



Department of
Job and Family Services

Ted Strickland, Governor
Douglas E. Lumpkin, Director

April 6, 2010

Dear Vendor:

This letter is to announce the release of the Ohio Department of Job and Family Services' (ODJFS) Request for Proposals (RFP)#: JFSR1011078047, Pharmacy Drug Dispensing Fee Survey Services, for the purpose of obtaining a qualifying vendor to conduct a private survey of retail pharmacy operations in the State of Ohio once every two years to ascertain drug dispensing fee rates as required in the Ohio Revised Code (ORC) 5111.07. Specifically, ODJFS is required to conduct a dispensing fee survey beginning in July 2010. The survey shall be completed and its result published no later than the last day of October 2010.

ODJFS is seeking vendors who are experienced in creating and analyzing multiple-choice question surveys. Familiarity with profit and loss statements would be beneficial. Interested vendors should have previous experience in projects of a similar size and scope and must have the ability to establish the validity of the response rate. Vendors who are interested in submitting proposals must possess at least 5 years of prior experience in performing survey development, analysis and reporting.

If you are interested in submitting a bid for this important project, please obtain the RFP through the ODJFS web site at <http://www.jfs.ohio.gov/rfp/>. If you do not have Internet access to this document or experience problems opening the above referenced ODJFS URL, please contact the RFP/RLB Unit at (614) 728-5693 or the following address:

ODJFS, Division of Contracts and Acquisitions
30 East Broad Street, 31st Floor
Columbus, Ohio 43215-3414

Responses must be prepared and submitted in strict accordance with the requirements and time frames given in the RFP. Thank you for your attention to this request.

Sincerely,

Signature on File

Douglas E. Lumpkin
Director

30 East Broad Street
Columbus, Ohio 43215
jfs.ohio.gov

An Equal Opportunity Employer and Service Provider

Ohio Department of Job and Family Services

REQUEST FOR PROPOSALS

Pharmacy Drug Dispensing Fee Survey Services

RFP#: JFSR1011078047

(April 2010)

**Ohio Department of Job and Family Services
Pharmacy Drug Dispensing Fee Survey Services RFP
RFP#: JFSR1011078047**

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Ohio Department of Job and Family Services

**REQUEST FOR PROPOSALS (RFP):
Pharmacy Drug Dispensing Fee Survey Services**

RFP#: JFSR1011078047

SECTION I. GENERAL PURPOSE & VENDOR INFORMATION

1.1 Purpose

The Ohio Department of Job and Family Services (ODJFS) releases this Request for Proposals (RFP) for the purpose of obtaining a qualified vendor to conduct a private survey of retail pharmacy operations in the State of Ohio once every two years to ascertain drug dispensing fee rates as required in the Ohio Revised Code (ORC) 5111.07. Specifically, ODJFS is required to conduct a dispensing fee survey beginning in July 2010. The survey shall be completed and its result published no later than the last day of October 2010.

ODJFS is seeking vendors who are experienced in creating and analyzing multiple-choice question surveys. Familiarity with profit and loss statements would be beneficial. Interested vendors should have previous experience in projects of a similar size and scope and must have the ability to establish the validity of the response rate.

1.2 Issuing Office

This RFP is released by and the subsequent contract(s) will be with ODJFS. The Office of Ohio Health Plans (OHP), which will administer the contract, is responsible for state level supervision. Ohio Medicaid's mission as a value purchaser is to assure access to comprehensive quality health care services for targeted populations in order to improve the health status of Ohioans and their communities and to support the self sufficiency and care of covered populations.

The contract(s) expected to result from this RFP process will be an agreement between ODJFS and the selected contractor (also referred to as 'the contractor'). The Ohio Department of Administrative Services (DAS) involvement is limited to providing support by publishing this RFP and its related documents on the State of Ohio procurement opportunities web site, which it manages. This consolidated web site is intended to provide vendors with the convenience of a single web site from which to search all procurement opportunities offered by any State of Ohio governmental agency.

If interested vendors have a need to communicate regarding this RFP, they must contact **ODJFS** using one of the mechanisms provided for in **Sections 1.6, Internet Question and Answer Period/RFP Clarification Opportunity**, or **1.7, Communication Prohibitions**, of this RFP. Vendor proposals must be submitted to ODJFS in strict accordance with proposal submission instructions provided in **Section 5.1, Proposal Submission Information**. Vendors are cautioned that communication attempts which do not comply with these instructions will not be answered, and that ODJFS will not consider any proposals submitted to any address other than the one provided in Section 5.1 of this RFP.

1.3 Background

ODJFS seeks to obtain a vendor to conduct the 2010 Pharmacy Dispensing Fee Survey and to compile, analyze, and report on the findings. The survey shall compute and report dispensing fees on a basis of the usual and customary charges by retail pharmacies to their customers for dispensing drugs. The Director of ODJFS will take into account the results of the survey in establishing a dispensing fee. Based on previous experience, approximately 2,600 pharmacies will be involved in the survey.

1.4 Overview of the Project

The selected vendor will perform retail pharmacy dispensing fee survey functions on behalf of ODJFS for compliance with ORC 5111.07. The pharmacy dispensing fee survey must, at minimum:

- A. Be conducted in conformance with the requirements set forth in 42 C.F.R. 447.331 [447.33.1] through 447.333 [447.33.3], as amended or superseded;
- B. Include operational data and direct prescription expenses, professional services and personnel costs, usual and customary overhead expenses, and profit data of the retail pharmacies surveyed; and
- C. Be completed and its results published no later than the last day of October of the year in which the survey is conducted, and the survey shall compute and report dispensing fees on a basis of the usual and customary charges by retail pharmacies to their customers for dispensing drugs.

1.5 Anticipated Procurement Timetable

DATE	EVENT/ACTIVITY
April 6, 2010	ODJFS Releases RFP to Potential Vendors on DAS' Web Site; Q&A Period Opens - RFP becomes active - Vendors may submit inquiries for RFP clarification
April 19, 2010	Vendor Q&A Period Closes, 8 a.m. (for inquiries for RFP Clarification) - No further inquiries for RFP clarification will be accepted
April 26, 2010	ODJFS provides Final Vendor Question & Answer Document (estimated)
3:00 p.m., local time, Thursday, May 6, 2010	Vendor proposals must be received by ODJFS, Office of Legal and Acquisition Services, Division of Contracts & Acquisitions by this deadline. - This is the proposal opening date, beginning the ODJFS process of proposal review. LATE PROPOSALS WILL NOT BE CONSIDERED. THERE WILL BE NO EXCEPTIONS MADE.

June 1, 2010	ODJFS Issues Contract Award Notification Letter (estimated) - Vendors that submitted proposals in response to this RFP will be sent letters stating whether their proposal was accepted for award of the contract or not
June 28, 2010	Controlling Board Review of Contract (estimated—if applicable). -Contract with the selected vendor requires review and approval
July 1, 2010	Implementation* (estimated—following notification of all contractual and funding approvals) - ODJFS contracts are not valid and effective until the state Office of Budget Management approves the purchase order.
October 31, 2010	Project Completion** - All work must be completed and approved by ODJFS Contract Manager

ODJFS reserves the right to revise this schedule in the best interest of the State of Ohio and/or to comply with the State of Ohio procurement procedures and regulations and after providing reasonable notice.

*** According to requirements of Ohio Revised Code (ORC) 126.07, ODJFS contracts are not valid and enforceable until the Office of Budget and Management (OBM) certifies the availability of appropriate funding, as indicated by the approval of the Purchase Order (P.O.). The contractor may neither perform work nor submit an invoice for payment for work performed for this project for any time period prior to the P.O. approval date. The ODJFS Contract Manager will notify the selected vendor when the requirements of ORC Section 126.07 have been met.**

**** Subject to approval by the Controlling Board, the contract period is expected to run from approximately early July 2010 through October 31, 2010.**

1.6 Internet Question & Answer Period; RFP Clarification Opportunity

Potential vendors may ask clarifying questions regarding this RFP via the Internet during the Q&A Period as outlined in Section 1.5, Anticipated Procurement Timetable. To ask a question, potential vendors must use the following Internet process:

- * Access the ODJFS Web Page at <http://jfs.ohio.gov//>
- * Select “About JFS” on the front page;
- * Select “Doing Business with ODJFS;”
- * Select “Requests for Proposals, Letterhead Solicitations, and Other Invitations;”
- * RFP Number ***JFSR1011078047***;
- * Follow the link to the dedicated web page;
- * Select “Submit Inquiry” near the bottom of the web page;
- * Follow instructions there for submitting questions.

Questions about this RFP must reference the relevant part of this RFP, the heading for the provision under question, and the page number of the RFP where the provision can be found. The name of a representative of the potential vendor (or other interested party), the company name, phone number, and e-

mail address must be provided to submit an inquiry. ODJFS may, at its option, disregard any questions which do not appropriately reference an RFP provision or location within the RFP, or which do not include an identification for the originator of the question. ODJFS will not respond to any questions submitted after **8:00 a.m.** on the date the Q&A period closes.

ODJFS responses to all questions asked via the Internet will be posted on the Internet website dedicated to this RFP, for public reference by any interested party. ODJFS will not provide answers directly to the applicants (or any interested party) that submitted the question. All questions about this RFP that are submitted in accordance with these instructions will be answered on the RFP's dedicated web page.

Questions submitted may be no more than 4,000 characters in length, but there is no limit on the number of questions submitted. The answers provided by ODJFS may be accessed by following the instructions above, but rather than selecting "Submit Inquiry," vendors and others should select "View Q and A." ODJFS strongly encourages vendors to ask questions early in the Q&A period so that answers can be posted with sufficient time for any possible follow-up questions.

Vendor proposals in response to this RFP are to take into account any information communicated by ODJFS in the Q&A process for the RFP. **It is the responsibility of all potential vendors to check this site on a regular basis for responses to all questions, as well as for any amendments, alerts, or other pertinent information regarding this RFP.**

Accessibility to questions and answers are clearly identified on the website dedicated to this RFP, once submitted questions have been answered.

IMPORTANT: Requests from potential vendors for copies of previous RFPs, past vendor proposals, score sheets or contracts for this or similar past projects, are Public Records Requests (PRRs), and are not clarification questions regarding the present RFP. PRRs submitted in accordance with directions provided in Section 1.7, Communication Prohibitions, will be honored. The posted time frames for ODJFS responses to Internet questions for RFP clarification do not apply to PRRs.

Applicants 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 current or past related contract. Requirements under a current project may or may not be required by ODJFS under any future contract, and so may not be useful information for vendors who choose to respond to the RFP. If vendors ask questions about existing or past contracts using the Internet Q&A process, ODJFS will use its discretion in deciding whether to provide answers. Interested vendors should also refer to RFP Section 1.8, Time Frames and Funding Source, for related information.

There is an established time period for the Vendor Q&A process (see Section 1.5, Anticipated Procurement Timetable, above). ODJFS will only answer those questions submitted within the stated time frame for submission of vendor questions, and which pertain to issues of RFP clarity, and which are not requests for public information. ODJFS is under no obligation to acknowledge questions submitted through the Q&A process if those questions are not in accordance with these instructions.

* Should vendors experience technical difficulties accessing either the ODJFS website where the RFP and its related documents are published, they may contact the ODJFS Division of Contracts and Acquisitions, RFP Unit, at (614) 728-5693 for guidance.

1.7 Communication Prohibitions

From the issuance date of this RFP, until the contract award has been formally announced by the ODJFS Director, there may be no communications concerning the RFP between any vendor which expects to submit a proposal and any employee of ODJFS in the issuing office, or any other ODJFS employee, or any other individual regardless of their employment status, who is in any way involved in the development of the RFP or the selection of the contractor.

The only exceptions to this prohibition are as follows:

1. Communications conducted pursuant to Section 1.6, Internet Question and Answer Period;
2. As necessary in any pre-existing or on-going business relationship between ODJFS and any vendor which could submit a proposal in response to this RFP;
3. As part of an interview necessary for ODJFS to make a final selection;
4. If it becomes necessary to revise any part of this RFP, ODJFS will post those revisions, amendments, etc., to the website dedicated to this RFP;*
5. Any Public Records Request (PRR) made through the ODJFS Office of Legal and Acquisition Services.

* **Important Note:** Amendments to the RFP or to any documents related to it will be accessible to interested vendors through the original web page established for the RFP. All interested vendors must refer to that web page regularly for amendments or other announcements. ODJFS will not specifically notify any vendor of changes or announcements related to this RFP except through the website posting. It is the affirmative responsibility of interested vendors to be aware of and to fully respond to all updated information posted on this web page.

1.8 Time Frames & Funding Source

ODJFS is seeking to contract with a vendor to perform services as described in Section 3.1 of this RFP. The contract period is expected to be from approximately July 1, 2010 to October 31, 2010 subject to approval by the Controlling Board.

The work will be completed in phases, as described:

- | | |
|-------------------------|---|
| Phase I (weeks 1-3): | Prepare the survey instrument and receive approval by ODJFS. |
| Phase II (weeks 4-7): | Distribute survey and collect responses. |
| Phase III (weeks 8-12): | Evaluate and report on responses. Preliminary executive summary results to ODJFS for approval by ODJFS. |
| Phase IV (weeks 13-15): | Present final results and report to ODJFS. |

The ODJFS Contract Manager will notify selected vendor when work may begin. ODJFS contracts are not valid until all necessary contract and funding approvals have been obtained. Work that is or has been performed by selected vendor before such approvals are obtained shall not be payable by ODJFS.

Potential vendors are to be aware that ODJFS may, at its sole discretion, negotiate with all technically qualifying vendors for a revised cost proposal if the cost proposals of all technically qualifying vendors are in excess of the available funding for this project. Please refer to Section 6.1 C. of this RFP for further information on ODJFS procedures to be implemented if this occurs.

SECTION II. VENDOR EXPERIENCE AND QUALIFICATIONS

Vendors' proposals must address all the following minimum qualifications as well as organizational and staff experience and capabilities:

2.1 Mandatory Vendor Qualifications

In order to be considered for the contract expected to result from this RFP, an interested vendor must submit to ODJFS a proposal that demonstrates how, and to what degree, the vendor meets, at minimum, **all** the following qualification requirements. If a proposal fails to adequately address how the vendor at minimum meets all the following mandatory criteria, that proposal will be disqualified from any consideration. Proposals must demonstrate that the vendor meets, at a minimum, all the following qualification requirements:

- A. ODJFS will **only** consider proposals from vendors which possess at least 5 years of prior experience in performing survey development, analysis and reporting; and,

[Important: Any vendor responses which does not meet the above required qualification will be disqualified from further consideration for award of the resulting contract.]

Additionally, vendors will be disqualified if they fail to meet either of the following requirements:

- B. The proposal must be submitted to the specified ODJFS location by the deadline for proposal submission established in Section 1.5, Anticipated Procurement Timetable; and,
- C. The vendor may not be listed on the Auditor of State's website as a party excluded from contracting with ODJFS by O. R.C. § 9.24 for an unresolved finding for recovery.

Any vendor whose proposal fails to demonstrate that the vendor meets all the above experience and qualifications requirements will be disqualified from any further consideration for contract award. Vendors that meet these requirements will be evaluated for how well or to what degree the requirements are met, and for the clarity and thoroughness of the response.

2.2 Vendor Experience, Characteristics, and Capabilities

In order to be considered for the contract expected to result from this RFP, ODJFS requires that interested vendors provide the following:

- A. Background information on the company, including subcontractors, if appropriate, indicating sufficient organizational experience and staffing to perform the required contractual functions;

- B. Samples of at least two, but no more than four, similar sized projects completed in the past five (5) years that demonstrate expertise in performing survey development, analysis and reporting;
- C. Samples of at least two, but no more than four, similar sized projects completed in the past five (5) years that demonstrate the ability to establish the validity of the response rate by being able to calculate statistical standards such as mean, standard deviation, standard error, median, and confidence level.; and,
- D. Names and contact information for at least three entities for which the vendor has performed similar large scale projects in the past five (5) years.

The vendor must also demonstrate significant expertise by assigning staff to key leadership roles for this project. Proposals must include resumes (or curriculum vitae) for persons the vendor would place in key positions in the project. The vendor proposal must, at minimum:

- E. Identify, by position and by name, those staff members considered key to the project's success (at minimum, key staff identified must include a Project Manager);
- F. Include resume(s) describing the education, experience, and list of applicable professional accomplishments of the Project Manager and any other key personnel for this project (including any subcontractors), and should specifically list the qualifications and experience (particularly those applicable to the areas described in Section 3.1, Scope of Work and Specifications of Deliverables of this RFP) of key staff expected to work on the project.

Important: It is the affirmative responsibility of the vendor submitting a proposal to remove all personal confidential information (such as home addresses and social security numbers) of vendor staff and/or of any subcontractor and subcontractor staff from resumes or any other part of the proposal package. Following submission to ODJFS, all proposals submitted become part of the public record and are therefore open to the public. ODJFS reserves the right to disqualify any vendor whose proposal is found to contain such prohibited personal information.

SECTION III. SCOPE OF WORK & SPECIFICATIONS OF DELIVERABLES

3.1 Scope of Work and Specification of Deliverables

This section sets forth the activities and deliverables which will be required of the selected vendor under the contract expected to result from this RFP. In order to receive consideration for contract award, all aspects of the services described in this section must be addressed in the vendor's technical proposal. The vendor must provide a detailed description of how it will define and perform each of the deliverables, and, if applicable, will develop and manage services performed under any and all subcontracting arrangements. Vendor responses should correspond to the appropriate deliverables. The major categories of activities and deliverables in this section are listed below.

The contracted services will include, but may not be limited to, the following areas:

- A. Survey Development

In accordance with ORC 5111.07, development of a survey instrument to ascertain the following information: operational data and direct prescription expenses, professional services and personnel costs, usual and customary overhead expenses, and profit data of the retail pharmacies surveyed. Additionally, ODJFS may require survey questions related to drug utilization review being performed by pharmacies.

Any and all surveys must be reviewed and approved by ODJFS prior to mailing.

B. Distribution of Survey

All printing and mailing costs will be borne by the contractor; approximately 2600 surveys will be mailed. ODJFS will determine the mailing list, comprised of all pharmacies in Ohio and the five contiguous states that have submitted a claim for pharmacy services in the twelve (12) months preceding the development of the list. ODJFS will supply mailing labels.

- Vendors must, at minimum, ascertain the appropriate response rate of at least a 95% confidence level. A second mailing (at no expense to ODJFS) will be required if, after the first mailing, the survey responses do not produce a 95% confidence interval.

C. Analysis and Reporting

Compilation of all data received and performance of a statistical analysis that results in a report to ODJFS on the information required in ORC 5111.07, as listed in Section 3.1, A. The report is to be provided to the ODJFS Contract Manager in both hard copy and on CD-ROM in a format and version compatible with existing ODJFS software.

The final report should include an executive summary, a statistical analysis, and raw data. At a minimum, these reports must include demographics, financial data, and drug utilization review components.

The information above is a summary of the duties and responsibilities that would be contractually required of the selected contractor. In order to receive consideration for contract award, all aspects of the requirements described in this section must be addressed in **Tab 3** of the vendor's technical proposal.

Proposals submitted in response to this RFP must reflect the vendor's understanding of, and commitment to, perform this Scope of Work fully. The vendor will be responsible for the deliverables as described above, including all preparatory and intervening steps, whether or not ODJFS has explicitly specified or delineated them within the RFP. In developing their proposals, all interested vendors must fully and appropriately plan and cost out their proposed projects, including all necessary preparatory and intervening steps.

3.2 Administrative Structures—Proposed Work Plan

Proposals are to include, at minimum, the vendor's technical approach for the proposed work plan. The proposal shall include the following procedural reference information:

- A. Provide a status reporting procedure for reporting work completed, and resolution of unanticipated problems; and,

- B. Provide a current organizational chart (including any subcontractors) of vendor staff that would be directly involved in this program, specifying the key management and administrative personnel who will be assigned to this project, and their roles.

3.3 Compensation Structure

Vendors are to propose their compensation rates using the Cost Proposal Form provided as **Attachment F.** to this RFP. All proposals for compensation must be presented in the format and categories as prescribed on that form. No other categories of costs will be considered by ODJFS. No additional fees or costs of any sort will be paid under this contract.

SECTION IV. CONDITIONS AND OTHER REQUIREMENTS

Through this section of the RFP, ODJFS notifies vendors seeking award of a contract of certain conditions and requirements which may affect their eligibility or willingness to participate in any procurement (RFP, RLB, etc.) process; or their eligibility to be awarded a contract; and of requirements that would be in effect should they be awarded a contract.

4.1 State Contracts

Proposals must list any current contracts the vendor has with State of Ohio agencies. The list must indicate the purpose of the contract, the amount of the contract, the time period covered by the contract, and the percentage of the project completed. Vendors must complete a copy of the Required Vendor Information and Certifications Document (provided as **Attachment A.**) to report this information and include the completed document in the vendor's proposal as specified in **Section 5.2 B., 1** of this RFP.

4.2 Interview

Vendors submitting proposals may be required to participate in an in-depth interview as part of the evaluation process. The interview, if necessary, may include participants from ODJFS and/or other state or county agency staff or other representatives it may appoint, as appropriate. ODJFS reserves the right to select from responding vendors for interviews and may not interview all vendors submitting proposals. The vendor shall bear all costs of any scheduled interview.

4.3 Start Work Date

The selected vendor must be able to begin work no later than seven (7) working days after the time funds are encumbered and approved by the Office of Budget and Management. The selected vendor will be notified by the ODJFS contract manager when work may begin. **The vendor will NOT be compensated by ODJFS for any work begun prior to this notification.**

4.4 Proposal Costs

Costs incurred in the preparation of this proposal are to be borne by the vendor, and ODJFS will not contribute in any way to the costs of the preparation. Any costs associated with interviews will be borne by the vendor and will not be ODJFS' responsibility (see Section 4.2, above).

4.5 Trade Secrets Prohibition; Public Information Disclaimer

Vendors are prohibited from including any trade secret information as defined in ORC 1333.61 in their proposals in response to any ODJFS RFP, RLB or other procurement efforts. ODJFS shall consider all proposals voluntarily submitted in response to any ODJFS RFP (or etc.) to be free of trade secrets and such proposals shall, in their entirety, be made a part of the public record.

All proposals and any other documents submitted to ODJFS in response to this RFP shall become the property of ODJFS. This RFP and, after formal announcement by ODJFS of the results of this RFP process (e.g., notices provided to responding vendors regarding vendor selection, notice of project cancellation, etc.), any proposals submitted in response to the RFP are deemed to be public records pursuant to R.C. 149.43. For purposes of this section, “proposal” shall mean both the technical and the cost proposals (if opened by ODJFS) submitted by the vendor, cover letters, any attachments, addenda, appendices, or sample products.

Any proposals submitted in response to this or any ODJFS RFP which make claims of trade secret information shall be disqualified from consideration immediately upon determination that such unallowable claim has been made.

4.6 Contractual Requirements

- A. Any contract resulting from the issuance of this RFP is subject to the terms and conditions as provided in the model contract, which is included as **Attachment D.** of this RFP;
- B. Many of the terms and conditions contained in the model contract (See **Attachment D.**) are required by state and federal law; however, the vendor may propose changes to the model contract by annotating the model, and returning it with the vendor’s proposal submission. Any changes are subject to ODJFS review and approval;
- C. Payments for any and all services provided pursuant to the contract are contingent upon the availability of state and federal funds;
- D. All aspects of the contract apply equally to work performed by any and all subcontractors;
- E. The contractor, and any subcontractor(s), will not use or disclose any information made available to them for any purpose other than to fulfill the contractual duties specified in the RFP. The contractor, and any subcontractor(s), agrees to be bound by the same standards of confidentiality that apply to the employees of ODJFS and the State of Ohio. Any violation of confidentiality will result in an immediate termination of the contract, and may result in legal action;
- F. As a condition of receiving a contract from ODJFS, the contractor, and any subcontractor(s), shall certify compliance with any court order for the withholding of child support which is issued pursuant to Section 3113.217 of the ORC. The contractor, and any subcontractor(s), must also agree to cooperate with ODJFS and any Ohio Child Support Enforcement Agency in ensuring that the contractor or employees of the contractor meet child support obligations established under state law;
- G. By signing a contract with ODJFS, a vendor agrees that all necessary insurance is in effect; and

- H. The selected contractor shall be required to comply with prevailing wage standards, as established in ORC 4115.03 to 4115.16.

4.7 Travel Expense Compensation

ODJFS will not compensate the contractor for any travel expenses related to work that may be performed under the contract expected to result from this RFP.

4.8 Minority Business Enterprise

ODJFS is required by Section 125.081(B) and 123.151 of the ORC to award fifteen percent (15%) of its total procurements to vendors certified as Minority Business Enterprises (MBE). Ohio certified MBE is defined in ORC Section 122.71. If the proposal is not submitted by a certified MBE, the vendor is strongly encouraged to subcontract a minimum of fifteen percent (15%) of the total contract price to an Ohio certified MBE.

The proposal must clearly indicate the name of the proposed Ohio MBE vendor and the exact nature of the work to be performed under the proposed subcontract. The proposal must include a letter from the proposed MBE, signed by a person authorized to legally bind the subcontractor, indicating the following:

1. The subcontractor's legal status, federal tax ID number, and principle business address;
2. The name, phone number, and fax number of a person who is authorized to legally bind the subcontractor to contractual obligations;
3. A complete description of the work the subcontractor will do;
4. A commitment to do the work, if the vendor is selected;
5. A statement that the subcontractor has and understands the RFP, the nature of the work, and the requirements of the RFP; and
6. A copy of the Ohio MBE certificate.

A listing of Ohio certified MBEs can be accessed through the Ohio Department of Administrative Services (DAS) Web Site at: <http://das.ohio.gov/Eod/MBESearch/index.asp>.

While ODJFS strongly encourages the use of MBE subcontractors, the vendor's use of an MBE subcontractor will have no effect on vendors' technical scores or on final contractor selection for this RFP, **unless** Section 6.1, B., of this RFP (and/or the Technical Proposal Score Sheet for this RFP) affirmatively establish an MBE participation criterion.

4.9 Subcontractor Identification and Participation Information

Any vendors proposing to use a subcontractor for any part of the work described in this RFP must clearly identify the subcontractor(s) and their tasks in their proposals. The proposal must include a letter from the proposed subcontractor(s), signed by a person authorized to legally bind the subcontractor, indicating the following:

1. The subcontractor's legal status, federal tax ID number, and principle business address;
2. The name, phone number, and fax number of a person who is authorized to legally bind the subcontractor to contractual obligations;
3. A complete description of the work the subcontractor will do;
4. A commitment to do the work, if the vendor is selected;

5. A statement that the subcontractor has read and understands the RFP, the nature of the work, and the requirements of the RFP.

4.10 Public Release of Records

Public release of any evaluation or monitoring reports funded under this agreement will be made only by ODJFS. Prior to public release of such reports, ODJFS must have at least a 30-day period for review and comment.

