

REQUEST FOR PROPOSALS

RFP NUMBER: 0A1086
DATE ISSUED: August 3, 2011

The State of Ohio, through the Department of Administrative Services, Information Technology Procurement Services for the Ohio Bureau of Workers' Compensation is requesting proposals for:

BWC Core System

INQUIRY PERIOD BEGINS: August 3, 2011
INQUIRY PERIOD ENDS: August 19, 2011
OPENING DATE: August 29, 2011
OPENING TIME: 11:00 A.M.
OPENING LOCATION: Department of Administrative Services
I.T. Procurement Services
Bid Room
4200 Surface Road
Columbus, Ohio 43228

PRE-PROPOSAL CONFERENCE DATE: August 11, 2011

This RFP consists of five parts and fourteen attachments, totaling 134 consecutively numbered pages. Supplements also are attached to this RFP with a beginning header page and an ending trailer page. Please verify that you have a complete copy.

PART ONE: EXECUTIVE SUMMARY

Purpose. This is a Request for Competitive Sealed Proposals (“RFP”) under Sections 125.071 and 125.18 of the Ohio Revised Code (the “Revised Code”) and Section 123:5-1-8 of the Ohio Administrative Code (the “Administrative Code”). The Ohio Bureau of Workers’ Compensation has asked the Department of Administrative Services to solicit competitive sealed proposals (“Proposals”) for a single contractor to provide a Commercially available Off-The-Shelf (COTS) software solution which includes Claims, Policy and Billing management functionality to support the Bureau of Workers’ Compensation’s (BWC) Core System initiative (the “Project”), and this RFP is the result of that request.

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

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

Once awarded, the term of the Contract will be from the award date until the Project is completed to the satisfaction of the State and the Contractor is paid or June 30, 2013, whichever is sooner. The State may renew this Contract for up to nine additional one-year term(s), subject to and contingent on the discretionary decision of the Ohio General Assembly to appropriate funds for this Contract in each new biennium. Any such renewal of all or part of the Contract also is subject to the satisfactory performance of the Contractor and the needs of BWC.

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

Background. BWC is the largest exclusive state insurance fund system in the United States and is responsible for the administration, adjudication and payment of all workers' compensation policies and claims in the State of Ohio. Employers are required by statute to carry workers' compensation insurance through BWC. BWC is represented by a Board of Directors, which provides professional expertise, accountability, transparency and a broad representation of BWC's customers – Ohio workers and employers. The Board has direct authority to advise BWC's administrator and to set overall policy for the agency.

In fiscal year 2010, BWC had 2,262 employees and total assets of \$24 billion dollars. They serviced approximately 251,000 private, 3,900 public, and 1,200 self-insured employers and paid out almost \$1.9 billion in total medical and compensation benefits. During this period 116,042 claims were filed. Services are provided to Ohio workers and employers centrally and via fourteen BWC service offices located throughout the state.

Additional information about BWC can be found at www.ohiobwc.com.

BWC is typical of many insurance companies in that much of its application portfolio is comprised of legacy applications, most of which were written internally in the 90's. BWC is currently operating in an environment with limited to moderate automated functionality and data access. Many business processes have manual or system (e.g., Excel, Access, etc.) workarounds. Multiple applications are used to support single processes. Lack of data, when and where needed, lack of integration between existing legacy applications and implementation of business process change regardless of application support drive many of the workarounds. A portion of correspondence is manually generated and custom letter databases exist throughout BWC. Multiple processes utilize the same workarounds. Claims processes are the most mature, followed by billing processes with policy processes being the least mature.

The proposed solution must offer the flexibility necessary to address each business area with appropriate design and functionality. This new technology is needed for BWC to effectively execute new operating models, business processes, and organizational structures to support a superior workers' compensation organization.

The BWC Core System initiative, will replace several legacy systems with a claims, policy and billing COTS software solution. These legacy systems include:

1. Claims processing – Version 3
2. Claims processing – Imaging
3. Policy Management and Billing – WCIS

The following legacy system's functionality may be impacted by the BWC Core System initiative:

1. Rates and Payments – R&P
2. Ohiobwc.com

Additional detail regarding these legacy systems is included in Attachment 10, BWC Legacy Systems Overview.

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

The Core system must, at a minimum, support the following functionality related to:

Claims management:

- First Report of Injury
- Assignment
- Evaluation
- Negotiation
- Data Management and Reporting
- Recovery
- Litigation Management
- Vendor management
- Process Control

Policy management:

- Policy Administration
- Qualifying Risks
- Risk Assessment
- Rating/Pricing
- Quote Presentation
- Policy Issuance
- Policy Maintenance

Billing management (including invoicing):

- Payment Processing
- Receivable Management
- Commissions/Agency Management
- Issue Handling
- Reporting

Enterprise wide functionality:

- User Self Service
- Document/Forms Management
- Role Based Security
- Collaboration and Notification Services
- Data Management and Reporting

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

The Contractor must provide a Commercially available Off-The-Shelf (COTS) software solution for an integrated Claims, Policy and Billing management system. In addition, BWC expects the Contractor to provide expertise and services related to planning and implementation of the Contractor's proposed COTS software solution. The Contractor must provide a Project Manager and staff to train and work with BWC staff to perform and assist with the following tasks:

- Task 1 - Project Management;
- Task 2 - Business and High Level IT Technical Requirements Review and Validation;
- Task 3 - Design;
- Task 4 – Implementation/Build;
- Task 5 – Testing/Quality Assurance;
- Task 6 – Training;
- Task 7 – Conversion Plan; and
- Task 8 – Deployment Readiness/Production Release and Post Implementation Support.

The scope of work will include tasks and deliverables the Contractor must complete in order to assist with implementation of the solution.

Additional work for this project (e.g., conversion tasks, Medical Bill Review functionality implementation, etc.) may be defined using the Interval Deliverable Agreement (IDA) model. The Contractor must work with designated BWC staff, to develop deliverables for each defined interval at any time during the Contract. The deliverables will be negotiated prior to the start of each interval and will be monitored throughout the interval and the life of the Contract. The State and the Contractor will agree in writing, during the course of the Contract, to specific work assignments, sub-deliverables, due dates, Contractor staffing requirements (based on positions and associated hourly rates in the Cost Summary Rate Card), State resources and the proposed deliverable agreement for the defined interval. A deliverable or sub-deliverable may be identified as a work product or hours toward completion of a work product. The IDA documents must be developed and submitted for State approval at least 30 days prior to the interval start date. An IDA is not effective until the State (BWC and DAS) and Contractor have approved and signed the agreement. All IDA content (deliverables, including sub-deliverables, Work Breakdown Schedules (WBS) with due dates, etc.) will be amended to the Contract. IDAs are expected to be a combination of distinct projects, tasks, or reports and activities that will be consultative and billed on the basis of time and materials or as a deliverable completion as agreed to by the State and the Contractor.

As part of the Project, the Contractor must license or arrange for the licensing of certain commercial software products ("Commercial Software") to the State. Commercial Software is software sold in the marketplace in substantial quantities in a substantially unaltered form from one transaction to another and that is maintained through a support program that includes regular updates and new releases. It may also include freeware, such as GNU software, if made generally available in the marketplace, even though such software does not precisely meet the above definition for Commercial Software. It does not include shells, subroutines, and similar stock bits of software that are not made generally available to the marketplace but that the offeror or others routinely incorporate into otherwise custom work. The **Core System (Claims, Policy and Billing management)** is considered a key application ("Key Commercial Software"). It must meet the above definition for Commercial Software, and the offeror must offer to license it or arrange for the licensing of it to the State through a license agreement substantially in the form of Attachment Nine to this RFP. Other Commercial Software necessary for the offeror to complete the Project, if awarded the Contract, may be licensed to the State under the terms of Attachment Four or the applicable software marketer's standard commercial license, if the terms of that license are acceptable to the State, or if the State and the software marketer negotiate acceptable changes to the commercial license.

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

Dates:

Firm Dates

RFP Issued:	August 3, 2011
Inquiry Period Begins:	August 3, 2011
Pre-Proposal Conference Date:	August 11, 2011 at 9:00 a.m.
Inquiry Period Ends:	August 19, 2011 at 8:00 a.m.
Proposal Due Date:	August 29, 2011 at 11:00 a.m.

Estimated Dates

Award Date:	December 1, 2011
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Estimated Project Dates

Project Work Begins:	January 2, 2012
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There are references in this RFP to the Proposal due date. Unless it is clearly provided to the contrary in this RFP, any such reference means the date and time (Columbus, Ohio local time) that the Proposals are due and not just the date.

PART TWO: STRUCTURE OF THIS RFP

Organization. This RFP is organized into five parts and has 14 attachments. The parts and attachments are listed below. There also are three supplements to this RFP listed below.

Parts:

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

Attachments:

- Attachment One Evaluation Criteria
- Attachment Two Project Requirements and Special Provisions
- Attachment Three Requirements for Proposals
- Attachment Four General Terms and Conditions
- Attachment Five Sample Contract
- Attachment Six Sample Deliverable Submittal and Acceptance (Deliverable Sign-Off Form)
- Attachment Seven Offeror Certification Form
- Attachment Eight Offeror Profile Summary
- Attachment Nine Master Contract for Software Licensing
- Attachment Ten BWC Legacy Systems Overview
- Attachment Eleven BWC Medical Bill Review Requirements Summary
- Attachment Twelve BWC IT Contractor Agreement and BWC Code of Ethics
- Attachment Thirteen Standard Affirmation and Disclosure Form, including Executive Order 2011-12K
- Attachment Fourteen Cost Summary

Supplements:

- Supplement One W-9 Form
- Supplement Two System Requirements Specifications
- Supplement Three BWC Current System Technical Architecture

PART THREE: GENERAL INSTRUCTIONS

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

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

Procurement Representative:

Roni Rowe
Acquisition Analyst
Department of Administrative Services
Office of Information Technology
30 E. Broad Street, 39th Floor
Columbus, Ohio 43215

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

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

- Access the State Procurement Website at <http://procure.ohio.gov/>;
- From the Navigation Bar on the left, select "Find It Fast";
- Select "Doc/Bid/Schedule #" as the Type;
- Enter the RFP number found on the first page of this RFP (the RFP number begins with zero followed by the letter "A");
- Click the "Find It Fast" button;
- On the document information page, click the "Submit Inquiry" button;
- On the document inquiry page, complete the required "Personal Information" section by providing:
 - First and last name of the prospective offeror's representative who is responsible for the inquiry,
 - Name of the prospective offeror,
 - Representative's business phone number, and
 - Representative's email address;
- Type the inquiry in the space provided including:
 - A reference to the relevant part of this RFP,
 - The heading for the provision under question, and
 - The page number of the RFP where the provision can be found; and
- Click the "Submit" button.

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

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

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

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

Pre-Proposal Conference. The State will hold a Pre-Proposal Conference on August 11, 2011 at 9:00 a.m. in the BWC Auditorium of the William Green building, Second floor, 30 W. Spring St., Columbus, Ohio 43215. The

purpose of this conference is to discuss the RFP and the Project with prospective offerors and to allow them to ask questions arising from their initial review of this RFP.

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

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

Offerors may view amendments by using the "Find It Fast" function of the State's Procurement Webpage (described in the Inquiries Section above) and then clicking on the amendment number to display the amendment.

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

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

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

Proposal Submittal. Each offeror must submit a technical section and a cost section as part of its total Proposal before the opening time on the Proposal due date. The offeror must submit the technical section as a separate package from the cost section of its Proposal, and each section must be submitted in its own separate, opaque package. The package with the technical section of the Proposal must be sealed and contain one originally signed technical section and seven copies of the technical section, and the package with the cost section also must be sealed and contain three complete copies of the cost section of the Proposal. Further, the offeror must mark the outside of each package with either "BWC Core System RFP – Technical Proposal" or "BWC Core System RFP – Cost Summary," as appropriate.

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

Proposals are due no later than 11:00 a.m. on the Proposal due date. Proposals submitted by email, fax or other electronic means are not acceptable, and the State may reject them. Offerors must submit their Proposals to:

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

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

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

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

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

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

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

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

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

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

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

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

Proposal Instructions. Each Proposal must be organized in an indexed binder ordered in the same manner as the response items are ordered in the applicable attachments to this RFP. The requirements for a Proposal's

contents and formatting are contained in the attachments to this RFP. The State wants clear and concise Proposals, but offerors must answer questions completely and meet all the RFP's requirements.

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

PART FOUR: EVALUATION OF PROPOSALS

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

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

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

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

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

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

Corrections and clarifications must be completed off State premises.

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

Technical Evaluation. The State will evaluate each Proposal that it has determined is timely, complete, and properly formatted. The evaluation will be scored according to the requirements identified in this RFP, including the requirements in Attachment One. Other attachments to this RFP may further refine these requirements, and the State has a right to break these requirements into components and weight any components of a requirement according to their perceived importance.

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

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

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

The State will document all major decisions and make these a part of the Contract file, along with the evaluation results for each Proposal considered.

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

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

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

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

If the offeror cures its failure to meet a mandatory requirement the State has deemed critical to the success of the RFP's objectives, the State may continue to consider the offeror's Proposal. However, if the offeror is unwilling or unable to cure the failure, its Proposal may be rejected. The State then may continue to consider the other remaining Proposals, including, if the State so chooses, Proposals ranked lower than the rejected Proposal.

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

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

are moved to the next phase, excluding any Proposals the State disqualifies because of excessive cost or other irregularities.

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

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

- Clarify its Proposal and ensure a mutual understanding of the Proposal's content;
- Show the features and functions of its proposed hardware, software, or solution; and
- Demonstrate the professionalism, qualifications, skills, and work knowledge of its proposed candidates.

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

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

Demonstrations. The highest ranking offeror(s) may be invited to demonstrate their proposed solution. The selected offeror(s) must demonstrate their solution capabilities at a BWC specified location in Columbus, Ohio. The target time period for the one day demonstrations is October 17th through November 11, 2011; the State will formally notify the highest ranked offeror(s) at least seven calendar days before the demonstration. The objective of the demonstration(s) is to provide a more in depth understanding of the proposed solution's ability to address the RFP business and technical requirements. Specific instructions including an agenda will be provided should the State elect to schedule demonstrations. At a minimum, the demonstration must include the following:

- Executive Summary
 - Introduction of demonstration participants
 - Overview of the offeror's organization, the proposed solution's use in the marketplace and current workers' compensation customers
 - Executive level overview of core system functions, the recommended implementation approach and the technical architecture
- Core Functionality
 - Demonstrate BWC selected aspects of the offeror's solution to address the RFP requirements for Claims, Policy and Billing functionality
 - Demonstrate interaction between core system functions
 - Demonstrate approach to configure business rules, policies, and procedures

- Demonstrate reporting and analytics capabilities including out of the box features and customizing reports
- Approach
 - Overview of the recommended implementation approach to deliver Claims, Policy and Billing including if the offeror's solution must be implemented as a total solution using a "big bang approach" or if the individual core system functions may be implemented separately
- Case Presentation
 - BWC will provide a common case that offeror's will be expected to demonstrate live
- Technology
 - High-level technical architecture overview
 - Overview of the integration of the offeror's core system functions as well as approach to integration with other applications such as general ledger
 - Overview of the data model and flexibility to configure

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

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

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

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

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

references other than those provided in the offeror's Proposal. The State also may use information from other sources, such as third-party reporting agencies.

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

Contract Negotiations. The final phase of the evaluation process may be contract negotiations. It is entirely within the discretion of the State whether to permit negotiations. An offeror must not submit a Proposal assuming there will be an opportunity to negotiate any aspect of the Proposal, and any Proposal that is contingent on the State negotiating with the offeror may be rejected. The State is free to limit negotiations to particular aspects of any Proposal or the RFP, to limit the offerors with whom the State negotiates, and to dispense with negotiations entirely. If negotiations are held, they will be scheduled at the convenience of the State, and the selected offeror or offerors must negotiate in good faith.

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

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

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

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

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

The State usually will not rank negotiations and normally will hold them only to correct deficiencies in or enhance the value of the highest-ranked offeror's Proposal.

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

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

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

Failure to Negotiate. If an offeror fails to provide the necessary information for negotiations in a timely manner, or fails to negotiate in good faith, the State may terminate negotiations with that offeror, remove the offeror's Proposal from further consideration, and seek such other remedies as may be available in law or in equity. Further, if negotiations involve proposed changes to Attachment Nine for Key Commercial Software, the State may terminate negotiations with that offeror and remove the offeror's Proposal from further consideration, if the State and the offeror cannot agree on terms acceptable to the State.

PART FIVE: AWARD OF THE CONTRACT

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

Under Ohio's anti-terrorism legislation, effective April 14, 2006, the selected offeror must complete a Declaration Regarding Material Assistance/Non-assistance to a Terrorist Organization to certify the offeror has not provided material assistance to any terrorist organization listed on the Terrorist Exclusion List. The form and the Terrorist Exclusion List are available on the Ohio Homeland Security Website. The form must be submitted with the offeror's Proposal. If an offeror answers yes or fails to answer any question on the form, the State may not award the Contract to that offeror. The offeror may request the Department of Public Safety to review such a denial of an award. More information concerning this law is available at: <http://www.homelandsecurity.ohio.gov>.

Included with this RFP, as Attachment Five, is a sample of the Contract for the RFP. The State will issue two originals of the Contract to the Contractor proposed for award. The offeror must sign and return the two originals to the Procurement Representative. The State also will issue two originals of any Master Contract(s) for Software Licensing (Master Contract(s)) to the Contractor. If the licensor under any such Master Contract is not the offeror, the offeror will be responsible for coordinating execution of the document by the licensor and returning it to the State with the two originally signed copies of the Contract. The Contract and any Master Contract will bind the State only when the State's duly authorized representative signs all copies and returns one to the Contractor with an award letter, the State issues a purchase order, and all other prerequisites identified in the Contract have occurred.

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

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

1. This document;
2. The RFP, as amended;
3. The documents and materials incorporated by reference in the RFP;
4. The Executive Order, EO 2011-12K incorporated by reference in the RFP;
5. The Contractor's Proposal, as amended, clarified, and accepted by the State; and
6. The documents and materials incorporated by reference in the Contractor's Proposal.

Notwithstanding the order listed above, change orders and amendments issued after the Contract is executed may expressly change the provisions of the Contract. If they do so expressly, then the most recent of them will take precedence over anything else that is part of the Contract. To be binding on the State, a duly authorized representative of the Department of Administrative Services must sign any change order under or amendment to the Contract.

Any Master Contract for Software Licensing will be a separate agreement and not part of the Contract, but the State may require the incorporation into the Master Contract of any representations regarding the performance, features, and functions of the Key Commercial Software made in the RFP.

ATTACHMENT ONE: EVALUATION CRITERIA

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

Mandatory Requirements	Reject	Accept
The offeror must propose a Commercial off-the-Shelf (COTS) insurance solution which at a minimum offers modules for Claims, Policy and Billing management.		
The offeror must have at least one Workers' Compensation commercial insurance implementation, currently in production, of each of the modules (Claims, Policy and Billing management).		
The offeror must have a minimum of five commercial insurance implementations, currently in production, with at least one implementation of two or more modules (Claims, Policy and Billing management).		
The offeror must have a commercial insurance implementation, currently in production, which manages at least 100,000 policies and 1 million claims.		
All proposed software must run natively on, be fully supported on, and be licensed for standard x86 servers.		
All proposed software must run natively under, be fully supported on, and be licensed for Linux or Windows Server operating systems.		
All data communication with and among solution components must employ the Internet Protocol (IP) network layer protocol.		
The primary runtime environment must be Java or .Net.		
All customer facing user interface components must employ a browser-based Web interface fully compatible with industry recognized common browsers (i.e., Internet Explorer, Firefox).		
Audit details must be able to be captured when data in the database is created, queried, changed, updated or deleted based upon configurable parameters. This audit capability must allow for compliance with ORC 1347.15.		
The operational data store must employ a standard RDBMS that is Microsoft SQL Server, IBM DB2 or Oracle.		

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

Points will be awarded by the criteria listed in the following table with the best proposal in each category being awarded ten (10) points, the second best seven (7) points and the third best four (4) points and any proposal fourth best or lower that meets the criteria will receive two (2) points. Any offeror that does not meet the criteria receives zero points in that category. The standard for evaluation, consequently, is established by the competition.

However, in the event of ties or significant differences in the quality and content of the proposals, the evaluation committee reserves the right to rate the proposals accordingly.

