for it to be useful to the State.

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

For Commercial Software licensed from a third party that is incorporated in a Deliverable, the Contractor represents and warrants that it has done 1 of the following 3 things: (a) obtained the right from the third-party licensor to commit to the warranties and maintenance obligations in this Section; (b) obtained a binding commitment from the licensor to make those warranties and maintenance obligations directly to the State; or (c) fully disclosed in the RFP any discrepancies between the requirements of this section and the commitment the third-party licensor has made.

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

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

written and will include commentary that will allow a competent programmer proficient in the source language to readily interpret the source code and understand the purpose of all routines and subroutines contained within the source code.

EQUIPMENT WARRANTY. If any electrical equipment, mechanical device, computer hardware, telecommunications hardware, or other type of physical machinery ("Equipment") will be a part of any Deliverable, the following warranties apply. The Contractor warrants that the Equipment fully complies with all government environmental and safety standards applicable to the Equipment. The Contractor also warrants for 1 year from the acceptance date of the Equipment that the Equipment will perform substantially in accordance with specifications described in the RFP, the user manuals, technical materials, and related writings published by the manufacturer for the Equipment. The foregoing warranties will not apply to Equipment that is modified or damaged after title passes to the State.

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

The Contractor's will do the following if any Equipment does not meet the above warranties:

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

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

GENERAL EXCLUSION OF WARRANTIES. The State makes no warranties, express or implied, other than those express warranties contained in this contract. The contractor also makes no warranties of merchantability or fitness for a particular purpose except as follows: If the Contractor has been engaged under the scope of work in the RFP to design something to meet a particular need for the State, then the Contractor does warrant that the contractor's work will meet the stated purpose for that work.

INDEMNITY. The Contractor will indemnify the State for any and all claims, damages, law suits, costs, judgments, expenses, and any other liabilities resulting from bodily injury to any person (including injury resulting in death) or damage to property that may arise out of or are related to Contractor's performance under this Contract, providing such bodily injury or property damage is due to the negligence of the Contractor, its employees, agents, or subcontractors.

The Contractor will also indemnify the State against any claim of infringement of a copyright, patent, trade secret, or similar intellectual property rights based on the State's proper use of any Deliverable under this Contract. This obligation of indemnification will not apply where the State has modified or misused the Deliverable and the claim of infringement, is based on the modification or misuse. The State agrees to give the Contractor notice of any such claim as soon as reasonably practicable and to give the Contractor the authority to settle or otherwise defend any such claim upon consultation with and approval by the Office of the State Attorney General. 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 will take one (1) of the following four (4) actions:

1. Modify the Deliverable so that 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.
4. Remove the Deliverable and refund the fee the State paid for the Deliverable and the fee for any other Deliverable that required the availability of the infringing Deliverable for it to be useful to the State.

LIMITATION OF LIABILITY. Notwithstanding any limitation provisions contained in the documents and materials incorporated by reference into this contract, the parties agree as follows:

1. Neither party will be liable for any indirect, incidental or consequential loss or damage of any kind including but not limited to lost profits, even if the parties have been advised, knew, or should have known of the possibility of damages.
2. The contractor further agrees that the contractor shall be liable for all direct damages due to the fault or negligence of the contractor.

ATTACHMENT THREE: GENERAL TERMS AND CONDITIONS
PART FIVE: ACCEPTANCE AND MAINTENANCE

STANDARDS OF PERFORMANCE AND ACCEPTANCE. If the RFP does not provide otherwise, the acceptance procedure will be an informal review by the Agency Project Representative to ensure that each Deliverable and the Project as a whole comply with the requirements of this Contract. The Agency Project Representative will have up to 30 calendar days to do this. No formal letter of acceptance will be issued, and passage of the 30 calendar days will imply acceptance, though the State will issue a notice of noncompliance if a Deliverable or the Project as a whole does not meet the requirements of this Contract. If the Agency 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 Agency Project Representative has issued a noncompliance letter, the Deliverables or the Project as a whole will not be accepted until the Agency 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 Agency Project Representative will issue the acceptance letter within 15 calendar days.

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

ATTACHMENT THREE: GENERAL TERMS AND CONDITIONS
PART SIX: CONSTRUCTION

ENTIRE DOCUMENT. This Contract is the entire agreement between the parties with respect to the subject matter and supersedes any previous statements or 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. 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 will not be used to interpret any section.

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

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

ATTACHMENT THREE: GENERAL TERMS AND CONDITIONS
PART SEVEN: LAW & COURTS

COMPLIANCE WITH LAW. The Contractor agrees to comply with all applicable federal, state, and local laws in the conduct of the Work.

DRUG-FREE WORKPLACE. The Contractor will comply with all applicable state and Federal laws regarding keeping a drug-free workplace. The Contractor will make a good faith effort to ensure that all the Contractor employees, 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. No Personnel of the Contractor may voluntarily acquire any personal interest that conflicts with their responsibilities under this Contract. Additionally, the Contractor will 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 will disclose to the State knowledge of any such person who acquires an incompatible or conflicting personal interest related to this Contract. The Contractor will take steps to ensure that such a person does not participate in any action affecting the work under this Contract. 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 AND ELECTIONS LAW.

1. Ethics Law

All Contractors who are actively doing business with the state of Ohio or who are seeking to do business with the state of Ohio are responsible to review and comply with all relevant provisions of O.R.C. Sections 102.01 to 102.09. Contractor certifies that it is currently in compliance and will continue to adhere to the requirements of Ohio ethics laws.