4.11 Confidentiality

All contracts will require that the contractor maintain the confidentiality of information and records which state and federal laws, rules, and regulations require to be kept confidential.

4.12 Key Personnel

ODJFS will require a clause in the resulting contract regarding key personnel in that any person identified as critical to the success of the project may not be removed without reasonable notice to ODJFS, and replacements will not be made without ODJFS approval.

4.13 Ethical & Conflict of Interest Requirements

- A. No contractor or individual, company or organization seeking a contract shall promise or give to any ODJFS employee anything of value that is of such character as to manifest a substantial and improper influence upon the employee with respect to his or her duties;
- B. No contractor or individual, company or organization seeking a contract shall solicit any ODJFS employee to violate any of the conduct requirements for employees;
- C. Any contractor acting on behalf of ODJFS shall refrain from activities which could result in violations of ethics and/or conflicts of interest. Any contractor or potential contractor who violates the requirements and prohibitions defined here or of Section 102.04 of the ORC is subject to termination of the contract or refusal by ODJFS to enter into a contract; and
- D. ODJFS employees and contractors who violate Sections 102.03, 102.04 2921.42 or 2921.43 of the ORC may be prosecuted for criminal violations.

4.14 Health Insurance Portability & Accessibility Act (HIPAA) Requirements

As a condition of receiving a contract from ODJFS, 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 Sections 164.504 (e) regarding disclosure of protected health information under the Health Insurance Portability and Accountability Act (HIPAA) of 1996. Protected Health Information (PHI) is information received by the contractor from or on behalf of ODJFS that meets the definition of PHI as defined by HIPAA and the regulations promulgated by the United States Department of Health & Human Services, specifically 45 CFR 164.501 and any amendments thereto. The selected vendor can reasonably anticipate HIPAA language in the contract that results from this RFP.

In the event of a material breach of contractor obligations under this section, ODJFS may at its option terminate the contract according to provisions within the contract for termination.

4.15 Waiver of Minor Proposal Errors

ODJFS may, at its sole discretion, waive minor errors or omissions in vendors' Technical and/or Cost proposals/forms when those errors do not unreasonably obscure the meaning of the content.

4.16 Proposal Clarifications

ODJFS reserves the right to request clarifications from vendors of any information in their Technical and/or Cost proposals/forms, and may request such clarification as it deems necessary at any point in the proposal review process.

4.17 Contractual Requirements and Prevailing Wage Requirements

Any contract resulting from the issuance of this solicitation is subject to the terms and conditions as provided in the model contract, which is provided as **Attachment D.** to this RFP. Potential vendors are strongly encouraged to read the model contract and to be fully aware of ODJFS' contractual requirements. Additionally, the selected contractor will be required to comply with prevailing wage standards, as established in ORC 4115.03-4115.16.

4.18 Unresolved Findings for Recovery (R.C. 9.24)

ORC Section 9.24 prohibits ODJFS from awarding a contract to any entity 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 vendor warrants that it is not now, and will not become, subject to an "unresolved" finding for recovery under R.C. 9.24 prior to the award of any contract arising out of this RFP, without notifying ODJFS of such finding. ODJFS will review the Auditor of State's website prior to completion of evaluations of proposals submitted pursuant to this RFP. ODJFS will not evaluate a proposal from any vendor whose name, or the name of any of the subcontractors proposed by the vendor, appears on the website of the Auditor of the State of Ohio as having an "unresolved" finding for recovery.

4.19 Mandatory Contract Performance Disclosure

Each proposal must disclose whether the vendor's performance, or the performance of any of the proposed subcontractor(s), under contracts for the provision of services that are the same or similar to those to be provided for the project which is the subject of this RFP has resulted in any "formal claims" for breach of those contracts. For purposes of this disclosure, "formal claims" means any claims for breach that have been filed as a lawsuit in any court, submitted for arbitration (whether voluntary or involuntary, binding or not), or assigned to mediation. If any such claims are disclosed, vendor shall fully explain the details of those claims, including the allegations regarding all alleged breaches, any written or legal action resulting from those allegations, and the results of any litigation, arbitration or mediation regarding those claims, including terms of any settlement. While disclosure of any formal claims in response to this section will not automatically disqualify a vendor from consideration, at the sole discretion of ODJFS, such claims and a review of the background details may result in a rejection of the vendor's proposal. ODJFS will make this decision based on its determination of the seriousness of the claims, the potential impact that the behavior that led to the claims could have on the vendor's performance of the work, and the best interests of ODJFS.

4.20 Mandatory Disclosures of Governmental Investigations

Each proposal must indicate whether the vendor and any of the proposed subcontractor(s) has been the subject of any adverse regulatory or adverse administrative governmental action (federal, state, or local) with respect to vendor's performance of services similar to those described in this RFP. If any such instances are disclosed, vendor must fully explain, in detail, the nature of the governmental action, the allegations that led to the governmental action, and the results of the governmental action including any legal action that was taken against vendor by the governmental agency. While disclosure of any governmental action in response to this section will not automatically disqualify a vendor from consideration, such governmental action and a review of the background details may result in a rejection of the vendor's proposal at the sole discretion of ODJFS. The decision by ODJFS on this issue will be based on a determination of the seriousness of the matter, the matter's potential impact on the vendor's performance of the work, and the best interests of ODJFS.

4.21 Mandatory Disclosures of Work Location

Proposals must explicitly state the location(s) (city, state/province, country) where work described in this RFP would be performed, whether by the vendor or by any subcontractors.

4.22 Vendor Selection Restriction

Any vendor deemed not responsible, or submitting a proposal deemed not to be responsive to the terms of this RFP, shall not be awarded the resulting contract.

4.23 Declaration of Material Assistance Requirements

Any vendor responding to any ODJFS RFP, RLB, or any other procurement opportunity is required to provide certification that the vendor has not provided material support or resources to any organization listed on the "Terrorist Exclusion List" (TEL) maintained by the U.S. Department of State. The Declaration of Material Assistance Form, provided as **Attachment C** to this RFP, must be printed, completed, and signed by the interested vendor's authorized representative, and returned to ODJFS as a component of the vendor technical proposal/bid. Failure to properly complete the form or to provide it as part of the proposal submitted to ODJFS may result in the disqualification of the vendor's proposal from consideration.

Vendors may access the TEL from the Ohio Homeland Security Office website, located at www.homelandsecurity.ohio.gov.dma.asp or via e-mail to dma-info@dps.state.oh.us for the current list of excluded organizations and additional information.

4.24 Ohio Presence Consideration

Vendors which demonstrate in their proposals that they shall maintain a current physical presence in Ohio or demonstrate concrete plans for establishing a physical presence, to include the actual or proposed location of the vendor's presence throughout the term of the contract shall receive additional consideration as specified in Section 6.1, B. of this RFP. Vendor proposals must identify the work to be performed for this project at that location and identify vendor personnel, either by staff name or function, that will operate from the Ohio location. ODJFS reserves the right, at its sole discretion to determine which vendors comply or fail to comply with this opportunity for additional consideration.

SECTION V. PROPOSAL FORMAT & SUBMISSION**5.1 Proposal Submission Information**

ODJFS requires proposal submissions in both paper and electronic format. The proposal must be prepared and submitted in accordance with instructions found in this Section. The proposal submission must be comprised of:

- **six (6) paper copies (one signed original and five copies) and one CD-ROM copy** of the Technical Proposal;

-AND-

- **three (3) paper copies (one signed original and two copies) and a CD-ROM copy** of the Cost Proposal in a separate, sealed envelope/package labeled: **“NOTE: DO NOT OPEN. COST PROPOSAL ENCLOSED FOR PHARMACY DRUG DISPENSING FEE SURVEY SERVICES, RFP#: JFSR-1011-07-8047 SUBMITTED BY [VENDOR’S NAME HERE].”**

It is the vendor’s affirmative responsibility to ensure that all copies and all formats of the proposal are identical. Any pages or documents omitted from any or all copies can negatively affect the vendor’s score and possibly result in the vendor’s disqualification. In the event of any discrepancies or variations between copies, ODJFS is under no obligation to resolve the inconsistencies and may make its scoring and vendor selection decisions accordingly, including the decision to disqualify the vendor.

The vendors’ total proposal submissions (both the technical and cost proposals in all required copies) must be received by ODJFS complete no later than **3:00 p.m. (local time) on Thursday, May 6, 2010** Faxes or e-mailed submissions will not be accepted. **Proposals must be addressed to:**

**Division of Contracts and Acquisitions
Ohio Department of Job and Family Services
30 East Broad Street, 31st Floor
Columbus, Ohio 43215-3414
ATTN: RFP/RLB Unit**

Vendors’ original technical and cost proposals must contain all the information and documents specified in Section 5.2, “Format for Organization of the Proposal.”

All copies (both paper and CD-ROM) of the original proposal must include identical copies of ALL information, documents, and pages in the original proposal. The entire vendor proposal should be converted into one single secure PDF document saved to the CD-ROM submitted to ODJFS. If the proposal’s size necessitates more than a single PDF document to contain the entire proposal, vendors must still send the CD-ROM copy of the proposal, but use the fewest separate .pdf documents possible. The hard-copies and the CD-ROM must be clearly labeled with the vendor’s name, submission date, and the name and RFP number for this project.

The requested CD may be used in the formal proposal review processes, and will be used by ODJFS for archiving purposes and for fulfillment of Public Records Requests, and failure to include or to properly label it may, at ODJFS discretion, result in the rejection of the vendor from any consideration.

All proposal submissions must be received, complete, at the above address, via mail, delivery service, or hand delivery by the above date and time. Materials received separately from a vendor's proposal submission (*e.g.*, letters of recommendation from past customers of the vendor's services) will not be added to the proposal nor considered in the review and scoring process. Materials received after the date and time as stated above will not be included in any previous submissions, nor will they be considered. ODJFS is not responsible for proposals incorrectly addressed or for proposals delivered to any ODJFS location other than the address specified above. No confirmation of mailed proposals can be provided.

For hand delivery on the due date, vendors are to allow sufficient time for traffic incidents, downtown parking considerations, as well as for possible security checks at both the lobby of the Rhodes State Office Tower (address as stated above) and again on the 31st Floor. All proposals must be received **no later than the specified deadline, both time and date**, by the Office of Legal and Acquisition Services (OLAS), Division of Contracts and Acquisitions, on the 31st Floor of the Rhodes Tower. Proposals may be submitted at any time prior to that deadline, during normal working hours, excluding weekends and state holidays. **ODJFS is not responsible for proposals delivered to any address other than the address provided above. No late proposals will be considered.**

Submission of a proposal indicates acceptance by the vendor of the conditions contained in this RFP, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between ODJFS and the vendor selected.

5.2 **Format for Organization of the Proposal**

A. **Overall Proposal Organization**

A sample Technical Proposal Score Sheet is provided as **Attachment E** of this RFP. **Vendors are strongly encouraged to use the Score Sheet to check their proposals for quality, compliance, and completeness prior to submission.**

The vendor's Technical Proposal must contain the following components (organized in five (5) primary tabs and divided into sub-tabs) as described below. Any other information thought to be relevant, but not applicable to a specific RFP section number/letter must be provided as an appendix to the proposal and so marked as an additional tab. ODJFS reserves the right to review submitted appendices which includes information/materials not required in the RFP. All pages beyond Tab 1 shall be sequentially numbered.

Vendors must organize their Technical Proposals in the following order:

Tab 1 Required Vendor Information and Certifications Document

Request for Taxpayer Identification Number (W-9) Form

Declaration Regarding Material Assistance/Non-Assistance to a Terrorist Org.

Tab 2 Vendor Experience, Characteristics and Capabilities

Sub-Tab 2a. Mandatory Vendor Qualifications (Section 2.1, items A through C)

Sub-Tab 2b. Vendor Experience, Characteristics, and Capabilities (Section 2.2, items A through F)

Tab 3 Scope of Work and Specifications of Deliverables

Sub-Tab 3a. Deliverable A

Sub-Tab 3b. Deliverable B

Sub-Tab 3c. Deliverable C

Tab 4 Administrative Structures—Proposed Work Plan

Sub-Tab 4a. Status Reporting Procedure

Sub-Tab 4b. Organizational Chart

Tab 5 Vendor Attachments or Appendices (*for example, for possible excerpts/samples of work products*)

All pages in the Technical Proposal must be sequentially numbered, with the exception of Tab 1 contents. In the interest of efficiency and economy, vendors may present information for more than one sub-tab per page, but must provide clear indications of the breaks on the page between the different sub-tab contents.

NOTE: Vendors are required to submit **one CD-ROM copy** of their entire proposal packages in non-rewriteable CD format.

B. Technical Proposal Details

The vendor's Technical Proposal must contain the following components, at minimum. It is mandatory that vendor proposals be organized in the following order, and that wherever appropriate, sections/portions of the vendor proposal make reference by section number/letter to those RFP requirements to which they correspond.

1. (Tab 1)

Required Vendor Information & Certifications

Request for Taxpayer Identification Number (W-9) Form

Declaration Regarding Material Assistance / Non-Assistance to a Terrorist Organization

In this section, the vendor is required to provide required information and certifications of eligibility for state contract awards, as described in **Attachment A.** to this RFP, entitled "Required Vendor Information & Certifications Document." Vendors may, at their discretion, either print **Attachment A.**, complete and sign it (in blue ink), and return it as the content of their Proposal Tab 1; or they may provide all the required information and certifications (each fully re-stated from **Attachment A.**) on their own letterhead, properly signed (in blue ink), and use that document as the content of their Proposal Tab 1. Vendors who fail to provide all information and certifications as described in **Attachment A.** in their Proposal Tab 1 risk disqualification.

The vendor must attach the **Request for Taxpayer Identification Number (W-9) Form**, which is provided as **Attachment B.** to this RFP, completed with an original signature in blue ink.

Vendors are required to provide a declaration regarding material assistance to a terrorist organization or an organization that supports terrorism as identified by the U.S. Department of State Terrorist Exclusion List and described in **Attachment C,**

Declaration Regarding Material Assistance/Non-Assistance to a Terrorist Organization. Vendors MUST print **Attachment C.**, complete and sign it (in blue ink), and return it as the content of their Proposal Tab 1. Vendors who fail to provide a signed and completed **Attachment C.** risk disqualification. This form may also be accessed and printed at the Ohio Department of Public Safety, Division of Homeland Security's Website at <http://www.homelandsecurity.ohio.gov>.

The signed originals of the above referenced forms (**RFP Attachments A., B., and C.**) are to be provided in the vendor's original proposal; photocopies of the completed and signed forms must also be provided with each of the required copies.

In the event that the vendor proposes the use of any subcontractors, information on the subcontractor(s) and letters of commitment as required by Section 4.8, Minority Business Enterprise or 4.9, Subcontractor Identification and Participation Information should also be provided in Tab 1.

**2. (Tab 2)
Vendor Experience & Qualifications**

a. Mandatory Vendor Qualifications (Sub-Tab 2 a.)

The vendor must include information on the mandatory experience of the vendor, as described in **Section 2.1**, of this RFP.

b. Vendor Experience, Characteristics, and Capabilities (Sub-Tab 2 b.)

Under this section the vendor is required to describe its accessibility and customer service standards, including, at minimum, its geographic coverage, operating hours, and loan processing times, and must include resumes, education, and experience, for all key personnel for this project (including any subcontractors to be involved), as described in **Section 2.2**, of this RFP.

**3. (Tab 3)
Scope of Work & Specifications of Deliverables**

This section should describe in detail how the vendor proposes to perform each tasks of the scope of work identified in Sections 3.1, Scope of Work and Specifications of Deliverables of this RFP. The responses must address each element separately. Vendors should place their responses for each Deliverable identified in Section 3.1 behind separate sub-tabs as described above.

**4. (Tab 4)
Administrative Structures—Proposed Work Plan**

This section should describe in detail (in the order as outlined) the vendor's administrative structures as specified in Section 3.2, Administrative Structures—Proposed Work Plan of this RFP.

This section should also include, if applicable, the vendor's demonstration of maintaining a current physical presence in Ohio or demonstration of concrete plans for establishing a physical presence, to include the actual or proposed location of the vendor's Ohio presence throughout the term of the contract (see Sec. 4.24).

**5. (Tab 5)
Vendor Attachments or Appendices**

This section may be used to include excerpts/samples of work products or methods comparable to those described in this RFP.

C. Cost Proposal

Vendors are to complete the Cost Proposal Form (provided as **Attachment F.**) with their proposed prices for all services that would be provided. All proposals for compensation must be presented in the format and categories as prescribed on that form. This form must be completed and submitted (one signed original, two copies and one CD-ROM copy) in a separate, sealed envelope/package labeled: **“NOTE: DO NOT OPEN. COST PROPOSAL ENCLOSED FOR PHARMACY DRUG DISPENSING FEE SURVEY SERVICES, RFP#: JFSR-1011-07-8047 SUBMITTED BY [VENDOR'S NAME HERE].”**

D. IMPORTANT –DISQUALIFIERS FOR PROPOSAL ERRORS:

- Any trade secret, proprietary, or confidential information (as defined in Section 4.5 of this RFP) found anywhere in a vendor's proposal shall result in immediate disqualification of that vendor's proposal.
- Any sensitive personal information on vendor *or* sub-contract staff (e.g., social security numbers, addresses) must be omitted from vendor proposals, or rendered fully unreadable, or ODJFS may at its option disqualify the vendor from any consideration.

SECTION VI. CRITERIA FOR PROPOSAL EVALUATION & SELECTION

6.1 Scoring of Proposals

ODJFS will contract with a vendor that best demonstrates the ability to meet requirements as specified in this RFP. Vendors submitting a response will be evaluated based on the capacity and experience demonstrated in their Technical and Cost Proposal. All proposals will be reviewed and scored by a Proposal Review Team (PRT), comprised of staff from ODJFS, Office of Ohio Health Plans and their designees. Vendors should not assume that the review team members are familiar with any current or past work activities with ODJFS. Proposals containing assumptions, lack of sufficient detail, poor organization, lack of proofreading and unnecessary use of self-promotional claims will be evaluated accordingly. PRT members will be required to sign disclosure forms to establish that they have no personal or financial interest in the outcome of the proposal review and contractor selection process.

Selection of the vendor will be based upon the criteria specified in this RFP. Any proposals not meeting the requirements contained in this RFP will not be scored or may be held pending receipt of required clarifications. The PRT reserves the right to reject any and all proposals, in whole or in part, received in response to this request. The review team may waive minor defects that are not material when no prejudice will result to the rights of any vendor or to the public. In scoring the proposals, ODJFS will score in three phases:

A. Phase I. Review—Initial Qualifying Criteria:

In order to be fully reviewed and scored, proposals submitted must pass the following Phase I. Review. **Any “no” for the listed Phase I. criteria will eliminate a proposal from further consideration. Please refer to Attachment E, Technical Proposal Score Sheet for a complete listing of initial disqualifiers.**

B. Phase II. Review—Criteria for Scoring the Technical Proposal:

The PRT will then score those qualifying technical proposals, not eliminated in Phase I. Review, by assessing how well the vendor meets the requirements as specified in Sections I, III, IV, V, and VI. of this RFP. Using the score sheet for Phase II (A. + B.) scoring (see **Attachment E.** of this RFP for specific evaluation criteria), the PRT will read, review, discuss and reach consensus on the final technical score for each qualifying technical proposal.

Any proposal which does not meet the minimum required technical proposal points in Phase II A. will be disqualified from any further consideration and its cost proposal will neither be opened nor considered. **Please refer to Attachment E, Technical Proposal Score Sheet for maximum and minimum allowable scoring thresholds and definitions of scoring values.**

After establishing which vendor proposals are technically qualified to advance to Phase III for consideration of their corresponding cost proposals, ODJFS will add five (5) points each to vendor proposals which have demonstrated an Ohio presence and an MBE status or three (3) points for EDGE status as described in Sections 4.8, 4.24 and 6.1, B. of this RFP. For those technically qualified vendors with an Ohio presence and MBE-EDGE status, their final technical score will be the sum of the score they earned according to the Phase II A. review described above plus the (max. 10) additional points received in Phase II B. review. That grand total will be used for those vendors in Phase III, as described below.

IMPORTANT: Before submitting a proposal to ODJFS in response to this RFP, vendors are strongly encouraged to use the Technical Proposal Score Sheet (**Attachment E.**) and the above technical performance scoring information to review their proposals for completeness, compliance and quality.

All the remaining qualified Technical Proposals will proceed to the next level of review, which is consideration of the Cost Proposal. Any other proposals will be disqualified from further consideration, and the corresponding Cost Proposals will neither be opened nor will be scored.

C. Phase III.—Criteria for Considering the Cost Proposal

The Cost Proposal will be reviewed by ODJFS. The grand total of each technically qualified vendor's Cost Proposal is divided by that vendor's final Technical Proposal score. This compares the cost with the quality of the Technical Proposal, which will provide an average cost-per-quality point earned on the Technical Proposal.

If the cost proposals of all technically qualifying vendors (as determined by the scoring process described in this section and by the Technical Proposal Score Sheet, **Attachment E.** to this RFP) are in excess of the available funding for this project, ODJFS may, at its sole discretion, negotiate with all technically qualifying vendors for a revised cost proposal. Vendors may then submit one last and best offer, or may request that ODJFS view its original cost proposal as its last and best offer, or may formally withdraw from further consideration, and shall formally indicate its choice according to directions provided by ODJFS at that time. Upon receipt of all last and best offers, and assuming that one or more have submitted a cost proposal that is within project budget, ODJFS will then consider those vendors' revised cost proposals which are within the budget according to the cost-point assignment process described in this section, above, and in the Technical Proposal Score Sheet, **Attachment E.**, for calculation of the winning score.

6.2 Review Process Caveats

ODJFS may, at its sole discretion, waive minor errors or omissions in vendors' Technical and/or Cost proposals/forms when those errors do not unreasonably obscure the meaning of the content.

ODJFS reserves the right to request clarifications from vendors to any information in their Technical and/or Cost proposals/forms, and may request such clarification as it deems necessary at any point in the proposal review process. Any such requests for proposal clarification when initiated by ODJFS, and vendors' verbal or written response to those requests, shall not be considered a violation of the communication prohibitions contained in Section 1.7 of this RFP. Such communications are expressly permitted when initiated by ODJFS, but are at the sole discretion of ODJFS.

Should ODJFS determine a need for interviewing vendors prior to making a final selection, results to interview questions shall be scored in a manner similar to the process described in Section 6.1, Scoring of Proposals, above. Such scored results may be either added to those vendors' proposal scores, or will replace certain criteria scores, at the discretion of ODJFS. The standards for scoring the interviews and the method used for considering the results of the interviews shall be applied consistently for all vendors participating in the interview process for that RFP.

ODJFS reserves the right to negotiate with vendors for adjustments to their proposals should ODJFS determine, for any reason, to adjust the scope of the project for which this RFP is released. Such communications are not violations of any communications prohibition, and are expressly permitted when initiated by ODJFS, but are at the sole discretion of ODJFS.

Any vendor deemed not responsible, or any submitting a proposal deemed not to be responsive to the terms of this RFP, shall not be awarded the contract.

6.3 Final Vendor Recommendation

The PRT will recommend to the Director of ODJFS the technically qualified vendor offering the proposal most advantageous to ODJFS, as determined by the processes and requirements established in this RFP. This will be determined by comparing each vendor's grand total score; the vendor earning the highest score will be recommended for award of the contract.

6.4 Tie Breaker

In the event that two or more of the proposals have a score which is tied after final calculation of both the technical proposal and the cost proposal, the proposal with the higher technical proposal score will prevail. Should that process still result in a tied score, the vendor earning the highest score for the quality of geographic coverage, Phase II, item 1. on the Technical Proposal Score Sheet (**Attachment E.** to this RFP) will be deemed the technically qualified vendor offering the proposal most advantageous to ODJFS, and recommended for award of the contract.

SECTION VII. PROTEST PROCEDURE

7.1 Protests

Any potential, or actual, vendor objecting 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 a protest must comply with the following guidelines:

- A. A protest may be filed by a prospective or actual bidder objecting to the award of a contract resulting from this RFP. The protest shall be in writing and shall contain the following information:
 1. The name, address, and telephone number of the protestor;
 2. The name and number of the RFP being protested;
 3. A detailed statement of the legal and factual grounds for the protest, including copies of any relevant documents;
 4. A request for a ruling by ODJFS;
 5. A statement as to the form of relief requested from ODJFS; and
 6. Any other information the protestor believes to be essential to the determination of the factual and legal questions at issue in the written protest.
- B. A timely protest shall be considered by ODJFS, if it is received by ODJFS' Office of Legal and Acquisition Services, within the following periods:
 1. 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 shall be filed no later than 3:00 p.m. the closing date for receipt of proposals, as specified in Section 1.5, Anticipated Procurement Time Table, of this RFP.
 2. If the protest relates to the announced intent to award a contract, the protest shall be filed no later than 3:00 p.m. of the **eighth (8th)** calendar day after the issuance of formal letters sent to all responding vendors regarding the State's intent to make the

award. The date on these ODJFS letters to responding vendors is the date used to determine if a protest regarding the intent to award is submitted by the end of the protest period.

- C. An untimely protest may be considered by ODJFS if ODJFS determines that the protest raises issues significant to the department's procurement system. An untimely protest is one received by OLAS after the time periods set forth in Item B. of this section.
- D. All protests must be filed at the following location:

Chief Legal Counsel
ODJFS Office of Legal and Acquisition Services
30 East Broad Street, 31st Floor
Columbus, Ohio 43215-0423
- E. When a timely protest is filed, a contract award shall not proceed until a decision on the protest is issued or the matter is otherwise resolved, unless the Director of ODJFS determines that a delay will severely disadvantage the Department. The vendor(s) who would have been awarded the contract shall be notified of the receipt of the protest.
- F. OLAS shall issue written decisions on all timely protests and shall notify any vendor who filed an untimely protest as to whether or not the protest will be considered.

7.2 Caveats

ODJFS is under no obligation to issue a contract as a result of this solicitation if, in the opinion of ODJFS and the proposal review team, none of the proposals are responsive to the objectives and needs of the Department. ODJFS reserves the right to not select any vendor should ODJFS decide not to proceed. Changes in this RFP of a material nature will be provided via the agency website. All vendors are responsible for obtaining any such changes without further notice by ODJFS.

SECTION VIII. ATTACHMENTS AND THEIR USES

- A. **Required Vendor Information and Certifications** *(To be completed & included in proposal packet as specified in Sec. 5.2)*
- B. **Request for Taxpayer Identification Number (W-9) Form** *(To be completed & included in proposal packet as specified in Sec. 5.2)*
- C. **Declaration of Material Assistance Form** *(To be completed & included in proposal packet as specified in Sec. 5.2.)*
- D. **ODJFS Model Contract** *(For vendor reference purposes)*
- E. **Technical Proposal Score Sheet** *(For vendor self-evaluation purposes...do not submit)*
- F. **Cost Proposal Form** *(To be completed & included in cost proposal packet as specified in Sec. 5.2.)*

SECTION IX. APPENDICES AND THEIR USES

- A. **Pharmacy Drug Dispensing Fee Survey 2008** *(For vendor reference purposes)*

Thank you for your interest in this project.