Scored Criteria	Weight	Best	2 nd Best	3 rd Best	Lower than 3 rd Best	Not Acceptable
OFFEROR REQUIREMENTS						
<p>The offeror must have at least one Workers' Compensation commercial insurance implementation currently in production of each of the modules (Claims, Policy and Billing management).</p> <p>To demonstrate this experience, the offeror must include up to, but not more than, three references from organizations that have completed a Claims, Policy and Billing management implementation. If more than three references are provided for each type (Claims, Policy and Billing management), only the first three listed will be used for scoring. A total of nine references may be provided (maximum of three per type).</p>	6	10	7	4	2	REJECT
<p>The offeror must have a minimum of five commercial insurance implementations currently in production with at least one implementation of two or more modules (Claims, Policy and Billing management).</p> <p>If more than six references are provided, only the first six listed will be used for scoring.</p>	7	10	7	4	2	REJECT
<p>The offeror must have a commercial insurance implementation currently in production which manages at least 100,000 policies and 1 million claims.</p> <p>If more than three references are provided, only the first three listed will be used for scoring.</p>	7	10	7	4	2	REJECT
PROJECT REQUIREMENTS						
PROJECT STRATEGY	50	10	7	4	2	0
PROJECT PLAN	50	10	7	4	2	0
WORK PLAN	50	10	7	4	2	0
STAFFING PLAN	30	10	7	4	2	0
PROPOSED SOLUTION						
POLICY						
1.1 Insurance Product Support	8	10	7	4	2	0
1.2 States, Rates, Rules & Forms	6	10	7	4	2	0
1.3 Transactions: General Requirements	9	10	7	4	2	0
1.4 Quote	1	10	7	4	2	0
1.5 New Business Application	10	10	7	4	2	0

1.6	Renewal	4	10	7	4	2	0
1.7	Endorsements	9	10	7	4	2	0
1.8	Cancellations	9	10	7	4	2	0
1.9	Reinstatements	5	10	7	4	2	0
1.10	Rescinds	1	10	7	4	2	0
1.11	Rewrites	1	10	7	4	2	0
1.12	Policy Inquiry	9	10	7	4	2	0
1.13	Premium Audit	3	10	7	4	2	0
1.14	Rating	4	10	7	4	2	0
1.15	Agency Integration	1	10	7	4	2	0
BILLING							
2.1	Billing and Invoicing	18	10	7	4	2	0
2.2	Payment Processing	18	10	7	4	2	0
2.3	Receivables Management	13	10	7	4	2	0
2.4	Workflow/Issue Handling	13	10	7	4	2	0
2.5	Reporting	9	10	7	4	2	0
2.6	Other Processes, Integration	9	10	7	4	2	0
CLAIMS							
3.1	First Report of Injury	19	10	7	4	2	0
3.2	Assignment	8	10	7	4	2	0
3.3	Investigation	8	10	7	4	2	0
3.4	Evaluate	12	10	7	4	2	0
3.5	Negotiate	8	10	7	4	2	0
3.6	Resolve	19	10	7	4	2	0
3.7	Reserve	6	10	7	4	2	0
3.8	Payment Processing	19	10	7	4	2	0
3.9	Recover	19	10	7	4	2	0
3.10	Medical Management	8	10	7	4	2	0
3.11	Vendor Management	6	10	7	4	2	0
3.12	Reporting	12	10	7	4	2	0
3.13	Document & Data Management	12	10	7	4	2	0
3.14	System Security & Claim History	12	10	7	4	2	0
3.15	Workflow Management	12	10	7	4	2	0
TECHNOLOGY							
4.2	Architecture	18	10	7	4	2	0
4.3	Database/Data Management	16	10	7	4	2	0

4.4	Interfaces	16	10	7	4	2	0
4.5	Security	10	10	7	4	2	0
4.6	Performance and Scalability	10	10	7	4	2	0
4.7	Application Configuration	16	10	7	4	2	0
4.8	Application Customization	8	10	7	4	2	0
4.9	Batch Processing Requirement	8	10	7	4	2	0
4.10	System Administration	10	10	7	4	2	0
4.11	Remote Access	8	10	7	4	2	0
4.12	Disaster Recovery	10	10	7	4	2	0
4.13	Implementation Support	10	10	7	4	2	0
4.14	Configuration Management and Version Control	8	10	7	4	2	0
4.15	Reporting	12	10	7	4	2	0

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

Criteria	Percentage
Technical Proposal	70%
Cost Summary	30%

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

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

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

There is a maximum of 300 Cost Proposal Points available. The Cost Proposal Points for each offeror will be determined based upon the following formula:

$$\text{Cost Proposal Points} = \text{Total Cost for Evaluation Points} + \text{Rate Card Evaluation Total Points}$$

The State will use the following formulas to determine the points awarded to each offeror for the Cost Proposal.

$$\text{Total Cost for Evaluation Points} = (\text{Lowest Total Cost for Evaluation} / \text{Offeror's Total Cost for Evaluation}) \times 285.$$

$$\text{Rate Card Evaluation Total Points} = (\text{Lowest Rate Card Evaluation Total} / \text{Offeror's Rate Card Evaluation Total}) \times 15$$

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

$$\text{Total Points} = \text{Technical Proposal Points} + \text{Cost Proposal Points}$$

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

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

Scope of Work. The following tasks and deliverables represent work the contractor must complete to successfully implement a BWC integrated Claims, Policy and Billing management solution. Training of and knowledge transfer to BWC staff is required throughout the project.

The following section includes the scope of work for the Contractor and for the most part excludes the activities performed by the BWC team. These tasks and deliverables do not necessarily represent a logical sequence for completion of the work to be performed.

Overview. The Contractor must provide a Commercially available Off-The-Shelf (COTS) software solution for an integrated Claims, Policy and Billing management system. In addition, BWC expects the Contractor to provide expertise and services related to planning and implementation of the Contractor's proposed COTS software solution. The Contractor must provide a Project Manager and subject matter experts (SMEs) to train and work with BWC staff to perform and assist with the following tasks:

- Task 1 - Project Management;
- Task 2 – Business and High Level IT Technical Requirements Review and Validation
- Task 3 - Design;
- Task 4 – Implementation/Build
- Task 5 – Testing/Quality Assurance;
- Task 6 – Training;
- Task 7 – Conversion Plan; and
- Task 8 – Deployment Readiness/Production Release and Post Implementation Support.

BWC would prefer a staggered implementation approach for each of the core systems (Claims, Policy and Billing) with Claims going first. With a staggered implementation approach, BWC envisions separate production releases for each of the core systems and each of the above tasks would be repeated for each implementation.

Each release of the system, as implemented, must provide demonstrable business benefit to BWC in the absence of the fully implemented (i.e., all tasks and deployments) system to a BWC production environment. Therefore, using a baseline release schedule that would initially deploy Claims management, followed by Billing management and Policy management, BWC requires that the initial Claims functionality be deployed and usable while the subsequent modules are configured and deployed that constitute the overall solution (i.e., all modules fully implemented).

However, based on the relative differences of approaches, implementation timescales and perceived business benefits of the various systems on the market, should an offeror determine that an approach, different from the preferred staggered implementation approach, is warranted and would be advantageous to BWC, offerors are encouraged to propose that approach and provide rationale (inclusive of resource, cost and timing considerations) with the Project Strategy, Work Plans and Project Plan required for the Proposal.

Task 1 - Project Management

BWC will provide a Program Manager, Project Manager (BWC Project Manager) and Project Management Team to oversee the entire project, but the Contractor must provide project management for the Work under this Contract, including the day-to-day management of its staff and assist BWC in managing the project planning. Additionally, the Contractor must provide all administrative support for its staff and activities. BWC will also provide a Core Project Team that will consist of separate leads for Claims, Policy, Billing, and Technology.

The Contractor must assist the BWC with coordinating assignments for BWC staff and work to include BWC staff in all project activities required for configuration and the ongoing operation and maintenance of the system.

The Contractor must integrate BWC staff into the project to enable BWC to operate the solution without the requirement or reliance on Contractor staff following the system's implementation in the production environment. The Contractor shall identify all required BWC roles to participate in the project, assumptions as to the nature, level and frequency of their involvement by deployment or task area and outline requisite skills or experience required to successfully participate in the project. BWC will provide staff, as it deems appropriate, for all aspects of the project to work with the Contractor, including but not limited to, project monitoring and quality assurance. BWC staff is expected to assume increasing support roles throughout the project and will assume full operational responsibility of the completed project following the acceptance period and any post production support period for each release. Regardless of post production support periods, the Contractor will be responsible for standard warranty of the implementation and Core Software in accordance with the licensing and maintenance agreements as negotiated between the State and the Contractor. BWC may utilize one or more third party contractors to directly assist BWC with this project. For the avoidance of doubt, BWC is seeking to become self-sufficient in the ongoing operation and maintenance of the system following the implementation to a production environment; the contractor must foster this self-sufficiency and knowledge transfer to the BWC.

Throughout the Project effort, the Contractor must employ ongoing and regularly reviewed management techniques to ensure a comprehensive Project Plan is developed, executed, monitored, reported on, and maintained including but not limited to: project risks and issues, budget adherence, time and quality metrics, BWC personnel participation, availability and requirements as well as required deliverable reviews, milestone tracking and phase completion activities. The Contractor must adhere to the proposed Project schedule and complete status reporting in a BWC approved format.

The Contractor must provide a Project Manager for the Project. The Contractor must employ the proposed Project Manager as a regular, fulltime employee on the Proposal submission date and throughout the acceptance period. This Project Manager must work on-site at the BWC facility and shall be the primary liaison working directly with the BWC Project Manager or designee.

It is the Contractor's responsibility to propose a system development methodology (SDM) that is defined, documented, repeatable and consistent with the Software Engineering Institute (SEI) Level 3 or higher Capability Maturity Model (CMM).

The Contractor's Project Management responsibilities include, at a minimum;

- Planning of the Project Mobilization Effort:
- Conducting Kickoff Meetings as required for project team members (contractor and State staff), internal BWC stakeholders, and as required, external constituencies required to help ensure the overall success of the project through its phases and tasks including, but not limited to, external parties, IT staff, interfacing systems, personnel that report or analyze data in the system and other groups as identified by BWC;
- Initial and ongoing Project Plan Development and Management including regular status reporting as required by BWC;
- Development and Communication of Methodology and Approach Documents;
- Ongoing and Regular Meeting Attendance and Reporting; and
- Inclusion of BWC personnel in all activities and decisions pertaining to the above.

Mobilization Effort. BWC, with the Contractor, will initiate the project with a mobilization effort for the first 60-90 days of the project, followed by the project kick-off event. This effort will focus on planning, processes, and project methodology. The goal will be to discuss and evaluate the Contractor's proposed practices, methodologies and recommendations concerning the project. Additionally, BWC, with the Contractor's assistance, will create the overall Project Strategy which is designed to conceptually define the Project.

Kickoff Meeting. The Contractor, in conjunction with BWC staff, must plan and conduct a Project kickoff meeting presentation to the sponsors, key stakeholders and core project team after the mobilization effort. At a minimum, the presentation must include a high level overview of the following:

- Project scope and schedule;
- Goals of the Project;
- Methodology, approach, and tools to achieve the goals;
- Roles, responsibilities, and team expectations;

- Tasks, Deliverables and significant work products; and
- Milestones.

Project Plan Development and Management. The Contractor must submit and present for feedback an updated Project Plan for the Contractor's tasks, in Microsoft Project, to the BWC Project Manager for review and approval as part of the mobilization effort. The detailed Project Plan must include all phases of the project for which the Contractor has responsibility including major deliverables and tasks as well as tasks and dependencies that may be outside of the Contractor's responsibility but may influence or relate to the Contractor's work and ability to complete the Contractor's tasks as planned. The Project Plan must include a more detailed task/activity level for the upcoming six month planning period. The Project Plan must be updated on an ongoing basis with a more detailed view on an agreed upon time interval. This Project Plan must be maintained on an ongoing basis by the Contractor and updated weekly. The Contractor must assist BWC in the creation, execution, monitoring and updates of the overall Project Plan.

The Project Plan must include a Staffing Plan (for the Contractor's resources and BWC resources that are required to participate in Contractor related activities). The Staffing Plan must include the number of resources by role for the high-level tasks. Additionally, the Contractor must also provide an inventory of required BWC resources needed by task and role. The Contractor must assist BWC in developing an overall Staffing Plan.

The Contractor must participate in a planning session which ensures the following:

- A common understanding of the Project Plan has been established;
- A common vision of all Deliverables has been established; and
- Clarity on scope of overall Project and the responsibilities of the Contractor has been defined and agreed to by BWC.

Thereafter, the Contractor must:

- Formally update the overall Contractor Project Plan, including work breakdown structure (WBS) and schedule, and provide the updated Project Plan as part of its reporting requirements during the Project;
- Ensure that the level of specificity of the plan for a rolling six month period is defined to the task and named resource level. Given the anticipated multi-year, multi-phase nature of this project, ensure that time periods beyond this six month period are accurately portrayed and forecasted based on the actual project performance to date and anticipated (or realized) downstream impacts to subsequent phases and (if applicable) activities. As an example, the initial project plan will include details for the first six months and activity/milestone level (sufficient to track the overall progress of the program) for the anticipated remainder of the project based on the current understanding of project scope and phasing.
- Ensure the Project Plan allows adequate time for BWC's review, commentary, and approval on all deliverables.

BWC will work with the Contractor in advance of the presentation for review of any deliverable or work product to determine the appropriate number of business days it needs for such reviews and provide that information to the Contractor after award and during the mobilization effort. Should BWC reject the plan in part or in full or associated Deliverables in part or in full, the Contractor must correct all deficiencies and resubmit it for BWC's review and approval until BWC accepts the Deliverable, at no additional cost to BWC. Should the Contractor determine that BWC's review of Deliverables or work products will impact the Contractor's ability to execute the Project in accordance with the agreed and established Project Plan, the Contractor shall notify BWC promptly with a request for expedited review of Deliverables or work products. In no case shall expedited review be requested under circumstances that are within the Contractor's direct control or as they relate to Deliverables deemed deficient by BWC for good reason.

Approach Documents. The Contractor must work with BWC to develop approach documents to establish Project standards and provide an overall context to manage the Project life cycle. Each document below will summarize a high-level approach for a specific area of the Project. The following approach documents must be developed and executed:

- **Project Strategy:** The Contractor must update the proposed Project Strategy and assist BWC in the creation of the overall Project Strategy Plan.

- **Communication:** Building on the project kickoff-meeting(s) outlined above, the Contractor must work with BWC representatives to execute the communication activities. The Contractor shall be responsible for the communication activities including planning, scheduling and performance reporting. Communication materials must have a consistent look, feel and message throughout all forms of media.
- **Change Management:** The Contractor should note that BWC will develop the Project change management approach and execute Stakeholder engagement, communications, development and delivery of a workforce transition plan, training design, readiness assessment and business process reengineering activities. The Contractor should be prepared to offer assistance, expertise or review to these activities as part of their participation in the project.
- **Knowledge Transfer:** The Contractor must develop the Project knowledge transfer approach to ensure BWC staff has adequate knowledge of the BWC solution and business processes for ongoing operation and support.
- **Issue and Risk Management:** The Contractor must develop an issue and risk management approach that provides a systematic methodology of identifying, analyzing, resolving and tracking Project issues and risks.
- **Configuration Management Plan:** The Contractor must develop a Configuration Management Plan for managing the changes made to production applications and/or the infrastructure during the life of the Project. All such changes must be planned, scheduled, monitored, and logged. The Configuration Management Plan must include, at a minimum:
 - a Configuration Control Plan that addresses the proposed methodology and tools for managing configuration control throughout the project.
 - decision and communication processes required before configuration changes can be made in the various system environments at various times in the project;
- **Change Request Review and Approval Process:** The Contractor must develop a change request review and approval approach. The approach document shall provide a process for documenting, analyzing, approving and tracking scope changes for the duration of the Project per the Changes section (Attachment Four, Part Two). Under no circumstances are changes to be implemented without State review and approval. Should a material change be identified (i.e., items that will change the overall project budget, delivery timeframes or other aspects of the project pertinent to delivering the anticipated business benefit to the State), change requests are required to be submitted to the State in writing for approval by the BWC Steering Committee under the recommendation of the BWC Project Manager. Any change request that results in a Contract amendment will be formally processed and approved by DAS.

Meeting Attendance and Reporting Requirements. The Contractor must adhere to the following meeting and reporting requirements:

- **Immediate Reporting** - The Project Manager or a designee must immediately report any material project plan, scope, staffing, budgetary or risk profile changes for the Project to the BWC Project Manager (see: Attachment Four: Part Two: Replacement Personnel).
- **Weekly Status Meetings** - The Project Manager and other Project team members must participate in weekly status meetings with the BWC Project Manager and other people deemed necessary to discuss Project issues. The BWC Project Manager will schedule these meetings, which will follow an agreed upon agenda and allow the Contractor and BWC to discuss any issues. The weekly meetings may be conducted remotely unless the BWC deems the meetings need to be on-site or if the Contractor staff is working on-site.
- **Prepare Weekly Status Reports** - During the Project, the Contractor must submit an electronic weekly status report, in a format agreeable to BWC, to the BWC Project Manager on a mutually agreed upon day. At a minimum, weekly status reports must contain the following:
 - A description of the overall completion status of the Project in terms of the approved Project Plan (schedule and cost);
 - Updated Project schedule;
 - The plans for activities scheduled for the next week;

- The status of any Deliverables;
- Time ahead or behind schedule for applicable tasks;
- Updated issue management report;
- A risk analysis of actual and perceived problems; and
- Strategic changes to the Project Plan, if any.

Document Sharing/Team Collaboration. The Contractor must utilize BWC’s hosted document management and team collaboration tool (SharePoint). Access will be provided via internal State networks and secure external connections to all Contractor team members.

Project Management Deliverables

1. Kickoff Meeting Presentation
2. Updated Project Plan
3. Project Strategy Approach
4. Communication Approach
5. Knowledge Transfer Approach
6. Issue and Risk Management Approach
7. System Lifecycle Configuration Management Plan
8. Change Request Review and Approval Process
9. Weekly Status Reports*

*Weekly Status Reports do not require a Deliverable review cycle.

Project Hours and Conditions. The BWC facility operating hours are from 7:00 a.m. to 6:00 p.m. Monday through Friday except for State holidays with core working hours from 9:00 a.m. to 4:00 p.m.

Project Location. BWC will provide Contractor work space at the BWC facility located at 30 W. Spring Street, Columbus, Ohio 43215 for the duration of the Project. All work with BWC staff or completion by BWC staff will be done at this location. BWC will provide limited Internet connection and printer access for contractor supplied laptops. Desktop PCs and laptops will be provided for access to BWC’s network, as needed.

Task 2 – Business and High Level IT Technical Requirements Review and Validation

BWC has completed the requirements gathering activities for the development of the BWC Core System. It is anticipated the Contractor will quickly move to the design task without substantial business requirements analysis rework. The requirements are documented in the System Requirements Specification (Supplement Two). These requirements are business requirements designed to convey business objectives, processes, procedures and standards to be implemented in the system. It is the expectation of BWC that a brief Requirements review and validation process will be proposed and followed by the Contractor to translate these requirements into specific system requirements sufficient to install and configure the application, size the new environments and integrate with applications within BWC’s current environment. The Contractor must review the business and technical requirements (Supplement Two) and propose an approach, timing, resources and cost as part of their response based on due consideration of the requirements.

Business and High Level IT Technical Requirements Review and Validation Deliverables

10. Updated Business Requirements
11. Identification of any requirements that cannot be fulfilled via Contractor core software, configurations, extensions, interfaces or reports
12. Design assumptions to accommodate an agreed list of business or technical requirements
13. Proposed alternate approaches to achieving the business requirements based on completion of this Review and Validation Task

Note: Offerors are encouraged, during the inquiry process to identify and request clarification of any unclear, ambiguous or conflicting requirements provided in Supplement Two. The selected Contractor will not be permitted to materially alter their response or Cost Proposal following any award of this RFP due to requirements that are not clarified during the Inquiry Period.

Task 3 - Design

With regard to customizations, enhancements and extensions to the proposed software, the following requirements shall apply and govern all Design and Implementation/Build activities:

- Wherever possible, the Contractor must implement the solution using out-of-the-box delivered functionality (base functionality) and leverage standard configuration tools and routines as delivered as opposed to developing custom coding or routines outside of the “as-delivered” software;
- Customizations, if approved by BWC in writing, must be designed in such a manner as to not void any software publisher warranties, not introduce any performance issues or bottlenecks to the “as delivered” software and be developed in such a manner as to not preclude or overly complicate upgrades to future versions of the software. To the extent that extensions and enhancements are required to support the functional and technical designs, these extensions should leverage standard conventions. Interfaces developed to the “as delivered” software should adhere to the programming conventions of the software and adhere to published application programming interfaces (APIs); and
- Any incompatibilities or considerations arising from Design or Implementation/Build activities that violate the previously mentioned considerations are required to be presented to BWC in writing with a rationale as to why the customization, enhancement or extension is required with a proposal to simplify the requirement to comport with “as delivered” functionality as provided by the software, and seek BWC approval to proceed with the design or build activity.

The Contractor must provide a technical architecture design for the project inclusive of hardware configurations, storage, database, operating systems, software, interface/middleware and other technical components. The Contractor must recommend optimal technical components as to ensure maximum operational performance, availability and up time in practical use at BWC in a production environment. Additionally the Contractor shall document non-production environments including development, test (performance, system integration, UAT), and training. BWC needs to become familiar with the underlying infrastructure and operating system components for the recommended solution. The Contractor must provide best practices, specifications and recommendations for implementation of the proposed solution. The Contractor must provide a Technical Design document along with a Functional Design document mapping process to the software functions. The Contractor must integrate BWC’s requirements into the technical design. BWC will assist in these tasks. BWC will develop a Legacy Integration Design document for the project.

The Contractor must conduct the following reviews and tasks to confirm and define the requirements. In all cases, unless otherwise specified, the reference to Design shall mean functional design (e.g., system processes and user interaction), technical design (e.g., system configuration, extensions and interfaces), interface design (e.g., system to system interactions whether real time or periodic batch data exchange) and process design (e.g., overall workflows and business processes associated with the System).

Design Session Requirements:

The Contractor must lead the Design planning and execution. During the Design sessions, the Contractor shall walk each business process through the delivered software module and document any processes, new requirements, functional or technical gaps between the System Requirements Specification (Supplement 2) and the capabilities of the software system.

The Contractor must develop a Design session document to include process changes, policy changes, new requirements and/or modifications to the software module to address the gaps identified during the Design sessions. Additionally, the Contractor must update the System Requirements Specification to reflect the specifics of the software module and changes/additions as a result of the Design session.

Functional Requirements Inventory:

The Contractor must document the functional components that will need to be in the Designs including:

- New or revised business processes;
- A list of software module configuration items (Reports, Interfaces, Conversions, Extensions (RICE));
- Workflow requirements; and

- Security requirements.

Technical Requirements Inventory:

The Contractor must identify the technical components that will need to be in the Designs including:

- Interfaces;
- Conversion programs;
- Reports and queries; and
- New enhancements identified during the Design session.