2. Political Contributions

The Contractor affirms in its cover letter that, as applicable to the Contractor, all personal and business associates are in compliance with Chapter 3517 of the Revised Code regarding limitations on political contributions and will remain in compliance for the duration of the Contract and with all applicable provisions that extend beyond the expiration of the Contract.

EQUAL EMPLOYMENT OPPORTUNITY. The Contractor will comply with all state and federal laws regarding equal employment opportunity, 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 completed using:

<http://das.ohio.gov/Divisions/EqualOpportunity/AffirmativeActionProgramVerification/tabid/133/Default.aspx>.

Approved Affirmative Action Plans can be found by going to the Equal Opportunity Department's Web site:

<http://eodreporting.oit.ohio.gov/searchAffirmativeAction.aspx>

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.

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 FOUR
CONTRACT

This Contract, which results from RFP CSP900815, entitled Health Care (HCSA) and Dependent Care (DCSA) Flexible Spending Accounts and Commuter Choice Program Administration for State of Ohio Employees is between the state of Ohio, through the Department of Administrative Services, Office of Procurement Services, on behalf of the Human Resources Division (HRD), Benefits Administration Services (BAS) of the Department of Administrative Services (DAS) (the "State") and

(the "Contractor").

If this RFP results in a contract award, the Contract will consist of this RFP including all attachments, written addenda to this RFP, the Contractor's proposal, and written, authorized addenda to the Contractor's proposal. It will also 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 this one (1) page attachment to the RFP, which incorporates by reference all the documents identified above. The general terms and conditions for the Contract are contained in another attachment to the 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. This RFP, as amended;
2. The documents and materials incorporated by reference in the RFP;
3. The Contractor's Proposal, as amended, clarified, and accepted by the State; and
4. The documents and materials incorporated by reference in the Contractor's Proposal.

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.

This Contract has an effective date of the later of January 1, 2015 or the occurrence of all conditions precedent specified in the General Terms and Conditions.

IN WITNESS WHEREOF, the parties have executed this Contract as of the dates below.

(Contractor)

Department of Administrative Services
(State of Ohio Agency)

(Signature)

(Signature)

(Printed Name)

Robert Blair
(Printed Name)

(Title)

Director, Department of Administrative Services
(Title)

(Date)

(Date)

ATTACHMENT FIVE A
OFFEROR PROFILE FORM

Offeror's Legal Name:	Address:	
Phone Number:	Fax Number:	E-mail Address:
Home Office Location:	Date Established:	Ownership:
Firm Leadership:	Number of Employees:	Number of Employees Directly involved in Tasks Directly Related to the Work:
Additional Background Information:		

ATTACHMENT FIVE B
OFFEROR PRIOR PROJECT FORM

Customer Company Name:	Contact:	
Address:	Phone Number:	
Project Name:	Beginning Date of Project (Month/Year):	Ending Date of Project (Month/Year):
<p>The Offeror must document previous experience and expertise in providing a minimum of three (3) previous projects working, similar in size and complexity, in the previous five (5) years. These projects must be of similar size, scope and nature. Details of the similarities must be included. Attachment Five B, C, and D must be filled out completely for each of the three (3) projects provided. The Offeror must use these forms and fill them out completely to provide the Offeror requirement information. Failure to recreate the form accurately to include all fields, may lead to the rejection of the Offeror's Proposal.</p>		

ATTACHMENT FIVE C
OFFEROR PRIOR PROJECT FORM

Customer Company Name:	Contact:	
Address:	Phone Number:	
	E-mail:	
Project Name:	Beginning Date of Project (Month/Year):	Ending Date of Project (Month/Year):

The Offeror must document previous experience and expertise in providing a minimum of three (3) previous projects working, similar in size and complexity, in the previous five (5) years. These projects must be of similar size, scope and nature. Details of the similarities must be included. Attachment Five B, C, and D must be filled out completely for each of the three (3) projects provided. The Offeror must use these forms and fill them out completely to provide the Offeror requirement information. Failure to recreate the form accurately to include all fields, may lead to the rejection of the Offeror's Proposal.

ATTACHMENT FIVE D
OFFEROR PRIOR PROJECT FORM

Customer Company Name:	Contact:	
Address:	Phone Number:	
	E-mail:	
Project Name:	Beginning Date of Project (Month/Year):	Ending Date of Project (Month/Year):

The Offeror must document previous experience and expertise in providing a minimum of three (3) previous projects working, similar in size and complexity, in the previous five (5) years. These projects must be of similar size, scope and nature. Details of the similarities must be included. Attachment Five B, C, and D must be filled out completely for each of the three (3) projects provided. The Offeror must use these forms and fill them out completely to provide the Offeror requirement information. Failure to recreate the form accurately to include all fields, may lead to the rejection of the Offeror's Proposal.

ATTACHMENT SIX
OFFEROR REFERENCES

Three (3) professional references who have received services from the Offeror in the past five (5) years

Company Name:	Contact Name:	
Address:	Phone Number:	
	E-Mail Address:	
Project Name:	Beginning Date of Project: (Month/Year)	Ending Date of Project: (Month/Year)
Description of project size, complexity and the Offeror's role in this project.		

Company Name:	Contact Name:	
Address:	Phone Number:	
	E-Mail Address:	
Project Name:	Beginning Date of Project: (Month/Year)	Ending Date of Project: (Month/Year)
Description of project size, complexity and the Offeror's role in this project.		

Company Name:	Contact Name:	
Address:	Phone Number:	
	E-Mail Address:	
Project Name:	Beginning Date of Project: (Month/Year)	Ending Date of Project: (Month/Year)
Description of project size, complexity and the Offeror's role in this project.		