Attachment A
REQUIRED VENDOR INFORMATION and CERTIFICATIONS

Purpose: The Ohio Department of Job and Family Services (ODJFS) requires the following information on vendors who submit proposals or bids in response to any ODJFS Requests for Proposals (RFPs) or Requests for Letterhead Bids (RLBs), in order to facilitate the development of the contract (or finalization of a purchase) with the selected vendor. ODJFS reserves the right to reject your proposal if you fail to provide this information fully, accurately, and by the deadline set by ODJFS. Further, some of this information (as identified below) **must** be provided in order for ODJFS to accept and consider your proposal\bid. **Failure to provide such required information will result in your proposal's immediate disqualification.**

Instructions: Provide the following information regarding the vendor submitting the proposal or bid. Vendors may either print this attachment, complete and sign it, or may provide the required information and certifications (each fully re-stated from this attachment) on their letterhead as the opening pages of their proposals. It is mandatory that the information provided is certified with an original signature (in blue ink, please) from a person with authority to represent the vendor. Vendors are to provide the completed and signed information and certifications as the cover pages of their original proposal submitted to ODJFS.

IMPORTANT: If the RFP\RLB specified a maximum page limit for vendor proposals\bids, the attachment of any required certifications, other documents, or additional pages needed to fully provide the information requested here will NOT be counted against that page limit.

Vendors must provide all information

1. ODJFS RFP/RLB #:	2. Proposal Due Date:
3. Vendor Name: (legal name of the vendor – person or organization – to whom contract\purchase payments would be made)	4. Vendor Federal Tax ID # or Social Security #: (this number MUST correspond with the name in Item # 3)
5. Vendor Corporate Address:	6. Vendor Remittance Address: (or “same” if same as Item # 5)
7. Print or type information on the vendor representative/contact person <u>authorized to answer questions on the proposal\bid</u>: Vendor Representative: Representative's Title: Address: Phone #: Fax #: E-Mail:	
8. Print or type the name of the vendor representative <u>authorized to address contractual issues, including the authority to execute a contract on behalf of the vendor, and to whom legal notices regarding contract termination or breach, should be sent</u> (if not the same individual as in #7, provide the following information on each such representative and specify their function): Vendor Representative: Representative's Title: Address: Phone #: Fax #: E-Mail:	
9. Is this vendor an Ohio certified MBE? Yes <input type="checkbox"/> No <input type="checkbox"/> If yes, attach a copy of current certification to proposal\bid. (If ODJFS has specified the RFP\RLB\purchase document as an opportunity open exclusively to Ohio Certified MBEs, then failure to attach a copy of current certification <u>WILL RESULT IN DISQUALIFICATION.</u>)	

10. Mandatory Vendor Certifications:

ODJFS may not enter into contracts with/make purchases from any vendors who have been found to be ineligible for state contracts under specific federal or Ohio statutes or regulations. Vendors responding to any ODJFS RFP\RLB or other purchase opportunity MUST certify that they are NOT INELIGIBLE by signing each of the three statements below. **Failure to provide proper affirming signature on any of these statements will result in the disqualification of your proposal\bid.**

I _____ (signature of representative shown in Item # 7, above) hereby certify and affirm that _____ (name of the vendor shown in Item # 3, above), has not been debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in transactions by the United States Department of Labor, the United States Department of Health and Human Services, or any other federal department or agency as set forth in 29 CFR Part 98, or 45 CFR Part 76, or other applicable statutes.

AND

I _____ (signature of representative shown in Item #7, above) hereby certify and affirm that _____ (name of the vendor shown in Item # 3, above), is not on the list established by the Ohio Secretary of State, pursuant to ORC Section 121.23, which identifies persons and businesses with more than one unfair labor practice contempt of court finding against them.

AND

I _____ (signature of representative shown in Item #7, above) hereby certify and affirm that _____ (name of the vendor shown in Item # 3, above), either is not subject to a finding for recovery under ORC Section 9.24, or has taken appropriate remedial steps required under that statute, or otherwise qualifies under that section to enter into contracts with the State of Ohio.

11. Work Location Declaration: Identify the location(s) (city, state/province, country) where all work for the proposed project will be performed, by the proposing Vendor and by any Subcontractors: _____

12. Equal Employment Opportunity Information on the Vendor and any Subcontractor(s)

A. Provide vendor employee data both nationwide (including Ohio staff), and Ohio office employees separately:

	<u>Nationwide:</u>	<u>Ohio Offices:</u>
Total Number of Employees:	_____	_____
% of those who are Women:	_____	_____
% of those who are Minorities:	_____	_____

B. If you are the selected vendor, will you subcontract any part of the work?

NO -or- YES, but for less than 50% of the work -or- YES, for 50% or more of the work

If yes, provide the following information on each subcontractor (additional pages may be added as needed):

Subcontractor Name: _____

Address: _____

Work To Be _____

Performed: _____

(a brief description) _____

Subcontractor's Estimated Percentage of Total Project (in % of work, not % of dollars): _____

If 50% or more of the work will be subcontracted, then ALSO provide the following information on ALL proposed subcontractors:

	<u>Nationwide:</u>	<u>Ohio Offices:</u>
Total Number of Employees:	_____	_____
% of those who are Women:	_____	_____
% of those who are Minorities:	_____	_____

C. Identify all state contracts which the vendor has had approved by the Controlling Board since the beginning of the last fiscal year (i.e., since July 01, 2004) through this fiscal year to date. Also include contracts approved for ODJFS or institutions of higher education:

Total number of contracts: _____

For each state contract, list the state agency and provide the following information:

State Agency/Educational Institution: _____

Contract Dollar Amount: _____

State Agency/Educational Institution: _____

Contract Dollar Amount: _____

State Agency/Educational Institution: _____

Contract Dollar Amount: _____

Attach additional pages if needed

13. Vendor and Grantee Ethics Certification

As a vendor or grantee doing business with* or receiving grants from the State of Ohio, I certify on behalf of _____ (name of vendor or grantee):

- (1) I have reviewed and understand Ohio ethics and conflict of interests laws, as found in Chapter 102. and Sections 2921.42 and 2921.43 of the Ohio Revised Code.
- (2) I have reviewed and understand Governor Strickland's Executive Order Number 2007-01S.
- (3) I will not do anything inconsistent with those laws or Executive Order Number 2007-01S.
- (4) I acknowledge that failure to comply with this certification, is, by itself, grounds for termination of this contract or grant with the State of Ohio.

Signature of authorized agent

Date

*"Doing business with" includes all contracts for goods and services, excluding purchases made using the State of Ohio's Payment Card Program that cost less than \$1,000.

14. I have read the ODJFS Model Contract attached to the RFP/RLB, and if awarded a contract, I will not _____ (or) I will _____ request changes to the standard language, and have marked the requested changes and returned the model document with this proposal for consideration by ODJFS. (If so, ODJFS will review those requested changes if you are the selected vendor. All requested changes to model contract language are subject to ODJFS approval.) (NOTE: Item 14 is not applicable and not required when the subject ODJFS procurement opportunity is offered only to State Term Schedule Vendors.)

15. I _____, (vendor representative in Item # 7) hereby affirm that this proposal accurately represents the capabilities and qualifications of _____ (vendor's name), and I hereby affirm that the cost(s) bid to ODJFS for the performance of services and/or provision of goods covered in this proposal in response to the ODJFS RFP/RLB/other purchase opportunity is a firm fixed price, inclusive of all incidental as well as primary costs. (Failure to provide the proper affirming signature on this item may result in the disqualification of your proposal\bid.)

Request for Taxpayer Identification Number and Certification

**Give form to the
 requester. Do not
 send to the IRS.**

Print or type See Specific Instructions on page 2	Name (as shown on your income tax return)	
	Business name, if different from above	
	Check appropriate box: <input type="checkbox"/> Individual/ Sole proprietor <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Other ▶	
	<input type="checkbox"/> Exempt from backup withholding	
	Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
City, state, and ZIP code		
List account number(s) here (optional)		

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Social security number									
+	+								

or

Employer identification number									
+									

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. person (including a U.S. resident alien).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 4.)

Sign Here	Signature of U.S. person ▶	Date ▶
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Purpose of Form

A person who is required to file an information return with the IRS, must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

U.S. person. Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

For federal tax purposes you are considered a person if you are:

- An individual who is a citizen or resident of the United States,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States, or

- Any estate (other than a foreign estate) or trust. See Regulations sections 301.7701-6(a) and 7(a) for additional information.

Foreign person. If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien.

Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the recipient has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.

4. The type and amount of income that qualifies for the exemption from tax.

5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments (after December 31, 2002). This is called "backup withholding." Payments that may be subject to backup withholding include interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester, or
2. You do not certify your TIN when required (see the Part II instructions on page 4 for details), or
3. The IRS tells the requester that you furnished an incorrect TIN, or
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate Instructions for the Requester of Form W-9.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your social security card. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your individual name as shown on your social security card on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name" line.

Limited liability company (LLC). If you are a single-member LLC (including a foreign LLC with a domestic owner) that is disregarded as an entity separate from its owner under Treasury regulations section 301.7701-3, enter the owner's name on the "Name" line. Enter the LLC's name on the "Business name" line. Check the appropriate box for your filing status (sole proprietor, corporation, etc.), then check the box for "Other" and enter "LLC" in the space provided.

Other entities. Enter your business name as shown on required Federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name" line.

Note. You are requested to check the appropriate box for your status (individual/sole proprietor, corporation, etc.).

Exempt From Backup Withholding

If you are exempt, enter your name as described above and check the appropriate box for your status, then check the "Exempt from backup withholding" box in the line following the business name, sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

Note. If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

Exempt payees. Backup withholding is not required on any payments made to the following payees:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2),
2. The United States or any of its agencies or instrumentalities,
3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities,
4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or
5. An international organization or any of its agencies or instrumentalities.

Other payees that may be exempt from backup withholding include:

6. A corporation,

- 7. A foreign central bank of issue,
- 8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,
- 9. A futures commission merchant registered with the Commodity Futures Trading Commission,
- 10. A real estate investment trust,
- 11. An entity registered at all times during the tax year under the Investment Company Act of 1940,
- 12. A common trust fund operated by a bank under section 584(a),
- 13. A financial institution,
- 14. A middleman known in the investment community as a nominee or custodian, or
- 15. A trust exempt from tax under section 664 or described in section 4947.

The chart below shows types of payments that may be exempt from backup withholding. The chart applies to the exempt recipients listed above, 1 through 15.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt recipients except for 9
Broker transactions	Exempt recipients 1 through 13. Also, a person registered under the Investment Advisers Act of 1940 who regularly acts as a broker
Barter exchange transactions and patronage dividends	Exempt recipients 1 through 5
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt recipients 1 through 7 ²

¹See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation (including gross proceeds paid to an attorney under section 6045(f), even if the attorney is a corporation) and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees; and payments for services paid by a Federal executive agency.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-owner LLC that is disregarded as an entity separate from its owner (see *Limited liability company (LLC)* on page 2), enter your SSN (or EIN, if you have one). If the LLC is a corporation, partnership, etc., enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at www.socialsecurity.gov/online/ss-5.pdf. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/businesses/ and clicking on Employer ID Numbers under Related Topics. You can get Forms W-7 and SS-4 from the IRS by visiting www.irs.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Writing "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, and 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). Exempt recipients, see *Exempt From Backup Withholding* on page 2.

Signature requirements. Complete the certification as indicated in 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ²
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee ¹
b. So-called trust account that is not a legal or valid trust under state law	The actual owner ¹
5. Sole proprietorship or single-owner LLC	The owner ³
For this type of account:	Give name and EIN of:
6. Sole proprietorship or single-owner LLC	The owner ³
7. A valid trust, estate, or pension trust	Legal entity ⁴
8. Corporate or LLC electing corporate status on Form 8832	The corporation
9. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
10. Partnership or multi-member LLC	The partnership
11. A broker or registered nominee	The broker or nominee
12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or "DBA" name on the second name line. You may use either your SSN or EIN (if you have one). If you are a sole proprietor, IRS encourages you to use your SSN.

⁴ List first and circle the name of the legal trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.)

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA, or Archer MSA or HSA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. The IRS may also provide this information to the Department of Justice for civil and criminal litigation, and to cities, states, and the District of Columbia to carry out their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 28% of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to a payer. Certain penalties may also apply.



GOVERNMENT BUSINESS AND FUNDING CONTRACTS
In accordance with section 2909.33 of the Ohio Revised Code

DECLARATION REGARDING MATERIAL ASSISTANCE/NONASSISTANCE TO A TERRORIST ORGANIZATION

This form serves as a declaration of the provision of material assistance to a terrorist organization or organization that supports terrorism as identified by the U.S. Department of State Terrorist Exclusion List (see the Ohio Homeland Security Division website for a reference copy of the Terrorist Exclusion List).

Any answer of "yes" to any question, or the failure to answer "no" to any question on this declaration shall serve as a disclosure that material assistance to an organization identified on the U.S. Department of State Terrorist Exclusion List has been provided. Failure to disclose the provision of material assistance to such an organization or knowingly making false statements regarding material assistance to such an organization is a felony of the fifth degree.

For the purposes of this declaration, "material support or resources" means currency, payment instruments, other financial securities, funds, transfer of funds, and financial services that are in excess of one hundred dollars, as well as communications, lodging, training, safe houses, false documentation or identification, communications equipment, facilities, weapons, lethal substances, explosives, personnel, transportation, and other physical assets, except medicine or religious materials.

Form with fields: LAST NAME, FIRST NAME, MIDDLE INITIAL, HOME ADDRESS, CITY, STATE, ZIP, COUNTY, HOME PHONE, WORK PHONE.

COMPLETE THIS SECTION ONLY IF YOU ARE A COMPANY, BUSINESS OR ORGANIZATION

Form with fields: BUSINESS/ORGANIZATION NAME, BUSINESS ADDRESS, CITY, STATE, ZIP, COUNTY, PHONE NUMBER.

DECLARATION

In accordance with division (A)(2)(b) of section 2909.32 of the Ohio Revised Code

For each question, indicate either "yes," or "no" in the space provided. Responses must be truthful to the best of your knowledge.

- 1. Are you a member of an organization on the U.S. Department of State Terrorist Exclusion List?
2. Have you used any position of prominence you have with any country to persuade others to support an organization on the U.S. Department of State Terrorist Exclusion List?

GOVERNMENT BUSINESS AND FUNDING CONTRACTS - CONTINUED

3. Have you knowingly solicited funds or other things of value for an organization on the U.S. Department of State Terrorist Exclusion List?
 Yes No
4. Have you solicited any individual for membership in an organization on the U.S. Department of State Terrorist Exclusion List?
 Yes No
5. Have you committed an act that you know, or reasonably should have known, affords "material support or resources" to an organization on the U.S. Department of State Terrorist Exclusion List?
 Yes No
6. Have you hired or compensated a person you knew to be a member of an organization on the U.S. Department of State Terrorist Exclusion List, or a person you knew to be engaged in planning, assisting, or carrying out an act of terrorism?
 Yes No

In the event of a denial of a government contract or government funding due to a positive indication that material assistance has been provided to a terrorist organization, or an organization that supports terrorism as identified by the U.S. Department of State Terrorist Exclusion List, a review of the denial may be requested. The request must be sent to the Ohio Department of Public Safety's Division of Homeland Security. The request forms and instructions for filing can be found on the Ohio Homeland Security Division website.

CERTIFICATION

I hereby certify that the answers I have made to all of the questions on this declaration are true to the best of my knowledge. I understand that if this declaration is not completed in its entirety, it will not be processed and I will be automatically disqualified. I understand that I am responsible for the correctness of this declaration. I understand that failure to disclose the provision of material assistance to an organization identified on the U.S. Department of State Terrorist Exclusion List, or knowingly making false statements regarding material assistance to such an organization is a felony of the fifth degree. I understand that any answer of "yes" to any question, or the failure to answer "no" to any question on this declaration shall serve as a disclosure that material assistance to an organization identified on the U.S. Department of State Terrorist Exclusion List has been provided by myself or my organization. If I am signing this on behalf of a company, business or organization, I hereby acknowledge that I have the authority to make this certification on behalf of the company, business or organization referenced on page 1 of this declaration.

X

Signature

Date

**OHIO DEPARTMENT OF JOB AND FAMILY SERVICES
CONTRACT AGREEMENT**

C-00-00-0000

RECITALS:

This Contract is entered into between the Ohio Department of Job and Family Services (hereinafter referred to as "ODJFS") and **Vendor Name** (hereinafter referred to as "CONTRACTOR").

- A. (Optional) ODJFS issued a Request for Proposal (RFP) titled _____, numbered _____, and dated _____, which is hereby incorporated by reference.
- B. (Optional) The ODJFS proposal review team recommended for award the Proposal of CONTRACTOR dated [DATE] which is hereby incorporated by reference.
- C. (Optional) In the event of any inconsistency or ambiguity between the provisions of the RFP, the Proposal, or this Contract, the provisions of this Contract will determine the obligations of the parties. In the event that this Contract fails to clarify any inconsistency or ambiguity between the RFP and the Proposal, the RFP will determine the obligations of the parties. In the event of a disputed issue that is not addressed in any of the aforementioned documents, the parties hereby agree to make every reasonable effort to resolve this dispute in keeping with the objectives of this Contract and the budgetary and statutory constraints of ODJFS.

ARTICLE I. PURPOSE; DELIVERABLES

- A. The purpose of this Contract is **INSERT PURPOSE**. CONTRACTOR will perform its responsibilities under this Contract in accordance with the RFP and the Proposal. The responsibilities ("Deliverables") are summarized as follows:

INSERT DELIVERABLES

- B. The ODJFS Contract Manager is **OJFS Contract Manager**.
- C. The ODJFS Contract Manager may periodically communicate specific requests and instructions to CONTRACTOR concerning the performance of the Deliverables described in this Contract. CONTRACTOR agrees to comply with any requests or instructions to the satisfaction of ODJFS within ten (10) days after CONTRACTOR's receipt of the requests or instructions. ODJFS and CONTRACTOR expressly understand that any requests or instructions will be strictly to ensure the successful completion of the Deliverables described in this Contract, and are not intended to amend or alter this Contract in any way. If CONTRACTOR believes that any requests or instructions would materially alter the terms and conditions of this Contract or the compensation stated hereunder, CONTRACTOR will immediately notify the ODJFS Contract Manager pursuant to ARTICLE V of this Contract. CONTRACTOR agrees to consult with the ODJFS Contract Manager as necessary to ensure understanding of the Deliverables and the successful completion thereof.
- D. Ownership of Deliverables:
 - 1. All Deliverables provided by CONTRACTOR under this Contract or with funds hereunder, including any documents, data, photographs and negatives, electronic reports/records, or other media, are the property of ODJFS, which has an unrestricted right to reproduce, distribute, modify, maintain, and use the Deliverables. CONTRACTOR will not obtain copyright, patent, or other proprietary protection for the Deliverables. CONTRACTOR will not include in any Deliverable any copyrighted matter, unless the copyright owner gives prior written approval for ODJFS and CONTRACTOR to use such copyrighted matter in the manner provided herein. CONTRACTOR agrees that all Deliverables will be made freely available to the public unless ODJFS determines that, pursuant to state or federal law, such materials are confidential or otherwise exempted from disclosure.

2. All Deliverables provided or produced pursuant to this Contract will be considered "works made for hire" within the meaning of copyright laws of the United States and the State of Ohio. ODJFS is and will be deemed sole author of the Deliverables and sole owner of all rights therein. If any portion of the Deliverables is deemed not a "work made for hire," or if there are any rights in the Deliverables not conveyed to ODJFS, CONTRACTOR agrees to, and by executing this Contract does, assign ODJFS all worldwide rights, title, and interest in and to the Deliverables. ODJFS acknowledges that its sole ownership of the Deliverables under this Contract does not affect CONTRACTOR's right to use general concepts, algorithms, programming techniques, methodologies, or technology that CONTRACTOR developed prior to or as a result of this Contract or that are generally known and available.
3. CONTRACTOR understands that it must submit a written request to ODJFS and receive express written permission from ODJFS include any of its own pre-existing, proprietary materials in any of the Deliverables under this Contract. ODJFS's approval of the inclusion of pre-existing, proprietary materials is predicated on CONTRACTOR granting to ODJFS and the State of Ohio a worldwide, non-exclusive, perpetual, royalty-free license to use, modify, sell, and otherwise distribute all such materials that are included in the Deliverables under this Contract. Upon request by CONTRACTOR, ODJFS will incorporate into any future copies of the Deliverables under this Contract any proprietary notice(s) CONTRACTOR may reasonably require for any pre-existing, proprietary materials included in the Deliverables of this Contract. Any proprietary notices will be the minimum required by law so as not to be seen as an endorsement by ODJFS of or advertisement for CONTRACTOR.

ARTICLE II. EFFECTIVE DATE OF THE CONTRACT

- A. This Contract is in effect from the date of issuance of an approved State of Ohio purchase order (see ARTICLE II, Section B, *infra*) or _____, whichever is later, through _____, unless this Contract is suspended or terminated pursuant to ARTICLE IV prior to the expiration date. **This Contract may be renewed through June 30, 2013, upon satisfactory completion of activities hereunder, appropriation of funds by the Ohio General Assembly, and at the sole discretion of ODJFS. ODJFS will issue a notice to CONTRACTOR if ODJFS decides to renew this Contract. CONTRACTOR will not obligate resources in anticipation of a renewal until notice is provided.**
- B. In addition to Section A above, it is expressly understood by both ODJFS and CONTRACTOR that this Contract will not be valid and enforceable until the Director of the Ohio Office of Budget and Management, first certifies, pursuant to Section 126.07 of the Ohio Revised Code (ORC), that there is a balance in the appropriation not already allocated to pay existing obligations. The ODJFS Contract Manager will notify CONTRACTOR when this certification is given.

ARTICLE III. COMPENSATION

- A. The total amount payable under this Contract is **TOTAL AMT** Dollars (**\$TOTAL**). ODJFS will pay an amount up to **SFY1 AMT** Dollars (**\$\$SFY 1**) for State Fiscal Year **SFY1** and up to **SFY2 AMT** Dollars (**\$\$SFY2**) for State Fiscal Year **SFY2** expressly for the completion of the Deliverables described in ARTICLE I. CONTRACTOR understands that the terms of this Contract do not provide for compensation in excess of the total amount listed in this section. CONTRACTOR hereby waives the interest provisions of ORC 126.30.
- B. Compensation will be paid ...
- C. CONTRACTOR will submit three (3) copies of detailed invoices on a **monthly, quarterly, annual** basis to the ODJFS Bureau of Accounts Payable at 30 East Broad Street, 38th Floor, Columbus, Ohio 43215. CONTRACTOR agrees to use an invoice instrument to be prescribed by ODJFS and will include in each invoice:
 1. CONTRACTOR's name, complete address, and federal tax identification number;
 2. Contract number and dates;
 3. Purchase order number;
 4. Amount and purpose of the invoice;
 5. Description of Deliverables performed during the billing period; and

6. Receipt or other proof of costs paid by CONTRACTOR for which CONTRACTOR is seeking reimbursement.
- D. CONTRACTOR expressly understands that ODJFS will not compensate CONTRACTOR for any work performed prior to CONTRACTOR's receipt of notice from the ODJFS Contract Manager that the provisions of ORC 126.07 have been met as set forth in ARTICLE II, nor for work performed after the ending date specified in ARTICLE II.
- E. CONTRACTOR expressly understands that ODJFS does not have the ability to compensate CONTRACTOR for invoices submitted after the State of Ohio purchase order has been closed. CONTRACTOR must submit final invoices for payment no later than ninety (90) days after the ending date of this Contract. Failure to do so will be deemed a forfeiture of the remaining compensation due hereunder.
- F. Subject to the provisions of ORC 126.07 and 131.33, which will at all times govern this Contract, ODJFS represents that:
1. It has adequate funds to meet its obligations under this Contract;
 2. It intends to maintain this Contract for the full period set forth in ARTICLE II and has no reason to believe that sufficient funds will not be available to make all payments due hereunder; and
 3. It will use its best efforts to obtain the appropriation of necessary funds during the term of this Agreement. CONTRACTOR understands that availability of funds is contingent on appropriations made by the Ohio General Assembly or by funding sources external to the State of Ohio, such as federal funding. If the Ohio General Assembly or the external funding source fails at any time to continue funding ODJFS for the payments due under this Contract, this Contract will be terminated as of the date funding expires without further obligation of ODJFS or the State of Ohio.
- G. CONTRACTOR and ODJFS understand that the terms of this Contract, when combined with any other payments made to or open encumbrances with CONTRACTOR during the same State Biennium, cannot establish compensation in excess of Fifty Thousand and 00/100 Dollars (\$50,000.00) aggregate without prior approval from the State Controlling Board in accordance with ORC 127.16.

ARTICLE IV. SUSPENSION AND TERMINATION, BREACH AND DEFAULT

- A. This Contract will automatically terminate upon expiration of the time period in ARTICLE II, upon completion of all Deliverables, or once all of the compensation has been paid.
- B. Notwithstanding other provisions in this ARTICLE, either party may terminate this Contract at will by giving ninety (90) days written notice to the other party. Upon thirty (30) days written notice to CONTRACTOR, ODJFS may suspend this Contract at ODJFS's sole discretion.
- C. Notwithstanding the provision of Section A, above, ODJFS may suspend or terminate this Contract immediately upon delivery of a written notice to CONTRACTOR if:
1. ODJFS loses funding as described in ARTICLE III, Section F;
 2. ODJFS discovers any illegal conduct by CONTRACTOR; or
 3. CONTRACTOR has violated any provision of ARTICLE VIII.
- D. Except as provided in Sections A and B of this ARTICLE V, CONTRACTOR will have thirty (30) calendar days within which to cure any breach that is curable after receipt of written notice from ODJFS that CONTRACTOR is in breach of any of its obligations under this Contract. If CONTRACTOR fails to cure the breach within the thirty (30) calendar days after written notice or if the breach is not curable, ODJFS may immediately suspend or terminate this Contract. ODJFS may also suspend or terminate this Contract when breaches are persistent, regardless of whether they are cured within thirty (30) calendar days. For purposes of this Section C, "persistent" means that ODJFS has notified CONTRACTOR three (3) times in writing of CONTRACTOR's failure to meet any of its contractual obligations. The three (3) notices do not have to relate to the same obligation or type of failure. After the third notice, ODJFS may suspend or terminate this Contract without a cure period if CONTRACTOR again fails to meet any contractual obligation. At the sole discretion of ODJFS, certain instances of breach may require a shorter cure period

than the thirty (30) calendar days generally applicable in this Section C. In such instances, ODJFS will include in its notice of breach the shorter cure period deemed appropriate.