Functional Design Requirements:

The Contractor must develop the Functional Design for each of the functional components that will need to be developed during the Implementation/Build tasks of the Project. The Functional Design must include:

- Base system configuration and configuration parameters;
- Module configuration;
- Application enhancements and extensions;
- Application workflow;
- Process and Interface Scheduling;
- Application security;
- Inventory of required Job Aids or Training Materials to be created in subsequent tasks; and
- Reporting strategy.

Technical Design Requirements:

The Contractor must develop the Technical Design that will be implemented during the Implementation/Build tasks of the Project. The Technical Design must include documentation that describes the architectural design and technical specifications of the recommended solution. The Design must meet the standards for availability and performance described in Attachment Four, Part Five - Standards for Performance and Acceptance as well as any additional performance standards that the Contractor recommends. The Technical Design must include:

- Technical and operational specifications for all hardware, software and environments (production and non-production) used in the solution;
- System diagrams showing recommended configuration of software across the recommended support infrastructure (operating systems, servers, firewalls etc);
 - Diagrams and associated documentation must include sizing and hardware specifications
- Database and server configurations necessary to support the recommended solution;
- Specifications for user interface technologies such as web, portal, mobile device and fax/telephony
- Specifications for system to system communication such as batch, data transfer, messaging, network protocols;
- Specifications and capabilities related to securing data and communications;
- Specifications and system diagrams for supporting messaging and workflow;
- Specifications and system diagrams for supporting reporting and query;
- Comprehensive set of business object naming and usage standards;
- Ongoing Maintenance and Support Requirements;
- System Performance Requirements and Expectations;
- Technology, infrastructure and platform for application enhancements and extensions;

Systems Integration Requirements:

The Contractor must develop the Systems Integration Plan to document the approach for all integration points and interfaces for internal or external systems. The plan must include software and hardware specifications for each type of interface required.

Design Deliverables

14. Design Session Documentation
15. Updated Business Requirements (if applicable)
16. Functional Requirements Inventory
17. Technical Requirements Inventory
18. Functional Design
 - a. Process Flows with Key Inputs/Outputs
 - b. Business Configuration Design

19. Technical Design
 - a. Initial System Performance Requirements
 - b. Initial Production Support Requirements
 - c. Initial Operating Requirements
 - d. Software Configuration Design
 - e. Enterprise Architecture Documents
 - f. High Level Storage Requirements
 - g. System(s) Sizing Requirements
 - h. Test Environment Plan
20. System Integration Plan

Task 4 – Implementation/Build

The Implementation/Build tasks must implement the approved designs of the BWC Core System solution. BWC is committed to taking on an increasing role in the implementation activities over the duration of the project and will provide the necessary IT and business resources for the implementation. The Project could include a staggered implementation for each of the core systems (Claims, Policy and Billing). Each of the identified tasks above would need to be planned for each deployment and be part of the overall Project implementation plan.

Software Installation:

The Contractor must work with BWC to transfer knowledge and develop the associated documentation related to software installation and configuration to enable BWC to reproduce, extend, maintain and replace components of the solution in the future.

The Contractor must:

- Perform the installation and technical configuration of the software products (in all environments) with the participation of BWC resources;
- Provide software installation documentation both as provided by the software manufacturer and as implemented at BWC inclusive of configuration values, customizations and other elements specific to the BWC implementation; and
- Cross train BWC staff and produce BWC-specific environment installation and configuration documentation.

Configuration of Business Processes and Rules:

The Contractor must configure the required business processes and rules using the software solution with BWC assistance. The Contractor must provide business process and rule configuration training and knowledge transfer for BWC to assume this role for ongoing Project work.

The Contractor must:

- Provide documentation on standard processes and rules implemented by their solution;
- Provide best practices on organizational structure(s) recommended to support business unit updates to processes and rules;
- Work with BWC to identify BWC process transformation opportunities including simplifying processes, workflows or transactions to best utilize the features and functions of the software with as little modification as possible; and
- Work with BWC to strategize and document any organizational recommendations to support new practices as a result of the new system implementation and any interim processes as a result of the phased nature of the implementation.

Configuration of Integration Layer:

BWC is expecting to use the software solution's integration tier to address business events, perform data migration and construct integrations with partners and legacy applications during implementation.

The Contractor must:

- Provide documentation on configuration and usage of the integration tools provided or utilized by the proposed solution;

- Provide documentation regarding events and event processing within the solution's integration layer inclusive of error identification and handling;
- Assist BWC in establishing integrations between the Claims, Policy and Billing systems and existing systems during the implementation and (if applicable) following any subsequent implementation of additional functions or modules as a result of an agreed phasing strategy;
- Assist BWC in creating data migration routines, programs or scripts;
- Assist BWC in identifying business events and developing the resultant integration architecture and integration code to address these events and inevitably process these events via use of the system; and
- Assist BWC in any programming required to identify, react to, and process business events that are not processed in an automated fashion via the integration layer.

Component Build and Unit Testing:

The Contractor must configure the BWC Core System software, application workflow and security setup. The Contractor must develop and unit test the configuration, interfaces, and reports and queries.

The Contractor must develop and complete the following work products:

- Detailed technical and operational configurations and reports;
- Final system diagrams, technical architecture and documentation (user and operational);
- Final system environment sizing;
- Approved interfaces;
- Approved reports and queries;
- Approved application enhancements and extensions;
- Approved BWC Core System module configuration;
- Unit test results including a mapping to requirements, expected and actual unit test results;
- Resolution and repair of all software defects pertaining to the requirements;
- Final workflow configuration; and
- Identification and implementation of security roles and permissions.

Once completed, the Contractor must provide a build and unit test letter certifying that the above activities are complete to the satisfaction of BWC.

Coordinate Technical Environment:

The Contractor must work with BWC throughout the Project to coordinate activities to create, refresh and maintain the environments to support the implementation lifecycle and ensure that the technical architecture is implemented as approved in the Technical Design.

Creation of Solution and Operations Documentation:

The Contractor must:

- Document the solutions developed or modified by the Contractor in accordance with established methods, processes, and procedures such that, at a minimum, BWC or a competent third party service provider can subsequently provide the same scope of services associated with migration to the BWC's production environment;
- Develop and maintain, as agreed appropriate, the documentation for in-scope environments. Where it is determined that documentation is inaccurate (for example, due to demonstrated errors or obsolescence), and such inaccuracy may negatively affect the production usage of the system, Contractor must correct such documentation as part of its execution of the Project and prior to presentation of the solution for acceptance; and
- Update programmer, end user and operational reference materials to be reflective of the final BWC accepted solution.

Implementation/Build Deliverables

21. Component Build and Unit Testing Completion Letter and Results
22. Solutions Documentation
23. Operations Documentation

Task 5 –Testing/Quality Assurance

For the BWC Core System solution, code-based deliverables or elements that will be subject to a formal testing and acceptance process will use objective and thorough test criteria that will allow the Contractor and BWC to verify that each build meets the overall specified functional, technical and performance requirements. The testing and acceptance process, inclusive of business scenarios, processes and transactions, must be developed for each system build following the establishment of final business and user requirements. The testing and acceptance process must include sufficient documentation and audit trails as required to identify, track and correct issues and defects. If a phased implementation is used for each of the core systems modules (e.g., Claims, Policy, Billing), a separate testing cycle would be needed for each production release and corresponding system and user acceptance testing of each module, integrations with legacy BWC systems and integrations between modules as applicable.

The Contractor must:

- Develop and maintain test data repositories as agreed appropriate;
- Develop and publish test plans, scripts, cases and schedules as agreed appropriate;
- Utilize automated test tools to perform regression testing;
- Support the operation of test environments as required to perform the system, performance and user acceptance testing work;
- Compile and maintain a solution defect and issue lists;
- Conduct regular system quality and progress reviews with the appropriate BWC personnel including testing progress information inclusive of test execution, issues/defects identified, issues/defects repaired and ready for retest and test issues/defects resolved;
- Coordinate and confirm BWC approval of solution components and verification of applicable acceptance criteria for transition into deployment and production use; and
- Provide weekly reports tracking the progress of Contractor's performance of testing work, or in the case of user acceptance testing, support of BWC activities. In addition, the Contractor must provide timely responses to BWC's requests for information and reports necessary to provide updates to BWC business units and stakeholders. The Contractor must also provide a database extract that tracks progress of Contractor performance of testing work.

System Integration and Performance Test Plan:

The Contractor must develop the system integration and performance test plan including an inventory of test scenarios, scripts, and participation requirements, the schedule and BWC signoff criteria. This plan must address all of the functional and technical components of the BWC Core System application, processes and transactions.

System Integration and Performance Testing Tasks:

The Contractor must perform the following system integration and performance test tasks:

- Develop and document system integration and performance test cases and procedures: The Contractor must develop, execute and report the status of test scenarios, scripts and cases.
- Execute system integration and performance testing: The Contractor must perform the following testing activities for solution components, and assess quality and completeness of results including:
 - System test/assembly;
 - Integration/interface testing and regression testing new releases of existing applications (fully test of solution integration/interfaces with production instances of the environment(s));
 - Utilize automated test tools;
 - Performance test including regression testing new releases of existing applications as well as the potential performance impacts to current production environments where a risk of impacting performance or data integrity may be introduced as a result of these elements; and
 - Perform technical architecture build/configuration testing (e.g. batch scheduling, interfaces, operations architecture, etc);
- Publish system integration test execution results: The Contractor must develop, execute and report the status of system test execution and the comparison of actual test results to expected results to validate the success of each test script.

- Publish performance test execution results: The Contractor must develop, lead the execution and report the status of performance testing activities and coordinate with BWC to ensure the performance results are in keeping with BWC requirements and in keeping with hardware and performance considerations associated with production acceptance criteria.

User Acceptance Test (UAT) Plan:

The Contractor must develop the UAT plan including test scenarios, scripts, end-user participation requirements, schedules, and signoff criteria with BWC. The UAT plan must focus on the solution and the processes from the end-user perspective.

User Acceptance Testing Support Tasks:

The Contractor must support BWC User Acceptance Testing as follows:

- Develop UAT test scenarios, scripts, cases and procedures with BWC;
- Coordinate UAT execution and acceptance procedures with the appropriate BWC participants;
- Review changes, fixes and enhancements with the participants in the UAT;
- Correct identified defects and nonconformities in accordance with the acceptance process; and
- Record and report the UAT execution results including comparing actual test results to expected results to validate the success of each test script.

Once UAT is completed, the Contractor must provide a UAT Execution Report and Completion Letter certifying that the above activities are complete to the satisfaction of BWC.

Deployment & Production Readiness Testing Tasks:

The Contractor must perform the following deployment and production readiness tasks:

- Go-Live/Cutover Test Plan: The Contractor must create a detailed Go-Live/Cutover Test Plan that defines all configuration steps, conversions and items to be tested or validated during system cutover to a production environment.
- Readiness Assessment Signoff: The Contractor must work with BWC to conduct an assessment to determine the readiness of the organization and the BWC Core System application for go-live. Part of the readiness review will be to ensure that all functional, technical and user documentation has been reviewed and accepted by BWC. Upon completion of the readiness assessment, BWC will make a final go-live decision. The go-live date will be scheduled and resources, roles, and responsibilities will be confirmed.
- The Contractor must test or validate, as applicable, the modified software prior to presentation to BWC for any move to production and coordinate the scheduling and execution of end user testing of the service packs and patches. Acceptance testing signoff is required prior to any move to a production environment.
- The Contractor must design and implement all technical elements in keeping with BWC's current support model, as well as being supportive of the service level requirements within BWC, and in accordance with agreed upon procedures associated with the minimization of exposure to viruses, security holes or flaws, incompatibility issues, software patch currency, technical updates, corrections and other elements that directly influence the warranty, support, performance and ongoing upgradeability of underlying software, hardware and ancillary elements.

Additional Services:

To the extent a testing or production incident is due to errors, omissions, documentation inconsistencies or bugs in an in-scope environment, supported server or in-scope software element licensed by a third party to BWC, the Contractor must assist BWC by referring such incident to the appropriate third party entity for resolution and coordinating with the third party contractor, as appropriate, to help minimize BWC's role in problem management.

The Contractor must, to the extent possible, implement measures to help avoid unnecessary recurrence of incidents, by performing root cause analysis and event correlation for items discovered during system, user, performance or production entry testing/validation activities.

Testing/Quality Assurance Deliverables

24. System Integration and Performance Test Plan

25. System Integration and Performance Test Scenarios, Scripts and Cases
26. System Integration Test Execution Report and Completion Letter
27. Performance Test Execution Report and Completion Letter
28. UAT Plan
29. UAT Scenarios, Scripts, Cases and Procedures
30. UAT Execution Report and Completion Letter
31. Go-Live/Cutover Test Plan

Task 6: Training

Prepare Training Environment. The Contractor must assist BWC with the setup of the training environment that replicates the production environment.

Course Design and Scheduling. The Contractor must develop the Training Plan based on the functional and technical components of the system. Training must be provided for multiple types of courses and audiences (e.g., functional and technical training for the BWC core team, agency training and user training). The Training Plan must include curriculum designed for Contractor instructor led courses and BWC Train the Trainer courses.

The Training Plan must include:

- Learning objectives
- A matrix of BWC staff and which components of the training each group will need
- A description of all training methods to be used
- A description of all training materials that will be required/developed/used
- A description of how training will be evaluated, including, but not limited to:
 - Participant evaluation of training
 - Evaluation of what participants learned
 - Evaluation of how employees are able to apply training to work
- Recommended follow-up activities that ensure training transfers to the workplace
- Recommended support infrastructure at each office/division that ensures questions, technical support, etc. are addressed
- A description of the activities and practice exercises
- A description of any electronic (web based, CBT etc) assessment tools or other computer based training options. In the event BWC decides to develop any of the content into e-learning, the Contractor must provide assistance with any training development, implementation, feedback and review of the materials.

The Contractor must provide the following training, at a minimum:

1. Contractor Instructor Led Training for technical and business staff expected to install, support or manage the COTS solution (software and/or hardware). The instructor(s) must be experienced in the specific curriculum, including but not limited to:
 - a. **System Maintenance and Operation** - This training must cover any functions performed by technical staff on installation, troubleshooting, system integration as well as basic system modifications for a maximum of 30 technical staff.
 - b. **Business Rule Configuration and Management** – This training must cover using tools related to configuration and management of business rules for a maximum of 40 staff (approximately 20 business staff and 20 technical staff).
 - c. **Tools** – This training must cover tools related to profiles, management reports, reassignment, workflow/work list, dashboards and thresholds for a maximum of 20 staff managers.
2. Train the Trainer Training. The Contractor must provide:
 - a. Training Curriculum for BWC's Training Department. This training will be provided for a maximum of 10 BWC trainers. The training curriculum must include the following:

- i. Overall user experience for business staff using the software package for day to day Claims, Policy and Billing processes
 - ii. Overall user experience for the external facing portal used by BWC customers for viewing status and self service tasks
 - iii. Instructor guides for the trainers
- b. Contractor instructor(s) to train, coaching and mentoring BWC trainers as they learn the curriculum. The instructor must participate in the initial sessions delivered to BWC employees to provide assistance, subject matter expertise input and feedback to the trainers.

Training Facilities. BWC will provide classrooms at a designated State training site. Classrooms include network connections and materials (personal computers, desks, chairs, etc.) necessary for 12 to 15 students per class. The training presentation style must be hands-on, instructor led. BWC may record any training sessions and use any training materials for future training, user documentation, or promotional use.

Training Materials. The Contractor must develop necessary training materials for all courses. All training materials must be reviewed and approved by BWC prior to the start of training. The Contractor must provide the rights to reproduce training materials as needed.

Training Delivery. Prior to deployment, the Contractor must submit a letter certifying the completion of functional and technical training.

Training Deliverables

- 32. Training Plan
- 33. Training Curriculum
- 34. Training Materials
- 35. Letter certifying completion of Training Delivery

Task 7 – Conversion Plan

The Contractor must develop a Conversion Plan that includes the recommended conversion strategy and the recommended environment for conversion of BWC data. The conversion strategy must take into account the approved Implementation Plan for multiple releases of the system. Throughout Project implementation, the Contractor must update and maintain, as needed, the approved Conversion Plan until all required data is converted. In addition to addressing the conversion strategy and recommended environment mentioned above, the Conversion Plan must include the following elements, at a minimum:

- Data mapping specifications;
- Testing;
- Timing considerations;
- Data cleansing;
- Data loading;
- Error identification and correction;
- Data validation;
- Data auditing and reconciliation;
- Archiving; and
- Conversion software or programs.

BWC will use the Conversion Plan to identify how BWC data will be converted and the resources required to perform the conversion activities. BWC may complete the actual conversion activities using the Contractor staff, in-house staff or third party contract staff. If the Contractor staff is selected to complete the conversion activities, the State may use the Interval Deliverable Agreement (IDA) process described herein to define the scope for conversion tasks identified in the Conversion Plan.

Conversion Plan Deliverable

36. Conversion Plan

Task 8 – Deployment Readiness/Production Release and Post Implementation Support

The Contractor must work with BWC, to execute the production deployment and roll-out of the BWC Core System implementation to the BWC production environment.

Deployment includes coordination of software deployment to the end user desktop equipment or file server elements (if applicable), identification of interfaces and any required conversions/migrations, installation and testing of any required middleware products, installation of server software, and any required testing to achieve the proper roll-out of the application software.

The Contractor must comply with the State required implementation and deployment procedures. This may include network laboratory testing, migration procedures, and/or the use of any pre-production or pseudo-production environment prior to production migration. The Contractor must provide business user support through acceptance of the BWC Core System solution.

Deployment Plan:

The Contractor must develop and submit a Deployment Plan to manage the implementation.

Pre-Production and Production Migration

The Contractor must perform the following tasks and activities as part of the Pre-Production and Production Migration:

- Compile and maintain solution issue lists;
- Produce an end-to-end final validation of the operational architecture and corresponding operational documentation for the BWC Core System solution;
- Conduct quality and progress reviews with appropriate BWC personnel;
- Develop, and thereafter maintain and make available to BWC, a knowledge base of documentation gathered throughout the Project's life and allow for re-use of such documentation for future Projects;
- Transition solution support responsibility to BWC;
- Conduct a post-implementation review process upon the completion of each production release of the Project including an analysis of how the business system(s) resulting from the Project compare to the established post-deployment performance requirements; and
- Establish a performance baseline for the Project business systems and, where appropriate, document requirements for future performance enhancement of the business systems implemented as part of the Project.

Production migration activities shall strictly adhere to approved production acceptance criteria and shall not be considered for production migration until all such criteria are met or otherwise accepted by the State.

Post Implementation Support:

In addition to the Pre-Production and Production Migration tasks described above, the Contractor shall provide for a period of no less than ninety (90) calendar days, unless otherwise agreed by BWC, sufficient staffing to ensure the overall continuity of the handoff of the BWC Core System solution as it pertains to delivering these services in a production environment as operated by BWC.

A 90 day production support period shall commence upon written acceptance of each Deployment and the Contractor's successful completion of the tasks and activities required as part of the Pre-Production/Production Migration. During this period the Contractor is obligated to support the State's production migration and end-users. Once in production the deployed release must successfully complete the performance period as defined in Attachment Four: Acceptance and Maintenance – Standards of Performance and Acceptance.

In the event that any "Critical" or "Urgent" item (or any critical blocking issue) occurs during this 90 day period, this 90 day period may be extended, at the sole discretion of BWC, for a period commencing upon satisfactory resolution of the issue in the production environment. Under no circumstances will the Contractor performance

during this period or successful conclusion of this period (i.e., no issues detected for 90 days) be construed as relief from or reduction to any Software Warranty considerations contained in this RFP.

Incidents categorized as “Critical Items” are the most severe outages or functional issues as defined in Attachment Nine, the Master Contract for Software Licensing, Part V, Paragraph 6.

Incidents categorized as “Urgent Items” are the significant system problems of intermediate severity as defined in Attachment Nine, the Master Contract for Software Licensing, Part V, Paragraph 6.

During this period the Contractor must:

- Provide personnel with the requisite skills and experience levels in development of the BWC Core System solution to answer questions;
- Address any software defects, gaps, omissions or errors that are discovered in the Contractor's work as they pertain to operation in a production environment;
- Resolve any configuration, performance or compatibility issues that arise as a result of migration of the Contractor's work to a production environment;
- Document any relevant changes to operational, configuration, training, installation, commentary or other documentation as a result of migration the Contractor's work to a production environment;
- Assist BWC with production issue triage, root cause and remedy analysis and wherever possible propose workarounds, fixes, patches or remedies (code-based, procedural or environmental) required to successfully transfer and operate the Contractor's work to a production environment.
- Present a Post Implementation Support Signoff Document to BWC upon acceptance of the 90 day production support period.

The 12 month warranty commences upon BWC acceptance of the final release of the system, which occurs upon successfully completing the performance period. The 12 month warranty must be provided at no additional charge to the State and must be in accordance with the warranty provisions described in the RFP.

Project Close Out:

The Contractor must organize and turn over to BWC, in an electronic form, all files, documents and other Project artifacts produced for use by the BWC Core System Project within 90 days after acceptance of the final Post Implementation Support.

Deployment Readiness/Production Release and Post Implementation Support Deliverables

37. Deployment Plan
38. Post Implementation Support Signoff Document
39. Project Close Out

Interval Deliverable Agreement (IDA)

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

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

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

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

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

If the Work fails to meet the standard of performance and exit criteria during the performance period, the Contractor will be in default and will not have a cure period. In addition to all other remedies the State may have under this Contract, the State will have the right to request correction or replacement of the relevant portion of the IDA.

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

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

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

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

- Name, title, identification of the employer (prime or subcontractor) and number of staff;
- Staff work hours with any known exceptions noted;
- Description of the work to be performed by the Contractor;

- Specific Contractor resources assigned;
- Individual rate for each Contractor resource assigned;
- Projected number of Contractor hours allocated (per resource);
- Dates covered in the work;
- Dependencies;
- Management or staffing issues;
- Standards of performance; and
- Work Breakdown Schedule (WBS) for all Work in the IDA.