ATTACHMENT SEVEN A
OFFEROR'S CANDIDATE REFERENCES

Candidate's Name: _____

Candidate's Proposed Position: _____

Three (3) professional references who have received services from the candidate in the past three (3) years

Company Name:	Contact Name:	
Address:	Phone Number:	E-mail:
Project Name:	Beginning Date of Project: Month/Year	Ending Date of Project: Month/Year
Description of project size, complexity, and the candidate's role in this project.		
Company Name:	Contact Name:	
Address:	Phone Number:	E-mail:
Project Name:	Beginning Date of Project: Month/Year	Ending Date of Project: Month/Year
Description of project size, complexity, and the candidate's role in this project.		
Company Name:	Contact Name:	
Address:	Phone Number:	E-mail:
Project Name:	Beginning Date of Project: Month/Year	Ending Date of Project: Month/Year
Description of project size, complexity, and the candidate's role in this project.		

ATTACHMENT SEVEN B
OFFEROR'S CANDIDATE INFORMATION
EDUCATION AND TRAINING

Candidate's Name: _____

Education and Training: This section must be completed to list the education and training of the proposed candidate.

Name and Address	Months/Years	Degree/Major
College		
Technical School		
Licenses		
Certifications		

ATTACHMENT SEVEN C
III. OFFEROR'S CANDIDATE EXPERIENCE REQUIREMENT

Candidate's Name: _____

Candidate's Proposed Position: _____

Client Company Name:	Client's Project Supervisor Contact Name:	
Address:	Phone Number:	
	E-Mail:	
Project Name:	Beginning Date of Project: Month/Year	Ending Date of Project: Month/Year
Description of the related services provided:		
Client Company Name:	Client's Project Supervisor Contact Name:	
Address:	Phone Number:	
	E-Mail:	
Project Name:	Beginning Date of Project: Month/Year	Ending Date of Project: Month/Year
Description of the related services provided:		
Client Company Name:	Client's Project Supervisor Contact Name:	
Address:	Phone Number:	
	E-Mail:	
Project Name:	Beginning Date of Project: Month/Year	Ending Date of Project: Month/Year
Description of the related services provided:		

ATTACHMENT EIGHT
OFFEROR PERFORMANCE FORM

The Offeror must provide the following information for this section for the past seven (7) years. Please indicate yes or no in each column.

Yes/No	Description
	The Offeror has had a contract terminated for default or cause. If so, the Offeror must submit full details, including the other party's name, address, and telephone number.
	The Offeror has been assessed any penalties in excess of five thousand dollars (\$5,000), including liquidated damages, under any of its existing or past contracts with any organization (including any governmental entity). If so, the Offeror must provide complete details, including the name of the other organization, the reason for the penalty, and the penalty amount for each incident.
	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.
	Has trading in the stock of the company ever been suspended? If so provide the date(s) and explanation(s).
	The Offeror, any officer of the Offeror, or any owner of a twenty percent (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 twenty percent (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 Offeror's 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 on the project, and the best interests of the State.

ATTACHMENT NINE
CONTRACTOR / SUBCONTRACTOR AFFIRMATION AND DISCLOSURE

DEPARTMENT OF ADMINISTRATIVE SERVICES
STANDARD AFFIRMATION AND DISCLOSURE FORM

EXECUTIVE ORDER 2011-12K

Governing the Expenditure of Public Funds on Offshore Services

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

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

1. Principal location of business of Contractor:

(Address) (City, State, Zip)

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

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

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

2. Location where services will be performed by Contractor:

(Address) (City, State, Zip)

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

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

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

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

(Address)

(Address, City, State, Zip)

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

(Name)

(Address, City, State, Zip)

Contractor also affirms, understands and agrees that Contractor and its subcontractors are under a duty to disclose to the State any change or shift in location of services performed by Contractor or its subcontractors before, during and after execution of any contract with the State. Contractor agrees it shall so notify the State immediately of any such change or shift in location of its services. The State has the right to immediately terminate the contract, unless a duly signed waiver from the State has been attained by the Contractor to perform the services outside the United States.

On behalf of the Contractor, I acknowledge that I am duly authorized to execute this Affirmation and Disclosure form and have read and understand that this form is part of any Contract that Contractor may enter into with the State and is incorporated therein.

By: _____
Contractor

Print Name: _____

Title: _____

Date: _____

ATTACHMENT TEN
COST SUMMARY FORM

Health Care (HCSA) and Dependent Care (DCSA) Flexible Spending Accounts and Commuter Choice Program Administration for State of Ohio Employees

CSP900815

UNSPSC CATEGORY CODE: 80101500, 8413610

The Offeror must propose a monthly administration fee per participant per month on the basis of the number of participants. The State will not pay for any cost not reflected in the Offeror's fee proposal.

The monthly aggregate of the proposed administrative fee will be the total amount payable to the Offeror, if awarded the Contract, and will include the Offeror's overhead, profit and all other cost components.

Fees are based on the following Health Care and Dependent Spending Accounts:

Number of participants	Cost per participant per month
0 to 1,999	\$
2,000 to 3,999	\$
4,000 to 5,999	\$
6,000 to 7,999	\$
8,000 plus	\$
1.	TOTAL:

Offerors shall charge one administrative fee for those participants who elect to have both a HCSA and DCSA.

Fees are based on the following for Commuter Choice:

Number of participants	Cost per participant per month
0 to 1,999	\$
2,000 to 3,999	\$
4,000 to 5,999	\$
6,000 to 7,999	\$
8,000 plus	\$
2.	TOTAL:

TOTAL NOT TO EXCEED COST: _____
(Sum of 1 and 2)

Offerors shall submit costs on both Health Care and Dependent Spending Accounts and Commuter Choice summaries or the Offeror will be disqualified and deemed not responsive.