- E. CONTRACTOR, upon receiving notice of suspension or termination, will:
1. Cease performance of the suspended or terminated Deliverables;
 2. Take all necessary steps to limit disbursements and minimize costs including, but not limited to, suspending or terminating all contracts and subgrants related to suspended or terminated Deliverables;
 3. Prepare and furnish a report to ODJFS, as of the date the notice of termination or suspension was received, that describes the status of all Deliverables and includes the results accomplished and the conclusions reached through Deliverables; and
 4. Perform any other tasks ODJFS requires.
- F. In the event of suspension or termination under this ARTICLE, ODJFS will, upon receipt of a proper invoice from CONTRACTOR, determine the amount of any unpaid Contract funds due to CONTRACTOR for Deliverables performed before CONTRACTOR received notice of termination or suspension. In order to determine the amount due to CONTRACTOR, ODJFS will base its calculations on the payment method described in ARTICLE III and any funds previously paid by or on behalf of ODJFS. ODJFS will not be liable for any further claims submitted by CONTRACTOR.
- G. If ODJFS terminates this Contract for any reason provided in this ARTICLE, except for termination at will pursuant to Section A or termination for loss of funding pursuant to Section B, ODJFS will be entitled to utilize another contractor to complete the Deliverables described in ARTICLE I of this Contract on any commercially reasonable terms as ODJFS and the covering contractor may agree. In this event, CONTRACTOR will be liable to ODJFS for all costs related to covering the project to the extent that such costs, when combined with payments already made to CONTRACTOR prior to termination, exceed the costs that ODJFS would have incurred under this Contract. CONTRACTOR's liability under this Section G is in addition to any other remedies available to ODJFS pursuant to this Contract.
- H. Upon CONTRACTOR's breach or default of provisions, obligations, or duties embodied in this Contract or any term of an award, a federal statute or regulation, an assurance, a State plan or application, a notice of award, or other applicable rule, ODJFS reserves the right to exercise any administrative, contractual, equitable, or legal remedies available without limitation. Any waiver by ODJFS of an occurrence of breach or default is not a waiver of subsequent occurrences. If ODJFS or CONTRACTOR fails to perform any obligation under this Contract and the other party subsequently waives the failure, the waiver will be limited to that particular occurrence of a failure and will not be deemed to waive other failures that may occur. Waiver by ODJFS will not be effective unless it is in writing signed by the ODJFS Director.

ARTICLE V. NOTICES

- A. ODJFS and CONTRACTOR agree that communication regarding Deliverables, scope of work, invoice or billing questions, or other routine instructions will be between CONTRACTOR and the identified ODJFS Contract Manager pursuant to ARTICLE I, Section C of this Contract.
- B. Notices to ODJFS from CONTRACTOR that concern changes to CONTRACTOR's principal place of operation, billing address, legal name, federal tax identification number, mergers or acquisitions, corporate form, excusable delay, termination, bankruptcy, assignment, any notice pursuant to ARTICLE VIII, and/or any other formal notice regarding this Contract will be sent to the ODJFS Deputy Director of Contracts and Acquisitions at 30 East Broad Street, 31st Floor, Columbus, Ohio 43215.
- C. Notices to CONTRACTOR from ODJFS concerning termination, suspension, option to renew, breach, default, or other formal notices regarding this Contract will be sent to CONTRACTOR's representative at the address appearing on the signature page of the this Contract.

- D. All notices in accordance with Sections B and C of this ARTICLE will be in writing and will be deemed given when received. All notices must be sent using a delivery method that documents actual delivery to the appropriate address herein indicated (e.g., certified mail).

ARTICLE VI. RECORDS, DOCUMENTS AND INFORMATION

CONTRACTOR agrees that all records, documents, writings, and other information, created or used pursuant to this Contract will be treated according to the following terms, and that the terms will be included in any subcontracts executed for the performance of the Deliverables under this Contract:

- A. CONTRACTOR agrees that any media produced pursuant to this Contract or acquired with Contract funds will become the property of ODJFS. This includes all documents, reports, data, photographs (including negatives), and electronic reports and records. ODJFS will maintain the unrestricted right to reproduce, distribute, modify, maintain, and use the media in any way ODJFS deems appropriate. CONTRACTOR further agrees not to seek or obtain copyright, patent or other proprietary protection for any materials or items produced under this Contract. CONTRACTOR understands that all materials and items produced under this Contract will be made freely available to the public unless ODJFS determines that certain materials are confidential under federal or state law.
- B. All ODJFS information that is classified as public or private under Ohio law and ODJFS rules will be treated as such by CONTRACTOR. Should the nature of any information be in question, ODJFS will determine whether the information is public or private. CONTRACTOR will restrict the use of any information, systems, or records ODJFS provides to the specific Deliverables specified in ARTICLE I of this Contract. CONTRACTOR and its employees agree to be bound by the same standards and rules of confidentiality that apply to employees of ODJFS and the State of Ohio. CONTRACTOR agrees that the terms of this Section B will be included in any subcontract executed by CONTRACTOR for work under this Contract.
- C. CONTRACTOR information that is proprietary and has been specifically identified by CONTRACTOR as proprietary will be held as confidential by ODJFS. Proprietary information is information that would put CONTRACTOR at a competitive disadvantage in CONTRACTOR's market place and trade if it were made public. ODJFS reserves the right to require reasonable evidence of CONTRACTOR's assertion of the proprietary nature of any information. The provisions of this ARTICLE are not self-executing. CONTRACTOR must demonstrate that any information claimed as proprietary meets the definition of "trade secrets" found at ORC 1333.61.
- D. All records relating to cost, work performed, supporting documentation for invoices submitted to ODJFS, and copies of all materials produced under or pertaining to this Contract will be retained by CONTRACTOR and will be made available for audit by state and federal government entities that include but are not limited to, ODJFS, the Ohio Auditor of State, the Ohio Inspector General and all duly authorized law enforcement officials. The records and materials will be retained and made available for a minimum of three (3) years after CONTRACTOR receives the last payment pursuant to this Contract. If an audit, litigation or similar action is initiated during this time period, CONTRACTOR will retain the records until the action is concluded and all issues are resolved, or until the end of the three-year period if the action is resolved prior to the end of the three-year period. If applicable, CONTRACTOR must meet the requirements of the federal Office of Management and Budget (OMB) Circulars A-110, A-122, and A-133. CONTRACTOR acknowledges, in accordance with ORC 149.43, that financial records related to the performance of services under this Contract are presumptively deemed public records.
- E. CONTRACTOR hereby agrees to current and ongoing compliance with Title 42, Section 1320 of the United States Code (42 USC 1320d -1320d(8)) and the implementing regulations found at Title 45, Parts 164.502 and 164.504 of the Code of Federal Regulations (45 CFR 164.502(e) and 164.504(e)) regarding disclosure of Protected Health Information under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"). CONTRACTOR further agrees to include the terms of this Section E in any subcontracts that may be executed pursuant to this Contract.

ARTICLE VII. AMENDMENT AND ASSIGNMENT

- A. This writing constitutes the entire agreement between ODJFS and CONTRACTOR with respect to all matters herein. Only a writing signed by both parties may amend this Contract. However, ODJFS and CONTRACTOR agree that any amendments to any laws or regulations cited herein will result in the

correlative modification of this Contract without the necessity for executing written amendments. Any written amendment to this Contract will be prospective in nature.

- B. CONTRACTOR agrees not to assign any interest in this Contract nor transfer any interest in the Contract without the prior written approval of ODJFS. CONTRACTOR will submit any requests for approval of assignments and transfers to the ODJFS Contract Manager at least 10 (ten) days prior to the desired effective date. CONTRACTOR understands that any assignments and transfers will be subject to any conditions ODJFS deems necessary and that no approval by ODJFS will be deemed to provide for any ODJFS obligation that exceeds the Contract amount specified in ARTICLE III of this Contract.

ARTICLE VIII. CONTRACTOR CERTIFICATION OF COMPLIANCE WITH SPECIAL CONDITIONS

By accepting this Contract and by executing this Contract, CONTRACTOR hereby affirms current and continued compliance with each condition listed in this ARTICLE. CONTRACTOR's certification of compliance with each of these conditions is considered a material representation of fact upon which ODJFS relied in entering into this Contract:

- A. If at any time, CONTRACTOR is not in compliance with the conditions affirmed in this Section A, ODJFS will consider this Contract *void ab initio* and will deliver written notice to CONTRACTOR. Any funds the State of Ohio paid CONTRACTOR for work performed before CONTRACTOR received notice that the Contract is *void ab initio* will be immediately repaid or the State of Ohio may commence an action for recovery against CONTRACTOR.
1. **Federal Debarment Requirements.** CONTRACTOR affirms that neither CONTRACTOR nor any of its principals or subcontractors, is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in transactions by any federal agency. CONTRACTOR also affirms that within three (3) years preceding this Contract neither CONTRACTOR nor any of its principals:
 - a. Have been convicted of, or had a civil judgment rendered against them for commission of fraud or other criminal offense in connection with obtaining, attempting to obtain, or performing a federal, state, or local public transaction or contract under a public transaction; for violation of federal or state antitrust statutes; for commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements; or for receiving stolen property; or
 - b. Are presently indicted or otherwise criminally or civilly charged by a government entity (Federal, State, or local) for the commission of any of the offenses listed in this paragraph and have not had any federal, state, or local, public transactions terminated for cause or default.
 2. **Qualifications to Conduct Business.** CONTRACTOR affirms that it has all of the approvals, licenses, or other qualifications needed to conduct business in Ohio and all are current. If at any time during the Contract period CONTRACTOR, for any reason, becomes disqualified from conducting business in the State of Ohio, CONTRACTOR will immediately notify ODJFS in writing and will immediately cease performance of all Deliverables.
 3. **Unfair Labor Practices.** CONTRACTOR affirms that neither CONTRACTOR nor its principals are on the most recent list established by the Ohio Secretary of State, pursuant to ORC 121.23, which would identify CONTRACTOR as having more than one (1) unfair labor practice contempt of court finding.
 4. **Finding for Recovery.** CONTRACTOR affirms that neither CONTRACTOR nor its principals or subcontractors, is subject to a finding for recovery under ORC 9.24, or it has taken the appropriate remedial steps required, or otherwise qualifies under ORC 9.24 to contract with the State of Ohio.
 5. **Material Assistance to Terrorist Organization.** CONTRACTOR affirms that CONTRACTOR, its principals, affiliated groups, or persons with a controlling interest in CONTRACTOR's organization are in compliance with ORC 2909.33 in that none of the aforementioned have provided Material Assistance to a Terrorist Organization.

- B. If at any time CONTRACTOR is not in compliance with the conditions affirmed in this Section B, ODJFS may immediately suspend or terminate this Contract and will deliver written notice to CONTRACTOR. CONTRACTOR will be entitled to compensation, upon submission of a proper invoice per ARTICLE III, only for work performed during the time CONTRACTOR was in compliance with the provisions of this Section B. Any funds paid by the State of Ohio for work performed during a period when CONTRACTOR was not in compliance with this Section B will be immediately repaid or the State of Ohio may commence an action for recovery against CONTRACTOR.
1. **Americans with Disabilities.** CONTRACTOR, its officers, employees, members, and subcontractors hereby affirm current and ongoing compliance with all statutes and regulations pertaining to The Americans with Disabilities Act of 1990 and Section 504 of the Rehabilitation Act of 1973.
 2. **Fair Labor Standards and Employment Practices.**
 - a. CONTRACTOR certifies that it is in compliance with all applicable federal and state laws, rules, and regulations governing fair labor and employment practices.
 - b. In carrying out this Contract, CONTRACTOR will not discriminate against any employee or applicant for employment because of race, religion, national origin, ancestry, color, gender, gender identity, sexual orientation, age, disability, or veteran status. CONTRACTOR will ensure that all applicants are hired, and all employees are considered for promotion, demotion, transfer; recruitment or recruitment advertising, layoff, termination, rates of pay, other forms of compensation, selection for training—including apprenticeship—or any other employment-related opportunities, without regard to race, religion, national origin, ancestry, color, gender, gender identity, sexual orientation, age, disability, or veteran status.
 - c. CONTRACTOR agrees to post notices affirming compliance with all applicable federal and state non-discrimination laws in conspicuous places accessible to all employees and applicants for employment.
 - d. CONTRACTOR will incorporate the foregoing requirements of this Paragraph 2 in all of its subgrants or subcontracts for any of the work prescribed herein.
 3. **Ethics Laws.** CONTRACTOR certifies that by executing this Contract, it has reviewed, knows and understands the State of Ohio's ethics and conflict of interest laws, which includes the Governor's Executive Order 2007-01S pertaining to ethics. CONTRACTOR further agrees that it will not engage in any action(s) inconsistent with Ohio ethics laws or the aforementioned Executive Order.
 4. **Conflicts of Interest.**
 - a. CONTRACTOR certifies, by executing this Contract, that no party who holds a position listed or described in ORC 3517.13 (I) or (J), has made, while in his/her current position, one (1) or more personal monetary contributions in excess of One Thousand and 00/100 Dollars (\$1,000.00) to the current Governor or to the Governor's campaign committee when he was a candidate for office within the previous two (2) calendar years. ORC 3517.13 does not apply to professional associations organized under ORC Chapter 1785.
 - b. CONTRACTOR agrees to refrain from promising or giving to any ODJFS employee anything of value that could be construed as having a substantial and improper influence upon the employee with respect to the employee's duties. CONTRACTOR further agrees that it will not solicit any ODJFS employee to violate ORC 102.03, 2921.42, or 2921.43.
 - c. CONTRACTOR agrees that CONTRACTOR, its officers, employees, and members have not nor will they acquire any interest, whether personal, business, direct or indirect, that is incompatible, in conflict with, or would compromise the discharge and fulfillment of CONTRACTOR's functions and responsibilities under this Contract. If CONTRACTOR, its officers, employees, or members acquire any incompatible, conflicting, or compromising

interest, CONTRACTOR agrees it will immediately disclose the interest in writing to the ODJFS Chief Legal Counsel at 30 East Broad Street, 31st Floor, Columbus, Ohio 43215-3414. CONTRACTOR further agrees that the person with the conflicting interest will not participate in any Deliverables until ODJFS determines that participation would not be contrary to public interest.

5. **Lobbying Restrictions.**

- a. CONTRACTOR affirms that no federal funds paid to CONTRACTOR by ODJFS through this Contract or any other agreement have been or will be used to lobby Congress or any federal agency in connection with a particular contract, grant, cooperative agreement or loan. CONTRACTOR further affirms compliance with all federal lobbying restrictions, including, 31 USC 1352. If this Contract exceeds One Hundred Thousand and 00/100 (\$100,000.00), CONTRACTOR affirms that it has executed and filed the Disclosure of Lobbying Activities standard form LLL, if required by federal regulations.
- b. CONTRACTOR certifies compliance with the Ohio executive agency lobbying restrictions contained in ORC 121.60 to 121.69.

6. **Child Support Enforcement.** CONTRACTOR agrees to cooperate with ODJFS and any child support enforcement agency in ensuring that CONTRACTOR and its employees meet child support obligations established by state and federal law including present and future compliance with any court or valid administrative order for the withholding of support issued pursuant to the applicable sections of ORC Chapters 3119, 3121, 3123, and 3125.

7. **Pro-Child Act.** If any Deliverables call for services to minors, CONTRACTOR agrees to comply with the Pro-Children Act of 1994; Public Law 103-277, Part C – Environment Tobacco Smoke that requires smoking to be banned in any portion of any indoor facility owned, leased, or contracted by an entity that will routinely or regularly use the facility for the provision of health care services, day care, library services, or education to children under the age of eighteen (18).

8. **Drug-Free Workplace.** CONTRACTOR, its officers, employees, members, any subcontractors and/or any independent contractors (including all field staff) associated with this Contract agree to comply with all applicable state and federal laws, including, but not limited to, 41 USC Chapter 10, regarding a drug-free workplace. CONTRACTOR will make a good faith effort to ensure that none of CONTRACTOR's officers, employees, members, or subgrantees will purchase, transfer, use, or possess illegal drugs or alcohol or abuse prescription drugs in any way while working or while on public property.

9. **Work Programs.** CONTRACTOR agrees not to discriminate against individuals who have or are participating in any work program administered by any county department of Job and Family Services under ORC Chapter 5101 or 5107.

10. **MBE/EDGE.** Pursuant to the Governor's Executive Order 2008—13S, CONTRACTOR agrees to purchase goods and services under this Contract from certified Minority Business Enterprise ("MBE") and Encouraging Diversity, Growth, and Equity ("EDGE") vendors whenever possible. CONTRACTOR agrees to encourage any of its subgrantees or subcontractors to purchase goods and services from certified MBE and EDGE vendors.

11. **Certification of Compliance.** CONTRACTOR certifies that it is in compliance with all other applicable federal and state laws, regulations, and rules and will require the same certification from its subgrantees or subcontractors.

ARTICLE IX. MISCELLANEOUS PROVISIONS

- A. **Independent Contractor.** CONTRACTOR agrees that no agency, employment, joint venture, or partnership has been or will be created between ODJFS and CONTRACTOR. CONTRACTOR further agrees that as an independent contractor, it assumes all responsibility for any federal, state, municipal or other tax liabilities along with workers compensation, unemployment compensation and insurance premiums that may accrue as a result of funds received pursuant to this Contract. CONTRACTOR agrees

that it is an independent contractor for all purposes including, but not limited to, the application of the Fair Labor Standards Act, the Social Security Act, the Federal Unemployment Tax Act, the Federal Insurance Contribution Act, provisions of the Internal Revenue Code, Ohio tax law, Workers Compensation law, and Unemployment Insurance law.

- B. **Limitation of Liability.** To the extent allowable by law, CONTRACTOR agrees to hold ODJFS harmless in any and all claims for personal injury, property damage, and/or infringement resulting from Deliverables. CONTRACTOR's sole and exclusive remedy for any ODJFS failure to perform under this Contract will be an action in the Ohio Court of Claims pursuant to ORC Chapter 2743 that will be subject to the limitations set forth in this ARTICLE. In no event will ODJFS be liable for any indirect or consequential damages, including loss of profits, even if ODJFS knew or should have known of the possibility of such damages.
- C. **Infringement of Patent or Copyright.** To the extent allowable by law and subject to ORC 109.02, CONTRACTOR agrees to defend any suit or proceeding brought against ODJFS, any official or employee of ODJFS acting in his or her official capacity, or the State of Ohio due to any alleged infringement of patent or copyright arising out of the performance of this Contract, including all work, services, materials, reports, studies, and computer programs provided by CONTRACTOR. ODJFS will provide prompt notification in writing of such suit or proceeding; full right, authorization, and opportunity to conduct the defense thereof; and full disclosure of information along with all reasonable cooperation for the defense of the suit. ODJFS may participate in the defense of any such action. CONTRACTOR agrees to pay all damages and costs awarded against ODJFS, any official or employee of ODJFS in his or her official capacity, or the State of Ohio as a result of any suit or proceeding referred to in this Section C. If any information and/or assistance is furnished by ODJFS at CONTRACTOR's written request, it is at CONTRACTOR's expense. If any of the materials, reports, or studies provided by CONTRACTOR are found to be infringing items and the use or publication thereof is enjoined, CONTRACTOR agrees to, at its own expense and at its option, either procure the right to publish or continue use of such infringing materials, reports, or studies; replace them with non-infringing items of equivalent value; or modify them so that they are no longer infringing. The obligations of CONTRACTOR under this Section survive the termination of this Contract, without limitation.
- D. **Liens.** CONTRACTOR will not permit any lien or claim to be filed or prosecuted against ODJFS or the State of Ohio because of any labor, services, or materials furnished. If CONTRACTOR fails, neglects, or refuses to make prompt payment of any claims for labor, services, or materials furnished to CONTRACTOR in connection with this Contract, ODJFS or the State of Ohio may, but is not obligated to, pay those claims and charge the amount of payment against the funds due or to become due to CONTRACTOR under this Contract.
- E. **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 delaying 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. The delaying party must also describe the cause of the delay and its proposal to remove or mitigate the delay. Notices will be sent pursuant to ARTICLE IV. In the event of excusable delay, the date of performance or delivery of products may be extended by amendment, if applicable, for a time period equal to that lost due to the excusable delay. Reliance on a claim of excusable delay may only be asserted if the delaying party has taken commercially reasonable steps to mitigate or avoid the delay. Items that are controllable by CONTRACTOR's subcontractor(s) will be considered controllable by CONTRACTOR, except for third-party manufacturers supplying commercial items and over whom CONTRACTOR has no legal control. The final determination of whether an instance of delay is excusable lies with ODJFS in its discretion.

ARTICLE X. CONSTRUCTION

This Contract will be governed, construed, and enforced in accordance with the laws of the State of Ohio. Should any portion of this Contract be found unenforceable by operation of statute or by administrative or judicial decision, the remaining portions of this Contract will not be affected as long as the absence of the illegal or unenforceable provision does not render the performance of the remainder of the Contract impossible.

Signature Page Follows:

Remainder of page intentionally left blank

**OHIO DEPARTMENT OF JOB AND FAMILY SERVICES
CONTRACT AGREEMENT**

SIGNATURE PAGE

C-00-00-0000

IN WITNESS WHEREOF, THE PARTIES HAVE EXECUTED THIS CONTRACT AGREEMENT AS OF THE DATE OF THE SIGNATURE OF THE DIRECTOR OF THE OHIO DEPARTMENT OF JOB AND FAMILY SERVICES.

Vendor Name

Ohio Department of Job and Family Services

Authorized Signature (Blue Ink Please)

Douglas E. Lumpkin, Director

Printed Name

Date

Date

Address

Address

City, State, Zip

City, State, Zip

ATTACHMENT E
Technical Proposal Score Sheet
RFP: JFSR1011078047

PHASE I: Initial Qualifying Criteria

Vendor Name: _____

The proposal must meet all of the following Phase I proposal acceptance criteria in order to be considered for further evaluation. Any proposal receiving a “no” response to any of the following qualifying criteria **shall be disqualified from consideration**.

ITEM #	PROPOSAL ACCEPTANCE CRITERIA	RFP Sec. Reference	Y E S	N O
1	Was the vendor’s proposal submitted to the specified ODJFS location by the deadline for proposal submission established in Section 1.5, Anticipated Procurement Timetable?	1.5 / 2.1, C. 5.1		
2	Did the vendor submit a proposal comprised of a Technical Proposal and, in a separate, appropriately labeled, sealed envelope, a Cost Proposal?	5.1		
3	Does the vendor’s proposal include all required affirmative statements and certifications, signed by the vendor’s responsible representative, as described in Attachment A and C to the RFP and has been verified by ODJFS that the vendor does not have any findings against them?	2.1, D. / 5.2, B., 1. 4.18 / 4.19 4.20 / 4.23		
4	Does the vendor possess at least 5 years of prior experience in performing survey development, analysis and reporting?	2.1, A.		
5	Did the review team (in its initial/cursory review of the vendor’s proposal) determine that the proposal was free of trade secret/proprietary information and/or personal confidential information (such as home addresses and social security numbers) of vendor staff and/or of any subcontractor and subcontractor staff as specified/restricted in the RFP?	5.2, D. 2.2		

PHASE II: Criteria for Scoring of Technical Proposal

Qualifying technical proposals will be collectively scored by a Proposal Review Team (PRT) appointed by ODJFS, Office of Ohio Health Plans. For each of the evaluation criteria given in the following score sheet, reviewers will collectively judge whether the technical proposal exceeds, meets, partially meets or does not meet the requirements expressed in the RFP, and assign the appropriate point value, as follows:

0	6	8	10
Does Not Meet Requirement	Partially Meets Requirement	Meets Requirement	Exceeds Requirement

Technical Performance Scoring Definitions:

“Does Not Meet Requirement”- A particular RFP requirement was not addressed in the vendor’s proposal, **Score: 0**

“Partially Meets Requirement”-Vendor proposal demonstrates some attempt at meeting a particular RFP requirement, but that attempt falls below acceptable level, **Score: 6**

“Meets Requirement”-Vendor proposal fulfills a particular RFP requirement in all material respects, potentially with only minor, non-substantial deviation, **Score: 8**

“Exceeds Requirement”-Vendor proposal fulfills a particular RFP requirement in all material respects, and offers some additional level of quality in excess of ODJFS expectations, **Score: 10**

A technical proposal’s total PHASE II score will be the sum of the point value for all the evaluation criteria. The review team will collectively score each individual qualifying proposal. Technical proposals which do not meet or exceed a total score of at least **224** points (a score which represents that the selected vendor has the capability to successfully perform the project/program services) out of a maximum of **290** points, will be disqualified from further consideration, and its cost proposal will neither be opened nor considered. Only those vendors whose Technical Proposals meet or exceed the minimum required technical points will advance to PHASE III of the technical proposal score sheet.