In addition, the following information may also be required:

- Staffing Issues
- Required work related travel and training.

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

The State's intent is for all IDAs to be developed and negotiated in partnership between the State and the Contractor, with each having a vested interest in its success. In the event that the State and the Contractor are unable to negotiate an IDA, the State, at the discretion of BWC Executive Management may request mediation.

Project Service Level Requirements

Service Level Framework. This section sets forth the performance specifications for the Service Level Agreements (SLA) to be established between the Contractor and BWC. The document contains the tables and descriptions that provide the framework, expectations relating to service level commitments, and the implications of meeting versus failing to meet the requirements and objectives, as applicable. This document defines BWC's detailed performance, management, and reporting requirements for the Project and to all subsequent ongoing Project services that are contracted under future IDAs between the State and the Contractor related to the system.

Both the State and the Contractor recognize and agree that new categories of Service Levels and performance specifications may be added or adjusted during the term of the Contract as business, organizational objectives and technological changes permit or require.

The mechanism set out herein will be implemented to manage the Contractor's performance against each service level, in order to monitor the overall performance of the Contractor.

The Contractor will be required to comply with the following performance management and reporting mechanisms for all services within the scope of the Project:

- **Service Level Specific Performance** – Agreed upon specific service levels to measure the performance of specific services or service elements. Most individual service levels are linked to financial credits due to the State ("Performance Credits") to incent Contractor performance.
- **Overall Contract Performance** – An overall performance score of the Contractor across all service levels. The overall performance score is linked to governance and escalation processes as needed to initiate corrective actions and remedial processes.

Service Level Specific Performance Credits. Each service level (SL) will be measured using a "Green-Yellow-Red" traffic light mechanism (the "Individual SL GYR State"), with "Green" representing the highest level of performance and "Red" representing the lowest level of performance. A performance credit will be due to the State in the event a specific Individual SLA GYR State falls in the "Yellow" or "Red" state. The amount of the performance credit for each SLA will be based on the Individual SLA GYR State. Further, the amounts of the performance credits will, in certain cases, increase where they are imposed in consecutive months. No SL performance credit will be payable for the Contractor's failure to meet a Service Level Objective.

Set forth below is a table summarizing the monthly Performance Credits for each SLA. All amounts set forth below that are contained in a row pertaining to the “Yellow” or “Red” GYR State, represent Performance Credit amounts.

Consecutive Months Credit Table (SLA Performance Credits)												
Individual SL GYR State	1 st Month	2 nd Month	3 rd Month	4 th Month	5 th Month	6 th Month	7 th Month	8 th Month	9 th Month	10 th Month	11 th Month	12 th Month
Red	A = 1.71% of MPC	A + 50% of A	A + 100% of A	A + 150% of A	A + 200% of A	A + 250% of A	A + 300% of A	A + 350% of A	A + 400% of A	A + 450% of A	A + 500% of A	A + 550% of A
Yellow	B = 0.855% of MPC	B + 50% of B	B + 100% of B	B + 150% of B	B + 200% of B	B + 250% of B	B + 300% of B	B + 350% of B	B + 400% of B	B + 450% of B	B + 500% of B	B + 550% of B
Green	None	None	None									

The Contractor agrees that in each month of the Contract, up to 12% of the monthly project charges (MPC) associated with the Project services will be at risk. MPCs are the charges for the deliverables accepted during a given month. The MPC for the BWC Core System implementation will be at risk for failure to meet the Service Levels set forth in the Contract. The Contractor will not be required to provide performance credits for multiple performance specifications for the same event; the highest performance credit available to the State for that particular event will apply.

On a quarterly basis, there will be a “true-up” at which time the total amount of the performance credits will be calculated (the “Net Amount”), and such Net Amount will be off set against any fees owed by the State to the Contractor, unless the State requests a payment in cash.

Moreover, in the event of consecutive failures to meet the Service Levels, the Contractor will be required to pay the State the maximum performance credit under the terms of the Contract.

The Contractor will not be liable for any failed Service Level caused by circumstances beyond its control, and that could not be avoided or mitigated through the exercise of prudence and ordinary care, provided that the Contractor immediately notifies the State in writing and takes all steps necessary to minimize the effect of such circumstances and resumes its performance of the Services in accordance with the SLAs as soon as possible.

For example, if an Individual SL GYR State is Yellow in the first measurement period, Red in the second measurement period and back to Yellow in the third measurement period for an SLA then the performance credit due to the State will be the sum of Yellow month 1 (B) for the first measurement period, Red month 2 (A + 50% of A) for the second measurement period, and Yellow month 3 (B + 100% of B) for the third measurement period, provided (1) such performance credit does not exceed 12% of the MPC (the At-Risk Amount); and, (2) no single Service Level credit will exceed 20% of the total At-Risk Amount, as stated below:

Service Level Performance Credit payable to the State =
 (B) + (A + 50% A) + (B + 100% B), based on an illustrative MPC of \$290,000;

SLA Calculation EXAMPLE						
Monthly Project Charge (MPC) = \$290,000.00						
Monthly At Risk Amount = 12% of MPC = \$34,800						
Maximum for any one SLA = 20% of At Risk Amount = \$6,960						
GYR State	1 st Month		2 nd Month		3 rd Month	
Red	0	\$	0	\$ 7,438.50	0	
Yellow	1	\$ 2,479.50	1		1	\$ 4,959.00
Green	6	\$	6		6	
Totals	7	\$ 2,479.50	7	\$ 7,438.50	7	\$ 4,959.00

SLA Calculation EXAMPLE			
Adjusted Totals by At Risk Amount and 20% per individual SLA Limitations	(Is monthly total of all Service Level Credits equal to or less than \$34,800?) – Yes	(Is monthly total of all Service Level Credits equal to or less than \$34,800?) – Yes	(Is monthly total of all Service Level Credits equal to or less than \$34,800?) – Yes
	(Is monthly amount for any one Service Level Credit equal to or less than \$ 6,960?) - Yes \$ 2,479.50	(Is monthly amount for any one Service Level Credit equal to or less than \$ 6,960?) - No \$ 6,960.00	(Is monthly amount for any one Service Level Credit equal to or less than \$ 6,960?) - Yes \$ 4,959.00
Total Quarterly Credit:	\$ 2,479.50	\$ 6,960.00	\$ 4,959.00
Total Quarterly Credit:	\$ 14,398.50		

The total of any weighting factors may not exceed 100% of the total At-Risk Amount.

To further clarify, the performance credits available to the State will not constitute the State’s exclusive remedy to resolving issues related to the Contractor’s performance.

Service Levels will commence with Project initiation.

Overall Contract Performance. In addition to the service specific performance credits on a monthly basis, an overall SL score (the “Overall SL Score”) will be determined by assigning points to each SL based on its Individual SL GYR State. The matrix set forth below describes the methodology for computing the Overall SL Score:

Individual SLAs GYR State	Performance Multiple
Green	0
Yellow	1
Red	4

The Overall SL Score is calculated by multiplying the number of SLAs in each GYR State by the performance multiples in the table. For example, if all SLAs are Green except for two SLAs in a Red GYR State, the Overall SL Score would be the equivalent of 8 (4 x 2 Red SLAs).

Based on the Overall SL Score thresholds value exceeding a threshold of 15, the State may escalate the issues to the Contractor’s appropriate executive staff to restore acceptable Service Levels. If a successful resolution is not reached, then the State may terminate the Contract **for cause** if:

- a) The Overall SL Score reaches a threshold level of 30 per month over a period of 3 consecutive months (equivalent of 50% of the service levels in a red state);
- b) The Contractor fails to cure the affected SLs within 60 calendar days of receipt of the State’s written notice of intent to terminate; and
- c) The State exercises its right to terminate for exceeding the threshold level of 120 per month.

The overall Contract performance will not constitute the State’s exclusive remedy to resolving issues related to the Contractor’s performance. The State retains the right to terminate for overall Contract performance under the terms of this Contract.

Monthly Service Level Report. On a State accounting monthly basis, the Contractor must provide a written report (the “Monthly Service Level Report”) to the State which includes the following information:

- the Contractor’s quantitative performance for each Service Level;
- each Individual SL GYR State and the Overall SL Score;
- the amount of any monthly performance credit for each Service Level;
- the year-to-date total performance credit balance for each Service Level and all the Service Levels;

- a “Root-Cause Analysis” and corrective action plan with respect to any Service Levels where the Individual SL GYR State was not “Green” during the preceding month; and
- trend or statistical analysis with respect to each Service Level as requested by the State.

The Monthly Service Level Report will be due no later than the tenth (10th) accounting day of the following month.

Service Level Review and Continual Improvement

Service Level Review. Initial Review: Within three months of Project initiation, BWC and the Contractor will meet to review the Service Levels and the Contractor’s performance and to discuss possible modifications to the Service Levels. Any changes to the Service Levels will be only as agreed upon in writing.

Ongoing Review: On an ongoing basis, BWC and the Contractor will meet to review the Service Levels and the Contractor’s performance on a mutually agreed to frequency.

Service Level Commitments. The Contractor will meet the Service Level commitment for each Service Level set forth in the charts below:

Service Level	State Requirements			
	SLA	Support Hours	Required	
			Response	Resolution
Defect Resolution – Mean Time to Repair/Resolve (Critical Items)	SLA	7x24	Every 4 hours until resolution	<= 24 hours
Defect resolution – Mean Time to Repair/Resolve (Urgent Items)	SLA	7x16	Every 8 hours until resolution	<=72 hours
Milestone Date Delivery	SLA	-	See specification below	-
Deliverable Acceptance	SLA	-	See specification below	-
On-site Contractor Coverage during Critical Deployment Events	SLA	-	See specification below	-
Aggregate System Response Time –Web Page Request Performance	SLA	-	See specification below	-
Aggregate System Response Time – 95th Percentile	SLA	-	See specification below	-

The Contractor must meet the Service Level commitment for each Service Level set forth in the detailed descriptions below:

1 Defect Resolution – Mean Time to Repair/Resolve (Critical Items)

Service Level Agreement

Specification: Defect resolution – mean time to repair/resolve (critical items)

Definition: Mean time to repair (critical items) will be calculated by determining a time (stated in hours and minutes) representing the arithmetic mean for all critical items for in-scope deliverables in the contract month. Time to repair is measured from time an Issue is entered into the project defect tracking system to the point in time when the defect is resolved or a workaround is in place and the Contractor submits the repair to the State for confirmation of resolution.

Critical items are the most severe outages or functional issues as defined in Attachment Nine, the Master Contract for Software Licensing, Part V, Paragraph 6.

This service level begins when a deliverable is initially migrated or otherwise first used in a production environment.

Formula:

$$\text{Mean time to repair (critical items)} = \frac{\text{Total elapsed time it takes to repair critical items}}{\text{Total critical items}}$$

Measurement Period:

Accounting month

Data Source:

Monthly project report, production logs, service desk ticket history

Frequency of Collection:

Per incident

Service Level Measures

Individual SL GYR State	Incident Resolution – Mean Time to Repair (Critical Items).
Green	<=24 hours
Yellow	>24 hours and <=48 hours
Red	>48 hours

2 Defect Resolution – Mean Time to Repair/Resolve (Urgent Items)

Service Level Agreement

Specification: Defect resolution – mean time to repair/resolve (Urgent items)

Definition: Mean time to repair (urgent items) will be calculated by determining a time (stated in hours and minutes) representing the arithmetic mean for all urgent items for in-scope deliverables in the contract month. Time to repair is measured from time an Issue is entered into the project defect tracking system to the point in time when the defect is resolved or workaround is in place and the Contractor submits the repair to the State for confirmation of resolution.

Urgent items are the significant system problems of intermediate severity as defined in Attachment Nine, the Master Contract for Software Licensing, Part V, Paragraph 6.

This service level begins when a deliverable is initially migrated or otherwise first used in a production environment.

Formula:

$$\text{Mean time to repair (urgent items)} = \frac{\text{Total elapsed time it takes to repair urgent items}}{\text{Total urgent items}}$$

Measurement Period: Monthly during project

Data Source: Monthly project report, production logs, service desk ticket history

Frequency of Collection: Per incident

Service Level Measures

Individual SL GYR State	Incident Resolution – Mean Time to Repair (Urgent Items).
Green	<=72 hours
Yellow	>72 hours and <=90 hours
Red	>90 hours

3 Milestone Date Delivery

Service Level Agreement

Specification: % Compliance with milestone dates

Definition: The milestone date delivery SLA measures the percentage of committed and accepted Project milestones that are achieved on time as per the Project plans.

The State and the Contractor will jointly develop and agree to a general Project plan at the commencement of the Project. Subsequent joint revisions reflecting later project phases will define milestones, activities and deliverables with greater specificity. Due to the overlapping nature of phases, tasks and activities, a measurement period of one calendar month will be established to serve as the basis for the measurement window. The Contractor will count all milestones, activities and deliverables to be completed during that measurement window and their corresponding committed delivery dates. Any date variances will be recorded upon the State's acceptance of the deliverable and used in the calculation of this service level.

This service level will commence upon Project initiation and will prevail until Project completion.

Formula:

$$\% \text{ Compliance, milestone dates} = \frac{\text{Total milestones in period} - \text{Total milestones missed}}{\text{Total milestones in period}}$$

Measurement Period: Monthly, during project

Data Source: Weekly project report, project plan and timeline

Frequency of Collection: Weekly

Service Level Measures

Individual SL GYR State	% Compliance with Milestone Dates
Green	> 90%
Yellow	>85%, <=90%
Red	<=85%

4 Deliverable Acceptance

Service Level Agreement

Specification: % Deliverable acceptance

Definition: The State's ability to accept Contractor deliverables based on submitted quality and in keeping with initially defined standards and content for Contractor deliverables.

The Contractor must provide deliverables to the State in keeping with agreed levels of completeness, content quality, content topic coverage and otherwise achieve the agreed purpose of the deliverable between the State and the Contractor.

Notwithstanding the State review and approval cycles, this service level will commence upon the delivery of a final deliverable for acceptance to the State, and any work/re-work to the final deliverable as a result of any State questions, required clarifications/amplifications, and conclude upon due completion of the required amendments.

This service level will commence upon Project initiation and will prevail until Project completion.

Formula:

$$\text{\% Deliverable acceptance} = \frac{\text{\# Deliverables accepted during period}}{\text{\# Deliverables presented during period}}$$

Measurement Period: Monthly, during project

Data Source:

Frequency of Collection: Ongoing

Service Level Measures

Individual SL GYR State	% Deliverable Acceptance
Green	>85%
Yellow	>80%, <=85%
Red	<=80%

5 On-site Contractor Coverage during Critical Deployment Events

Service Level Agreement

Specification: % Contractor on-site coverage during critical deployment events

Definition: This measure is the percentage of critical deployment events where a qualified Contractor technical support representative is on-premises at the State's primary location. A critical deployment event is defined as when (a) New end-user pages are initially released for production utilization, whether internal to the State, for the general public, or both, (b) Any other new functionality related to payments, collections, claim awards, claim adjudication, billing, document acceptance, or document distribution is migrated into production, (c) New system-to-system interfaces are implemented in production, (d) Core system elements are added, updated, patched, or replaced in production, or (e) The State deploys new or updated server hardware, operating systems, or virtualization environments upon which the production system depends.

A qualified technical support representative is an employee of the Contractor or subcontractor who possesses in-depth knowledge of any system components to be deployed and the capability to identify, diagnose, and resolve most foreseeable software and configuration problems. The primary location will be considered the site of the data center where the system operates, unless the State provides the Contractor with advance notice of an alternative support location.

On-site is defined as being physically present at the primary location and checked-in with the State's support team prior to the time when the critical events are scheduled and remaining at the primary location for a minimum of two hours following the completion of the event.

Any month where there are no scheduled critical deployments will be considered green for the purpose of compliance.

Formula:

$$\% \text{ Coverage} = \frac{\# \text{ Critical deployments during period where a qualified contractor technical support representative is on-site}}{\# \text{ Total critical deployments during period}}$$

Measurement Period:

Monthly, during project

Data Source:

Support logs or Contractor Sign-in Sheets as agreed

Frequency of Collection:

Ongoing

Service Level Measures

Individual SL GYR State	% of critical deployment where a qualified contractor technical representative is on-site
Green	100%
Yellow	>90%, <100%
Red	<90%

6 Aggregate System Response Time –Web Page Request Performance

Service Level Agreement

Specification: Median aggregate system response time

Definition: This measure is the monthly measured median response time for all system pages. The median represents the mid-point (50th percentile) of all Web page requests that resulted in a satisfactory (200- or 300-series) HTTP/HTTPS status as measured by production web server logs.

The start time used for the calculation of response time is the Web log timestamp on the initial page request minus the time-taken value on the same log record. The end time will be the Web log timestamp on the last associated page element. The interval between these two times is the response time.

The State may, at its discretion, elect to eliminate from the assessment certain page requests or time periods where performance issues are determined to be attributable to factors other than the system.

This SLA shall be in effect for all system, performance and acceptance activities as well as the production migration and support period in which the Contractor is responsible for the support of the production operation of the system.

Formula: Median response time for all Web page requests during the month

Measurement Period: Monthly, during project

Data Source: Web server logs

Frequency of Collection: Ongoing

Service Level Measures

Individual SL GYR State	Aggregate Median Response Time
Green	<2 seconds
Yellow	>=2 seconds, <=4 seconds
Red	<4 seconds

7 Aggregate System Response Time – 95th Percentile

Service Level Agreement

Specification: Aggregate System Response Time – 95th Percentile

Definition: This measure is the monthly 95th percentile response time based upon all system page requests. The 95th percentile time represents one observation where 95% of all page requests for the month that resulted in a satisfactory (200- or 300-series) HTTP/HTTPS status completed in a shorter interval.

The start time used for the calculation of response time is the Web log timestamp on the initial page request minus the time-taken value on the same log record. The end time will be the Web log timestamp on the last associated page element. The interval between these two times is the response time.

The State may, at its discretion, elect to eliminate from the assessment certain page requests or time periods where performance issues are determined to be attributable to factors other than the system.

Formula: 95th percentile response time for all Web page requests during the month

Measurement Period: Monthly, during project

Data Source: Web server logs

Frequency of Collection: Ongoing

Service Level Measures

Individual SL GYR State	Aggregate System Response Time – 95th Percentile
Green	<5 seconds
Yellow	>=5 seconds, <=10 seconds
Red	<10 seconds

STATE ROLES AND RESPONSIBILITIES

The following State personnel will be available during the Project.

BWC Program Manager

Provides oversight of all projects related to the BWC Core System Program and ensures the overall program goals are met. The BWC Program Manager coordinates and prioritizes schedules and resources across the projects, managing links and dependencies between the projects and the overall costs and risks of the program. The BWC Program Manager will be the single point of contact for contractual related matters.

BWC Project Manager

Provides project management oversight of the BWC Core System Project ensuring implementation is completed as designed and in accordance with approved work plan. The BWC Project Manager will be the single point of contact for Project related matters.

Business Core Team Leads

Provides guidance on business process development to ensure the solution meets State business needs. BWC will provide a Business Core Team Lead for each business area: Claims, Policy and Billing.

BWC Technical Lead

Provides guidance to ensure the solution meets any applicable BWC and State IT infrastructure requirements by following BWC and State policies standards and procedures. Leads BWC architects and works with Contractor's Technical Lead on design and implementation plans for solution technical architecture.

Core Subject Matter Experts (SMEs)

Participates in implementation related tasks (e.g., requirements review, design sessions, configuration, UAT, etc.).

CONTRACTOR ROLES AND RESPONSIBILITIES

The following Contractor roles and responsibilities are critical to the success of the Project. All Contractor roles are expected to work with their BWC counterparts. At a minimum, the Contractor's staffing plan must include names for the following key Project personnel.

Project Manager

Role: The Contractor Project Manager (PM) must provide project management oversight through acceptance of the BWC Core System solution.

Responsibilities:

- Creates and Manages the Project Plan and Schedule
- Manages the Contractor Project Team Members
- Liaison between State and Contractor Resources
- Initiates Quality Assurance Processes to monitor the Project
- Manages issues and risks
- Point of escalation for Project issues
- Manages the deliverable acceptance process

Qualifications:

- Experience as the Project Manager on COTS software implementation projects of similar size and scope within the past 3 years
- Project Management Institute Project Management Professional certified

Functional Lead(s)

Role: The Functional Lead(s) must provide business process and subject matter expertise for the proposed COTS software module implementation. Offerors may propose a single Functional Lead for multiple business areas or modules.

Responsibilities:

Lead all design, configuration, workflow, security design, development and testing.

Qualifications:

- Experience as the Claims, Policy, or Billing Lead on implementation projects of similar size and scope where the module is currently in production
- Experience conducting design sessions for COTS software implementation
- Experience on an implementation project where the Claims, Policy and Billing management modules were integrated
- Experience as a functional lead in any of the following proposed COTS software modules: Claims, Policy and Billing management
- Hands-on experience with the proposed Claims, Policy and Billing management COTS software

Technical Lead

Role: The Technical Lead must provide technical subject matter expertise for the proposed COTS software implementation.

Responsibilities:

- Lead the technical team in designing the technical architecture to support the COTS software
- Lead the technical team in tasks for inbound and outbound interfaces, reports, conversions (if applicable), extension, enhancements and testing
- Lead the installation and administrative configuration of the COTS software
- End-to-end technical implementation, coherency of the implemented modules within the broader context of the proposed COTS software
- Center point of communication for all technical matters concerning the application

Qualifications:

- Experience as the Technical Lead on the proposed COTS software implementation projects of similar size and scope where the application is currently in production

Performance Testing. Attachment Four: Acceptance and Maintenance – Standards of Performance and Acceptance and Attachment Two, Interval Deliverable Agreement describe the procedure and criteria for testing.