Offerors shall not propose administrative fees having more than two (2) digits after the decimal point. Digit(s) beyond two (2) after the decimal point shall be ignored by the State and will not be used in the Proposal evaluation and any subsequent award.

All costs must be in U.S. Dollars.

The State will not be responsible for any costs not identified.

SUPPLEMENT ONE
STATE OF OHIO'S PROGRAM OVERVIEW FOR HCSA AND DCSPA PLANS

I. Eligibility

- A. Health Care Spending Account – All permanent part-time or permanent full-time employee with sufficient pay to cover the election amount are eligible, if there is no probationary period;
1. New employees with no probationary period must enroll within 31 days of hire or wait until open enrollment or experience a qualifying “change in status” as defined by the IRS. Those employees who must satisfy a probationary period must enroll within 31 days of completion of their probationary period or wait until the open enrollment period or experience a qualifying change in status.
 2. Health Care Spending Account coverage becomes effective on January 1, after open enrollment. If eligible to enroll as a new hire or due to an approved status change, coverage becomes effective the first day of the month following the receipt of the request for enrollment.
 3. When both spouses in a family are employed by the State, each spouse may elect to contribute up to \$2,500 for the calendar year
- B. Dependent Care Spending Account – All permanent part-time or permanent full-time employees with sufficient pay to cover the election amount and have a qualifying dependent are eligible.
1. New employees must enroll within 31 days of hire or wait until the open enrollment period or experience a qualifying status change during the year.
 2. Dependent Care Spending Account coverage becomes effective on January 1, after open enrollment. If eligible to enroll as a new hire or due to an approved status change, coverage becomes effective the first day of the month following the receipt of the request for enrollment.
 3. Both a husband and wife, regardless if they are state employees, may participate in the DCSPA as separate individuals but cannot exceed the \$5,000 IRS maximum per family.
 4. A qualifying dependent for the Dependent Care Spending Account could be any person who lives in the employee’s home for whom the employee must pay a provider in order for the employee to work. Qualifying dependents may be:
 - a. A parent;
 - b. A disabled dependent; or
 - c. Any child under the age of 13

IV. PLAN DESIGN	V. HEALTH CARE SPENDING ACCOUNT	VI. DEPENDENT CARE SPENDING ACCOUNT
1. Plan Year	Calendar Year	Calendar year
2. Eligibility Requirement	All permanent part-time or permanent full-time employee with sufficient pay to cover the election amount are eligible, if there is no probationary or have completed their initial probation	All permanent part-time or permanent full-time employees with sufficient pay to cover the election amount and have a qualifying dependent are eligible
3. Service Requirement	Date of Hire or date initial probationary period completed	Date of Hire
4. Source of Funds	Employee pre-tax payroll deductions	Employee pre-tax payroll deductions
5. Enrollment Cutoff for Newly Eligible employees	31 days	31 days
7. Minimum Annual Contribution	\$240	N/A

VII. PLAN DESIGN (CONT'D)	VIII. HEALTH CARE SPENDING ACCOUNT	IX. DEPENDENT CARE SPENDING ACCOUNT
8. Claims submission for prior Plan Year expenses	March 31	March 31
9. Restrictions on submitting requests for reimbursement (Minimum Dollars submitted)	Claims for reimbursement amounts under \$25 will not be processed (except for those amounts that reduce the account balance to \$0 or made with the debit card)	Claims for reimbursement amounts under \$25 will not be processed (except for those amounts that reduce the account balance to \$0)
10. Expenses Exceeding Account Contribution Balance	Elected amount available in full upon beginning of Plan Year.	Expenses in excess of current contribution balance will be reimbursed only as additional contributions are made
11. Claims Payment Frequency	Weekly, or immediate reimbursement if use debit card	Reimbursements deposited by direct deposit weekly or checks issued semi-weekly
12. Unused Funds at year end	Up to \$500 can be rolled over to the next benefit year the remainder is forfeited and applied to administrative fees	Forfeited and applied to administrative fees
13. Termination of Eligibility	Employee's death, retirement, reduction in hours, termination or other IRS qualified status change	Employee's death, retirement, reduction in hours, termination or other IRS qualified status change
14. Account Statements	Electronically provided in real time	Electronically provided in real time
15. Over-the-Counter medications eligible for reimbursement	Yes	N/A
16. Administrative fee billing	The State is to be billed for administrative fees.	The State is to be billed for administrative fees.
17. Claim funding	The state of Ohio will retain employee payroll deductions for the HCSA in pre-established funds. Funds will be remitted to the Contractor via EFT upon invoicing for claims payments. Minimum paper check amount is \$25.00.	The state of Ohio will retain employee payroll deductions for the DCSA in pre-established funds. Funds will be remitted to the Contractor via EFT upon invoicing for claims payments. Minimum paper check amount is \$25.00.