ITEM #	EVALUATION CRITERIA	RFP SEC. REF.	Weight	Doesn't Meet 0	Partially Meets 6	Meets 8	Exceeds 10	Extension
REQ. VENDOR INFO. & CERTIFICATIONS								
1	The vendor has included, properly completed and signed, the Required Vendor Information & Certifications as specified in the RFP.	5.2, B.1	0.5					
VENDOR QUALIFICATIONS								
MANDATORY QUALIFICATIONS								
2	The vendor has demonstrated at least 5 years of prior experience in performing survey development, analysis and reporting.	2.1, A.	2.5					
VENDOR EXPERIENCE, CHARACTERISTICS & CAPABILITIES								
3	The vendor has provided background information on the company, including subcontractors, if appropriate, indicating sufficient organizational experience and staffing to perform the required contractual functions.	2.2, A.	1.5					
4	The vendor has provided samples of at least two, but no more than four, similar sized projects completed in the past five (5) years that demonstrate expertise in performing survey development, analysis and reporting.	2.2, B.	2.5					
5	The vendor has provided samples of at least two, but no more than four, similar sized projects completed in the past five (5) years that demonstrate the ability to establish the validity of the response rate by being able to calculate statistical standards such as mean, standard deviation, standard error, median, and confidence level.	2.2, C.	2.5					
6	The vendor has provided names and contact information for at least three entities for which the vendor has performed similar large scale projects in the past five (5) years.	2.2, D.	2.5					
7	The vendor has identified, by position and by name, those staff they consider key to the project's success (at minimum, key staff identified must include a project manager).	2.2, E.	2					
8	The vendor has included resume(s) describing the education, experience, and list of applicable professional accomplishments of the Project Manager and any other key personnel for this project (including any subcontractors), and has specifically listed the qualifications and experience (particularly those applicable to the areas described in Section 3.1, Scope of Work and Specifications of Deliverables of this RFP) of key staff expected to work on the project.	2.2, F.	2.5					
SPECIFICATIONS OF DELIVERABLES								
9	The vendor has proposed a survey instrument (in accordance with ORC 5111.07) which will ascertain the following information: operational data and direct prescription expenses; professional services and personnel costs; usual and customary overhead expenses; profit data of the retail pharmacies surveyed; and possibly survey questions related to drug utilization review being performed by pharmacies.	3.1, A.	2.5					
10	The vendor has proposed a plan in regards to the distribution of the survey as well as ascertaining the appropriate response rate of at least a 95% confidence interval.	3.1, B.	2.5					
11	The vendor has proposed a plan in regards to the compilation, statistical analysis and reporting of all data received. The proposed reports include, at minimum, an executive summary, a statistical analysis, raw data, demographics, financial data, and drug utilization review components.	3.1, C.	2					
ADMIN. STRUCTURES—PROPOSED WORK PLAN								
12	The vendor has provided a technical approach and work plan to be implemented.	3.2	2					
13	The vendor has provided a status reporting procedure for reporting work completed, and resolution of unanticipated problems.	3.2, A.	1.5					
14	The vendor has provided a current organizational chart (including any subcontractors) of vendor staff that would be directly involved in this program, specifying the key management and administrative personnel who will be assigned to this project, and their roles.	3.2, B.	1.5					

IT E M #	EVALUATION CRITERIA	RFP SEC. REF.	Weight	Doesn't Meet 0	Partially Meets 6	Meets 8	Exceeds 10	Extension
PROPOSAL ORGANIZATION								
15	The vendor has submitted a proposal which complies with the specified submission format.	5.2	.25					
16	The vendor has submitted a proposal which is free of self-promotional claims.	6.1	.25					
17	The vendor has submitted a proposal which has been thoroughly proofread for spelling and grammatical errors.	6.1	.25					
PERSONAL CONFIDENTIAL INFORMATION								
18	The vendor has not included any personal confidential information (such as home addresses and social security numbers) of vendor staff and/or of any subcontractor and subcontractor staff in resumes or any other part of the proposal package. [A "no" response will disqualify the vendor's proposal and will not advance to the consideration of the vendor's Cost Proposal.]	2.2			YES	NO		
TRADE SECRET INFORMATION								
19	The review team in its comprehensive review of the vendor's proposal has determined that the proposal was free of trade secret/proprietary information as specified/restricted in the RFP. [A "no" response will disqualify the vendor's proposal and will not advance to the consideration of the vendor's Cost Proposal.]	5.2, D.			YES	NO		
Column Subtotal of "Partially Meets" points								
Column Subtotal of "Meets" points								
Column Subtotal of "Exceeds" points								
TOTAL SCORE:								

Based upon the Phase II A. Total Technical Score earned, does the vendor's proposal proceed to Phase II B. for additional consideration for demonstrating an Ohio Presence and being an MBE-EDGE vendor? (Vendor's Total Phase II A. Technical Score must be at least 224 points.)

Yes _____ No _____ (If "No," Vendor's Technical Proposal will not receive further consideration and their Cost Proposal will not be opened.)

PHASE II B.— Additional Consideration			RFP Sec. Ref.	N O	Y E S
1.	Ohio Presence--Has the vendor provided evidence of having an Ohio presence? [If yes, add +5 pts.]		4.24 6.1, B.		
2.	MBE- EDGE Vendor	Has the vendor provided evidence that they are an MBE vendor? [If yes, add +5 pts.]	4.8		
		Has the vendor provided evidence that they are an EDGE vendor? [If yes, add +3 pts.] [If vendor is both an MBE/EDGE vendor, only +5 pts. will be added.]	6.1, B.		
			PHASE II. B. TOTAL POINTS: [10 max. allowable points]		
			VENDOR'S GRAND TOTAL SCORE [Phase II A. + Phase II B. pts.]: [Max. 300 pts.]		

**ATTACHMENT F:
Cost Proposal Form and Instructions**

Part I.—Cost Proposal Narrative

Vendors have the option of attaching a succinct cost proposal narrative to explain and justify costs, and to submit it as part of the Cost Proposal. A Cost Proposal Narrative may be advisable to explain any costs which the vendor has chosen to combine, to explain how hourly rates were achieved, or to make the connections between costs and the technical proposal.

Part II.—Deliverable Cost Itemization

The Cost Proposal must display the total, all-inclusive cost for each of the deliverables, Section 3.1, Items A through C. The sum total of the vendor's costs for Deliverables A through C (as specified in Section 3.1, Scope of Work and Specifications of Deliverables) will be the maximum total cost for the project. All costs, including staff time and other administrative costs, that the selected vendor will incur must be included in the Cost Proposal, and rolled into the costs of one or more deliverables, as appropriate.

The selected vendor will invoice ODJFS following satisfactory completion of each of the contract deliverable(s) completed at the conclusion of each project phase as specified in Section 1.8 of the RFP. ODJFS may, at its discretion, negotiate with the selected vendor for a payment schedule which permits reasonable partial payments (e.g., monthly percentages) against the per-deliverable maximum price.

Deliverable & Sub-Tasks	SFY 2011
Sec. 3.1 A. Survey Development	\$
Sec. 3.1 B. Distribution of Survey	\$
Sec. 3.1 C. Analysis and Reporting	\$
SFY 11 Grand Total:	\$

The Cost Proposal prices quoted on this form are firm.

Signature

Name (Printed)

Date



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Portland, Maine 04101
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Research Report

2008 Biennial Survey to Determine Medicaid Dispensing Fees

Ohio Department of Job and Family Services

September 2008

Prepared by:

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Methodology

The Sample

The Ohio Department of Job and Family Services (ODJFS) Biennial Survey was administered from August 11 to September 19, 2008 among pharmacies receiving Medicaid reimbursement through the Ohio Department of Job and Family Services. A total of 208 completed surveys were returned by September 18, for an overall survey response rate of 8%.

Data was gathered using a mail survey instrument that was based on similar surveys used for the ODJFS Biennial Survey in 2000, 2002, 2004, and 2006. The sample list for the research was provided by the Ohio Department of Job and Family Services in the form of three sets of mailing labels. The initial mailing for the survey took place on August 11, 2008. In total, 2,600 surveys were mailed to respondents. Approximately one week later, reminder cards were mailed to all respondents that were included in the original mailing. After the first mailing, 160 completed surveys were returned by respondents. Twenty-seven survey packets were returned due to incorrect addresses. After the first mailing, the response rate was 6%.

Given the low response rate, it was decided to send another copy of the survey to those not initially responding to the first mailing. A second copy of the survey was mailed on September 2, 2008, to those not responding to the initial survey mailing. An additional 48 surveys were returned following the second mailing.

All returned surveys were entered into our computer system using our in-house CATI data entry software. The data set includes all surveys received on or prior to September 18, 2008. The entered data was verified twice for accuracy, first during the data entry process and later as a step in analysis of the survey data. After data entry was completed, data was output into our analytical software for analysis and reporting.

Sampling Error

The percentages reported for the entire sample are within plus or minus 6.5% of what would be found if all respondents completed the survey, with a confidence level of 95%.

Calculations of Averages in the Report

The survey instrument was designed to gather numeric data on a number of attributes such as total prescriptions dispensed, dispensing fees, costs, sales, and profits (among others). Following the structure of the 2000, 2002, 2004, and 2006 Biennial Surveys, the questions were coded as ordinal categorical responses that provided a range. For example, one response category to the total number of prescriptions dispensed in 2005 was 10,000 to 14,999. Respondents did not provide the actual numeric response, but rather chose a categorical response whose range included the appropriate number. Using the same category, for instance, if the total number of prescriptions dispensed was 12,000 then the respondent circled the answer "10,000 – 14,999."

In reporting data in this report, the tables and charts provide a summary for many questions in terms of an average. Since the respondents did not provide the actual numeric response, averages were calculated using the mid-point values from the response category. For example, if the respondent circled the answer “between 10,000 and 14,999”, we used the number 12,500 for calculating the average. In order to find the midpoint of the interval for marginal values such as “Fewer than 9,999” or “85,000 or more,” we used the formula: the marginal value of the response +/- half of the preceding interval.

In addition to the reported average values, this report presents lower and upper confidence intervals about these means. The lower and upper interval ranges are calculated using the standard errors around the mean with a confidence level of 95%. For example, we report that, on average, a pharmacy dispensed 54,439 prescriptions in 2007. The upper and lower confidence intervals for this average are 58,330 and 50,547 respectively (at 95% confidence).

Survey Changes in 2008

Please note that the survey instrument was modified slightly in 2004 to address an issue with response categories (although there was no change between the 2004 and 2006 survey). Among those responding to the 2002 Biennial Survey, there were instances where a large percentage of respondents answered a specific question checking the highest or lowest category.

Based on our experience during the 2002 research study, a number of questions were modified by adding additional categories from which respondents could choose. This was done to eliminate potential bias from ceiling or floor effects when computing averages. In analyzing data based on intervals, the categories offered to respondents can have an impact on the data reported. It can lead to under-estimation or over-estimation of statistical characteristics such as the average. For example, when a large percentage of respondents select the upper response in such a scale, it can lead to an under-estimation of the actual average among all respondents since their “contribution” to the overall average is capped. In cases where a large number of respondents chose either the top most or bottom most response category, additional categories were added to reduce ceiling or floor effects on the reported averages.

The following questions in the 2006 survey are not asked in the 2008 survey:

- What dollar amount of your pharmacy business is related to medical supplies?
- Are you involved in disease management with any other payers?

The following questions are added in the 2008 survey:

- What pricing baseline is your cost for brand drugs based on?
- In general, into which of the following ranges does your cost for brand drugs fall?
- What pricing baseline is your cost for generic drugs based on?
- In general, into which of the following ranges does your cost for generic drugs fall?

Key Findings

Description of Pharmacies

- Among the pharmacies surveyed, half are located in rural areas.
- Three quarters respondents are associated with independent retail pharmacies.
- A majority of pharmacies (70%) dispensed 35,000 or more prescriptions in 2007.
- During 2007, pharmacies dispensed an average of 54,439 prescriptions.
- In 2007, 48% of pharmacies had sales of \$2,750,000 or more.
- On average, a pharmacy's total sales in 2007 were \$3.7 million and cost of goods sold in 2007 was \$3 million.
- In 2007, pharmacies had an average gross profit of \$527,736 and average net profit of \$59,910.
- Average reported operating expenses were \$795,641, or 21% of total sales.

Analysis of Dispensing Fees

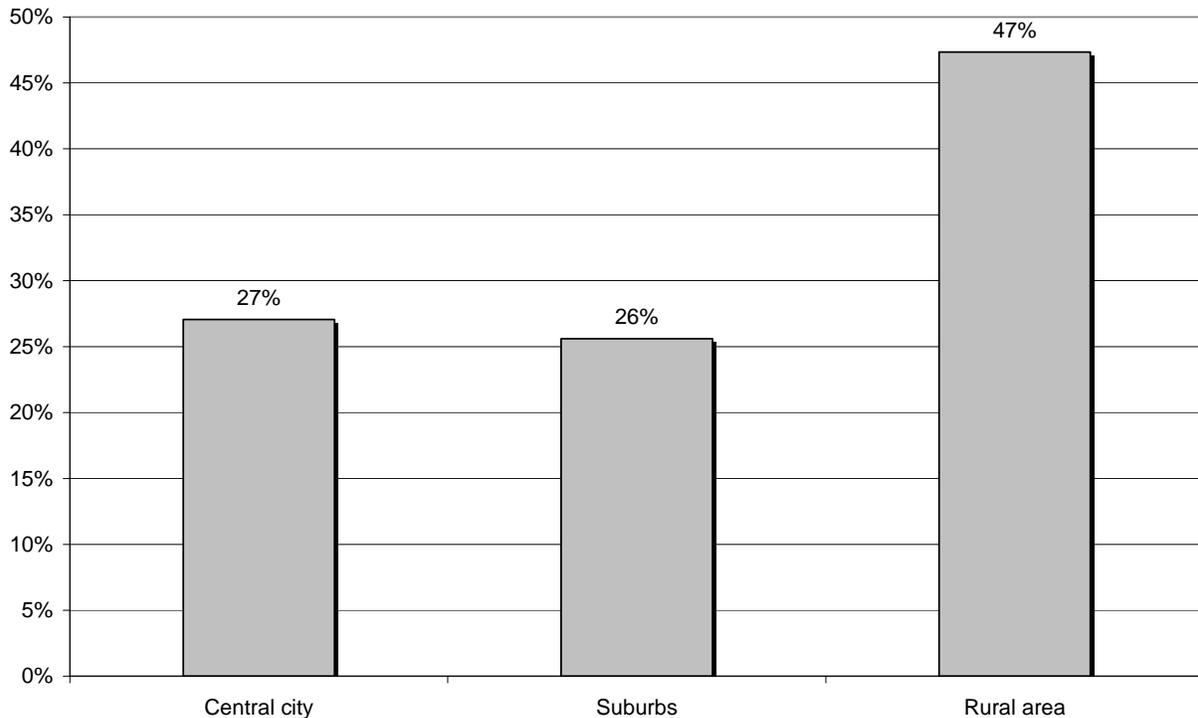
- On average, the highest contractual fee for dispensing a prescription was \$5.47 and the lowest contractual fee was \$1.97. The average dispensing fee was \$3.73.
- The lowest contractual product reimbursement cost structure most often fell in the range AWP-16% or more. Nearly one third (32%) indicated the highest contractual product reimbursement cost structure fell in the range of AWP -11% to AWP -15%.
- On average, the cost of dispensing a prescription during 2007 was \$7.77. More than half (51%) indicated that the cost of dispensing a prescription was \$8.00 or more.
- During 2007, the average fee for dispensing a prescription (\$3.73) was lower than the cost to dispense a prescription (\$7.77).
- In 2007, more than three quarters of pharmacies use the Average Wholesale Price (AWP) as the pricing baseline for the cost of brand name drugs.
- In 2007, half of the pharmacies used the Average Wholesale Price (AWP) as the pricing baseline for generic drugs, while over one third used the wholesale acquisition cost as the pricing baseline for generic drugs.

Summary Report

Description of Pharmacies

Among the pharmacies surveyed, half are located in rural areas.

Q1: Where is your pharmacy located?



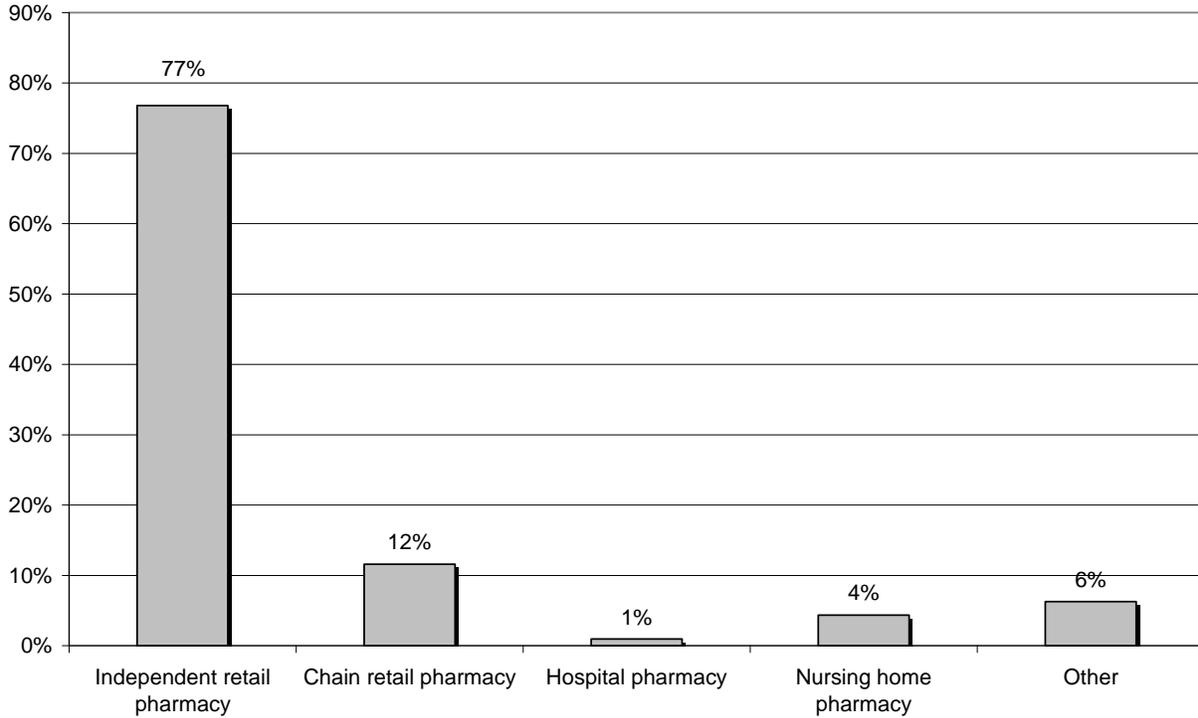
Comments:

The pharmacies surveyed are situated in a variety of locations, although nearly half (47%) are located in rural areas¹. Twenty-six percent are located in suburbs, while 27% stated they are located in city centers.

¹ Note that the percentages reported in this and following charts represent the percentage among all respondents. In some cases, respondents did not provide an answer to a question or questions. Thus, the total percentages reported may not sum to 100%. The difference represents those not providing an answer to the question; however, when averages are reported, these are based on the number of valid responses.

Three quarters of respondents are associated with independent retail pharmacies.

Q2: Which of the following most accurately describes your pharmacy?

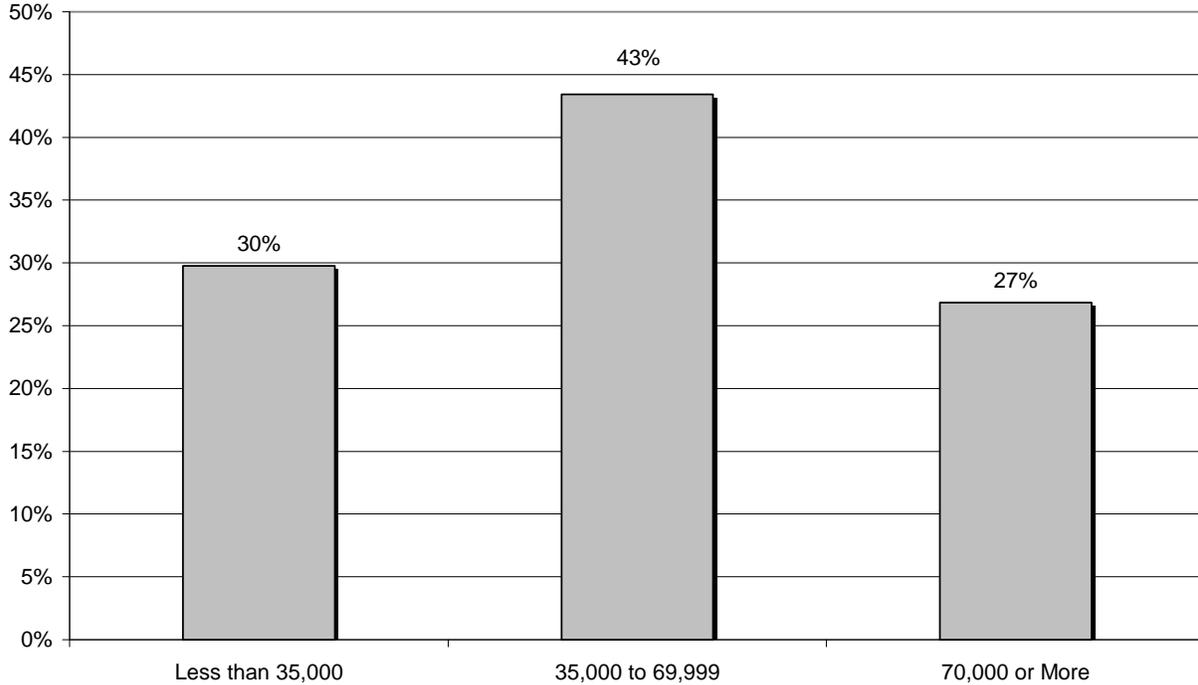


Comments:

A majority of respondents (77%) work for independent retail pharmacies. Twelve percent of respondents reported working for a chain retail pharmacy. Among the remaining respondents, 4% reported working for a nursing home pharmacy, 1% a hospital pharmacy, and 6% reported working for another type of pharmacy.

A majority of pharmacies (70%) dispensed 35,000 or more prescriptions in 2007.

Q3: How many total prescriptions (Rx's) did your pharmacy dispense in 2007?

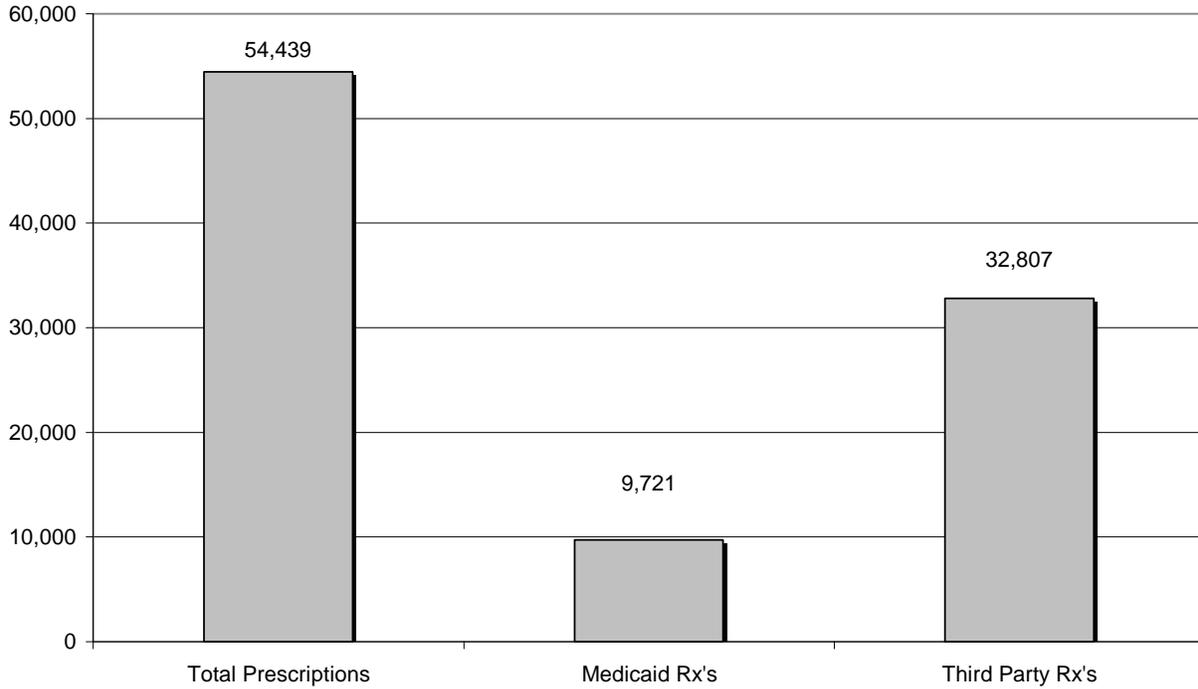


Comments:

During 2007, 30% of pharmacies dispensed fewer than 35,000 prescriptions. The largest percentage (43%) dispensed between 35,000 and 69,999 prescriptions during 2007. Twenty-seven percent of respondents reported dispensing 70,000 or more prescriptions in 2007.

During 2007, pharmacies dispensed an average of 54,439 prescriptions.

**Q3-Q5: How many prescriptions did your pharmacy dispense in 2007?
(Calculated Average)**



Comments:

During 2007, pharmacies reported dispensing an average of 54,439 prescriptions. Among these prescriptions, 9,721, or 18%, were Medicaid prescriptions and 32,807, or 60%, were third party (non-Medicaid) prescriptions. The table below provides the upper and lower bounds of these three averages at 95% confidence².

Prescriptions Dispensed in 2007

	Lower Limit	Average	Upper Limit
Total prescriptions dispensed	50,547	54,439	58,330
Medicaid Rx's dispensed	8,035	9,721	11,407
Third party Rx's dispensed	30,356	32,807	35,258

² The upper and lower limits reported in this and subsequent tables were derived from the standard error of the mean. The upper and lower limits represent the confidence interval around the mean at 95% confidence.

In general, there were no differences in the total number of prescriptions dispensed by the location of the pharmacy. Pharmacies located in the central city, however, tended to dispense a greater number of Medicaid prescriptions (12,390) on average than pharmacies located in the suburbs (9,904) and pharmacies located in rural areas (8,093).

By type of pharmacy, independent retail pharmacies tended to dispense the fewest total prescriptions (51,819), on average, while nursing hospital pharmacies tended to dispense the largest number (78,750). Chain retail pharmacies dispensed an average of 70,520 prescriptions, while nursing home pharmacies dispensed 70,833 prescriptions, on average.

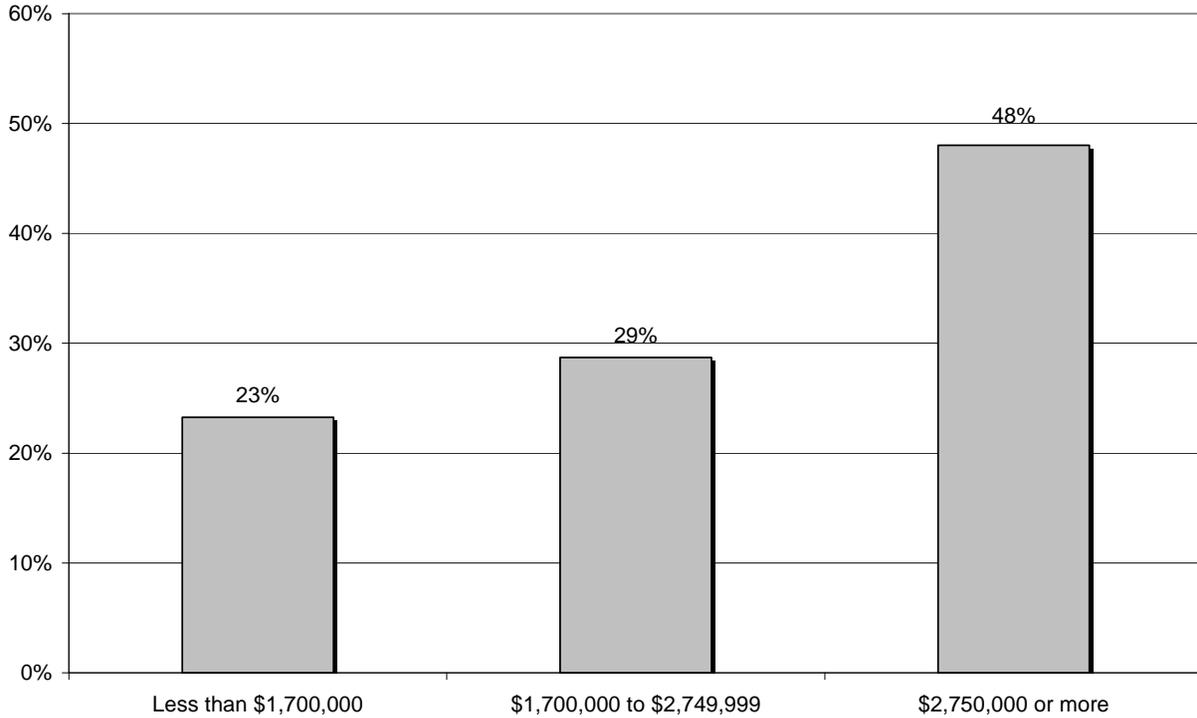
Independent retail pharmacies tended to dispense the fewest Medicaid prescriptions (8,498) on average while nursing home pharmacies tended to dispense the largest number (27,833). Hospital pharmacies dispensed 18,125 Medicaid prescriptions on average, while chain retail pharmacies dispensed 12,385 Medicaid prescriptions on average.