PART TWO: SPECIAL PROVISIONS

Software Licenses. The Contractor must provide or arrange for perpetual software licenses for all Commercial Software necessary to meet the requirements of this RFP. For the Key Commercial Software, the State requires an Agency License. For all other Commercial Software, the State requires a license that provides adequate usage rights to meet the State's current need, as identified elsewhere in this RFP and as disclosed in the offeror's Cost Summary. An Agency License means all BWC employees with a need to access and use the software may do so. It also means all third parties involved in related activities, such as the BWC's contractors, suppliers, third party administrators, managed care organizations, and employers covered by the BWC's programs, to the extent that such access supports the BWC's governmental and business functions. An Agency License also gives BWC the right to copy the Key Commercial Software and run and use multiple instances of it, for the above purposes, if reasonably necessary to facilitate the authorized use of it, provided BWC owns or controls the computers on which the Key Commercial Software is installed. BWC may also copy the software for use on computers owned and controlled by third parties, if the purpose of doing so is to facilitate disaster recovery, emergency needs, including testing and training for such purposes, and to permit a third party to host the Key Commercial Software on behalf of the State in an outsourcing arrangement. This Agency License also gives BWC the right to provide the authorized individuals described above access to the Key Commercial Software remotely through a browser or client software and an Internet or similar connection for all uses and purposes identified above.

Submittal of Deliverables. The Contractor must perform its tasks in a timely and professional manner that produces Deliverables that fully meet the Contract's requirements. The Contractor must complete its work in steps that will result in Deliverables associated with those steps, and the Contractor must provide the required Deliverables no later than the due dates proposed in the RFP or included in the Contractor's Project Plan as approved by the State. At the time of delivery of a written Deliverable, the Contractor must submit an original and one copy of each Deliverable, plus an electronic copy. The Contractor must provide the electronic copy in a file format acceptable to the State. Also, with each Deliverable, the Contractor must submit a Deliverable Submittal Form signed by the Project Manager. (See Attachment Six of the RFP.)

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

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

If the State determines a Deliverable is not in compliance, the BWC Project Manager will note the reason for non-compliance on the Deliverable Submittal Form and send the form to the Project Manager. At no expense to the State, the Contractor then must bring the Deliverable into conformance and re-submit it to the BWC Project Manager within ten business days.

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

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

If upon completion the Project fails to meet the performance requirements defined in Attachment Two, or fails the Performance test defined in Attachment Four, Standards of Performance and Acceptance, the State may determine the Contractor to be in default and may seek additional remedies at law. In any event, the State may exercise all of the following rights:

- 1) The State will not make payments associated with the post implementation support task;

- 2) The Contractor must reimburse the State ten percent (10%) of the total dollar amount paid under this Contract;
- 3) The Contract will be terminated.

Status reports are not subject to a review and approval process.

The Contractor's Fee Structure. The Contract award will be a not-to-exceed fixed price for the specified COTS Software and Support Fees, System maintenance and Work required to complete the Tasks and Deliverables.

The payment schedule below includes the Deliverable, Payment Milestone, Payment, and for Work required to complete the Task and Deliverables, it identifies the payment Milestone/Deliverable associated with multiple releases.

Payment under this Contract will be made as follows.

COTS Software and Support Fees – The State will pay for any COTS Software it acquires as part of this Contract only on the State's execution of a schedule or other ordering document, delivery of the software freight on board (F.O.B.) destination at the Project site, acceptance of the COTS Software in accordance with the applicable schedule or other ordering document, and receipt of a proper invoice for the COTS Software. Annual support fees, if applicable, will be paid in accordance with the applicable agreement covering the COTS Software. As part of the offeror's Proposal, the offeror may be obligated to obtain price commitments from key software providers to permit licensing of COTS Software at a committed price on an as-needed basis during the Contract period. This will permit the State to acquire licenses to meet the Project's schedule and to avoid acquiring licenses before they are needed.

If support fees are required beyond the seven years of support fees provided in the Cost Summary, then the Contractor agrees to provide quotes for additional annual support fees according to the provisions within the software license agreement(s).

System Maintenance – The State will pay for system maintenance after the 12 month warranty period, which is at no additional charge to the State. System maintenance excludes COTS Software and Support Fees, identified above, and will be paid on an annual basis.

Tasks and Deliverables – The State will pay for the Work required to complete the Tasks and Deliverables based on the completion and acceptance of Deliverable(s) associated with designated payment milestone(s).

The RFP assumes there will be three releases and multiple iterations which will result in multiple payments for the Tasks and Deliverables described in the payment schedule below. The payment amount for a payment milestone is determined by multiplying the payment percentage by the Total Not to Exceed Fixed Price for the BWC Core System Solution Implementation. Payment for the completion and acceptance of Deliverable(s) associated with multiple iterations will be determined by dividing the payment percentage associated with the Deliverable(s) by the number of iterations for that Deliverable(s) in the Contractor's approved Project Plan and multiplying the result by the Total Not to Exceed Fixed Price for the BWC Core System Solution Implementation.

If a zero is in the "Proposed Releases" column, the payment milestone will be paid once upon completion and acceptance of the identified deliverable(s) associated with that payment milestone.

Deliverable	Payment Milestone/Deliverable	Payment	
Software	BWC Core System COTS Software	Full License Fee	
Support	COTS Software Support	According to License Agreement	
BWC Core System Solution Implementation			
Deliverable #	Payment Milestone/Deliverable	Proposed Releases	Payment

Task 1 – Project Management			
1.	Kickoff Meeting Presentation	0	1%
2.	Updated Project Plan	0	1%
3.	Project Strategy Approach	0	1%
4.	Communication Approach	0	
5.	Knowledge Transfer Approach	0	
6.	Issue and Risk Management Approach	0	
7.	Configuration Management Plan	0	
8.	Change Request Review and Approval Process	0	
9.	Weekly Status Reports	ongoing	
			n/a
Task 2 – Business and High Level IT Technical Requirements Review and Validation			
10.	Updated Business Requirements	3	
11.	Identification of any requirements that cannot be fulfilled via Contractor core software, configurations, extensions, interfaces or reports	3	
12.	Design assumptions to accommodate an agreed list of business or technical requirements	3	
13.	Proposed alternate approaches to achieving the business requirements based on completion of this Review and Validation Task	3	
Task 3 – Design			
14.	Design Session Documentation	3	.5%
15.	Updated Business Requirements	3	.5%
16.	Functional Requirements Inventory	3	1%
17.	Technical Requirements Inventory	3	1%
18.	Functional Design	3	6%
	a. Process Flows with Key Inputs/Outputs	3	
	b. Business Configuration Design	3	
19.	Technical Design	3	5%
	a. Initial System Performance Requirements	3	
	b. Initial Production Support Requirements	3	
	c. Initial Operating Requirements	3	
	d. Software Configuration Design	3	
	e. Enterprise Architecture Documents	3	
	f. High Level Storage Requirements	3	
	g. System(s) Sizing Requirements	3	
	h. Test Environment Plan	3	
20.	System Integration Plan	3	1%
Task 4 – Implementation/Build			
21.	Component Build and Unit Testing Completion Letter and Results	3	20%
22.	Solutions Documentation	3	2%
23.	Operations Documentation	3	2%
Task 5 – Testing/Quality Assurance			
24.	System Integration and Performance Test Plan	3	.5%
25.	System Integration and Performance Test Scenarios, Scripts and Cases	3	.5%
26.	System Integration Test Execution Report and Completion Letter	3	5%
27.	Performance Test Execution Report and Completion Letter	3	5%
28.	UAT Plan	3	1%
29.	UAT Scenarios, Scripts and Cases	3	.5%
30.	UAT Execution Report and Completion Letter	3	5%
31.	Go-Live/Cutover Test Plan	3	1%
Task 6 – Training			

32.	Training Plan	0	1%
33.	Training Curriculum	3	.5%
34.	Training Materials	3	.5%
35.	Letter certifying completion of Training Delivery	3	3%
Task 7 –Conversion Plan			
36.	Conversion Plan	0	1%
Task 8 – Deployment Readiness/Production Release and Post Implementation Support			
37.	Deployment Plan	0	1%
38.	Post Implementation Support Signoff Document	3	8%
39.	Project Close Out	0	1%
BWC Core System Maintenance			
	System Maintenance		Annual Basis

Upon receipt of a signed Deliverable Submittal Form (Attachment Six) indicating the State agrees that the Deliverable identified in the work breakdown structure is compliant or that the Contractor has met an applicable milestone and payment should be made, the Contractor may submit an invoice for that Deliverable or milestone, according to the approved payment schedule.

Reimbursable Expenses. None.

Bill to Address.

Bureau of Workers' Compensation
Accounts Payable
P.O. Box 15369
Columbus, OH 43215-0369

Location of Data and Services. All State data must be maintained onsite at the Ohio Bureau of Workers' Compensation. Subject to Executive Order 2011-12K, all services must be performed within the United States.

ATTACHMENT THREE: REQUIREMENTS FOR PROPOSALS

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

These instructions describe the required format for a responsive Proposal. The offeror may include any additional information it believes is relevant. An identifiable tab sheet must precede each section of a Proposal, and each Proposal must follow the format outlined below. All pages, except pre-printed technical inserts, must be sequentially numbered. Any material deviation from the format outlined below may result in a rejection of the non-conforming Proposal.

Each Proposal must contain the following **tabbed sections**:

Technical Proposal

- Vendor Information Form (OBM-5657)
- Subcontractor Letters
- Offeror Certification Form
- Minimum Financial Requirements
- Offeror Description
- Profile Summary Forms
- Proposed System Solution
- Offered Options
- Staffing Plan
 - Time Commitment
- Assumptions
- Project Strategy
- Project Plan
- Work Plan
- Additional Information/Offerings
- Support Requirements
- Pre-Existing Materials
- Commercial Materials
- Changes to Attachment Nine
- Medical Bill Review Optional Information
- Terms for Commercial Materials
- Bond Commitment
- Conflict of Interest Statement
- Proof of Insurance
- Payment Address
- Legal Notice Address
- W-9 Form
- Declaration Regarding Terrorist Organizations
- Standard Affirmation and Disclosure Form (EO 2011-12K)

Cost Proposal (separate sealed package)

- Cost Summary

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

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

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

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

Offeror Description. Each Proposal must include a description of the offeror's capability, capacity, and experience in the industry. The description should include the date the offeror was established, its leadership, number of employees, number of employees the offeror will engage in tasks directly related to the Project, and any other background information that will help the State gauge the ability of the offeror to fulfill the obligations of the Contract.

Minimum Financial Requirements. If the offeror has audited financial statements, it must provide them for the past three years. If the offeror's most recently completed fiscal year is not yet audited, the previous three years may be acceptable. If the offeror has no audited financial records, it may submit its financial statements for the last three years without an auditor's certification.

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

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

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

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

- a) **Mandatory Experience and Qualifications.** The offeror must complete this section to demonstrate that it has the experience needed to meet the RFP's mandatory requirements. (Refer to Attachment Eight.) For each reference, the offeror must provide the following information:
 - **Contact Information.** The offeror must provide a client contact name, title, phone number, email address, company name, and mailing address. The offeror also must include the same information for an alternate client contact, in case the State cannot reach the primary contact. Failure to provide this information or providing information that is inaccurate or out of date may result in the State not including the reference in the evaluation process or rejecting the offeror's Proposal. The contact information given must be for a person within the client's organization and not a co-worker or a contact within the offeror's organization, subsidiaries, partnerships, etc.

- **Project Name.** The offeror must provide the name of the project where it obtained the mandatory experience.
- **Dates of Experience.** The offeror must complete this area with a beginning month and year and an ending month and year to show the length of time the offeror performed the work, not just the length of time the offeror was engaged by the reference.
- **Description of the Related Service Provided.** The State will not assume that, since the experience requirement is provided at the top of the page, all descriptions on that page relate to that requirement. The offeror must reiterate the experience being described, including the capacity in which the work was performed and the role of the offeror on the Project. It is the offeror's responsibility to customize the description to clearly substantiate the qualification.
- **Description of how the related service shows the offeror's experience, capability, and capacity to develop the Deliverables and to achieve this Project's milestones.**

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

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

THE OFFEROR MAY NOT USE THE EXPERIENCE OR QUALIFICATIONS OF A SUBCONTRACTOR TO MEET ANY OF THE ABOVE MANDATORY QUALIFICATIONS OR EXPERIENCE. THESE MUST BE FULFILLED EXCLUSIVELY THROUGH THE QUALIFICATIONS AND EXPERIENCE OF THE OFFEROR.

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

The software requirements must be met with the proposed COTS software.

Note: Supplement Two is being provided as a Microsoft Excel spreadsheet through the website as a convenience for responding to the RFP. The Supplement format and content must not be modified. If the requirements are modified, reformatted or omitted, the offeror's response may be disqualified.

For each requirement the offeror must provide a narrative description of its solution. The offeror must also provide a summary of any COTS products that will be used to meet the requirements. For each requirement identified, the offeror must indicate how the functionality is delivered by checking one of the following boxes in Supplement Two:

Base Functionality: Requirement will be fully met with out-of-the-box functionality that can be presented for business use with minimal effort beyond turning a feature "on" or "off" (e.g., built in processes, reports or rules).

Configuration: Requirement will be met with functionality that can be presented for business use after modifications utilizing the software's configuration tools. This would include managing or creating new business rules or process flows via tools provided as part of the COTS package.

Custom Development: Requirement will be met with functionality that can be presented for business use only after a new module or plug-in is developed. Modules or plug-ins would be created in a programming or scripting language and leverage low level application infrastructure such as APIs, messaging, integration technologies or services to exchange data or execute logic within the COTS solution. This would also include any updates the software vendor would make to the core code as part of a future release or service pack.

Not Supported: Requirement will not be met as part of the proposed solution.

Complexity Rating

High = over 120 effort hours to configure or develop and unit test

Medium = 41 - 120 effort hours to configure or develop and unit test

Low = 40 or less effort hours to configure or develop and unit test

Offered Options. Offered options are not required or evaluated in this RFP but may be identified by the offeror and included in the Proposal. This is an opportunity for offerors to offer options the State may not have been aware of at the time the RFP was written. The offeror may provide information about additional functionality, software, etc. that BWC may consider during the term of the Contract. The State makes no commitment to acquiring said Offered Options.

All options the State chooses to exercise for the Contract must be available to the State at the pricing offered in the offeror's proposal, if pricing is available. However, pricing may be negotiated at the State's sole option, with the selected Contractor.

Staffing Plan. The offeror must provide a staffing plan that identifies all the personnel by position that the offeror proposes and that are required to do the Project. The staffing plan must show each individual's responsibilities on the Project. The State also requires a staffing plan that matches the proposed Project key personnel and qualifications to the activities and tasks that will be completed on the Project. In addition, the plan must have the following information:

- A contingency plan that shows the ability to add more staff if needed to ensure meeting the Project's due date(s); and
- The number of people onsite at the State location at any given time to allow the State to plan for the appropriate workspace.
- A statement and a chart that clearly indicate the time commitment of the proposed Project Manager and the offeror's proposed team members including key Project personnel for this Project during each phase of the System Development Life Cycle. The offeror also must include a statement indicating to what extent, if any, the Project Manager may work on other projects during the term of the Contract. The State may reject any Proposal that commits the proposed Project Manager or any proposed key Project personnel to other projects during the term of the Project, if the State believes that any such commitment may be detrimental to the offeror's performance.

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

Project Strategy. The offeror must fully describe its project strategy including: the project scope and objectives, high-level implementation schedule, implementation approach and methodology, work products aligned to implementation schedule, staffing plan, assumptions, as well as approach to project management and reporting.

The offeror must specifically indicate in the Project Strategy if the offeror's solution must be implemented as a total solution using a "big bang approach" or if the individual core system functions (Claims, Policy and Billing) can be implemented separately.

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

- Manage the Project;
- Guide Project execution;

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

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

- Description of the Project management approach;
- Scope statement that includes the Project objectives and the Project Deliverables and milestones;
- Work breakdown structure as a baseline scope document that includes Project elements. The work breakdown structure must show the elements at a level of detail that demonstrates the offeror's understanding of the effort required to do the work. The work breakdown structure also must have increasingly descending levels of detailed definition added as the Project continues. The Project elements must include, at a minimum, scope definition, requirements gathering, design, development, conversion, testing, benchmarking, implementation, training, and transition, as applicable;
- High Level Project schedule for all Project Deliverables and milestones;
- Who is assigned responsibility for each Deliverable within the work breakdown structure to the level at which control will be exercised;
- Performance measurement baselines for technical scope and schedule;
- Major milestones and target date(s) for each milestone that are consistent with this RFP's dates;
- Key or required staff and their expected effort;
- High-level subsidiary Project management plans:
 - Integration management,
 - Scope management,
 - Schedule management,
 - Cost management,
 - Quality management,
 - Staffing management,
 - Communications management, and
 - Risk management (including constraints and assumptions, planned responses and contingencies);
- Description of the offeror's proposed organization(s) and management structure responsible for fulfilling the Contract's requirements;
- Definition of the review processes for each milestone and Deliverable (e.g. mandatory design review) and a description of how the parties will conduct communication and status review;
- Description of the Project issue resolution process; and
- If the offeror chooses to use subcontractors, this part of the offeror's Proposal must describe its approach to managing its subcontractors effectively.

Work Plan. The offeror must fully describe its approach, methods, and specific work steps for doing the work on this Project and producing the Deliverables. The State seeks insightful responses that describe proven, state-of-the-art methods. Recommended solutions must demonstrate that the offeror will be prepared to quickly undertake and successfully complete the required tasks. The Work Plan must include a detailed implementation approach to addressing and meeting RFP Milestone Dates.

The Work Plan must address each task and deliverable described in Attachment Two.

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

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

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

Pre-existing Materials. The offeror must list any Pre-existing Materials it owns that will be included in a Deliverable if the offeror wants a proprietary notice on copies that the State distributes. For example, the offeror may have standard user interfaces or standard shells that it incorporates in what is otherwise custom software. (See the Ownership of Deliverables section of the General Terms and Conditions.) The State may reject any Proposal that includes existing materials for a custom solution, if the State believes that such is not appropriate or desirable for the Project.

Commercial Materials. The offeror must list any commercial and proprietary materials that the offeror will deliver that are easily copied, such as Commercial Software, and in which the State will have less than full ownership ("Commercial Materials"). Generally, these will be from third parties and readily available in the open market. The offeror need not list patented parts of equipment, since they are not readily copied. If the offeror expects the State to sign a license for the Commercial Material, the offeror must include the license agreement as an attachment. But for Key Commercial Software, the offeror may not include a standard license agreement; rather, the offeror must comply with the next section's requirements regarding Attachment Nine. If the State finds any provisions of any proposed license agreement objectionable and cannot or does not negotiate an acceptable solution with the licensor, regardless of the reason and in the State's sole discretion, then the offeror's Proposal may be rejected. If the State is not going to sign a license, but there will be limits on the State's use of the Commercial Materials different from the standard license in the General Terms and Conditions, then the offeror must detail the unique scope of license here. Any deviation from the standard license, warranty, and other terms in Attachment Four also may result in a rejection of the offeror's Proposal.

Proposed Changes to the Master Contract for Software Licensing. If the offeror seeks changes to Attachment Nine, the Master Contract, the offeror must identify those changes, with the precise alternative language the offeror seeks, and include the markup of the Master Contract as an attachment to its Proposal. Generalized objections to the Master Contract's terms and conditions are not acceptable. The State may reject any Proposal with extensive changes to the Master Contract or with changes that the State finds objectionable. Alternatively, the State may seek to negotiate over proposed changes to attempt to make them acceptable to the State. The State, in its sole and exclusive judgment, will determine whether any changes are acceptable and whether any negotiations make the proposed changes acceptable to the State.

Optional Medical Bill Review Functionality

The State may be interested in obtaining functionality associated with Medical Bill Review or future systems capability that is compatible with the system proposed by the selected Contractor. Attachment Eleven outlines the general understanding of requirements at this time.

This functionality is optional, however, if the offeror chooses to respond to this section, the following information is requested at a minimum: general approach, functional compliance with the requirements described in Attachment Eleven, software, hardware and architectural integration information.

The offeror must also provide the costs for the:

- License(s);
- Analysis and requirements definition needed to implement the Medical Bill Review functionality;
- Proposed design of the Medical Bill Review functionality;
- Configuration and unit testing of the Medical Bill Review functionality;
- Testing of the Medical Bill Review functionality;
- Implementation of the Medical Bill Review functionality;
- Training on the Medical Bill Review functionality; and
- Technical assistance and training for BWC to enable them to update, enhance and maintain the Medical Bill Review functionality.

Terms for Commercial Materials. If the offeror proposes a Deliverable that contains Commercial Software or other Commercial Materials with terms that differ from the terms in Attachment Four for Commercial Software

and Materials, other than Key Commercial Software, which must be dealt with in accordance with the preceding section, then those terms must be detailed here, and any proposed separate agreement covering those items must be included in the offeror's Proposal. This is required even if the State will not be expected to sign the agreement. Any deviation from the standard terms in Attachment Four may result in a rejection of the offeror's Proposal.

Bond Commitment. The selected offeror must provide a performance bond. The amount of the performance bond must be equal to at least ten percent of the total amount of the Contract, and the bond must remain in place through the term of the Contract and may be renewed or continued annually with the approval of the State. Therefore, each offeror must enclose a letter of commitment from a bonding company for an appropriate performance bond with its Proposal.

The offeror must list the actual cost of securing the performance bond in its Cost Summary, Attachment Fourteen. The State will pay only the actual cost of the performance bond and may request a certified copy of the invoice from the bonding company for documentation. If the cost of the bond on the Cost Summary and the cost shown on the bonding company's invoice do not match, the State will pay whichever is less.