SUPPLEMENT TWO

TECHNICAL REQUIREMENTS, SECURITY, INTERFACE AND FILE EXCHANGE REQUIREMENTS

The Contractor must have the capability for electronic communication to the State's payroll administrator of employee identification and payroll adjustments via FTP or some other method mutually agreed upon by the State and the TPA. The system must interface satisfactorily with the State's Ohio Administrative Knowledge System (OAKS). This includes the State's PeopleSoft interface layouts for the inbound file from the Contractor to OAKS (if applicable) and outbound file to the Contractor from OAKS. Compliance with the following technical and security standards is required, which require the Contractor to come to the OAKS' server to drop and pickup files:

1. Technical Standards. The state of Ohio interface architecture provides a framework to enable data interchange between the state of Ohio and agencies/contractors. The following are key standards:
 - a. Data Set / File – Data is exchanged in files using a fixed width, text-based 8-bit ASCII flat file format that is human-readable using everyday text editors such as vi and Notepad. The files will be processed on both Windows and Unix servers. End-of-line characters may be either a newline (\n - UNIX)(10 or 0x0a) or a carriage return / line feed combination (CRLF – Windows)(13/10 or 0x0d/0x0a).
 - b. Communication Protocol – Communication Protocol. The state of Ohio accepts connections using SSL-encrypted File Transfer Protocol (FTP): FTPS, and SFTP (both forms of encrypted FTP). The state of Ohio does not accept FTP (unencrypted FTP).
2. Security Standards. The state of Ohio uses the following security approaches to minimize security risks to data exchange:
 - a. IP Filtering – The state of Ohio uses the IP addresses that contractors supply to permit network access to its FTPS server. All other IP addresses will be blocked. The Contractor will be required to provide a fixed IP address from which it will transfer files.
 - b. 128-bit SSL encryption – 128-bit encryption secures the transmission channel between the Contractor and the state of Ohio for the duration of the session. Contractors use a 128-bit SSL FTPS-capable client to connect to the state of Ohio server. A partial list of compatible FTPS clients are:
 - 1) CuteFTP
 - 2) WSFTP
 - 3) Core FTP Pro
 - 4) SecureFTP
 - 5) TumbleWeed
 - 6) FileZilla
 - c. User ID & Password – Each Contractor is assigned a user ID and password on the state of Ohio's FTPS server. Anonymous "sign on" or "login" is not supported.
3. File Exchange Approach – Contractor Connects to the state of Ohio. The sequence of events for exchanging files with the State of Ohio is:
 1. The Contractor sub-system (or person, if the Contractor transfers files manually) connects to the state of Ohio VPN.
 2. The sub-system connects to the state of Ohio FTPS service.
 3. The interface will be inbound to the state of Ohio – the sub-system uploads the file(s) prior to the interface's cutoff time. There may be more than one file to exchange, and there may be multiple scheduled times within a day that the Contractor sends files. The FTPS server moves the file(s) from the Contractor's directory to the secure file server on the state of Ohio network. The file no longer appears in the Contractor's directory.
 4. The subsystem closes its FTPS connection, and optionally, its VPN connection.

Notes:

1. The state of Ohio interface file names are not time-stamped while under transit. The name serves only to identify the type of data contained. The data in the file captures any business date information. Contractors and the state of Ohio may timestamp files when stored on their own internal file systems but the state of Ohio expects that files are named conforming to the state of Ohio naming standards while in transit. This means that contractors must adhere to schedules when transferring files.

2. The state of Ohio archives all files that are transferred, for a set retention period (defined per interface – see your state of Ohio business liaison). Inbound files that miss processing deadlines are not processed in the current processing iteration. The Contractor should be aware of this so that appropriate steps can be taken to have the data processed.

3. The state of Ohio requires all files to follow standard form. In order to meet the current file layout, files need to be formatted as demonstrated at the following websites:

INH03B_Inbound Standard_Deduction_Interface_File_Layout.xls

https://procure.ohio.gov/pdf/DAS018_INH03B_Inbound_Standard_Deduction_Interface_File_Layout.xls

INH04A outbound interface layout.xls

https://procure.ohio.gov/pdf/DAS018_INH04A_outbound_interface_layout.xls

INH24_QTP_Eligibility Outbound Interface File Layout.xls

https://procure.ohio.gov/pdf/DAS018_INH24_QTP_Eligibility_Outbound_Interface_File_Layout.xls

INH25_FSA_File_Layout_EligibilityOutbound.xls

https://procure.ohio.gov/pdf/INH25_FSA_File_Layout_Eligibility_Outbound_Interface_20130225.xls

DELIVERY AND COMPLETION DATES. The Contractor's monthly enrollment and premium data must be provided to the State no later than the 9th day of the month, or on another date mutually agreed upon by the State and the Contractor.

INTERFACE REQUIREMENTS. The Contractor must provide data in a manner and format that is compatible with the State's data processing requirements, as described in the technical standards, security standards and data file exchange standards stated above.

SUPPLEMENT THREE
MONTHLY THIRD PARTY ADMINISTRATOR FINANCIAL REPORTING

A financial summary is required to be completed monthly by the 15th calendar day of the following month. This report must be accompanied by a bank statement and signed by a properly authorized agent of the TPA, saved and submitted to the State of Ohio in pdf format.

Template Sample: The following is a sample template of the summary page which is required to be signed and sent as a pdf. Additional daily detail worksheets within the worksheet comprise the detail for the respective columns.

An electronic, excel copy of the monthly financial summary will be emailed to the selected vendor prior to the contract start date.