Prescriptions Dispensed in 2007 by Type of Pharmacy

	Independent Retail Pharmacy	Chain Retail Pharmacy	Hospital Pharmacy	Nursing Home Pharmacy	Other
Total prescriptions dispensed	51,819	70,520	78,750	70,833	43,625
Medicaid Rx's dispensed	8,498	12,385	18,125	27,833	5,863
Third party Rx's dispensed	31,950	39,958	47,500	37,777	25,812

In 2007, 48% of pharmacies had sales of \$2,750,000 or more.

Q12: What was the amount of total store sales in 2007?

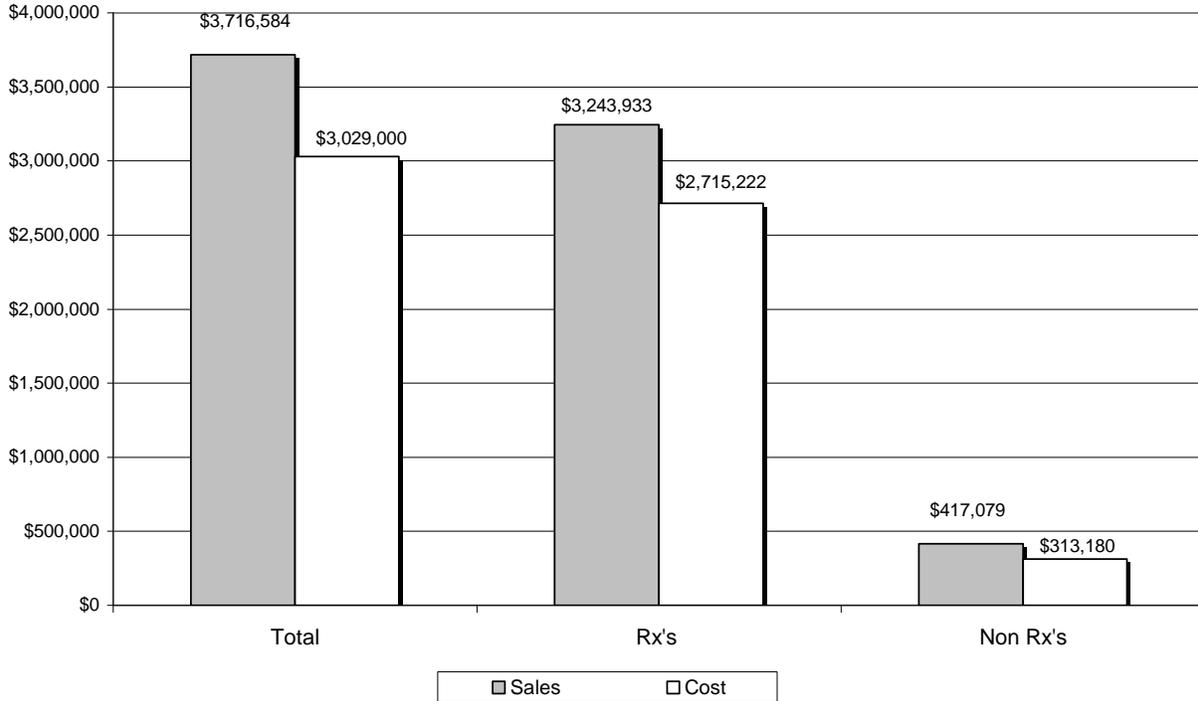


Comments:

Twenty-three percent of respondents reported annual store sales of less than \$1,700,000 during 2007. Twenty-nine percent reported their 2007 annual store sales were between \$1,700,000 and \$2,749,000. The largest percentage (48%) reported that annual sales in 2007 were \$2,750,000 or greater.

On average, a pharmacy's total sales in 2007 were \$3.7 million and cost of goods sold in 2007 was \$3 million.

Q12, Q13, Q14: What was the total ... sales in 2007? Q15, Q20, Q21: What was the total ... cost (to you) of goods sold in 2007? (Calculated Average)



Upper and Lower Limit of Sales and Costs in 2007 (in thousands)

	Sales (in thousands)			Costs (in thousands)		
	Lower Limit	Average	Upper Limit	Lower Limit	Average	Upper Limit
Total	\$3,294	\$3,716	\$4,139	\$2,638	\$3,029	\$3,420
Prescription (Rx)	\$2,862	\$3,244	\$3,626	\$2,355	\$2,715	\$3,076
Non-prescription (non-Rx)	\$326	\$417	\$508	\$238	\$313	\$389

Comments:

The average total sales reported by respondents for 2007 were \$3,716,584. The average cost of goods for this same period was \$3,243,933. In total, costs represent 87% of the value of total sales. By the type of pharmacy, costs ranged from 81% of sales in independent retail pharmacies to 86% of sales in nursing home pharmacies.

The average total sales of prescriptions during 2007 was \$3,243,933, while the average reported costs of prescriptions in 2007 was \$2,715,222. Costs of prescriptions in 2007 were 84% of the value of sales of prescriptions over the same period.

Non-prescription sales during 2007 averaged \$417,079. The average cost associated with non-prescription sales during 2007 was only \$313,180. In the case of non-prescription costs, costs were 75% of the value of sales.

Sales in 2007 by Type of Pharmacy (in thousands)

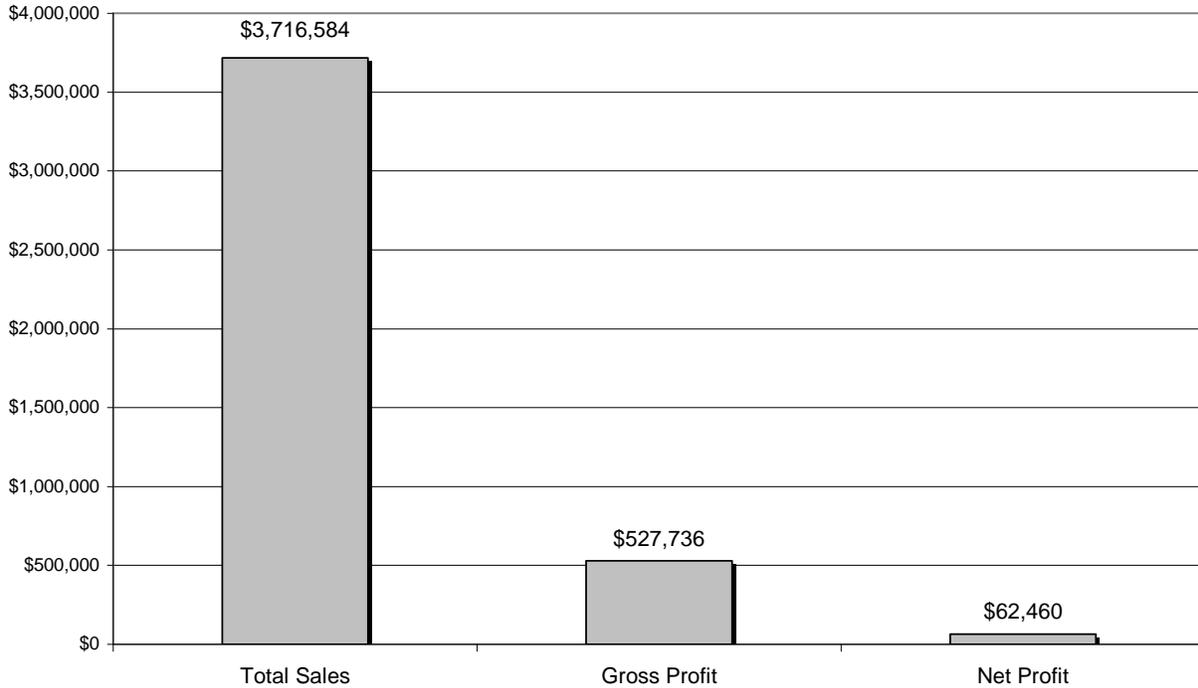
Sales (in thousands)	Independent Retail Pharmacy	Chain Retail Pharmacy	Nursing Home Pharmacy	Other
What was the amount of total store sales in 2007?	\$3,097	\$6,814	\$7,611	\$3,174
What were your total Rx sales in 2007?	\$2,683	\$5,010	\$7,506	\$4,167
What were your total non-Rx sales in 2007?	\$252	\$1,624	\$749	\$214

Costs in 2007 by Type of Pharmacy (in thousands)

Costs (in thousands)	Independent Retail Pharmacy	Chain Retail Pharmacy	Nursing Home Pharmacy	Other
What was the total cost (to you) of goods your store sold in 2007?	\$2,520	\$5,731	\$6,581	\$2,491
What was the total Rx cost (to you) of goods sold in 2007?	\$2,259	\$4,210	\$6,511	\$3,469
What was the total non-Rx cost (to you) of goods sold in 2007?	\$178	\$1,343	\$579	\$101

In 2007, pharmacies had an average gross profit of \$527,736 and average net profit of \$59,910.

**Q12,Q22,Q24: What was the ... for this store of all goods sold in 2007?
(Calculated Average)**



Upper and Lower Limits of 2007 Profits (in thousands)

	Lower Limit	Average	Upper Limit
Gross profit (in thousands)	\$477	\$528	\$579
Net profit (in thousands)	\$51	\$62	\$74

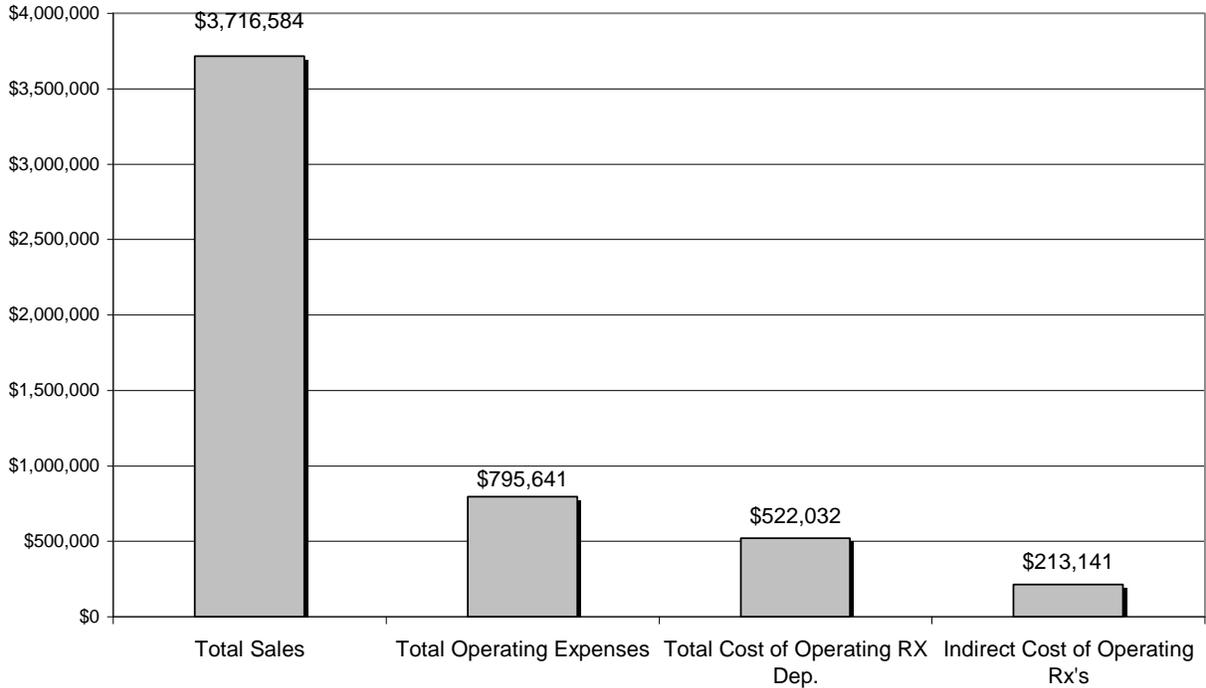
Comments:

During 2007, pharmacies reported a gross profit of \$527,736 on average. The average net profit reported by respondents for 2007 was \$62,460.

In examining the relationship between profit and total sales, gross profit was, on average, 14% of total sales. Net profit was, on average, 2% of total sales in 2007.

Average reported operating expenses were \$795,641, or 21% of total sales.

**Q12,Q23,Q25,Q26: What was the total ... cost (to you) of goods sold in 2007?
(Calculated Average)**



Upper and Lower Limits of 2007 Operating Expenses (in thousands)

	Lower Limit	Average	Upper Limit
Total operating expenses (in thousands)	\$701	\$796	\$891
Total cost of operating Rx department (in thousands)	\$478	\$522	\$566
Indirect cost of operating Rx department (in thousands)	\$172	\$213	\$254

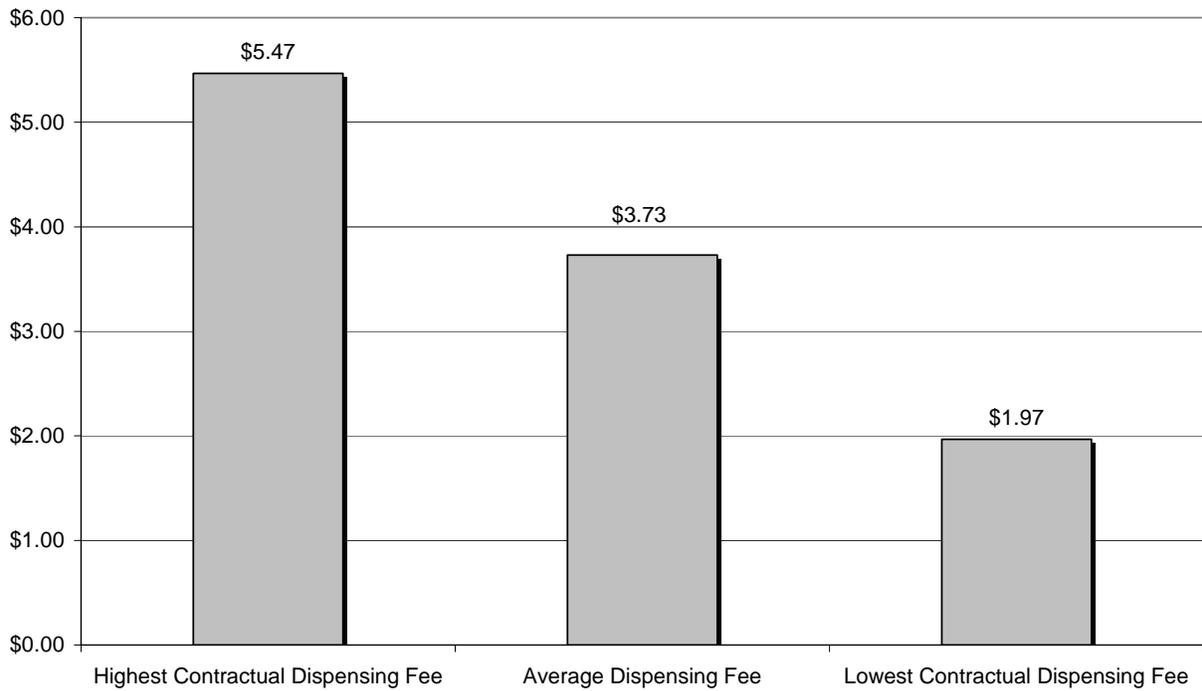
Comments:

During 2007, pharmacies reported their average total operating expenses were \$795,641, or 21% of total sales for the year. The average total cost of operating the prescription department during 2007 was \$522,032 or 16% of total prescription sales in 2007 (which averaged \$3.72 million). This represents 14% of all sales during 2007. The average indirect cost of operating prescription departments was \$213,141, or 7% of total prescription sales (6% of all 2007 sales).

Analysis of Dispensing Fees

On average, the highest contractual fee for dispensing a prescription was \$5.47 and the lowest contractual fee was \$1.97. The average dispensing fee was \$3.73.

Q6,Q7,Q11: What was your ... contractual dispensing fee for Rx's? (Calculated Average)



Upper and Lower Limits of Highest and Lowest Contractual Dispensing Fees and Average Dispensing Fee in 2007

	Lower Limit	Average	Upper Limit
Highest contractual dispensing fee	\$5.14	\$5.47	\$5.80
Average dispensing fee	\$3.47	\$3.73	\$3.98
Lowest contractual dispensing fee	\$1.81	\$1.97	\$2.13

Comments:

Respondents were asked two questions about contractual dispensing fees during 2007. They were asked to indicate the dollar amount of their lowest contractual dispensing fee for prescriptions during 2007, as well as their highest contractual dispensing fee during 2007. Respondents were also asked the average fee they received for dispensing prescriptions.

On average, the highest contractual dispensing fee for a prescription was \$5.47. Among all respondents, the lowest contractual dispensing fee per prescription was \$1.97, on average.

Respondents were also asked to indicate their average fee for dispensing all prescriptions during 2007. The average dispensing fee reported by respondents was \$3.73 during 2007.³

By the type of pharmacy, the average reported dispensing fee ranged from \$3.25 at chain retail pharmacies to \$4.07 at nursing home pharmacies.

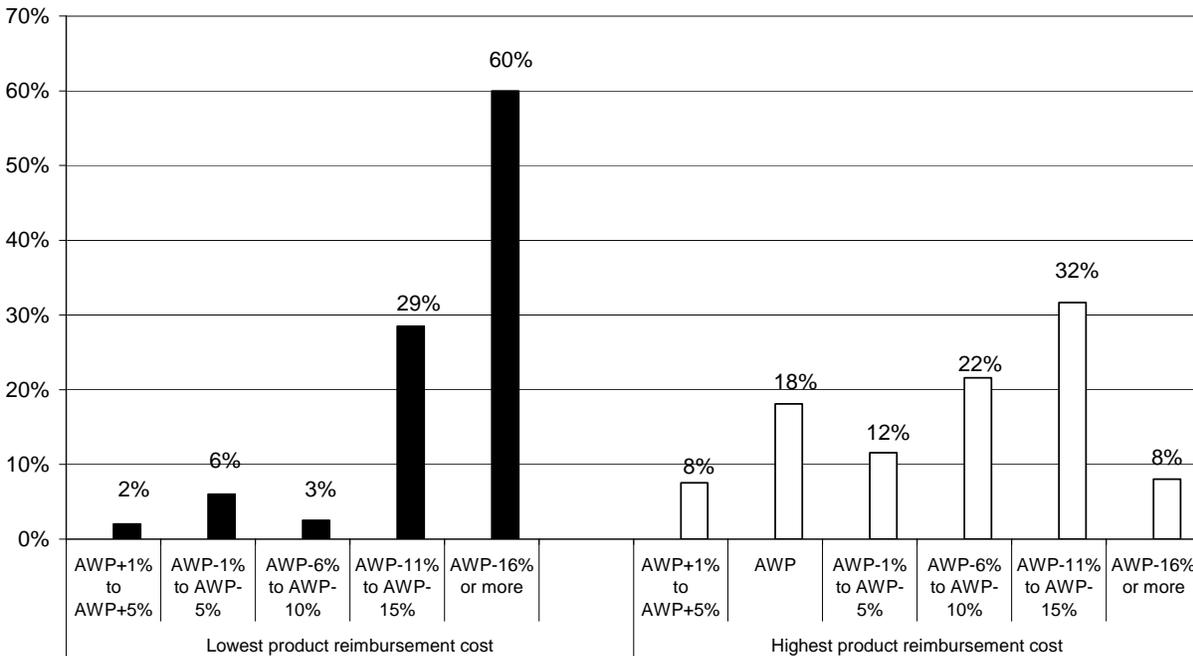
Highest and Lowest Contractual Dispensing Fees and Average Dispensing Fee in 2007

	Independent Retail Pharmacy	Chain Retail Pharmacy	Nursing Home Pharmacy	Other
What was your lowest contractual dispensing fee for Rx's in 2007?	\$1.85	\$1.91	\$2.51	\$2.72
What was your highest contractual dispensing fee for Rx's?	\$5.33	\$5.76	\$5.37	\$5.96
What was the average fee you received for dispensing all prescriptions in 2007?	\$3.71	\$3.25	\$4.07	\$3.96

³ The calculations of fee averages were based on the middle values of the intervals.

The lowest contractual product reimbursement cost structure most often fell in the range AWP-16% or more. Nearly one-third (32%) indicated the highest contractual product reimbursement cost structure fell in the range AWP-11% to AWP-15%.

Q8: Into which of the following ranges did your lowest contractual product reimbursement cost fall? Q9: Into which of the following ranges did your highest contractual product reimbursement cost fall?



Note: AWP - Average Wholesale Price.

Comments:

Respondents were asked three questions to assess the relationship between reimbursement for prescriptions and the average wholesale price of these prescriptions. These included questions on the lowest contractual product reimbursement, the highest contractual reimbursement, and the most common product reimbursement.

Sixty percent of respondents indicated that their lowest contractual product reimbursement cost fell in AWP-16% or more during 2007. Twenty-nine percent of respondents indicated the lowest product reimbursement cost was AWP-11% to AWP-15% and another 3% indicated the product reimbursement cost fell between AWP-6% and AWP-10% in 2007.

Eighteen percent of respondents indicated that the highest contractual product reimbursement cost was equal to AWP during 2007. Twenty-two percent indicated their highest contractual

product reimbursement costs was between AWP-6% and AWP-10%, while 32% indicated their highest contractual product reimbursement cost fell between AWP-11% and AWP-15%.

Respondents were asked also to provide the most common contractual dispensing reimbursement formula for prescriptions they used, excluding Medicaid prescriptions. Respondents provided a range of answers to this question, which are summarized in the table below⁴: The most commonly mentioned formulas for fee reimbursement were:

- AWP-14%+\$2.50 (mentioned by 8% of respondents)
- AWP-15%+\$2.50 (7%)
- AWP-15%+\$2.00 (6%)
- AWP-12%+\$2.50 (6%)
- AWP-10%+\$2.50 (mentioned by 6% of respondents)

⁴ For verbatim responses to this question, see appendix 3.

In 2007, what was your most common contractual dispensing fee reimbursement formula for prescriptions excluding Medicaid Rx's?

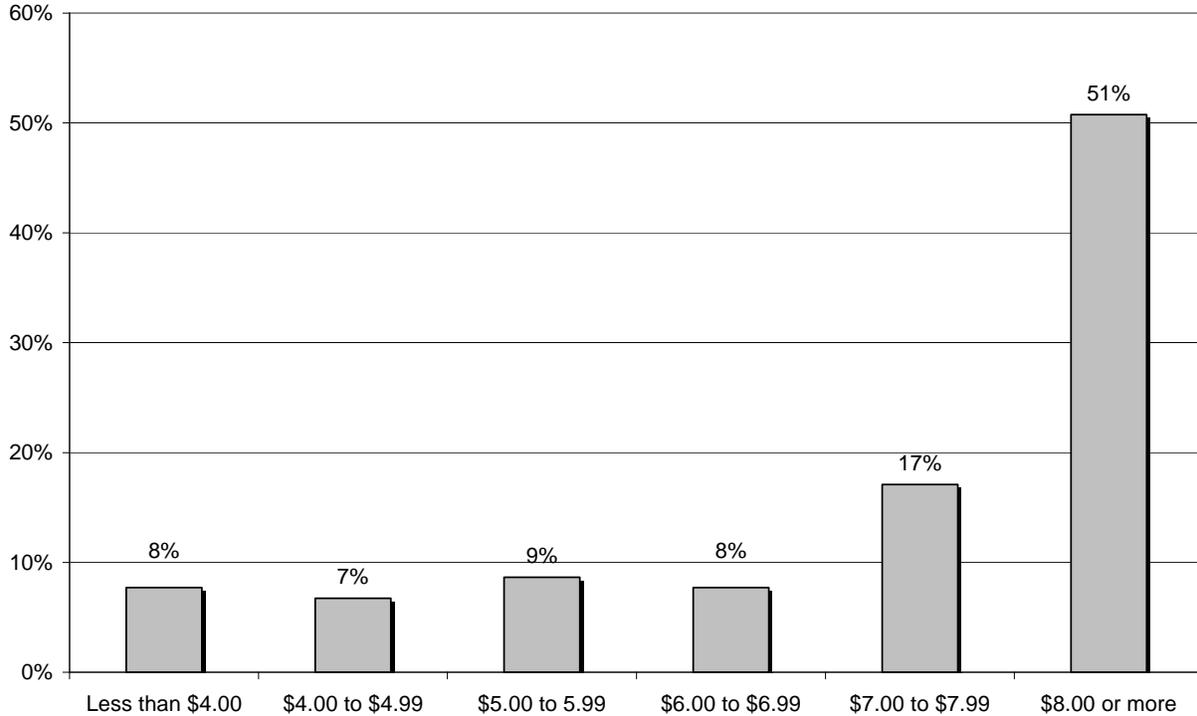
Formula	Count	Percent
AWP-20%+\$2.00	1	1%
AWP-17%+\$1.50	1	1%
AWP-16%+\$1.50	1	1%
AWP-16+\$1.75	3	2%
AWP-15%+\$2.00	10	6%
AWP-15%+\$2.50	13	7%
AWP-15+\$3.25	1	1%
AWP-15+\$3.50	1	1%
AWP-14%+\$2.00	7	4%
AWP-14%+\$2.25	1	1%
AWP-14%+\$2.50	15	8%
AWP-14%+\$2.75	2	1%
AWP-13+\$1.75	1	1%
AWP-13%+\$2.00	1	1%
AWP-13%+\$2.25	1	1%
AWP-13%+\$2.50	7	4%
AWP-13%+\$2.75	1	1%
AWP-13+\$3.00	2	1%
AWP-12+\$2.00	5	3%
AWP-12%+\$2.50	10	6%
AWP-12%+\$2.75	8	4%
AWP-12%+\$3.00	5	3%
AWP-12%+\$4.50	2	1%
AWP-11%+\$2.50	2	1%
AWP-11%+\$2.75	1	1%
AWP-10%+\$2.00	3	2%
AWP-10%+\$2.50	10	6%
AWP-10%+\$2.75	3	2%
AWP-10%+\$3.00	1	1%
AWP-10%+\$3.50	1	1%
AWP-9%+\$2.75	1	1%
AWP-7%+\$2.50	1	1%
AWP-5%+\$2.50	1	1%
AWP-4%+\$2.00	1	1%
AWP+5%+\$3.00	1	1%

**In 2007, what was your most common contractual dispensing fee reimbursement formula for prescriptions excluding Medicaid Rx's?
(continued)**

Formula	Count	Percent
AWP-10%+\$1.75	1	1%
AWP-10%+\$3.25	1	1%
AWP-10%+\$4.00	1	1%
AWP-12%+\$1.75	1	1%
AWP-12%+\$2.25	1	1%
AWP-12%+\$3.50	1	1%
AWP-12%+\$4.00	3	2%
AWP-12%+\$5.00	1	1%
AWP-13%+\$3.50	1	1%
AWP-13%+\$4.50	1	1%
AWP-14%+\$3.50	2	1%
AWP-15%+\$1.50	2	1%
AWP-15%+\$1.75	4	2%
AWP-15%+\$2.10	1	1%
AWP-15%+\$3.00	5	3%
AWP-16%+\$1.90	1	1%
AWP-16%+\$2.00	3	2%
AWP-16%+\$2.50	2	1%
AWP-16%+\$2.75	2	1%
AWP-17%+\$2.00	1	1%
AWP-17%+\$2.50	1	1%
AWP-18%+\$2.50	2	1%
AWP-18%+\$2.75	1	1%
AWP-20%+\$1.50	1	1%
AWP-20%+\$3.25	1	1%
AWP-25%+\$1.00	1	1%
AWP-40%+\$3.70	1	1%
AWP-6%+\$105/day	1	1%
AWP-7%+\$2.75	1	1%
AWP-7%+\$4.00	1	1%
MAC+10%+\$2.25	1	1%
AWP-15%+\$2.25	2	1%
Other or varies	7	4%
Total	181	100.0%

On average, the cost of dispensing a prescription during 2007 was \$7.77. Half (51%) indicated that the cost of dispensing a prescription was \$8.00 or more.