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

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

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

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

W-9 Form. The offeror must complete the attached W-9 form, Supplement One, in its entirety. The offeror must submit at least one originally signed W-9. All other copies of a Proposal may contain copies of the W-9. The offeror must indicate on the outside of the binder which Proposal contains the originally signed W-9.

Declaration Regarding Terrorist Organizations. The offeror must complete a Declaration Regarding Material Assistance/Non-assistance to a Terrorist Organization in its entirety. The offeror must submit at least one originally signed copy of this form, which should be included with the offeror's originally signed Proposal. All other copies of the offeror's Proposal may contain copies of this form. The form is available at: <http://www.homelandsecurity.ohio.gov>.

Standard Affirmation and Disclosure Form (EO 2011-12K). The offeror must complete and sign the Affirmation and Disclosure Form (Attachment Thirteen) as part of its Proposal.

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

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

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

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

ATTACHMENT FOUR: GENERAL TERMS AND CONDITIONS

PART ONE: PERFORMANCE AND PAYMENT

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

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

Term. Unless this Contract is terminated or expires without renewal, it will remain in effect until the Project is completed to the satisfaction of the State, including all optional renewal periods for maintenance or continuing commitments, and the Contractor is paid. However, the current General Assembly cannot commit a future General Assembly to an expenditure. Therefore, this Contract will automatically expire at the end of each biennium, the first of which is June 30, 2013. The State may renew this Contract in the next biennium by issuing written notice to the Contractor of the decision to do so. This expiration and renewal procedure also will apply to the end of any subsequent biennium during which the Project continues, including any optional renewal periods. Termination or expiration of this Contract will not limit the Contractor's continuing obligations with respect to Deliverables that the State paid for before termination or limit the State's rights in such.

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

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

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

The State seeks a complete Project, and the Contractor must provide any incidental items omitted in the RFP Documents as part of the Contractor's not-to-exceed fixed price. The Contractor also must fully identify,

describe, and document all systems that are delivered as a part of the Project. Unless expressly excluded elsewhere in the RFP, all hardware, software, supplies, and other required components (such as documentation, conversion, training, and maintenance) necessary for the Project to be complete and useful to the State are included in the Project and the not-to-exceed fixed price.

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

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

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

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

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

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

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

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

In making any reimbursable expenditure, the Contractor always must comply with the more restrictive of its own, then current internal policies for making such expenditures or the State's then current policies. All reimbursable travel will require the advance written approval of the BWC Project Manager. The Contractor must bill all reimbursable expenses monthly, and the State will reimburse the Contractor for them within 30 business days of receiving the Contractor's invoice.

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

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

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

Employment Taxes. All people furnished by the Contractor (the "Contractor Personnel") are employees or subcontractors of the Contractor, and none are or will be deemed employees or contractors of the State. No Contractor Personnel will be entitled to participate in, claim benefits under, or become an "eligible employee" for purposes of any employee benefit plan of the State by reason of any work done under this Contract. The Contractor will pay all federal, state, local, and other applicable payroll taxes and make the required contributions, withholdings, and deductions imposed or assessed under any provision of any law and measured by wages, salaries, or other remuneration paid by or which may be due from the Contractor to the Contractor Personnel. The Contractor will indemnify, defend (with the consent and approval of the Ohio Attorney General), and hold the State harmless from and against all claims, losses, liability, demands, fines, and expense (including court costs, defense costs, and redeemable attorney fees) arising out of or relating to such taxes, withholdings, deductions, and contributions with respect to the Contractor Personnel. The Contractor's indemnity and defense obligations also apply to any claim or assertion of tax liability made by or on behalf of any Contractor Personnel or governmental agency on the basis that any Contractor Personnel are employees or contractors of the State, that the State is the "joint employer" or "co-employer" of any Contractor Personnel, or that any Contractor Personnel are entitled to any employee benefit offered only to eligible regular fulltime or regular part-time employees of the State.

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

PART TWO: PROJECT AND CONTRACT ADMINISTRATION

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

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

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

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

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

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

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

Audits. During the term of this Contract and for three years after the payment of the Contractor's Fee, on reasonable notice, and during customary business hours, the State may audit the Contractor's records and other materials that relate to the Project. This audit right also applies to the State's duly authorized representatives and any person or organization providing financial support for the Project.

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

- (a) Workers' compensation insurance, as required by Ohio law, and, if some of the Project will be done outside Ohio, the laws of the appropriate state(s) where work on the Project will be done. The Contractor also must maintain employer's liability insurance with at least a \$1,000,000.00 limit.
- (b) Commercial General Liability insurance coverage for bodily injury, personal injury, wrongful death, and property damage. The defense cost must be outside of the policy limits. Such policy must designate the State of Ohio as an additional insured, as its interest may appear. The policy also must be endorsed to include a blanket waiver of subrogation. At a minimum, the limits of the insurance must be:

- \$ 2,000,000 General Aggregate
- \$ 2,000,000 Products/Completed Operations Aggregate
- \$ 1,000,000 Per Occurrence Limit
- \$ 1,000,000 Personal and Advertising Injury Limit
- \$ 100,000 Fire Legal Liability
- \$ 10,000 Medical Payments

The policy must be endorsed to provide the State with 30-days prior written notice of cancellation or material change to the policy. And the Contractor's Commercial General Liability must be primary over any other insurance coverage.

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

The certificate(s) must be in a form that is reasonably satisfactory to the State as to the contents of the policies and the quality of the insurance carriers. All carriers must have at least an "A-" rating by A.M. Best.

Performance Bond. The Contractor must provide the Procurement Representative with a performance bond in the amount required by the RFP Documents within 30 business days after receipt of a purchase order for this Contract. The bond must be issued by a company authorized by Ohio's Department of Insurance to do business in Ohio and must indemnify the State against all direct damages it suffers from any failure of the Contractor to perform properly.

Failure of the Contractor to provide the performance bond on or before the date it is required will result in a breach of this Contract without a cure period and termination or suspension (or ultimately both) of this Contract for cause. The performance bond must remain in place through the term of the contract but may be renewed or continued annually with the approval of the State. Further, the terms of the bond must reflect the terms of this section, or the State will reject it and treat the failure of conformance as a failure by the Contractor to deliver the bond in a timely fashion.

Concurrent with the delivery of the performance bond, the Contractor must provide the State with a certified copy of the invoice for the bond from the bonding company. The State will reimburse the Contractor for the lesser of the amount of the performance bond reflected on the bonding company's certified invoice or the cost shown on the Cost Summary of the Contractor's proposal.

Replacement Personnel. If the RFP Documents contain the names of specific people who will work on the Project, then the quality and professional credentials of those people were material factors in the State's

decision to enter into this Contract. Therefore, the Contractor must use all commercially reasonable efforts to ensure the continued availability of those people. Also, the Contractor may not remove those people from the Project without the prior written consent of the State, except as provided below.

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

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

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

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

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

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

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

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

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

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

On written notice, the Contractor will have 30 calendar days to cure any breach of its obligations under this Contract, provided the breach is curable. If the Contractor fails to cure the breach within 30 calendar days after written notice, or if the breach is not one that is curable, the State will have the right to terminate this Contract immediately on notice to the Contractor. The State also may terminate this Contract in the case of breaches that are cured within 30 calendar days but are persistent. "Persistent" in this context means that the State has notified the Contractor in writing of the Contractor's failure to meet any of its obligations three times. After the third notice, the State may terminate this Contract on written notice to the Contractor without a cure period if the Contractor again fails to meet any obligation. The three notices do not have to relate to the same obligation or type of failure. Some provisions of this Contract may provide for a shorter cure period than 30 calendar days or for no cure period at all, and those provisions will prevail over this one. If a particular section does not state what the cure period will be, this provision will govern.

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

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

If the State terminates this Contract for cause, it will be entitled to cover for the Project by using another Contractor on such commercially reasonable terms as the State and the covering contractor may agree. The Contractor will be liable to the State for all costs related to covering for the Project to the extent that such costs, when combined with payments already made to the Contractor for the Project before termination, exceed the costs that the State would have incurred under this Contract. The Contractor also will be liable for any other direct damages resulting from its breach of this Contract or other action leading to termination for cause.

If the termination is for the convenience of the State, the Contractor will be entitled to compensation for any work on the Project that the Contractor has performed before the termination. Such compensation will be the Contractor's exclusive remedy in the case of termination for convenience and will be available to the Contractor

only once the Contractor has submitted a proper invoice for such, with the invoice reflecting the amount that the State determines it owes to the Contractor. The State will make that determination based on the lesser of the percentage of the Project completed or the hours of work performed in relation to the estimated total hours required to perform the entire Project.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Where an equitable adjustment to the Contractor's Fee is appropriate, the State and the Contractor may agree upon such an adjustment. If the State and the Contractor are unable to agree, either party may submit the dispute to the senior management of the Contractor and the senior management of the State's Department of Administrative Services for resolution. If within 30 calendar days following referral to senior management, the claim or dispute has not been resolved, the Contractor must submit its actual costs for materials needed for the change (or estimated amount if the precise amount of materials cannot be determined) and an estimate of the hours of labor required to do the work under the Change Order. The Contractor must break down the hours of labor by employee position, and provide the actual hourly pay rate for each employee involved in the change. The total amount of the equitable adjustment for the Change Order then will be made based on the actual cost of materials (or estimated materials) and actual rate for each person doing the labor (based on the estimated

hours of work required to do the change). Labor rates will be increased by 25% to cover benefits and taxes. The equitable adjustment for the Change Order then will be set based on this amount, plus 15% to cover overhead and profit. This amount will be the not-to-exceed amount of the Change Order. If the change involves removing a requirement from the Project or replacing one part of the Project with the change, the State will get a credit for the work no longer required under the original scope of the Project. The credit will be calculated in the same manner as the Contractor's Fee for the change, and the not-to-exceed amount will be reduced by this credit.

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

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

Excusable Delay. Neither party will be liable for any delay in its performance that arises from causes beyond its control and without its negligence or fault. The delayed party must notify the other promptly of any material delay in performance and must specify in writing the proposed revised performance date as soon as practicable after notice of delay. In the event of any such excusable delay, the date of performance or of delivery will be extended for a period equal to the time lost by reason of the excusable delay. The delayed party also must describe the cause of the delay and what steps it is taking to remove the cause. The delayed party may not rely on a claim of excusable delay to avoid liability for a delay if the delayed party has not taken commercially reasonable steps to mitigate or avoid the delay. Things that are controllable by the Contractor's subcontractors will be considered controllable by the Contractor, except for third-party manufacturers supplying commercial items and over whom the Contractor has no legal control.

Independent Status of the Contractor. The parties are independent of one another, and the Contractor's Personnel may act only in the capacity of representatives of the Contractor and not as representatives of the State. Further, the Contractor's Personnel will not be deemed for any purpose to be employees, representatives, or agents of the State. The Contractor assumes full responsibility for the actions of the Contractor's Personnel while they are performing under this Contract and will be solely responsible for paying the Contractor's Personnel (including withholding, and paying income taxes and social security, workers' compensation, disability benefits and the like). The Contractor may not commit, and is not authorized to commit, the State in any manner. The Contractor's subcontractors will be considered the agents of the Contractor for purposes of this Contract.

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

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

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

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

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

The Contractor's obligation to maintain the confidentiality of the Confidential Information will not apply where such: (1) was already in the Contractor's possession before disclosure by the State, and such was received by the Contractor without obligation of confidence; (2) is independently developed by the Contractor; (3) except as provided in the next paragraph, is or becomes publicly available without breach of this Contract; (4) is rightfully received by the Contractor from a third party without an obligation of confidence; (5) is disclosed by the Contractor with the written consent of the State; or (6) is released in accordance with a valid order of a court or governmental agency, provided that the Contractor (a) notifies the State of such order immediately upon receipt of the order and (b) makes a reasonable effort to obtain a protective order from the issuing court or agency limiting disclosure and use of the Confidential Information solely for the purposes intended to be served by the original order of production. The Contractor must return all originals of any Confidential Information and destroy any copies it has made on termination or expiration of this Contract.

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

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

Confidentiality Agreements. When the Contractor performs services under this Contract that require the Contractor's and its subcontractors' personnel to access facilities, data, or systems that the State in its sole discretion deems sensitive, the State may require the Contractor's and its subcontractors' personnel with such access to sign an individual confidential agreement (Attachment Twelve) and have a background check performed before accessing those facilities, data, or systems. The Contractor must immediately replace any of its or its subcontractors' personnel who refuse to sign a required confidentiality agreement or acknowledgment

or have a background check performed. The contractor and any subcontractor will therein agree to comply with all applicable state and federal statutes and rules, and all BWC policies for the protection of sensitive data, confidential medical, claim, and employer premium information, and Confidential Personal Information (CPI).

Ownership of Deliverables. The BWC will own all hardware, custom software (including but not limited to conversion programs, utilities, etc.), software license and other components of the Project. In addition, the BWC owns all Deliverables that the Contractor produces under this Contract, including any documentation, with all rights, title, and interest in all intellectual property that come into existence through the Contractor's custom work being assigned to the BWC. Additionally, the Contractor waives any author rights and similar retained interests in custom-developed material. The Contractor must provide the BWC with all assistance reasonably needed to vest such rights of ownership in the BWC. The Contractor will retain ownership of all tools, methods, techniques, standards, and other development procedures, as well as generic and preexisting shells, subroutines, and similar material incorporated into any custom Deliverable ("Pre-existing Materials"), if the Contractor provides the non-exclusive license described in the next paragraph.

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

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

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

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

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

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

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

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

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

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

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

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

PART FOUR: REPRESENTATIONS, WARRANTIES, AND LIABILITIES

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

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

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

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

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

In addition, for Commercial Software that is incorporated into a Deliverable, the Contractor will: (a) maintain or cause the third-party licensor to maintain the Commercial Software so that it operates in the manner described

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

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

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

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

PART FIVE: ACCEPTANCE AND MAINTENANCE

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

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

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

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

The acceptable level of performance for the Project is defined by the service level agreements (SLAs) included in the RFP and as may be subsequently modified by mutual agreement of the State and the Contractor. Additional performance standards will be established during the definition of the performance test plan.

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

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

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

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

The Contractor's response to a programming error will depend upon the severity of the problem. For programming errors that slow the processing of data by a small degree, render minor and non-mandatory functions of the System inoperable or unstable, or require users or administrators to employ workarounds to fully use the software, Contractor will respond to the request for resolution within four business hours. Furthermore,

the Contractor must begin working on a proper solution for the problem within one business day, dedicating the resources required to fix the problem. For any defects with more significant consequences, including those that render key functions of the system inoperable or significantly slow processing of data, the Contractor will respond within two business hours of notice. The Contractor also must begin working on a proper solution for the problem immediately after responding and, if requested, provide on-site assistance and dedicate all available resources to resolving the problem.

For software classified as Commercial Software in the Ownership of Deliverables section and for which the State has not signed a separate license agreement, the Contractor must acquire for the State the right to maintenance for one year. That maintenance must be the third-party licensor's standard maintenance program, but at a minimum, that maintenance program must include all, updates, patches, and fixes to the software. It also must include a commitment to keep the software current with the operating environment in which it is designed to function (and, if applicable, the subject matter covered by the software) and to correct material defects in the software in a timely fashion. Additionally, the Contractor must obtain a commitment from the licensor to make maintenance available for the product for at least four years after the first year of maintenance. The Contractor also must obtain a commitment from the licensor to limit increases in the annual Fee for maintenance to no more than 7% annually. If the licensor is unable to provide maintenance during that five-year period, then the licensor must be committed to doing one of the following two things: (a) give the State a *pro rata* refund of the license fee based on a five-year useful life; or (b) release the source code for the software (except third party software) to the State for use by the State solely for the purpose of maintaining the copy(ies) of the software for which the State has a proper license. For purposes of receiving the source code, the State agrees to treat it as confidential and to be obligated to the requirements under the Confidentiality section of this Contract with respect to the source code. That is, with respect to the source code that the State gets under this section, the State will do all the things that the Confidentiality section requires the Contractor to do in handling the State's Confidential Information.

Principal Period of Maintenance (General). The Contractor must make maintenance available nine working hours per weekday, between 8:00 a.m. and 5:00 p.m. Travel time and expenses related to remedial and preventive maintenance will not be considered billable but will be included in the Contractor's firm, fixed Fee for the Project during the warranty period and a part of the annual maintenance Fee during later annual maintenance periods.

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

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

PART SIX: CONSTRUCTION

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

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

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

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

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

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

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

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

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

PART SEVEN: LAW AND COURTS

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

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

Conflicts of Interest And Ethics Compliance Certification: Contractor affirms that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree, with the performance of services which are required to be performed under any resulting Contract. In addition, Contractor affirms that a person who is or may become an agent of Contractor, not having such interest upon execution of this Contract shall likewise advise the State in the event it acquires such interest during the course of this Contract.

Contractor agrees to adhere to all ethics laws contained in Chapters 102 and 2921 of the Ohio Revised Code governing ethical behavior, understands that such provisions apply to persons doing or seeking to do business with the State, and agrees to act in accordance with the requirements of such provisions; and warrants that it has not paid and will not pay, has not given and will not give, any remuneration or thing of value directly or indirectly to the State, the Bureau or any of this board members, officers, employees, or agents, or any third party in any of the engagements of this Contract or otherwise, including, but not limited to a finder's fee, cash solicitation fee, or a fee for consulting, lobbying or otherwise.

Ohio Elections Law. Contractor hereby certifies that no applicable party listed in Division (I) (J), (Y) and (Z) of Ohio Revised Code Section 3517.13 has made contributions in excess of the limitations specified under Divisions (I) (J), (Y) and (Z) of Ohio Revised Code Section 3517.13.

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

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

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

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

Declaration of Material Assistance/Non-Assistance to a Terrorist Organization.

The Contractor represents and warrants that it has not provided any material assistance, as that term is defined in ORC Section 2909.33(C), to an organization that is identified by, and included on, the United States Department of State Terrorist Exclusion List and that it has truthfully answered "no" to every question on the DMA form. The Contractor further represents and warrants that it has provided or shall provide the DMA form through the Ohio Business Gateway at <http://business.ohio.gov/efiling/> prior to execution of this Contract. If these representations and warranties are found to be false, this Contract shall be void and the Contractor shall immediately repay to the State any funds paid under this Contract.

Governing the Expenditure of Public Funds on Offshore Services (EO 2011-12K).

I. EXECUTIVE ORDER REQUIREMENTS:

The Contractor affirms to have read and understands Executive Order 2011-12K and shall abide by those requirements in the performance of this Contract, and shall perform no services required under this Contract outside of the United States.

The Contractor also affirms, understands, and agrees to immediately notify the State of any change or shift in the location(s) of services performed by the Contractor or its subcontractors under this Contract, and no services shall be changed or shifted to a location(s) that are outside of the United States.

II. TERMINATION. SANCTION. DAMAGES:

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

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

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

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

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

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

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

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

**ATTACHMENT FIVE
SAMPLE CONTRACT**

**A CONTRACT BETWEEN
THE DEPARTMENT OF ADMINISTRATIVE SERVICES
ON BEHALF OF THE BUREAU OF WORKERS' COMPENSATION
AND**

(CONTRACTOR)

THIS CONTRACT, which results from RFP 0A1086, entitled BWC Core System, is between the State of Ohio, through the Department of Administrative Services, on behalf of the Bureau of Workers' Compensation and _____ (the "Contractor").

This Contract consists of the referenced RFP, including all its attachments and supplements, written amendments to the RFP, the Contractor's Proposal, and written, authorized amendments to the Contractor's Proposal. It also includes any materials incorporated by reference in the above documents and any purchase orders and Change Orders issued under the Contract. The form of the Contract is this one page document, which incorporates by reference all the documents identified above. The General Terms and Conditions for the Contract are contained in an attachment to the RFP. If there are conflicting provisions among the documents that make up the Contract, the order of precedence for the documents is as follows:

1. This document;
2. The RFP, as amended;
3. The documents and materials incorporated by reference in the RFP;
4. The Executive Order EO 2011-12K incorporated by reference in the RFP;
4. The Contractor's Proposal, as amended, clarified, and accepted by the State; and
5. The documents and materials incorporated by reference in the Contractor's Proposal.

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

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

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

CONTRACTOR

STATE OF OHIO
DEPARTMENT OF ADMINISTRATIVE SERVICES

SAMPLE - DO NOT FILL OUT

By: _____

By: «OIT_DIRECTOR»

Title: _____

Title: «OIT_DIRECTOR_TITLE»

Date: _____

Date: _____

**ATTACHMENT SIX
SAMPLE DELIVERABLE/MILESTONE SUBMITTAL FORM**

Client Name:	[Insert Client Name]
Project Name:	[Insert Project Name]
Contract Number:	[Insert Contract Number]
Deliverable To Be Reviewed or Milestone Attained:	[Insert Deliverable/Milestone Name and Work Breakdown Structure Task #]
Date Deliverable Submitted for Review or Milestone Achievement Date:	[Insert Applicable Date]

The [insert Deliverable/milestone name] Deliverable/milestone is complete. This Deliverable/milestone has been completed/attained by [insert Corporate name] in accordance with the requirements specified in the RFP and Project Plan. Please obtain signatures below indicating the compliance of [insert Deliverable/milestone name]. Please obtain all signatures within **XX** calendar days of the Submitted or Achievement Date, above, [insert date XX calendar days from submitted date].

Please contact _____ at **XXX-XXX** with any questions.