Vendor Name													
State of Ohio													
Monthly Summary of Charges													
Contract Year													
Monthly Activities										ODAS Reimbursements to TPA			
Beginning Cash - Operating Bank Statement	Beginning Imprest Cash Bank Statement*	ODAS Self Billed Admin Fees	Claims Invoices Paid by TPA	Miscellaneous Expenses	Miscellaneous Credits	Total	Self Billed Admin Paid	Invoiced Claims & Misc.	Imprest Reimbursement (Increase / Decrease)	Total	Interest Earned \ Charged	Ending Cash - Operating Bank Statement	Ending Imprest Cash Bank Statement*
<small>(see bank stmt)</small>	<small>*Fixed Imprest Minimum Balance / This is not the cash balance on hand do not add to column B.</small>		<small>see sch 1</small>	<small>see sch 2</small>	<small>see sch 3</small>		<small>see sch 4</small>	<small>see sch 5</small>	<small>see sch 6</small>		<small>(see bank stmt)</small>	<small>(see bank stmt)</small>	<small>*Fixed Imprest Minimum Balance / This is not the cash balance on hand do not add to column O.</small>
July	\$ -	\$ 35,000.00	\$ 44,444.00	\$ 222,222.00	\$ -	\$ -	\$ 266,666.00	\$ 44,444.00	\$ 222,222.00	\$ -	\$ 266,666.00	\$ -	\$ 35,000.00
August	\$ -	\$ 35,000.00	\$ 44,444.00	\$ 222,222.00	\$ -	\$ -	\$ 266,666.00	\$ 44,444.00	\$ 222,222.00	\$ -	\$ 266,666.00	\$ -	\$ 35,000.00
September	\$ -	\$ 35,000.00	\$ 44,444.00	\$ 222,222.00	\$ -	\$ -	\$ 266,666.00	\$ 44,444.00	\$ 222,222.00	\$ -	\$ 266,666.00	\$ -	\$ 35,000.00
October	\$ -	\$ 35,000.00	\$ 44,444.00	\$ 222,222.00	\$ -	\$ -	\$ 266,666.00	\$ 44,444.00	\$ 222,222.00	\$ -	\$ 266,666.00	\$ -	\$ 35,000.00
November	\$ -	\$ 35,000.00	\$ 44,444.00	\$ 222,222.00	\$ 111.00	\$ -	\$ 266,777.00	\$ 44,444.00	\$ 222,222.00	\$ -	\$ 266,666.00	\$ (111.00)	\$ 35,000.00
December	\$ (111.00)	\$ 35,000.00	\$ 44,444.00	\$ 222,222.00	\$ -	\$ -	\$ 266,666.00	\$ 44,444.00	\$ 222,333.00	\$ -	\$ 266,777.00	\$ -	\$ 35,000.00
January	\$ -	\$ 35,000.00	\$ 44,444.00	\$ 222,222.00	\$ -	\$ 222.00	\$ 266,888.00	\$ 44,444.00	\$ 222,222.00	\$ -	\$ 266,666.00	\$ (222.00)	\$ 35,000.00
February	\$ (222.00)	\$ 35,000.00	\$ 44,444.00	\$ 222,222.00	\$ -	\$ -	\$ 266,666.00	\$ 44,444.00	\$ 222,444.00	\$ -	\$ 266,888.00	\$ -	\$ 35,000.00
March	\$ -	\$ 35,000.00	\$ 44,444.00	\$ 222,222.00	\$ -	\$ -	\$ 266,666.00	\$ -	\$ -	\$ -	\$ -	\$ (266,666.00)	\$ 35,000.00
April	\$ (266,666.00)	\$ 35,000.00	\$ 44,444.00	\$ 222,222.00	\$ -	\$ -	\$ 266,666.00	\$ 88,888.00	\$ 444,444.00	\$ -	\$ 533,332.00	\$ -	\$ 35,000.00
May	\$ -	\$ 35,000.00	\$ 44,444.00	\$ 222,222.00	\$ -	\$ -	\$ 266,666.00	\$ 44,444.00	\$ 222,222.00	\$ -	\$ 266,666.00	\$ -	\$ 35,000.00
June	\$ -	\$ 35,000.00	\$ 44,444.00	\$ 222,222.00	\$ -	\$ -	\$ 266,666.00	\$ 44,444.00	\$ 222,222.00	\$ -	\$ 266,666.00	\$ -	\$ 35,000.00
			\$ 533,328.00	\$ 2,666,664.00	\$ 111.00	\$ 222.00	\$ 3,200,325.00	\$ 533,328.00	\$ 2,666,997.00	\$ -	\$ 3,200,325.00	\$ -	

TPA Accounting \ Finance Certification	
Name: _____	Date: <u>07/31/13</u>
Title: _____	

SUPPLEMENT FOUR
BUSINESS ASSOCIATE AGREEMENT

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

WHEREAS, Agency has entered into an agreement with Business Associate to provide Agency certain services ("underlying agreement"); and

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

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

NOW THEREFORE, the parties agree as follows:

1. DEFINITIONS.

- 1.1. Protected Health Information ("PHI")** means individually identifiable information relating to the past, present or future physical or mental health or condition of an individual, provision of health care to an individual, or the past, present or future payment for health care provided to an individual, as more fully defined in 45 CFR § 164.501, and any amendments thereto, received from or on behalf of the Agency.
- 1.2. Unsecured PHI** is PHI that is not rendered unusable, unreadable or indecipherable to unauthorized individuals through the use of a technology or methodology specified by the Secretary of the U.S. Department of Health and Human Services.
- 1.3. Business Associate** shall have the meaning given to such term in 45 CFR § 160.103.
- 1.4. Individual** means the person who is the subject of the PHI, as defined in 45 CFR § 160.103, and includes the person's personal representative.
- 1.5. Privacy Rule** means the Standards for Privacy of Individually Identifiable Health Information found at 45 CFR Parts 160 and Part 164, Subparts A and E, and any amendments thereto.

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

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

3.1. Covered Functions. Except as otherwise limited in this Agreement, Business Associate may use or disclose the PHI on behalf of, or to provide services to, Agency for the purposes necessary to complete the tasks, or provide the services, associated with, and required by the terms of the underlying agreement.