Q27: What was the average cost of dispensing a prescription in 2007?



Upper and Lower Limits of Average Cost to Dispense a Prescription in 2007

	Lower Limit	Average	Upper Limit
Average cost to dispense a prescription	\$7.45	\$7.77	\$8.10

Comments:

The average cost of dispensing a prescription reported by respondents during 2007 was \$7.78. Fifty-one percent of respondents indicated that the average cost of dispensing a prescription was \$8.00 or more. Seventeen percent of respondents indicated that the cost of dispensing a prescription was between \$7.00 and \$7.99. Eight percent indicated the dispensing cost was between \$6.00 and \$6.99. Nine percent indicated this cost was between \$5.00 and \$5.99, while 7% of respondents indicated the cost was between \$4.00 and \$4.99. Only 8% of respondents indicated that average cost of dispensing a prescription was less than \$4.00.

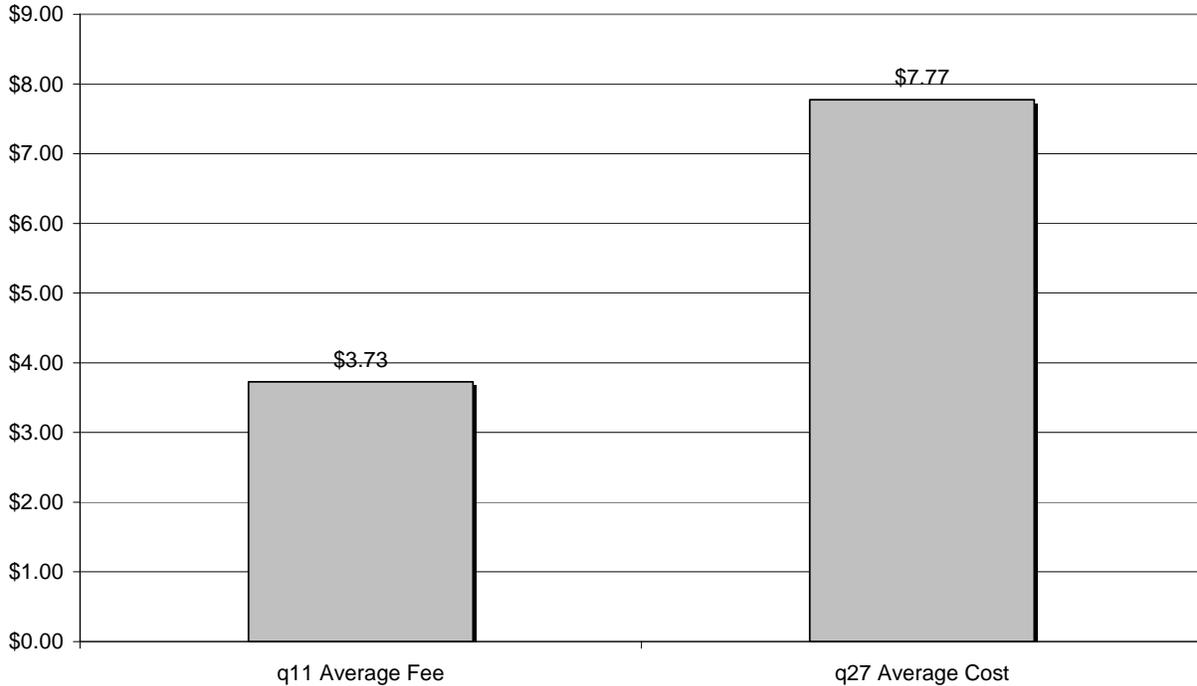
By the type of pharmacy, the average reported cost to dispense a prescription ranged from \$7.71 at chain retail pharmacies to \$7.89 at nursing home pharmacy. Additionally, the average cost was \$7.74 at independent retail pharmacies.

Average Cost to Dispense a Prescription in 2007 by Type of Pharmacy

	Independent Retail Pharmacy	Chain Retail Pharmacy	Nursing Home Pharmacy	Other
Average cost to dispense a prescription	\$7.74	\$7.71	\$7.89	\$7.60

In 2007, the average fee received for dispensing a prescription (\$3.73) was lower than the cost to dispense a prescription (\$7.77).

Q11: What was the average fee you received for dispensing a prescription in 2007? Q27: What was your average cost of dispensing a prescription in 2007?



Upper and Lower Limits of Average Cost to Dispense a Prescription and Fee Received for Dispensing a Prescription in 2007

	Lower Limit	Average	Upper Limit
Average fee for dispensing a prescription	\$3.47	\$3.73	\$3.98
Average cost to dispense a prescription	\$7.45	\$7.77	\$8.10

Comments:

During 2007, respondents indicated they received \$3.73, on average, for dispensing a prescription, while the average cost to dispense a prescription in 2007 was \$7.77, a difference of \$4.04.

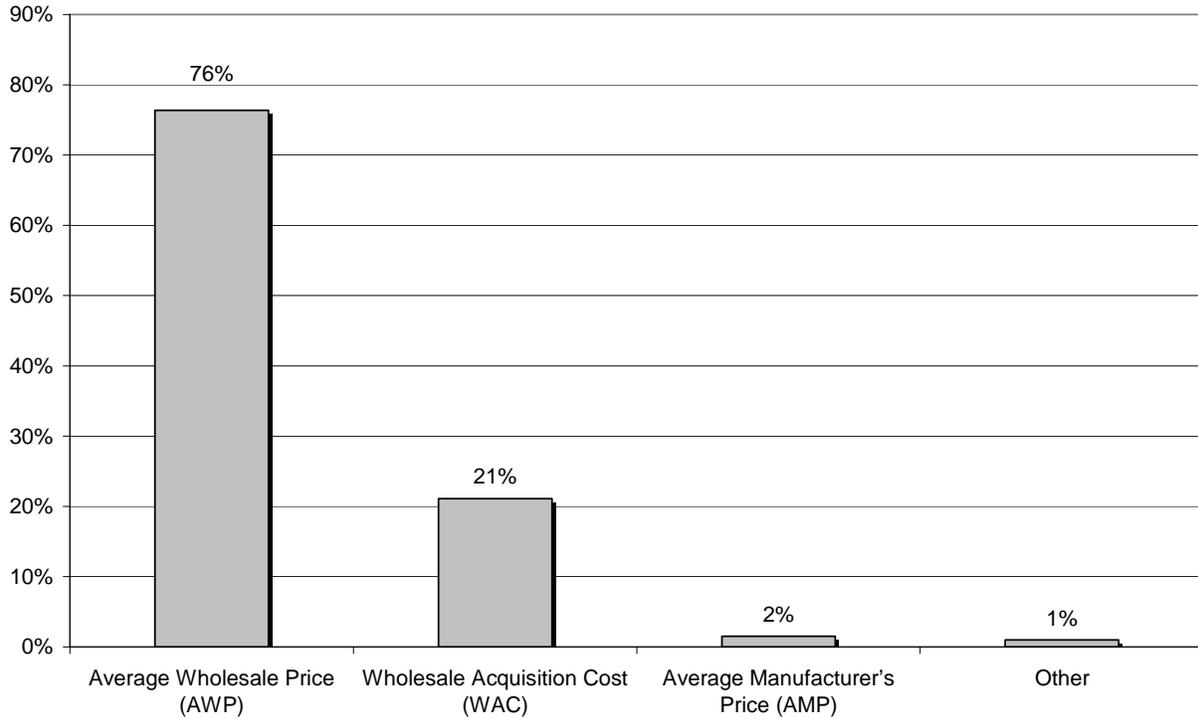
By the type of pharmacy, the average reported cost to dispense a prescription was greater than the fee received for dispensing a prescription. This difference ranged from \$6.00 at hospital pharmacies to \$1.94 at nursing home pharmacies.

Average Cost to Dispense a Prescription and Fee Received for Dispensing a Prescription in 2007 by Type of Pharmacy

	Independent Retail Pharmacy	Chain Retail Pharmacy	Hospital Pharmacy	Nursing Home Pharmacy	Other
Average fee for dispensing a prescription	\$3.71	\$3.25	\$4.00	\$4.07	\$3.96
Average cost to dispense a prescription	\$7.74	\$7.71	\$10.00	\$7.89	\$7.12
Difference	\$4.03	\$4.46	\$6.00	\$1.94	\$3.16

In 2007, more than three quarters of pharmacies use the Average Wholesale Price (AWP) as the pricing baseline for the cost of brand name drugs.

Q16: What pricing baseline is your cost for brand drugs based on?



**In general, into which of the following ranges does your cost for brand drugs fall?
(by pricing baseline)**

	Average Wholesale Price (AWP)	Wholesale Acquisition Cost (WAC)	Average Manufacturer's Price (AMP)
(pricing baseline from previous question) -20% or more	7%	0%	0%
(pricing baseline from previous question) -10% to -19%	64%	5%	0%
(pricing baseline from previous question) -1% to -9%	19%	62%	0%
(pricing baseline from previous question)	4%	14%	33%
(pricing baseline from previous question) +1% to +9%	4%	17%	67%
(pricing baseline from previous question) +10% to +19%	1%	0%	0%
(pricing baseline from previous question) +20% or more	1%	2%	0%
Total	100%	100%	100%

Comments:

Among all pharmacies, the most common pricing baseline for brand name drugs is the average wholesale price (AWP), mentioned by 76% of respondents. Twenty-one percent of respondents indicated their pricing baseline for brand name drugs is the wholesale acquisition price (WAC), while 2% used as a pricing baseline the average manufacturers' price (AMP).

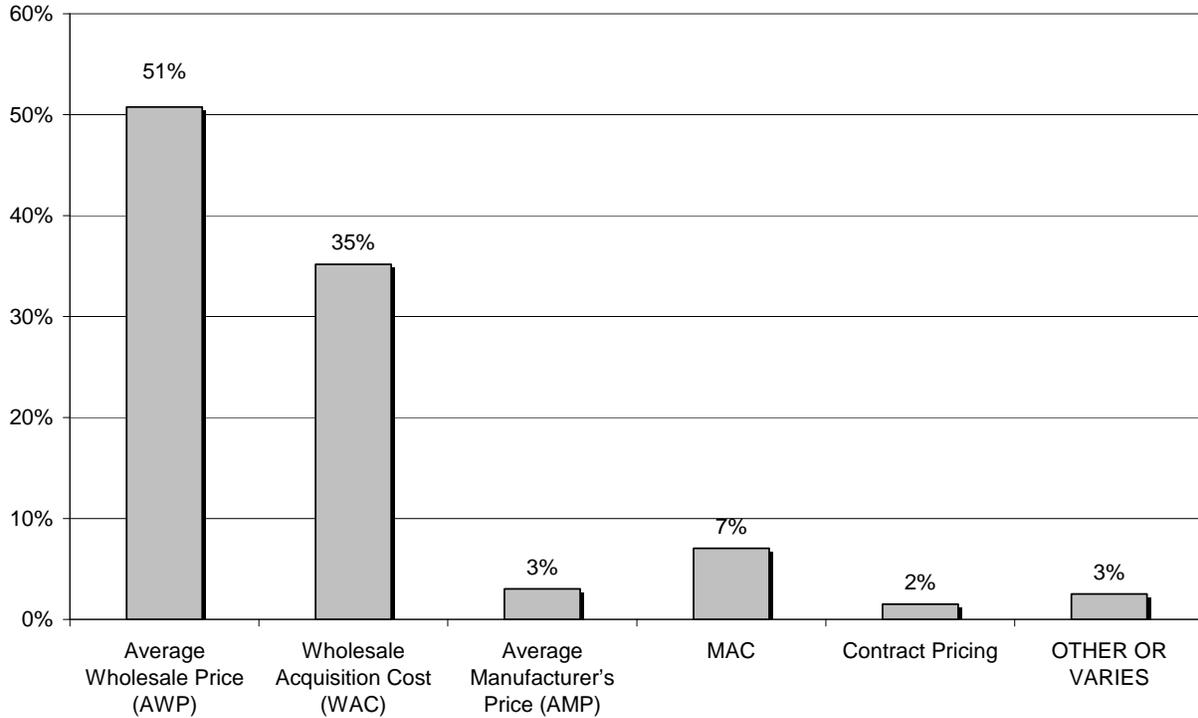
Among those whose pricing baseline is the AWP, 64% indicated that the price of brand name drugs falls in the range AWP -10% to -19%, while 19% indicated the price falls between AWP -1% to -9%.

Among those whose pricing baseline is the WAC, 62% indicated that the price of brand name drugs falls in the range WAC -1% to -9%, 17% in the range WAC +1% to 9% and 14% indicated the price range is WAC.

Among those whose pricing baseline is the AMP, 67% indicated that the price of brand name drugs falls in the range AMP +1% to +9%, while 33% indicated the price range is AMP.

In 2007, half of the pharmacies used the Average Wholesale Price (AWP) as the pricing baseline for generic drugs while over one third used the wholesale acquisition cost as the pricing baseline for generic drugs.

Q18: What pricing baseline is your cost for GENERIC drugs based on?



**In general, into which of the following ranges does your cost for generic drugs fall?
(by pricing baseline)**

	Average Wholesale Price (AWP)	Wholesale Acquisition Cost (WAC)	Average Manufacturer's Price (AMP)	MAC	Contract Pricing	OTHER OR VARIES
(pricing baseline from previous question) -70% or more	2%	0%	17%	0%	0%	0%
(pricing baseline from previous question) -60% to -69%	1%	1%	0%	0%	0%	0%
(pricing baseline from previous question) -50% to -59%	8%	9%	0%	0%	0%	0%
(pricing baseline from previous question) -40% to -49%	21%	4%	0%	0%	0%	0%
(pricing baseline from previous question) -20% to -39%	38%	6%	33%	0%	0%	100%
(pricing baseline from previous question) -1% to -19%	24%	39%	17%	71%	0%	0%
(pricing baseline from previous question)	2%	17%	17%	21%	100%	0%
(pricing baseline from previous question) +1% to +9%	2%	12%	17%	7%	0%	0%
(pricing baseline from previous question) +10% to +19%	2%	4%	0%	0%	0%	0%
(pricing baseline from previous question) +20% or more	0%	7%	0%	0%	0%	0%
Total	100%	100%	100%	100%	100%	100%

Comments:

Among all pharmacies, the most common pricing baseline for generic drugs is the average wholesale price (AWP), mentioned by slightly more than half of respondents (51%). Thirty-five percent of respondents indicated their pricing baseline for generic drugs is the wholesale acquisition price (WAC) while 3% used as a pricing baseline the average manufacturers' price (AMP). Other baselines mentioned include MAC (mentioned by 7%) and contract pricing (2%).

Among those whose pricing baseline is the AWP, 38% indicated that the price of generic drugs falls in the range AWP -20% to -39%, 24% indicated the ranges is AWP -1% to -19%, while 21% indicated the price falls between AWP -40% to -49%.

Among those whose pricing baseline is the WAC, 39% indicated that the price of generic drugs falls in the range WAC - 1% to -19%, 17% indicated the price range is WAC, and 12% indicated the price range is WAC +1% to +9%.

Among those whose pricing baseline is the AMP, 33% indicated that the price of generic drugs falls in the range AWP -20% to -39%, 17% indicated that the price of generic drugs falls in the range AWP -1% to -19%, 17% indicated the price range is AMP, and 17% indicated the price range for generic drugs is AMP +1% to +9%.

Appendices

Appendix 1. Counts and Percentages of Survey Items

q1: Where is your pharmacy located?

		Total	
		Count	%
q1	Central city	56	27%
	Suburbs	53	26%
	Rural area	98	47%
	Total	207	100%

q2: Which of the following most accurately describes your pharmacy?

		Total	
		Count	%
q2	Independent retail pharmacy	159	77%
	Chain retail pharmacy - individual stores	24	12%
	Hospital pharmacy	2	1%
	Nursing home pharmacy	9	4%
	Home infusion	5	2%
	Specialty pharmacy	2	1%
	Clinic	4	2%
	Non-Profit	1	0%
	Ind. Pharmacy non retail	1	0%
	Total	207	100%

q3: How many total prescriptions,(Rx's) did your pharmacy dispense in 2007 ?

		Total	
		Count	%
q3	Fewer than 9,999	7	3%
	10,000-14,999	9	4%
	15,000-19,999	2	1%
	20,000-24,999	11	5%
	25,000-29,999	19	9%
	30,000-34,999	13	6%
	35,000-39,999	12	6%
	40,000-44,999	15	7%
	45,000-49,999	9	4%
	50,000-54,999	17	8%
	55,000-59,999	11	5%
	60,000-64,999	16	8%
	65,000-69,999	9	4%
	70,000-74,999	6	3%
	75,000-79,999	7	3%
	80,000-84,999	5	2%
	85,000-89,999	6	3%
	90,000-99,999	5	2%
	100,000 or more	26	13%
	Total	205	100%

q4: Of that total, how many were fee-for-service (not managed care) Medicaid Rx's?

		Total	
		Count	%
q4	Fewer than 1,000	38	19%
	1,000-2,499	33	16%
	2,500-4,999	30	15%
	5,000-7499	27	13%
	7,500-9,999	13	6%
	10,000-12,499	13	6%
	12,500-14,999	5	2%
	15,000-17,499	3	1%
	17,500-19,999	8	4%
	20,000-24,999	13	6%
	25,000-29,999	3	1%
	30,000-34,999	6	3%
	40,000-44,999	5	2%
	50,000 or more	6	3%
	Total	203	100%

q5: Of the total number of prescriptions dispensed in 2007, how many were other third party Rx's ?

		Total	
		Count	%
q5	Fewer than 1,000	3	1%
	1,000-2,499	4	2%
	2,500-4,999	8	4%
	5,000-7,499	4	2%
	7,500-9,999	10	5%
	10,000-12,499	10	5%
	12,500-14,999	6	3%
	15,000-17,499	8	4%
	17,500-19,999	8	4%
	20,000-24,999	18	9%
	25,000-29,999	12	6%
	30,000-34,999	13	6%
	35,000-39,999	12	6%
	40,000-44,999	12	6%
	45,000-49,999	8	4%
	50,000 or more	68	33%
	Total	204	100%

q6: What was your lowest contractual dispensing fee for Rx's in 2007?

		Total	
		Count	%
q6	Less than \$1.00	12	6%
	\$1.00-\$1.24	22	11%
	\$1.25-\$1.49	28	14%
	\$1.50-\$1.74	48	24%
	\$1.75-\$1.99	30	15%
	\$2.00-\$2.24	20	10%
	\$2.25-\$2.49	6	3%
	\$2.50-\$2.74	13	6%
	\$2.75-\$2.99	9	4%
	\$3.00-\$3.24	2	1%
	\$3.25-\$3.49	1	0%
	\$3.50-\$3.74	4	2%
	\$4.00-\$4.24	2	1%
	\$4.50-\$4.74	1	0%
	\$5.75-\$5.99	1	0%
	\$6.25-\$6.49	1	0%
	\$7.25-\$7.49	1	0%
	\$8.00-\$8.99	1	0%
	\$10.00 or more	1	0%
	Total	203	100%

q7: What was your highest contractual dispensing fee for Rx's?

		Total	
		Count	%
q7	Less than \$2.50	2	1%
	\$2.50-\$2.74	4	2%
	\$2.75-\$2.99	7	3%
	\$3.00-\$3.24	8	4%
	\$3.25-\$3.49	8	4%
	\$3.50-\$3.74	22	11%
	\$3.75-\$3.99	11	5%
	\$4.00-\$4.24	28	14%
	\$4.25-\$4.49	4	2%
	\$4.50-\$4.74	8	4%
	\$4.75-\$4.99	9	4%
	\$5.00-\$5.24	20	10%
	\$5.25-\$5.49	3	1%
	\$5.50-\$5.74	7	3%
	\$5.75-\$5.99	3	1%
	\$6.00-\$6.24	10	5%
	\$6.25-\$6.49	1	0%
	\$6.50-\$6.74	1	0%
	\$7.00-\$7.24	4	2%
	\$7.25-\$7.49	2	1%
	\$7.50-\$7.74	5	2%
	\$8.00-\$8.99	5	2%
	\$9.00-\$9.99	2	1%
	\$10.00 or more	27	13%
	Total	201	100%

q8: Into which of the following ranges did your lowest contractual product reimbursement cost fall?

		Total	
		Count	%
q8	AWP+1% to AWP+5%	4	2%
	AWP-1% to AWP-5%	12	6%
	AWP-6% to AWP-10%	5	3%
	AWP-11% to AWP-15%	57	29%
	AWP-16% to AWP-20%	102	51%
	AWP-21% to AWP-24%	10	5%
	AWP-25% or more	8	4%
	Other	2	1%
	Total	200	100%

q9: Into which of the following ranges did your highest contractual product reimbursement cost fall?

		Total	
		Count	%
q9	AWP+1% to AWP+5%	15	8%
	AWP	36	18%
	AWP-1% to AWP-5%	23	12%
	AWP-6% to AWP-10%	43	22%
	AWP-11% to AWP-15%	63	32%
	AWP-16% to AWP-20%	12	6%
	AWP-21% to AWP-24%	2	1%
	AWP-25% or more	2	1%
	Other	3	2%
	Total	199	100%

10: In 2007, what was your most common contractual dispensing reimbursement formula for prescriptions, excluding Medicaid Rx?

	Total	
	Count	%
AWP-20%+\$2.00	1	1%
AWP-17%+\$1.50	1	1%
AWP-16%+\$1.50	1	1%
AWP-16+\$1.75	3	2%
AWP-15%+\$2.00	10	6%
AWP-15%+\$2.50	13	7%
AWP-15+\$3.25	1	1%
AWP-15+\$3.50	1	1%
AWP-14%+\$2.00	7	4%
AWP-14%+\$2.25	1	1%
AWP-14%+\$2.50	15	8%
AWP-14%+\$2.75	2	1%
AWP-13+\$1.75	1	1%
AWP-13%+\$2.00	1	1%
AWP-13%+\$2.25	1	1%
AWP-13%+\$2.50	7	4%
AWP-13%+\$2.75	1	1%
AWP-13+\$3.00	2	1%
AWP-12+\$2.00	5	3%
AWP-12%+\$2.50	10	6%
AWP-12%+\$2.75	8	4%
AWP-12%+\$3.00	5	3%
AWP-12%+\$4.50	2	1%
AWP-11%+\$2.50	2	1%
AWP-11%+\$2.75	1	1%
AWP-10%+\$2.00	3	2%
AWP-10%+\$2.50	10	6%
AWP-10%+\$2.75	3	2%
AWP-10%+\$3.00	1	1%
AWP-10%+\$3.50	1	1%
AWP-9%+\$2.75	1	1%
AWP-7%+\$2.50	1	1%
AWP-5%+\$2.50	1	1%
AWP-4%+\$2.00	1	1%
AWP+5%+\$3.00	1	1%
AWP-10%+\$1.75	1	1%
AWP-10%+\$3.25	1	1%
AWP-10%+\$4.00	1	1%
AWP-12%+\$1.75	1	1%
AWP-12%+\$2.25	1	1%

AWP-12%+\$3.50	1	1%
AWP-12%+\$4.00	3	2%
AWP-12%+\$5.00	1	1%
AWP-13%+\$3.50	1	1%
AWP-13%+\$4.50	1	1%
AWP-14%+\$3.50	2	1%
AWP-15%+\$1.50	2	1%
AWP-15%+\$1.75	4	2%
AWP-15%+\$2.10	1	1%
AWP-15%+\$3.00	5	3%
AWP-16%+\$1.90	1	1%
AWP-16%+\$2.00	3	2%
AWP-16%+\$2.50	2	1%
AWP-16%+\$2.75	2	1%
AWP-17%+\$2.00	1	1%
AWP-17%+\$2.50	1	1%
AWP-18%+\$2.50	2	1%
AWP-18%+\$2.75	1	1%
AWP-20%+\$1.50	1	1%
AWP-20%+\$3.25	1	1%
AWP-25%+\$1.00	1	1%
AWP-40%+\$3.70	1	1%
AWP-6%+\$105/day (per diem)	1	1%
AWP-7%+\$2.75	1	1%
AWP-7%+\$4.00	1	1%
MAC+10%+\$2.25	1	1%
AWP-15%+\$2.25	2	1%
Other or varies	7	4%
Total	181	100%

q11: What was the average fee you received for dispensing all prescriptions in 2007?

		Total	
		Count	%
q11	Less than \$2.50	37	19%
	\$2.50-\$2.74	24	12%
	\$2.75-\$2.99	24	12%
	\$3.00-\$3.24	26	13%
	\$3.25-\$3.49	6	3%
	\$3.50-\$3.74	21	11%
	\$3.75-\$3.99	11	6%
	\$4.00-\$4.24	8	4%
	\$4.25-\$4.49	3	2%
	\$4.50-\$4.74	3	2%
	\$4.75-\$4.99	4	2%
	\$5.00-\$5.24	6	3%
	\$5.25-\$5.49	1	1%
	\$5.50-\$5.74	2	1%
	\$5.75-\$5.99	1	1%
	\$6.00-\$6.24	2	1%
	\$6.25-\$6.49	2	1%
	\$7.00-\$7.24	1	1%
	\$7.25-\$7.49	1	1%
	\$7.75-\$7.99	1	1%
	\$8.00-\$8.99	2	1%
	\$9.00-\$9.99	4	2%
	\$10.00 or more	5	3%
	Total	195	100%

q12: What was the amount of total store sales in 2007?