Sincerely,

[Insert Company Name]
[Insert Project Name] Project Manager

Printed Name
Contractor Project Manager
{Same as person signing above}

<p>COMPLIANT: Deliverable Payment Authorized: Yes _____ No _____ N/A _____</p> <p>_____ Signature of BWC Project Manager /Date</p>
--

<p>NOT COMPLIANT: Describe reason(s) for non-compliance: (Continue on back if necessary)</p> <p>_____ Signature of BWC Project Manager / Date Payment <u>Not</u> Authorized</p>
--

**ATTACHMENT SEVEN
OFFEROR CERTIFICATION FORM**

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

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

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

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

Potential Conflicts (by person or entity affected)

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

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

5. The offeror certifies that all its and its subcontractors' personnel provided for the Project will have a valid I-9 form on file with the offeror or subcontractor, as appropriate, and will have presented valid employment authorization documents, if they are not United States citizens.

6. The following is a complete list of all subcontractors, if any, that the offeror will use on the Project, if the State selects the offeror to do the work:

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

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

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

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

Signature

Name

Title

Company Name

Company D-U-N-S Number

**ATTACHMENT EIGHT
OFFEROR PROFILE SUMMARY**

OFFEROR MANDATORY REQUIREMENTS

Note: The offeror should duplicate this form as necessary to demonstrate the requirement.

MANDATORY REQUIREMENT: The offeror must have at least one worker’s compensation commercial insurance implementation currently in production of each of the modules (Claims, Policy and Billing).

To demonstrate this experience, the offeror must include up to, but not more than, three references from organizations that have completed a Claims, Policy and Billing management implementation. **If more than three references are provided for each type (Claims, Policy and Billing), only the first three listed will be used for scoring. A total of nine references may be provided (maximum of three per type).**

Company Name:	Contact Name: (Indicate Primary or Alternate)				
	Contact Title:				
Company Address:	Contact Phone Number:				
	Contact Email Address:				
Project Name:	Beginning Date of Experience Month/Year:	Ending Date of Experience Month/Year:			
Identify module: (circle one)					
<table border="0"> <tr> <td align="center">Claims</td> <td align="center">Policy</td> <td align="center">Billing</td> </tr> </table>			Claims	Policy	Billing
Claims	Policy	Billing			
Provide a detailed description of the referenced worker’s compensation commercial insurance implementation currently in production:					

**ATTACHMENT EIGHT
OFFEROR PROFILE SUMMARY**

OFFEROR MANDATORY REQUIREMENTS

Note: The offeror should duplicate this form as necessary to demonstrate the requirement.

MANDATORY REQUIREMENT: The offeror must have a minimum of five commercial insurance implementations currently in production with at least one implementation of two or more modules (Claims, Policy and Billing).

If more than six references are provided, only the first six listed will be used for scoring.

Company Name:	Contact Name: (Indicate Primary or Alternate) Contact Title:	
Company Address:	Contact Phone Number: Contact Email Address:	
Project Name:	Beginning Date of Experience Month/Year:	Ending Date of Experience Month/Year:
List the modules currently in production:		
Provide a detailed description of the referenced commercial insurance implementation.		

**ATTACHMENT EIGHT
OFFEROR PROFILE SUMMARY**

OFFEROR MANDATORY REQUIREMENTS

Note: The offeror should duplicate this form as necessary to demonstrate the requirement.

MANDATORY REQUIREMENT: The offeror must have a commercial insurance implementation currently in production which manages at least 100,000 policies and 1 million claims.

If more than three references are provided, only the first three listed will be used for scoring.

Company Name:	Contact Name: (Indicate Primary or Alternate)	
	Contact Title:	
Company Address:	Contact Phone Number:	
	Contact Email Address:	
Project Name:	Beginning Date of Experience Month/Year:	Ending Date of Experience Month/Year:
Number of Policies:	Number of Claims:	
Provide a detailed description of the referenced commercial insurance implementation:		

ATTACHMENT NINE
MASTER CONTRACT FOR SOFTWARE LICENSING (MLA NUMBER [0000000])

THIS CONTRACT (the "Contract") is between the State of Ohio (the "State"), through the Department of Administrative Services, Investment and Governance Division, with offices at 30 East Broad Street, Columbus, Ohio 43215, and *[Company name of the Contractor]* (the "Contractor"), with offices at *[street address, city, state and zip code for the Contractor]*, and whose Federal Tax ID Number is *[the Contractor's TIN]* and D-U-N-S Number is *[the Contractor's D-U-N-S]*.

BACKGROUND

The State and the Contractor have entered into this Contract to provide the terms and conditions under which the Contractor will grant one or more perpetual, nonexclusive licenses to the State to use certain software that the Contractor publishes or markets (the "Software"). Any such licenses will be described in one or more schedules to this Contract ("Schedules") and will include a license to use the Software's user and technical documentation (the "Documentation"). It also may include a license to use the Software's source code and related material ("Source Code"), if it is so indicated elsewhere in this Contract or on the applicable Schedule. Additionally, this Contract governs the Contractor's obligation to provide the State with assistance troubleshooting the Software and with updates, correction, enhancements, and new releases of the Software ("Support").

PART I: LICENSE AND USE

- 1. Grant of License.** The Contractor grants to the State a nonexclusive, nontransferable, and perpetual license to use the executable code version of the Software identified in each Schedule under this Contract, along with the related Documentation, and if indicated in an applicable Schedule, the Source Code for the Software. The license begins on the date identified in the applicable Schedule as the start date for the license (the "Start Date"). Unless indicated otherwise in this Contract, such use will be limited to use solely for the exercise of any function of State government by any State agency or political subdivision of the State ("Affiliated Entities"). The applicable Schedule governing the license will describe the scope of each license granted to the State in further detail, and the State agrees to limit its use of the Software as described in the applicable Schedule. The State may not republish the Software or the Documentation or distribute it to any third party, unless and only to the extent that this Contract or the scope of license in the applicable Schedule expressly so permits. The State will have a right to use the Software at any of its locations worldwide, subject only to applicable restrictions on export of technology from the US, the scope of license in the applicable Schedule, and the restrictions in this Contract on using the Software in hazardous environments.
- 2. Generated Files.** "Generated Files" are files that the State creates using the Software and in which the State's data or results from the State's instructions are stored. Examples of such files could include, among others, text files generated with a word processor, data tables created with a database engine, and image files created with a graphics application. Applications consisting of instruction sets created with a programming language that the Contractor licensed to the State also would be considered Generated Files. As between the State and the Contractor, the State will own all Generated Files that the State prepares by using the Software, excluding such portions of the Generated Files that consist of embedded portions of the Software. The Contractor or its licensors will retain ownership of any portions of the Software embedded into Generated Files. But the Contractor grants to the State a nonexclusive, royalty-free right to reproduce and distribute to third parties any portions of the Software embedded in any Generated Files that the State creates while using the Software in the manner in which the Software is designed to be used. In the State's distribution of the Generated Files, the State may not use the Contractor's name, logo, or trademarks, except to the extent that such are incorporated in such Generated Files by the design of the Software when used as intended.
- 3. License Restrictions.** The State may not reverse engineer, de-compile, or disassemble any Software for which it is not licensed to use the Software's Source Code. Additionally, the State may not assign, transfer, or redistribute the Software to any party in whole or in part, except as expressly provided by this Contract or the applicable Schedule. It also may not rent, time share, or operate a service bureau with respect to the

Software. And the State may not charge a fee to any third party for access to or use of the Software, unless this Contract or the applicable Schedule permits such. (One Affiliated Entity using the Software on behalf of another Affiliated Entity is not the operation of a service bureau for purposes of this Contract, even if the Affiliated Entity charges the other Affiliated Entity for the costs of the service.) Additionally, except as authorized in this Contract or the applicable Schedule, the State may not grant any sublicense to access or use the Software. Notwithstanding the foregoing, and provided they have agreed in writing to honor the terms of this Contract, the State's Affiliated Entities may use the Software in the same manner as the State, subject to the applicable limits on the license and the obligations contained in this Contract. Further, for any Software designed for communications, such as e-commerce applications, or for Web presentations, the State may communicate with third parties using the Software and use the Software for presentations to third parties via the Internet. Additionally, the State engages various contractors to do work for it, and the State may provide such contractors with access to and use of the Software solely for use on behalf of the State, including in a facilities management, hosting, disaster recovery, or outsourcing arrangement. But the State may not provide access to the Software to any such contractors except for use solely on behalf of the State.

- 4. Locking Devices.** Some Software may require the use of a key to prevent unauthorized installation and use of the Software, but the Software may not include expiration codes, "time bombs", or similar devices that can disable the software once a proper key is provided. Further, the software may not contain any routines, functions, or devices that can or are designed to transmit or transfer any data surreptitiously to the Contractor or any other party. Nor may the software contain any routines, functions, or similar devices designed to permit the Contractor or a third party to surreptitiously access data on the State's network or on any of the State's computers. Should the State need assistance with a key or similar device to use the Software within the State's scope of license, the Contractor will assist the State at any time and without charge or fee, regardless of whether such Software is then under Support.
- 5. Copies.** In addition to the copies of the Software authorized by the license in the applicable Schedule, the State may make a reasonable number of copies of the Software for backup, archival, disaster recovery, testing, development, and image management purposes. And the State may use these copies for such purposes without paying any additional fee or charge, so long as any such additional copies are not used in a production environment while the production copy or copies of the Software are used for production. No other copies of the Software may be made by or for the State. With respect to the Documentation for any Software, the State may make as many copies of it in either paper-based or electronic form as the State may reasonably require for its own internal purposes. Additionally, the State may incorporate portions of the Documentation in other materials, such as training and reference manuals, provided that such materials are used solely for the internal purposes of the State and the use bears a reasonable nexus to the State's use of the Software. Each copy of the Software or Documentation that the State makes must bear the same copyright and other proprietary notices that appear on the original copy provided to the State. If the Contractor has granted the State a license to use the Source Code for the Software, the State may make a reasonable number of copies of the Source Code, modify it, compile it, and otherwise use it as reasonably necessary to support its licensed use of the Software.
- 6. Hazardous Environments.** The State recognizes that some Software may not be designed or intended for use as or with online control equipment or systems in hazardous environments requiring fail-safe performance. This includes equipment or systems such as those used in the operation of nuclear facilities, aircraft navigation, air traffic control, direct life support machines, and munitions. It also includes any other equipment or systems in which the State reasonably can foresee that failure of the Software could lead to death, personal injury, or severe physical or environmental damage. For any Software designated as not intended for hazardous environments in the applicable Schedule, the State may not use or permit the use of the Software in conjunction with any such equipment or systems.
- 7. Object Reassignment.** Any Software licensed by the number of items that it may be used on, by, or in conjunction with, such as nodes, computers, users, or sites ("Objects"), may be reassigned to other, similar Objects within the State at any time and without any additional fee or charge. For example, a computer-specific license may be transferred to another computer, a site license may be transferred to another site, and a named user license may be assigned to another user. But any such reassignment must be in conjunction with termination of use by or with the previous Object, if such termination is required to keep the total number of licensed Objects within the scope of the applicable license. Should the State require a

special code, a unique key, or similar device to reassign the Software as contemplated by this section, the Contractor will provide such a code, key, or similar device to the State at any time and without a fee or charge, regardless of whether such Software is then under Support. A later section in this Contract governs assignment of the State's license in any Software to a successor in interest.

- 8. Upgrades, Updates, and Corrections.** All portions of the Software, including any corrections, patches, service packs, updates, upgrades, and new versions and releases are the property of Contractor, are part of the Software, and are governed by the State's license in the Software. In no event will the Software or any modification of it be deemed a work made for hire, even if the Contractor has made the modification expressly for the State, unless the parties agree otherwise in writing.

PART II: FEES AND PAYMENT

- 1. Fees.** The State will pay to the Contractor the fees for licensing the Software identified in each Schedule under this Contract ("License Fees"), as well as all applicable fees for Support of the Software ("Support Fees") that are identified in any Schedule under this Contract. The License Fee for each license is due and payable on the 30th day after the later of the date on which the applicable license starts (the "Start Date") or the date the State receives a proper invoice for the License Fee at the office designated in the applicable purchase order. A Support Fee will be due payable on the 30th day after the later of the date on which the applicable period of Support (the "Support Period") begins or the date the State receives a proper invoice for the Support Fee at the office designated in the applicable purchase order. The State will not be obligated to acquire or renew Support for any Software unless it issues a purchase order for such.
- 2. Taxes.** The State is exempt from all sales, use, excise, property, and similar taxes ("Taxes"). To the extent any Taxes are imposed on the Contractor in connection with this Contract or the Software, the Contractor must pay such Taxes, together with any interest and penalties not properly disputed with the appropriate taxing authority.
- 3. Invoices.** The Contractor must submit an original invoice with three copies to the office designated in the purchase order as the "bill to" address. To be a proper invoice, the invoice must include the following information:
 - (1) Name and address of the Contractor, as designated in this Contract.
 - (2) The Contractor's federal tax identification number, as designated in this Contract.
 - (3) The Contractor's invoice remittance address, as designated in this Contract.
 - (4) The purchase order number authorizing the delivery of the Software or Support.
 - (5) A description of what the Contractor delivered, including, as applicable, the time period, serial number, unit price, quantity, and total price of the Software and Support. If the invoice is for Software with multiple installments of the License Fee, the Contractor also must include the payment number (e.g., 11 of 36).

If an invoice does not meet this section's requirements, or if the Contractor fails to give proper notice of a price increase (see the Pricing section below), the State will send the Contractor written notice. The State will send the notice, along with the improper invoice, to the Contractor's address designated for receipt of purchase orders within 15 days. The notice will contain a description of the defect or impropriety and any additional information the Contractor needs to correct the invoice. If such notification has been sent, the payment due date will be 30 days after the State receives a corrected and proper invoice or the applicable Start Date in the Schedule, whichever is later.

The date the State issues a warrant (the State's equivalent to a check) in payment of an invoice will be considered the date payment is made. Without diminishing the Contractor's right to timely payment, the payment will be overdue only if it is not received by the 30th day after the payment's due date. If the State has not issued payment by then, interest will begin to accrue under Ohio Revised Code ("Code") Section 126.30.

- 4. Non-Appropriation of Funds.** The State's funds are contingent on the availability of lawful appropriations by the Ohio General Assembly. If the Ohio General Assembly fails to continue funding for the Fees due

hereunder, as determined by the Director of the Department of Administrative Services, this Contract will terminate with respect to the Software or Support affected by the non-appropriation as of the date that the funding expires, and the State will have no further obligation to make any payments. This provision will not alter the rights of the State in any Software or to any Support for which the State already has made payment at the time of the non-appropriation.

5. **OBM Certification.** This Contract is subject to Code Section 126.07. All orders and Schedules under this Contract are void until the Director of the Office of Budget and Management for the State certifies that there is a balance in the appropriation available to pay for the order.
6. **Currency.** The State will make all payments under this Contract by warrant (the State's equivalent to a check) in US Dollars, regardless of the location where the Support is provided or the Software is located.
7. **Disputed Amounts.** The parties will resolve any amounts disputed under this Contract expeditiously and in good faith by having the representatives of the parties who signed this Contract enter into informal discussions. Once resolved through the dispute resolution process, the amount must be paid within 30 days of the resolution. If the State disputes any amount under this Contract in good faith, the State may withhold its payment pending resolution notwithstanding anything to the contrary elsewhere in this Contract.
8. **Pricing.** Subject to the limitations in this section, the Contractor may modify its pricing for Software or Support at any time and without notice to the State. But no such change will apply to any Software or Support that the State orders or for which it receives an invoice before the effective date of the change. Nor will any price increase apply to any Software for which the State and the Contractor have entered in to a Price-hold Addendum; the pricing for such Software will be fixed for the term of the price-hold. Additionally, for seven years from the date of the State's first license of any Software, the State will be entitled to acquire additional licenses for the same Software at a discount that is equal to the discount extended to the State for the initial license of the Software, even though the list price for the Software may have increased. Such licenses will be granted under the terms contained in this Contract via the execution of a Schedule hereto. Thereafter, the State will not be obligated to pay more than the Contractor's then current, published License Fee for any such Software, less the discount described in the following sentence. For all additional licenses acquired more than seven years after the initial license in the same Software, the State still will be entitled to a discount of ■% from the then current list price for the license. Support Fees under this Contract may not increase from one Support Period to the next by more than ■ percent for any license in the Software. Further, in no event will the Support Fee the State pays be greater than the fee paid by any other customer of the Contractor for the same type license.

PART III: CONTRACT ADMINISTRATION

1. **Term.** Once entered into, the term of this Contract will be from the date the duly authorized representative of the State signed it through June 30, 2013. Expiration of this Contract without renewal will not affect any licenses granted to the State before the expiration. It also will not affect the rights and the responsibilities of the parties with respect to such licenses.
2. **Renewal.** The State may renew this Contract for additional one-year terms, subject to and contingent on the discretionary decision of the Ohio General Assembly to appropriate funds for this Contract in each new biennium. Any such renewal of this Contract also is subject to the satisfactory performance of the Contractor and the needs of the State. The State's failure to renew this Contract will not affect any licenses granted to the State before the expiration. It also will not affect the rights and the responsibilities of the parties with respect to such licenses.
3. **Delivery.** The Contractor must deliver all Software licensed under this Contract to the State F.O.B. at the State's site specified in the applicable Schedule. If the Contractor and the State agree so in writing, the Contractor may deliver any Software licensed under this Contract via electronic transmission over the Internet, provided the Contractor maintains sufficient bandwidth to accommodate delivery in this fashion. Upon physical delivery or successful completion of an electronic transmission, title to any media on which the Software and Documentation are contained and risk of loss of the Software and Documentation will pass to the State.

4. **Schedules.** For all Software that the State licenses, the Contractor and the State will enter into a written Schedule to this Contract, signed by duly authorized representatives of both parties. The Schedule will describe the Software, the license granted in the Software, and the date the license starts ("Start Date"). It also will identify the License Fee for the license granted, the number of physical copies of the media on which the Software is shipped, and the operating system or systems for which the Software is designed. In addition, the Schedule will identify the Support Fee or the percentage of the License Fee used to calculate the Support Fee. All additional Software that the State seeks to license from the Contractor under this Contract, as well as all additional licenses that the State wishes to acquire in Software already licensed under this Contract, will be subject to the Contractor's prior, written approval in each such case. But the Contractor will consent for any Software that is covered by a Price-hold Addendum. The Contractor also must consent for any Software that is or designed to operate in conjunction with Software already acquired by the State under this Contract, if the Software at issue is generally available to other customers and the State is not in material breach of this Contract.
5. **Confidentiality.** Each party may disclose to the other written material or oral or other forms of information that it treats as confidential ("Confidential Information"). Title to any Confidential Information one party delivers to the other will remain with the disclosing party or its licensors. Each party agrees to treat any Confidential Information it receives from the other party as secret, if it is so marked, otherwise identified as such, or when, by its very nature, it deals with matters that, if generally known, would be damaging to the best interest of the other party or its licensors.

The Contractor's Confidential Information may include the Software and Documentation, if the Software and Documentation are the trade secrets of Contractor and marked as such in a reasonable manner. Information of the State that the Contractor must presume to be Confidential Information, regardless of whether it is marked as such, includes any proprietary documentation, materials, flow charts, codes, software, computer instructions, techniques, models, information, diagrams, know-how, data, business records, and business plans. Such also includes files containing personal information about other contractors or employees of the State, such as personnel records, and any material to which an attorney-client, physician-patient, or similar privilege may apply. It also includes any State records that Ohio law excludes from public records disclosure requirements.

Each party agrees not to disclose any Confidential Information of the other to any third parties and to use it solely to meet its obligations under this Contract or as otherwise contemplated under this Contract. Additionally, each party will restrict circulation of Confidential Information within its organization and permit access to it only by people who have a need to know the Confidential Information for the purposes contemplated by this Contract. The receiving party will be liable to the disclosing party for any damages that result from its improper or unauthorized disclosure of any Confidential Information.

Except for Software, Source Code, or Documentation that represents Confidential Information, neither party may incorporate any portion of the other party's Confidential Information into any work or product. With respect to Software, Source Code, or Documentation that is Confidential Information, the foregoing will not apply to any portion of the Software incorporated into Generated Files by the design of the Software when used as intended. Nor will the foregoing apply to portions of the Documentation that the State incorporates into material such as training and reference manuals in accordance with this Contract's applicable provisions. And the foregoing will not apply to any Source Code properly licensed to the State that the State modifies for use within the scope of its license in the applicable Software. Furthermore, the receiving party must cause all of its personnel who have access to any Confidential Information of the other party to execute a confidentiality agreement incorporating the obligations of this section. Additionally, for any director, officer, employee, partner, agent, or subcontractor of the Contractor ("Contractor Personnel") that require access to the State's premises, the State may require an individual non-disclosure agreement incorporating the terms of this section to reinforce the importance of such obligations. The State may bar any Contractor Personnel who refuse to execute such a non-disclosure agreement from entering the State's facilities.

The receiving party's obligation to maintain the secrecy of the Confidential Information will not apply where it:

- (a) Was already in the receiving party's possession before disclosure by the other party, and the receiving party obtained it without an obligation of confidence;
- (b) Is independently developed by the receiving party;
- (c) Except as provided in the next paragraph, is or becomes publicly available without breach of this Contract;
- (d) Is rightfully obtained by the receiving party from a third party without an obligation of confidence;
- (e) Is disclosed by the receiving party with the written consent of the other party; or
- (f) Is released in accordance with a valid order of a court or governmental agency, provided that the receiving party:
 - (1) Notifies the other party of such order immediately upon receipt of the order; and
 - (2) Makes a reasonable effort to obtain a protective order from the issuing court or agency limiting disclosure and use of the Confidential Information solely for the purposes intended to be served by the original order of production.

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

Except for properly licensed Software, Source Code, or Documentation that contains Confidential Information, the receiving party must return or destroy all copies of any Confidential Information when it is no longer needed for the receiving party to perform under this Contract, but in any case, no later than on termination of this Contract. For properly licensed Software, Source Code, and Documentation that represents Confidential Information, the State may retain it for so long as the State has a valid license in it.