3.2. Disclosure Restrictions. If necessary for the proper management and administration of the Business Associate or to carry out legal responsibilities of the Business Associate, PHI may only be disclosed to another person/entity for such purposes if:

3.2.1. Disclosure is required by law; or

3.2.2. Where the Business Associate obtains reasonable assurances from the person to whom disclosure is made that the

PHI released will be held confidentially and only may be used or further disclosed as required by law or for the purposes of the disclosure; and person/entity agrees to notify Business Associate of any breaches of confidentiality in a timely fashion and in writing. Documentation needs to follow the same standards and time frames as item 6 below.

- 3.3. Data Aggregation.** To permit the Business Associate to provide data aggregation services relating to the operations of Agency. Aggregation is defined as combining PHI received from multiple Business Associates to produce data analysis that relates to the operation of the respective Covered Entities.
- 4. Minimize Use of PHI.** The Business Associate agrees that it will not request, use or release more than the minimum necessary amount of PHI to accomplish the purpose of the use, disclosure or request.
- 5. Business Associate Safeguards.** The Associate will use appropriate safeguards to prevent any unauthorized use or disclosure of PHI and shall implement the administrative, physical and technical safeguards that reasonably protect the confidentiality, integrity and availability of the PHI that it creates, receives, maintains or transmits on behalf of the Agency. The Associate will use all appropriate safeguards under 45 CFR 164 Subpart C including those identified as addressable. The Associate will comply with 74 FR 19006 Guidance Specifying the Technologies and Methodologies That Render PHI Unusable, Unreadable, or Indecipherable to Unauthorized Individuals for Purposes of the Breach Notification Requirements under Section 13402 of Title XIII. With regard to electronic PHI not covered by the Guidance published at 74 FR 19006, the Associate will protect electronic PHI at rest and in transit through encryption that complies with State of Ohio IT Standard, ITS- SEC-01 Data Encryption and Cryptography.
- 6. UNAUTHORIZED DISCLOSURE AND INCIDENT REPORTING AND REMEDIATION AND PRIVACY AND SECURITY BREACH NOTIFICATION.**
- 6.1. Incident Reporting.**
- 6.1.1. Business Associate shall report to DAS the following:
- 6.1.1.1. Any use or disclosure of PHI which is not in compliance with the terms of this Agreement or applicable law of which it becomes aware; and
 - 6.1.1.2. Any security incident of which it becomes aware. For purposes of this Agreement, "security incident" means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system.
- 6.1.2. Within 24 hours of discovery of a suspected reportable incident as described in 6.1.1 above, Business Associate shall notify Covered Entity of the existence and nature of the incident as understood at that time. Business Associate shall immediately investigate the incident and within 72 hours of discovery shall provide Covered Entity, in writing, a report describing the results of Business Associate's investigation, including:
- 6.1.2.1. What data elements were involved, the extent of the data involved in the incident, and the identification of affected individuals, if applicable;
 - 6.1.2.2. A description of the unauthorized persons known or reasonably believed to have improperly used or disclosed PHI, or to have been responsible for the incident;
 - 6.1.2.3. A description of where the PHI is believed to have been improperly transmitted, sent, or utilized, if applicable;
 - 6.1.2.4. A description of the probable causes of the incident;
 - 6.1.2.5. A description of the proposed plan for preventing similar future incidents, including ongoing risk remediation plan approval; and
 - 6.1.2.6. Whether the Associate believes any federal or state laws requiring notifications to individuals are triggered.
- 6.1.3. Reporting and other communications made to the Covered Entity under this section must be made to the agency's HIPAA privacy officer at:

Ohio Department of Administrative Services Office of Legal Services
30 East Broad Street, 40th Floor Columbus, Ohio 43215
Main: (614) 644-1773
Direct: (614) 995-1766
Fax: 614.644.8151
Email: das.legalservices@das.ohio.gov

- 6.2. Business Associate Mitigation.** In addition, Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of the requirements of this Agreement, and report its mitigation activity back to the agency. Business Associate shall preserve evidence.
- 6.3. Coordination.** Business Associate will coordinate with the agency to determine additional, specific actions that will be required of the Business Associate for mitigation of the Breach, which may include notification to the individuals, entities or other authorities. Notifications, if any, will be made at the direction of the agency.
- 6.4. Incident costs.** Business Associate shall bear all costs associated with the incident. This may include, but not be limited to, costs associated with notifying affected individuals. It also may include the cost of investigation, remediation, and assistance to individuals including services such as a standard level of identity-theft protection service that includes credit-monitoring such as AllClear ID's standard service with credit monitoring or other comparable service available to Ohio agencies.
- 7. Agency Indemnification.** Business Associate hereby indemnifies Agency and agrees to hold Agency harmless from and against any and all losses, expense, damage or injury that Agency may sustain as a result of, or arising out of, Business Associate, or its agent's or subcontractor's, unauthorized use or disclosure of PHI.
- 8. Subcontractor Obligations.** Business Associate shall ensure that all of its subcontractors and agents are bound, in writing, by the same restrictions and obligations contained herein, including but not limited to the obligation to implement reasonable and appropriate safeguards to protect the information, whenever the subcontractor creates, receives, maintains, or transmits PHI on behalf of the Business Associate. The Business Associate must obtain Agency approval prior to entering into such agreements.
- 9. Access to PHI.** Business Associate shall make all PHI and related information maintained by Business Associate or its agents or subcontractors available as soon as practicable following a request for PHI, but within fifteen (15) days, to the extent necessary to fulfill the following obligations:
- 9.1. Inspection and Copying.** Make the PHI maintained by Associate or its agents or subcontractors in Designated Record Sets available to Agency for inspection and copying to enable Agency to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 CFR § 164.524 and consistent with Section 13405 of the HITECH Act.
- 9.2. Accounting.** To account for disclosures of PHI in accordance with the provisions of the Privacy Rule, including, but not limited to 45 CFR § 164.528 and the HITECH Act; and shall make all PHI in its possession available to Agency as soon as practicable following a request for PHI, but within fifteen (15) days, to fulfill Agency's obligation to amend PHI and related information in accordance with 45 CFR § 164.526, and shall, as directed by Agency, incorporate any amendments or related statements into the information held by the Business Associate and any subcontractors or agents.
- 10. Compliance and HHS Access.** The Business Associate shall make available to the agency and to the Secretary of the U.S. Department of Health and Human Services any and all internal practices, documentation, books, and records related to the use and disclosure of PHI received from the agency, or created or received by the Business Associate on behalf of the agency. Such access is for the purpose of determining the agency's compliance with HIPAA, regulations promulgated by the United States Department of Health and Human Services, and any amendment thereto. Any non-compliance by the Business Associate with the terms of this Agreement or the privacy and security regulations shall be a breach of this Agreement if the Business Associate knew of the breach and failed to take immediate and reasonable steps to cure the non-compliance. The Business Associate agrees that Agency has the right to immediately terminate this Agreement and seek relief, if Agency determines that the Business Associate has violated a material term of the Agreement.
- 11. Ownership and Destruction of Information.** The PHI and any related information created or received from or on behalf of Agency is and shall remain the property of the Agency. The Business Associate agrees that it acquires no title in or rights to the information,