		Total	
		Count	%
q12	Less than \$350,000	3	1%
	\$350,000-\$499,999	6	3%
	\$500,000-\$649,999	4	2%
	\$650,000-\$799,999	4	2%
	\$800,000-\$949,999	5	2%
	\$950,000-\$1,099,999	4	2%
	\$1,100,000-\$1,249,999	4	2%
	\$1,250,000-\$1,399,999	7	3%
	\$1,400,000-\$1,549,999	6	3%
	\$1,550,000-\$1,699,999	4	2%
	\$1,700,000-\$1,849,999	7	3%
	\$1,850,000-\$1,999,999	10	5%
	\$2,000,000-\$2,149,999	10	5%
	\$2,150,000-\$2,299,999	7	3%
	\$2,300,000-\$2,449,999	9	4%
	\$2,500,000-\$2,749,999	15	7%
	\$2,750,000-\$2,999,999	11	5%
	\$3,000,000-\$3,999,999	25	12%
	\$4,000,000-\$4,999,999	19	9%
	\$5,000,000-\$5,999,999	10	5%
	\$6,000,000-\$9,999,999	17	8%
	\$10,000,000 or more	15	7%
	Total	202	100%

q13: What was your total Rx sales in 2007?

		Total	
		Count	%
q13	\$100,000-\$249,999	3	1%
	\$250,000-\$399,999	6	3%
	\$400,000-\$549,999	4	2%
	\$550,000-\$699,999	5	2%
	\$700,000-\$849,999	4	2%
	\$850,000-\$999,999	5	2%
	\$1,000,000-\$1,149,999	5	2%
	\$1,150,000-\$1,299,999	8	4%
	\$1,300,000-\$1,449,999	11	5%
	\$1,500,000-\$1,649,999	4	2%
	\$1,650,000-\$1,749,999	9	4%
	\$1,750,000-\$1,999,999	16	8%
	\$2,000,000-\$2,224,999	9	4%
	\$2,225,000-\$2,249,999	20	10%
	\$2,500,000-\$2,749,999	14	7%
	\$2,750,000-\$2,999,999	11	5%
	\$3,000,000-\$3,999,999	19	9%
	\$4,000,000-\$4,999,999	17	8%
	\$5,000,000-\$5,999,999	9	4%
	\$6,000,000-\$9,999,999	15	7%
	\$10,000,000 or more	10	5%
	Total	204	100%

q14: What were your total non-Rx sales in 2007?

		Total	
		Count	%
Q15	Less than \$50,000	61	30%
	\$50,000-\$74,999	22	11%
	\$75,000-\$99,999	13	6%
	\$100,000-\$249,999	39	19%
	\$250,000-\$399,999	23	11%
	\$400,000-\$549,999	4	2%
	\$550,000-\$699,999	5	2%
	\$700,000-\$849,999	1	0%
	\$850,000-\$999,999	6	3%
	\$1,000,000-\$1,149,999	6	3%
	\$1,150,000-\$1,299,999	1	0%
	\$1,450,000-\$1,999,999	3	1%
	\$2,000,000 or more	18	9%
	Total	202	100%

q15: What was the total cost (to you) of goods your store sold in 2007?

		Total	
		Count	%
Q16	Less than \$225,000	2	1%
	\$225,000-\$299,999	1	1%
	\$300,000-\$374,999	5	3%
	\$375,000-\$449,999	4	2%
	\$450,000-\$524,999	4	2%
	\$525,000-\$599,999	4	2%
	\$600,000-\$674,999	3	2%
	\$675,000-\$749,999	3	2%
	\$750,000-\$824,999	2	1%
	\$825,000-\$899,999	6	3%
	\$900,000-\$974,999	1	1%
	\$975,000-1,049,999	4	2%
	\$1,050,000-\$1,124,999	5	3%
	\$1,125,000-\$1,199,999	5	3%
	\$1,200,000-\$1,274,999	1	1%
	\$1,275,000-\$1,349,999	3	2%
	\$1,350,000-\$1,424,999	7	4%
	\$1,425,000-\$1,499,999	4	2%
	\$1,500,000-\$1,649,999	11	6%
	\$1,650,000-\$1,999,999	17	9%
	\$2,000,000-\$2,999,999	45	23%
	\$3,000,000-\$3,999,999	21	11%
	\$4,000,000-\$4,999,999	12	6%
	\$5,000,000-\$5,999,999	9	5%
	\$6,000,000-\$9,999,999	10	5%
	\$10,000,000 or more	11	6%
	Total	200	100%

q16: What pricing baseline is your cost for brand drugs based on?

		Total	
		Count	%
nQ16	Average Wholesale Price (AWP)	152	76%
	Wholesale Acquisition Cost (WAC)	42	21%
	Average Manufacturer's Price (AMP)	3	2%
	Other	2	1%
	Total	199	100%

q17: In general, into which of the following ranges does your cost for brand drugs fall?

		Total	
		Count	%
nQ17	(pricing baseline from previous question) -20% or more	10	5%
	(pricing baseline from previous question) -10% to -19%	99	51%
	(pricing baseline from previous question)-1% to -9%	54	28%
	(pricing baseline from previous question)	13	7%
	(pricing baseline from previous question) +1% to +9%	15	8%
	(pricing baseline from previous question) +10% to +19%	2	1%
	(pricing baseline from previous question) +20% or more	2	1%
	Total	195	100%

q18: What pricing baseline is your cost for GENERIC drugs based on?

		Total	
		Count	%
nQ18	Average Wholesale Price (AWP)	101	51%
	Wholesale Acquisition Cost (WAC)	70	35%
	Average Manufacturer's Price (AMP)	6	3%
	MAC	14	7%
	Contract Pricing	3	2%
	OTHER OR VARIES	5	3%
	Total	199	100%

q19: In general, into which of the following ranges does your cost for generic drug fall?

		Total	
		Count	%
nQ19	(pricing baseline from previous question) -70% or more	3	2%
	(pricing baseline from previous question) -60% to -69%	2	1%
	(pricing baseline from previous question) -50% to -59%	14	7%
	(pricing baseline from previous question) -40% to -49%	23	12%
	(pricing baseline from previous question) -20% to -39%	44	23%
	(pricing baseline from previous question) -1% to -19%	61	32%
	(pricing baseline from previous question)	21	11%
	(pricing baseline from previous question) +1% to +9%	12	6%
	(pricing baseline from previous question) +10% to +19%	6	3%
	(pricing baseline from previous question) +20% or more	5	3%
	Total	191	100%

q20: What was the total Rx cost (to you) of goods sold in 2007?

		Total	
		Count	%
Q17	\$125,000-\$199,999	6	3%
	\$200,000-\$274,999	2	1%
	\$275,000-\$349,999	3	1%
	\$350,000-\$424,999	4	2%
	\$425,000-\$499,999	3	1%
	\$500,000-\$574,999	5	2%
	\$575,000-\$849,999	10	5%
	\$850,000-\$924,999	5	2%
	\$925,000-\$999,999	6	3%
	\$1,000,000-\$1,749,999	45	22%
	\$1,750,000-\$1,999,999	14	7%
	\$2,000,000-\$2,999,999	44	22%
	\$3,000,000-\$3,999,999	16	8%
	\$4,000,000-\$4,999,999	18	9%
	\$5,000,000-\$5,999,999	8	4%
	\$6,000,000-\$9,999,999	3	1%
	\$10,000,000 or more	10	5%
	Total	202	100%

q21: What was the total non-Rx cost (to you) of goods sold in 2007?

		Total	
		Count	%
Q18	Less than \$25,000	53	26%
	\$25,000-\$49,999	17	8%
	\$50,000-\$124,999	53	26%
	\$125,000-\$199,999	22	11%
	\$200,000-\$274,999	9	4%
	\$275,000-\$349,999	7	3%
	\$350,000-\$424,999	5	2%
	\$425,000-\$499,999	2	1%
	\$500,000-\$574,999	3	1%
	\$575,000-\$849,999	8	4%
	\$850,000-\$924,999	3	1%
	\$925,000-\$999,999	1	0%
	\$1,000,000-\$1,249,999	2	1%
	\$1,500,000-\$1,749,999	2	1%
	\$1,750,000-\$1,999,999	7	3%
	\$2,000,000 or more	8	4%
	Total	202	100%

q22: What was the gross profit on all goods sold in your store in 2007?

		Total	
		Count	%
Q19	Less than \$25,000	16	8%
	\$25,000-\$49,999	5	2%
	\$50,000-\$74,999	5	2%
	\$75,000-\$99,999	5	2%
	\$100,000-\$124,999	4	2%
	\$125,000-\$149,999	4	2%
	\$150,000-\$174,999	5	2%
	\$175,000-\$199,999	4	2%
	\$200,000-\$224,999	5	2%
	\$225,000-\$249,999	6	3%
	\$250,000-\$274,999	4	2%
	\$275,000-\$299,999	3	1%
	\$300,000-\$324,999	8	4%
	\$325,000-\$349,999	1	0%
	\$350,000-\$374,999	3	1%
	\$375,000-\$399,999	6	3%
	\$400,000-\$424,999	5	2%
	\$425,000-\$499,999	4	2%
	\$450,000-\$474,999	4	2%
	\$475,000-\$499,999	5	2%
	\$500,000-\$524,999	11	5%
	\$525,000-\$549,999	3	1%
	\$550,000-\$574,999	2	1%
	\$575,000-\$599,999	3	1%
	\$600,000-\$624,999	6	3%
	\$625,000-\$649,999	3	1%
	\$650,000-\$674,999	1	0%
	\$675,000-\$699,999	3	1%
	\$700,000-\$749,999	12	6%
	\$750,000-\$9,999,999	22	11%
	\$1,000,000 or more	33	16%
	Total	201	100%

q23: What was the total operating expense for this store in 2007?

		Total	
		Count	%
Q20	Less than \$100,000	3	2%
	\$100,000-\$149,999	9	5%
	\$150,000-\$199,999	10	5%
	\$200,000-\$249,999	9	5%
	\$250,000-\$299,999	7	4%
	\$300,000-\$349,999	13	7%
	\$350,000-\$399,999	9	5%
	\$400,000-\$449,999	11	6%
	\$450,000-\$499,999	19	10%
	\$500,000-\$599,999	8	4%
	\$550,000-\$599,999	11	6%
	\$600,000-\$649,999	8	4%
	\$650,000-\$674,999	2	1%
	\$675,000-\$699,999	4	2%
	\$700,000-\$749,999	10	5%
	\$750,000-\$999,999	18	9%
	\$1,000,000-\$1,999,999	26	13%
	\$2,000,000 or more	18	9%
	Total	195	100%

q24: What was the total net profit (or loss) for this store on all goods sold in 2007?

		Total	
		Count	%
Q21	(Loss) \$50,000 or more	10	5%
	- \$35,000-\$49,999	8	4%
	-\$20,000-\$34,999	11	6%
	-\$5,000-\$19,999	8	4%
	-\$1-\$4,999	4	2%
	\$0 (break even)	8	4%
	+(profit) \$1-\$4,999	8	4%
	+\$5,000-\$19,999	19	10%
	+\$20,000-\$34,999	18	9%
	+\$35,000-\$49,999	12	6%
	+\$50,000-\$64,999	12	6%
	+\$65,000-\$79,999	6	3%
	+\$80,000-\$89,999	9	5%
	+\$90,000 -\$99,999	14	7%
	+\$100,000-\$124,999	9	5%
	+\$125,000-\$149,999	7	4%
	+\$150,000-\$174,999	6	3%
	+\$175,000-\$199,999	4	2%
	+\$200,000 or more	23	12%
	Total	196	100%

q25: What was the total cost of operating your Rx Department in 2007?

		Total	
		Count	%
Q22	Less than \$25,000	1	1%
	\$25,000-\$49,999	1	1%
	\$100,000-\$124,999	6	3%
	\$125,000-\$149,999	4	2%
	\$150,000-\$174,999	5	3%
	\$175,000-\$199,999	11	6%
	\$200,000-\$224,999	12	6%
	\$225,000-\$249,999	6	3%
	\$250,000-\$274,999	4	2%
	\$275,000-\$299,999	6	3%
	\$300,000-\$324,999	10	5%
	\$325,000-\$349,999	5	3%
	\$350,000-\$374,999	7	4%
	\$375,000-\$399,999	6	3%
	\$400,000-\$424,999	11	6%
	\$425,000-\$449,999	2	1%
	\$450,000-\$474,999	10	5%
	\$475,000-\$499,999	10	5%
	\$500,000-\$749,999	40	20%
	\$750,000-\$999,999	13	7%
	\$1,000,000 or more	28	14%
	Total	198	100%

q26: What was the indirect cost of operating your Rx Department in 2007?

		Total	
		Count	%
Q23	Less than \$24,999	21	11%
	\$25,000-\$49,999	27	14%
	\$50,000-\$74,999	27	14%
	\$75,000-\$99,999	21	11%
	\$100,000-\$124,999	17	9%
	\$125,000-\$149,999	12	6%
	\$150,000-\$174,999	9	5%
	\$175,000-\$199,999	7	4%
	\$200,000-\$224,999	4	2%
	\$225,000-\$249,999	2	1%
	\$250,000-\$274,999	4	2%
	\$275,000-\$299,999	4	2%
	\$300,000-\$324,999	10	5%
	\$325,000-\$349,999	3	2%
	\$400,000-\$424,999	4	2%
	\$425,000-\$449,999	1	1%
	\$450,000-\$474,999	2	1%
	\$500,000-\$749,999	3	2%
	\$750,000-\$999,999	5	3%
	\$1,000,000 or more	12	6%
	Total	195	100%

q27: What was average cost of dispensing a prescription IN 2007?

		Total	
		Count	%
Q24	Less than \$2.50	3	2%
	\$2.50-\$2.74	3	2%
	\$3.00-\$3.24	2	1%
	\$3.25-\$3.49	3	2%
	\$3.50-\$3.74	2	1%
	\$3.75-\$3.99	3	2%
	\$4.00-\$4.24	5	3%
	\$4.25-\$4.49	2	1%
	\$4.50-\$4.74	2	1%
	\$4.75-\$4.99	5	3%
	\$5.00-\$5.24	9	5%
	\$5.25-\$5.49	2	1%
	\$5.50-\$5.74	2	1%
	\$5.75-\$5.99	5	3%
	\$6.00-\$6.24	6	3%
	\$6.25-\$6.49	2	1%
	\$6.50-\$6.74	2	1%
	\$6.75-\$6.99	6	3%
	\$7.00-\$7.24	11	6%
	\$7.25-\$7.49	2	1%
	\$7.50-\$7.74	10	5%
	\$7.75-\$7.99	11	6%
	\$8.00-\$8.99	31	16%
	\$9.00-\$9.99	22	11%
	\$10.00 or more	48	24%
	Total	199	100%

Appendix 2. Average Values of Survey Responses

Question	N	Minimum	Maximum	Lower Limit	Average	Upper Limit
Q3 How many total prescriptions , (Rx's) did your pharmacy dispense in 2007 ?	205	7,500	105,000	50,547	54,439	58,330
Q4 Of that total, how many were Medicaid Rx's ?	203	251	52,500	8,035	9,721	11,407
Q5 Of the total number of prescriptions dispensed in 2007, how many were other third party (non-Medicaid) Rx's ?	204	251	52,500	30,356	32,807	35,258
Q6 What was your lowest contractual dispensing fee for Rx's in 2007?	203	\$0.88	\$10.50	\$1.81	\$1.97	\$2.13
Q7 What was your highest contractual dispensing fee for Rx's?	201	\$2.38	\$10.50	\$5.14	\$5.47	\$5.80
Q11 What was the average fee you received for dispensing all prescriptions in 2007?	195	\$2.38	\$10.50	\$3.47	\$3.73	\$3.98
Q12 What was the amount of total store sales in 2007?	202	\$275,001	\$12,000,000	\$3,294,005	\$3,716,584	\$4,139,162
Q13 What was your total Rx sales in 2007?	204	\$175,000	\$12,000,000	\$2,862,152	\$3,243,933	\$3,625,715
Q14 What were your total non-Rx sales in 2007?	202	\$37,501	\$2,275,000	\$325,899	\$417,079	\$508,259
Q15 What was the total cost (to you) of goods your store sold in 2007?	200	\$187,501	\$12,000,000	\$2,637,847	\$3,029,000	\$3,420,152
Q20 What was the total Rx cost (to you) of goods sold in 2007?	202	\$162,500	\$12,000,000	\$2,354,875	\$2,715,222	\$3,075,569
Q21 What was the total non-Rx cost (to you) of goods sold in 2007 ?	202	\$12,501	\$2,125,000	\$237,621	\$313,180	\$388,739
Q22 What was the gross profit on all goods sold in your store in 2007?	201	\$12,501	\$1,125,000	\$476,768	\$527,736	\$578,703
Q23 What was the total operating expense for this store in 2007?(including, if applicable, the owner's salary)	195	\$75,001	\$2,500,000	\$700,623	\$795,641	\$890,658
Q24 What was the total net profit (or loss) for this store on all goods sold in 2007?	188	-\$57,500	\$212,500	\$50,968	\$62,460	\$73,951
Q25 What was the total cost of operating your Rx Department in 2007?	198	\$12,501	\$1,125,000	\$478,189	\$522,032	\$565,876
Q26 What was the indirect cost of operating your Rx Department in 2007?	195	\$12,501	\$1,125,000	\$172,731	\$213,141	\$253,550
q27: What was average cost of dispensing a prescription in 2007?	199	\$2.38	\$10.50	\$7.45	\$7.77	\$8.10

Total number of responses (n) is equal to 208. Not every pharmacy answered every question. Lower and Upper Limits represent the 95% confidence interval around the average.

Appendix 3. Verbatim Responses to Open-ended items

Q2: Which of the following most accurately describes your pharmacy?

ID#	Comment
12	home infusion
26	Ind. pharm. no front end.
36	delivery only doc- u-dose sys.
42	clinic pharmacy
48	home infusion
53	340B in- house comm. health ctr.
56	clinic
63	specialty pharmacy
64	hospital retail pharmacy
81	home infusion
134	home infusion non retail
183	Pediatric Home Infusion Ph
185	LTC Pharmacy
192	non-profit
210	Clinic Pharmacy
213	Specialty Biotech

Q8: Into which of the following ranges did your lowest contractual product reimbursement cost fall?

ID#	Comment
25	I will not accept this type of format
103	AWP-15%

Q9: Into which of the following ranges did your highest contractual product reimbursement cost fall?

ID#	Comment
17	340B Program
25	We need to be paid as pro.'s for our services
77	340B pricing

Q10: In 2007, what was your most common contractual dispensing reimbursement formula for prescriptions, excluding Medicaid Rx?

ID#	Comment
1	AWP-16%+\$2.00
2	AWP-14%+\$3.50
3	AWP-12%+\$2.50
4	AWP-12%+\$2.50
5	AWP-15%+\$3.00
7	AWP-14%+\$2.50
8	AWP-14%+\$2.25
10	AWP-12%+\$2.00
11	AWP-12%+\$2.50
12	AWP-6%+\$105/day (per diem)
13	AWP-16%+\$1.75
14	AWP-12%+\$2.75
15	AWP-14%+\$2.50
16	AWP-12%+\$2.75
17	AWP-12%+\$2.75
18	AWP-12%+\$2.00
19	AWP-12%+\$2.50
20	AWP-25%+\$1.00
22	AWP-12%+\$3.00
24	AWP-15%+\$3.00
26	AWP-20%+\$1.50
27	AWP-10%+\$2.00 non-medicaid: AWP-14%+\$3.50
28	AWP-14%+\$2.75
29	AWP-12%+\$2.00
30	AWP-20%+\$3.25
31	AWP-10%+\$2.75
32	AWP-13%+\$1.75
33	AWP-12%+\$2.50
34	AWP-12%+\$3.00
35	AWP-10%+\$4.00
36	AWP-12%+\$4.00
37	AWP-14%+\$2.75
38	AWP-11%+\$2.50
39	AWP-16%+\$1.50
41	AWP-12%+\$2.25
42	AWP-16%+\$1.75
43	AWP-10%+\$2.50
44	AWP-12%+\$3.00
45	AWP-15%+\$1.75
46	AWP-15%+\$3.00
47	AWP-15%+\$2.00
48	AWP-7%+\$2.50
49	AWP-17%+\$2.50
50	AWP+5%+\$3.00

ID#	Comment
52	AWP-15%+\$1.75
53	AWP-15%+\$2.00
54	AWP-15%+\$2.00
55	AWP-13%+\$3.50
58	AWP-14%+\$2.00
59	AWP-15%+\$2.50
60	AWP-12%+\$2.75
61	-26
62	AWP-11%+\$2.75
63	AWP-14%+\$3.50
64	AWP-18%+\$2.50
65	AWP-12%+\$5.00 non-Medicaid: AWP-12%+\$5.00
66	AWP-15%+\$2.00
67	AWP-15%+\$2.50
68	AWP+1
69	AWP-12%+\$2.75
70	AWP-12%+\$3.00 non-Medicaid: AWP-12%+\$3.00
71	AWP-13%+\$2.00
72	AWP-16%+\$1.90 non Medicaid generic: AWP-50%+\$0.50
73	AWP-10%+\$2.00
74	AWP-17%+\$1.50
75	AWP-15%+\$2.50
76	AWP-15%+\$1.50
77	AWP-12%+\$2.50
78	AWP-10%+\$2.50
79	AWP-12%+\$2.50
80	AWP-16%
83	AWP-12%+\$2.50
84	AWP-10%+\$2.00
85	AWP-13%+\$3.00
86	AWP-15%+\$2.00 non-Medicaid: AWP-15%+\$2.50
88	AWP-15%+\$2.50
89	AWP-11%+\$2.50
90	AWP-10%+\$2.50
91	AWP-12%+\$2.00
92	AWP-14%+\$2.50
93	AWP-16%+\$2.75
94	AWP-12%+\$4.50
95	AWP-20%+\$2.00
96	AWP-15%+\$2.50
97	AWP-15%+\$2.50
98	AWP-15%+\$3.50
99	AWP-12%+\$2.75
100	AWP-12%+\$1.75
101	AWP-14%+\$2.50
102	AWP-14%+\$2.00

ID#	Comment
103	AWP-10%+\$3.25
104	AWP-13%+\$2.50
105	AWP-14%+\$2.50
106	AWP-12=6%+\$2.00
107	AWP-12%+\$2.75
108	AWP-13%+\$2.50
109	AWP-14%+\$2.00
110	AWP-15%+\$2.00
111	AWP-9%+\$2.75
112	AWP-13%+\$2.50
113	AWP-15%+\$2.50
114	AWP-10%+\$3.50
115	AWP-12%+\$4.00
116	AWP-15%+\$2.50
117	AWP-15%+\$2.50
118	AWP-16%+\$2.00
119	AWP-13%+\$2.50
120	AWP-40%+\$3.70
121	AWP-14%+\$2.00
122	AWP-13%+\$2.25
123	AWP-15%+\$1.75
124	AWP-12%+\$4.50
125	AWP-15%+\$2.50
126	AWP-13%+\$2.50
127	AWP-14%+\$2.50
128	AWP-13%+\$2.75
129	AWP-15%+\$2.00
130	AWP-10%+\$2.50 non Medicaid: AWP
132	AWP-12%+\$3.50
133	AWP-15%+\$2.10
135	AWP-10%+\$2.50
136	AWP-15%+\$2.00
137	MAC+10%+\$2.25
138	AWP-15%+\$2.50
139	AWP-13%+\$2.50
140	AWP-12%+\$3.00
141	AWP-16%
143	AWP-14%+\$2.50
144	AWP-10%+\$3.00
146	AWP-14%+\$2.50
147	AWP-10%+\$1.75
148	AWP-12%+\$2.75
149	AWP-10%+\$2.50
150	AWP-12%+\$2.00
151	AWP-4%+\$2.00
152	AWP-10%+\$2.50

ID#	Comment
154	AWP-14%+\$2.50
155	AWP-15%+\$2.50
156	AWP-10%+\$2.75
157	AWP-14%+\$2.50
158	AWP-14%+\$2.50
159	AWP-14%+\$2.50
160	AWP-10%+\$2.50
161	AWP-15%+\$1.50
162	AWP-10%+\$2.50
163	AWP-5%+\$2.50
164	AWP-16%+\$2.50
165	AWP-13%+\$2.50
166	AWP-14%+\$2.50
167	AWP-16%+\$1.75
168	AWP-14%+\$2.50
169	AWP-14%+\$2.50
170	AWP-15%+\$2.00
171	AWP-18%+\$2.75
172	AWP-7%+\$4.00
173	AWP-10%+\$2.50
174	AWP-7%+\$2.75
176	AWP-15%+\$3.25
177	AWP-10%+\$2.75
178	AWP-10%+\$2.75
179	AWP-17%+\$2.00
180	AWP-10%+\$2.50
181	AWP-12%+\$2.75
182	AWP-12%+\$2.50
184	AWP-16%+\$2.75
185	AWP-13%+\$4.50 non-Medicaid: MAC price+\$1.50
188	AWP-16%+\$2.50
189	AWP-13%+\$2.50
190	AWP-15%+\$1.75
191	AWP-12%+\$2.50
192	AWP-14.4%+\$2.00
193	AWP-15%+\$3.00
194	AWP-16%+\$2.00
195	AWP-12%+\$4.00
197	AWP-14%+\$2.50
198	AWP-15%+\$1.75
200	AWP-10%+\$3.00
201	AWP-14%+\$2.00
202	AWP-13%+\$3.00
206	AWP-18%+\$2.50
206	AWP-18%+\$2.50

ID#	Comment
207	AWP-16%+\$2.25
207	AWP-16%+\$2.25
208	AWP-15%+\$2.25
208	AWP-15%+\$2.25
209	AWP-15%+\$2.25
209	AWP-15%+\$2.25
211	AWP-5%+\$3.25
211	AWP-5%+\$3.25
212	AWP-6%+\$3.50
212	AWP-6%+\$3.50
213	AWP-15%+\$3.00
213	AWP-15%+\$3.00
214	AWP-15%+\$2.00
216	AWP-15%+\$2.50
217	AWP-12%+\$4.50

Q16: What pricing baseline is your cost for brand drugs based on?

ID#	Comment
65	Cost & AWP depending on payer
210	340B
210	340B

Q18: What pricing baseline is your cost for GENERIC drugs based on?

ID#	Comment
2	actual cost plus
42	net contract pricing
52	actual cost
65	Cost & AWP
85	my cost from Wholesaler
94	net acquisition cost
102	market price
110	contract pricing
115	MAC
119	9 NO ANSWER
121	market price not tied to a baseline
132	widely varies
137	MAC
143	MAC
146	MAC
154	MAC
157	MAC
158	MAC
159	MAC
161	contract price

166	MAC
168	MAC
169	MAC
172	AWP-25%
184	my cost
194	determined based on drug
197	MAC
210	340B
210	340B

Q27: What was average cost of dispensing a prescription in 2007?

ID#	Comment
87	(note) Thanks for your inquiry. I'm sure glad to know the state is always trying to figure out how to lower reimbursement. Is this how they justify it?? No wonder pharmacies have to go out of business. Why not check the drug manufacturers: they are the real reason drug prices are out of control.