including any de-identified information. Upon termination of this Agreement, Business Associate agrees, at the option of Agency, to return or securely destroy all PHI created or received from or on behalf of Agency following 74 FR 19006 Guidance Specifying the Technologies and Methodologies That Render PHI Unusable, Unreadable, or Indecipherable to Unauthorized Individuals for Purposes of the Breach Notification Requirements under Section 13402 of Title XIII. The Business Associate agrees that it will not retain any copies of PHI except as required by law. If PHI is destroyed, the Business Associate agrees to provide Agency with appropriate documentation or certification evidencing such destruction. If return or destruction of all PHI and all copies of PHI is not feasible, the Business Associate agrees to extend the protections of this Agreement to such information for as long as it is maintained and to limit further uses and disclosures to those which make return or destruction infeasible. Termination of this Agreement shall not affect any of its provisions that, by wording or nature, are intended to remain effective and to continue in operation.

- 12. Termination.** Notwithstanding any term or condition in the underlying agreement, the State may terminate the underlying agreement if at any time it determines that the Associate has violated a material term of this Business Associate Agreement. In the alternative, the State may, at its sole discretion, take any action provided in the underlying agreement, may suspend the Agreement, or may allow Associate a reasonable period of time to cure before termination, when such action is determined to be in the State's best interest. Upon suspension of the agreement, the State may, at its sole discretion, require the Associate to comply with the requirements of Paragraph 11, Ownership and Destruction of Information, in the same manner as though the agreement had been terminated. This paragraph shall in no way alter, amend, limit or change the terms and conditions in the underlying agreement as they relate to performance of the underlying agreement, and shall solely relate to violation of the terms of the Business Associate Agreement.
- 13. Survivorship.** The obligations to safeguard the confidentiality, privacy and security of PHI imposed herein shall survive the termination of this Agreement.
- 14. Injunctive Relief.** Notwithstanding any rights or remedies under this Agreement or provided by law, Agency retains all rights to seek injunctive relief to prevent or stop the unauthorized use or disclosure of PHI by the Business Associate, any of its subcontractors or agents, or any third party who has received PHI from the Business Associate.
- 15. Binding Effect.** Subject to the limitations on assignment provided elsewhere in this Agreement, the Agreement shall be binding on the parties and their successors, but neither party may assign the Agreement without the prior written consent of the other, which consent shall not be unreasonably withheld. This Agreement will be binding upon and inure to the benefit of the respective successors and assigns of the State and the Associate.
- 16. Ambiguities, Strict Performance and Priorities.** Any ambiguities in this Agreement shall be resolved in favor of an interpretation that promotes compliance with HIPAA, regulations promulgated thereunder and HITECH. Any conflicts in the security and privacy terms and conditions of this agreement with those in the underlying agreement shall be interpreted to favor of the terms and conditions that promote greater degree of security and privacy. The parties agree that any modifications to those laws shall modify the obligations of the parties hereunder without the need for formal amendment of the Agreement. Any other amendments to this Agreement shall not be effective without the written agreement of both parties. This Agreement will be construed in accordance with the plain meaning of its language and neither for nor against the drafting party. The headings in this Agreement are for convenience only and will not affect the interpretation of any of the Agreement terms and conditions. If at any time either party fails to demand strict performance by the other party of any of the terms of this Agreement, such failure will not be construed as a waiver of any such term, and either party may at any time demand strict and complete performance by the other party.
- 17. Notice.** For any notice under this Agreement to be effective the notice must be made in writing and sent to the address of the appropriate contact provided in the Agreement.
- 18.** Notwithstanding section 6 of this Agreement, any notice to the other party pursuant to this Agreement shall be deemed provided if sent by first class United States mail, postage prepaid, as follows:

To Agency:

Ohio Department of Administrative Services Office of Legal Services, 40th Floor
30 East Broad Street
Columbus, Ohio 43215

To Business Associate:

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

(Business Associate)

Ohio Department of Administrative Services _____

(State of Ohio Agency)

(Representative Signature)

(Representative Signature)

(Printed Name)

(Printed Name)

(Title)

(Title)

(Date)

(Date)