The receiving party may disclose Confidential Information to its contractors on a need-to-know basis, but only after they have agreed in writing to be obligated to the requirements of this section.

6. Escrow. Except for Software that the Contractor delivers to the State with its Source Code, the Contractor must escrow the Source Code for all Software with Escrow Associates, LLC (the "Agent") under an existing escrow agreement between the State and the Agent. The Agent may release the Source Code to the State on the occurrence of any of the following:

- (a) The Contractor ceases business without a successor in interest that assumes all the Contractor's obligations under this Contract;
- (b) The Contractor files or has filed against it a petition in bankruptcy or similar proceeding that is not dismissed within 60 days;
- (c) The Contractor stops supporting any Licensed Software;
- (d) The State terminates this Contract for cause; or
- (e) The Contractor materially or consistently fails to perform its Support obligations in a timely and professional manner.

The release will apply only to the Source Code for Software affected by the triggering event. The Source Code for the Software will be in the form customarily used by programmers to read and modify such Source Code. It also will include all supporting documentation and annotations reasonably required for productive use of the Source Code by a competent programmer skilled in the programming language in which the Source Code is written. The Contractor will deliver to the Agent the Source Code for each version or release of the Software that the State acquires. The State will be solely responsible for paying all escrow fees associated with the escrow agreement, and upon any release of Source Code from escrow, the State will treat the material as Confidential Information and use it solely to maintain the Software for its own internal purposes.

The escrow agreement with the Agent is a supplementary agreement to this Contract, within the meaning of Title 11, Section 365(n), of the United States Code, and neither the Contractor nor its trustee in bankruptcy

may interfere with the State's license in the Software or right to access any Source Code by virtue of any bankruptcy proceedings.

From time to time, the State may change the company it uses as the Agent. The State will do so only on written notice to the Contractor and will use only a US-based, well-recognized escrow company.

- 7. Insurance.** During any Support Period for which the State has paid the applicable Support Fee, the Contractor must purchase and maintain the following minimum insurance coverages at its sole expense:
- (A) Worker's compensation insurance covering all employees to comply with the laws of the state or states where operations are conducted and employer's liability insurance with a limit of not less than \$1,000,000. If operations are conducted in a monopolistic state, the employer's liability insurance must be provided through a stop gap endorsement.
 - (B) General liability insurance covering all operations under this Contract, with a combined single limit of not less than \$1,000,000 each occurrence. The policy must include with its other coverages products and completed operations, broad form property damage, blanket contractual liability coverage, independent contractors (work sublet) and cross liability.
 - (C) Automobile liability insurance covering all automotive equipment used in performing under this Contract (whether owned, non-owned, or hired) with a combined single limit of not less than \$1,000,000 each accident.

The policies specified in (A) above must be with companies acceptable to the State and endorsed to waive rights of subrogation against the State. The policies specified in (B) and (C) above must be endorsed to include the State as an additional insured with respect to operations performed under this Contract. All the above policies must be primary to any policies the State purchases or maintains.

The Contractor must furnish the State with an insurance certificate as evidence of the above coverages and requirements. The certificate also must contain the following statement:

"Thirty days' prior written notice will be given to the State of Ohio in the event of cancellation or material change in coverage."

The coverages required represent the State's minimum requirements, and they may not be construed to void or limit the Contractor's indemnity obligations under this Contract.

- 8. Excusable Delay.** Neither party will be liable for any delay in its performance under this Contract that arises from causes beyond its control and without its negligence or fault. The delayed party must notify the other promptly of any material delay in performance and must specify in writing the proposed revised performance date as soon as practicable after notice of delay. For any such excusable delay, the date of performance or delivery will be extended for a period equal to the time lost by reason of the excusable delay. The delayed party must also describe the cause of the delay and what steps it is taking or will take to remove the cause. The delayed party may not rely on a claim of excusable delay to avoid liability for a delay if the party has not taken commercially reasonable steps to mitigate or avoid the delay.
- 9. Network Security.** The Contractor may not connect to the State's internal computer network without the prior, written consent of the State, which the State will reasonably provide if necessary or appropriate for the Contractor to provide Support. But as a condition of connecting to the State's computer network, the Contractor must secure its own connected systems in a manner consistent with the State's then-current security policies, which the State will provide to the Contractor on request. The State may audit the Contractor's security measures in effect on any such connected systems without notice. The State also may terminate the Contractor's network connections immediately should the State determine that the Contractor's security measures are not consistent with the State's policies or are otherwise inadequate given the nature of the connection or the data or systems to which the Contractor may have access.
- 10. Termination.** This Contract will continue in full force and effect unless terminated according to the terms of this Contract. Either party may terminate this Contract at any time on 30 days prior written notice to the other party or in the event of any default by the other party, which the defaulting party fails to cure within 30

days after written notice. Either party also may terminated this Contract upon any sale of a majority interest in the other party to a third party or if a receiver, liquidator, trustee, or like official is appointed for the other party or any substantial portion of its property. Additionally, either party may terminate this Contract if the other party files or consents to any petition in bankruptcy or other insolvency proceedings or makes any assignment for the benefit of its creditors. Termination of this Contract will not extinguish any of the rights and obligations of a party under this Contract that, by the terms of that right or obligation, continue after the date of termination. And no termination will extinguish any of the rights or obligations that, by their very nature, must continue after termination to give full effect to the purpose of those rights and obligations. Termination of this Contract will not entitle the State to any refund of any License or Support Fee, nor will it extinguish any license or price-hold the State has acquired in any Software before the date of termination, except as provided in the next paragraph.

With or without terminating this Contract in accordance with the paragraph above, on 30 days prior written notice to the State, the Contractor may terminate any license in any Software granted to the State under this Contract. But the Contractor may do so only if the State materially breaches any terms of this Contract with respect to the license or licenses the Contractor seeks to terminate. Such termination notice will be effective 30 days after the State receives it, provided that the State does not cure its breach of this Contract within those 30 days. All Software licenses not affected by the State's breach will remain in place and unaffected by the termination. Any such termination will be in addition to any other remedies the Contractor may have under this Contract for the State's breach.

PART IV: WARRANTIES, LIABILITIES, AND REMEDIES

- 1. Warranties.** The Contractor warrants for one year from the Start Date that the Software will be free of material defects and will function in substantial conformance to its Documentation when used in the operating environment for which it is intended and in accordance with its Documentation. The Contractor also warrants that the Software will be merchantable and fit for the particular purpose for which the State acquired it. Moreover, the Contractor warrants that the Software will be free of viruses at the time of its delivery under this Contract. Additionally, the Contractor warrants that all media on which the Software is delivered to the State will be free from defects for one year after delivery to the State.
- 2. Warranty Exclusions.** The Contractor's warranties with respect to the Software's performance in accordance with its Documentation, its fitness, and its merchantability do not cover any error caused by any change to the Software made by any party other than the Contractor and not at the Contractor's request or otherwise in accordance with this Contract or the Software's Documentation. It also does not cover damage to the Software caused by accident, neglect, or misuse of the Software by any party other than the Contractor or anyone else acting on the Contractor's behalf. Further, the State's use of the Software in an operating environment or in conjunction with a hardware platform that does not meet the Contractor's minimum specifications, as set out in the applicable Schedule or Documentation, may result in errors or failures that are outside the scope of the Contractor's warranty. Additionally, use of the Software in combination with other software, hardware, firmware, data, or technology not licensed or approved by the Contractor in writing may cause failures that also are outside the scope of the Contractor's warranty, provided that the Software is not designed or intended for use with such items.

THE EXPRESS WARRANTIES IN THIS CONTRACT ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED.

- 3. Remedies.** The Contractor's entire liability and the State's sole remedy for any breach of the above media warranty is limited to requiring the Contractor to replace the defective media expeditiously and without charge to the State. Furthermore, the Contractor's entire liability and the State's sole remedy for any breach of the above warranties of fitness, merchantability, and against defects in the Software will be limited to the Contractor expeditiously correcting the defect or issue and providing the State with a patch containing the correction. If within the times given below, the Contractor does not provide a replacement copy for defective media or Software containing a virus or fails to deliver a fix for a defect in the Software or a correction solving a fitness or merchantability issue, the Contractor must refund all License Fees paid by the State for the affected the Software. In the case of defective media or Software containing a virus, the Contractor will have 15 days after written notice to provide a replacement. In the case of other defects,

merchantability issues, or fitness issues, the Contractor will have 30 days after written notice to deliver a correction that resolves the problem. Upon the Contractor's issuance of a refund, the State will return or destroy all copies of the Software and, upon the Contractor's request, certify in writing that it has done so.

THE FOREGOING REMEDIES ARE THE STATE'S EXCLUSIVE REMEDIES FOR THE WARRANTIES PROVIDED ABOVE.

4. **Indemnity.** The Contractor will indemnify the State for all direct damages to the State caused by the negligence or willful misconduct of the Contractor. The Contractor also agrees to indemnify, defend, and hold the State harmless from and against all claims, liabilities, demands, losses, expenses (including by way of example only, court costs and experts' and attorneys' fees), and causes of action of every kind and character in favor of any third party caused or arising out of the activities or performance of the Contractor or the Contractor's Personnel. The foregoing obligations do not apply to the extent caused by the State's actual negligence or willful misconduct. Any defense of the State requires and is subject to the approval and consent of the Ohio Attorney General.
5. **Infringement.** The Contractor will release, protect, indemnify, defend, and hold the State harmless from and against any claims of infringement by any third parties based on the Software, Source Code, or Documentation licensed under this Contract. Any defense of the State requires and is subject to the approval and consent of the Ohio Attorney General and will be at the Contractor's sole cost and expense. Further, the Contractor will indemnify the State for any liability resulting from any such claims, demands, or suits, as well as hold the State harmless for the Contractor's liability, losses, and damages resulting from such. This obligation of defense and indemnification will not apply where the State has modified or misused the Software, Source Code, or Documentation, and the claim or the suit is based on the modification or misuse. The Contractor's obligation to hold the State harmless also will not apply if the claim, suit, liability, or damage arises out of the State's misuse of the Software, Source Code, or Documentation. The State agrees to give the Contractor notice of any such claim as soon as reasonably practicable and to allow the Contractor to control the defense of the any such claim, upon consultation with and the approval of the Office of the State's Attorney General.

If a successful claim of infringement is made, or if the Contractor reasonably believes that an infringement or similar claim that is pending actually may succeed, the Contractor will do one of the following four things as soon as reasonably possible to avoid or minimize any interruption of the State's business:

- (a) Modify the offending Software, Source Code, or Documentation so that it is no longer infringing;
- (b) Replace the offending Software, Source Code, or Documentation with an equivalent or better item;
- (c) Acquire the right for the State to use the infringing Software, Source Code, or Documentation as it was intended for the State to use under this Contract; or
- (d) Remove the infringing Software, Source Code, or Documentation and refund the amount the State paid for the Software and the amount of any other Software or item that requires the availability of the infringing Software, Source Code, or Documentation for it to be useful to the State.

6. **LIMITATION OF LIABILITY. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS CONTRACT, NEITHER PARTY WILL BE LIABLE FOR ANY DAMAGES OTHER THAN DIRECT DAMAGES. THIS EXCLUSION OF DAMAGES INCLUDES, BY WAY OF EXAMPLE ONLY, INDIRECT, INCIDENTAL, EXEMPLARY, AND CONSEQUENTIAL DAMAGES, INCLUDING LOSS OF PROFITS, EVEN IF THE PARTY KNEW OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGES. ADDITIONALLY, NEITHER PARTY WILL BE LIABLE FOR DIRECT DAMAGES IN EXCESS OF TWO TIMES THE TOTAL LICENSE AND SUPPORT FEES PAID UNDER THIS CONTRACT OR \$ _____, WHICHEVER IS GREATER. BUT THIS LIMITATION OF LIABILITY WILL NOT LIMIT THE CONTRACTOR'S OBLIGATION TO INDEMNIFY THE STATE UNDER THE INDEMNITY AND INFRINGEMENT PROVISIONS OF THIS CONTRACT FOR DIRECT DAMAGES FROM THE CONTRACTOR'S NEGLIGENCE OR WILLFUL MISCONDUCT. THIS LIMITATION OF LIABILITY ALSO WILL NOT LIMIT THE CONTRACTOR'S OBLIGATIONS UNDER THE INDEMNITY AND INFRINGEMENT SECTIONS OF THIS CONTRACT FOR CLAIMS MADE AGAINST THE STATE FOR INFRINGEMENT OR FOR NEGLIGENCE OR WILLFUL MISCONDUCT OF THE CONTRACTOR,**

REGARDLESS OF THE NATURE OF THE DAMAGES SOUGHT FOR ANY SUCH CLAIM. THIS LIMITATION OF LIABILITY WILL SURVIVE TERMINATION OF THIS CONTRACT.

PART V: SOFTWARE SUPPORT

- 1. Support.** Each Support Period will be one year in duration, with the first Support Period beginning on the [first anniversary of the] Start Date for the applicable license. Subsequent Support Periods will begin on each anniversary of the Start Date of the applicable license (the "Anniversary Date"). During each Support Period for which the State has paid the applicable Support Fee, the Contractor will provide the State with telephonic assistance and advice for using the Software. The Contractor also will provide remote troubleshooting and problem resolution by developing and providing fixes or patches for errors in the Software. As part of the annual Support that the Contractor provides in exchange for the applicable Support Fee, the Contractor also will deliver to the State all service packs for the Software, as well as all updates and new releases and versions of the Software. The annual Support Fee will be calculated as a percentage of the then current License Fee for the applicable Software license. The percentage used to calculate the Support Fee will be provided in the applicable Schedule governing the Software license. The manner in which the Contractor provides Support will be governed by the Contractor's policies and programs described in the applicable Software Documentation or other materials that the Contractor uses to notify its customers generally of such policies. But regardless of the Contractor's policies and programs, unless otherwise agreed in the applicable Schedule, in all cases such Support must comply with the requirements of this Contract. And the Contractor must provide the Support in a competent, professional, and timely manner.
- 2. Minimum Availability.** Support for any Software licensed under this Contract must be available for a minimum of seven years from the Start Date of the license. Thereafter, for so long as the Contractor makes Support available to other customers, the State will be entitled to participate in that Support under the terms of this Contract and in exchange for the Support Fee identified in the applicable Schedule.
- 3. Reductions.** The State may acquire licenses that are based on the number of users, nodes, computers, processors, instances of the Software or other counts of objects covered by a license ("Objects"). In any such cases, the State may request that the Support Fees for a Support Period be calculated based on fewer Objects than included in the previous Support Period, with an appropriate adjustment in the applicable Support Fee. But patches, services packs, updates, and new versions or releases of the Software made available to the State under this Contract for such Software may be applied only to the number of Objects included in the then current Support Period. Nevertheless, the State may continue using any version of the Software that is available at the time Support was reduced on or for the unsupported Objects, provided that such is physically possible based on the Software's configuration. In any case where supported and unsupported Objects cannot be treated separately (e.g., a single server license supporting multiple concurrent connection), the State must limit its use of the Software to the supported number of Objects to take advantage of its reduction rights under this section.
- 4. Lapse and Reinstatement.** If the State opts to not renew Support for some or all of the Software licensed by the State under this Contract, the State may subsequently purchase Support for such Software. But it may do so only if the Contractor continues to make it generally available to its customers when the State makes the decision to reacquire Support. Further, any such Support will require, in addition to the Support Fee for the then current Support Period, the payment of the immediately preceding year's Support Fees for that Software, or the applicable instances of it. Notwithstanding anything to the contrary in this Contract, no interest will be due on the Support Fees for the past Support Periods. In conjunction with the reinstatement of Support, the State will be entitled to any patches, service packs, upgrades, and new releases, and versions of the Software issued during the unsupported interval.
- 5. Support Parameters.** The State may initiate Support requests for problems it encounters with the Software by telephone, email, Internet, or fax, and the Contractor must maintain lines of communication that support all four forms of communication. The Contractor must make Support available from at least 7:00 AM to 6:00 PM in each time zone where the Contractor maintains a Support center, and it must do so by staffing its Support function with an adequate number of qualified personnel to handle its traditional volume of calls. Further, the Contractor must maintain at least one Support center in North America with adequate

English-speaking Support personnel. Support must be available during the business hours identified above from at least Monday through Friday throughout the Support Period, except for customary holidays. Further, subject to the State's obligation to pay the applicable Support Fees, the Contractor must support both the most recent major release of the Software as well as the immediately preceding major release of Software. The State's technical staff may contact any Support center that the Contractor maintains, and they may choose to do so based on convenience, proximity, service hours, languages spoken, or otherwise.

- 6. Incident Classification.** The Contractor must classify and respond to Support calls by the underlying problem's effect on the State. In this regard, the Contractor may classify the underlying problem as critical, urgent, or routine. The guidelines for determining the severity of a problem and the appropriate classification of, and response to, it are described below.

The Contractor must designate a problem as "critical" if the Software is functionally inoperable, the problem prevents the Software from being used in production mode or there is significant potential for data integrity problems. This classification assumes there is no existing patch for the problem. The Contractor must classify a problem as "urgent" if the underlying problem significantly degrades the performance of the Software or materially restricts the State's use of the Software in a production mode. A problem also will be considered urgent if a commonly used feature often generates application errors, causes the Software to freeze, locks up the computer on which the Software is running, or otherwise routinely does not work as intended. Classification of a problem as urgent rather than critical assumes that the State still can conduct business with the Software. As with the critical classification, the urgent classification assumes there is no existing patch or acceptable workaround procedure for the problem. Finally, the Contractor may classify a Support call as "routine" if the underlying problem is a question on end use or configuration of the Software. It also may be classified as routine when the problem does not materially restrict the State's use of the Software in its production environment, such as when a feature or combination of features generates minor or rare errors. Also, if any problem that otherwise should be classified as critical or urgent can be solved either by a known workaround or an existing patch, the problem may be treated as routine.

The Contractor must apply the above classifications in good faith to each call for Support, and the Contractor must give due consideration to any request by the State to reclassify a problem, taking into account the State's unique business and technical environments and any special needs it may have.

- 7. Incident Response.** The Contractor must respond to critical problems by ensuring that appropriate managerial personnel are made aware of the problem and that they actively track and expedite a resolution. The Contractor must assign Support or development personnel at the appropriate level to the problem, and those personnel must prepare a work plan for the problem's expeditious resolution. The work plan must assume that the Contractor's appropriate staff will work without material interruption until the problem is resolved properly. The Contractor's personnel must maintain daily contact with the State's technical staff to keep the State abreast of efforts being made to solve the problem. The Contractor also must provide the State's technical staff with direct access to the Contractor's Support personnel and product development personnel, if appropriate, who are assigned to the problem. If the resolution of the problem requires a patch, the Contractor will ship the patch electronically as soon as the patch is available.

The Contractor must respond to urgent problems by having its product development and Support personnel work in concert to develop a fix or a workaround. The Contractor's Support personnel must maintain regular contact with the State to keep its technical staff abreast of progress toward a resolution of the problem. The Contractor's Support staff must include the problem in regular status reports to the Contractor's management team. And the Contractor's Support staff must provide the Software patch or workaround procedure as soon as it is available.

The Contractor must respond to routine problems by providing the State with a patch or workaround on a priority basis if the problem is one for which an existing patch or workaround already exists. For newly identified problems falling into this classification, the Contractor's Support personnel must generate a problem report, and the appropriate development or Support personnel then must prioritize the problem in relation to other outstanding product issues. The assigned priority then will govern the problem solving or developmental work needed to address the problem and the schedule for delivering a solution. For routine

calls that involve end usage and configuration issues rather than bugs or other technical problems, the Contractor's first or second level Support personnel must provide the State's technical staff with telephonic assistance on a non-priority basis.

- 8. Response Times.** The maximum time that the Contractor takes to respond initially to a Support request may vary based upon the classification of the request. During normal hours of operation for the Contractor's Support function, the Contractor's response time for a critical Support request will be less than one hour. The Contractor's response time for an urgent request must be less than two hours during operating hours. And the Contractor's response time for a routine Support request must be less than four hours during normal operating hours.
- 9. Escalation Process.** Any Support call that is not resolved must be escalated to the Contractor's management under the following parameters. Unresolved problems that are classified as critical must be escalated to the Contractor's Support manager within four hours and to the director level after one day. If a critical problem is not resolved within three days, it must escalate to the corporate officer level and then to the CEO level after five days. The Contractor's Support staff will escalate unresolved urgent problems to its Support manager within three days, to the director level after seven days, and to the corporate officer level after 14 days.
- 10. State Obligations.** To facilitate the Contractor meeting its Support obligations, the State must provide the Contractor with the information reasonably necessary to determine the proper classification of the underlying problem. It also must assist the Contractor as reasonably necessary for the Contractor's Support personnel to isolate and diagnose the source of the problem. Additionally, to assist the Contractor's tracking of Support calls and the resolution of Support issues, the State must make a reasonable effort to use any ticket or incident number that the Contractor assigns to a particular incident in each communication with the Contractor. The State also must install and implement the most recently available Software updates, including service packs and patches, if the Contractor reasonably believes it to be necessary to achieve a satisfactory resolution of a problem.
- 11. Limitations.** The Contractor is not responsible for the resolution of problems caused by the State's use of the Software on hardware that does not meet the minimum specifications set out in the Software's Documentation. The Contractor also is not responsible for resolving problems caused by third party software not approved by the Contractor for use with the Software. Additionally, the Contractor need not resolve problems caused by unauthorized modifications to the Software.
- 12. Updates.** The Contractor must make all Software updates and service packs, as well as new releases and new versions of it, available to the State at no additional charge and as part of its Software Support. The Contractor will notify the State of the availability of any Software updates and new versions and releases on at least a quarterly basis. The Contractor may post patches and updates on the Internet rather than delivering them to the State on physical media. The Contractor must provide Support, including upgrades, service packs, new releases, and new versions, as appropriate, to keep current with changes in the operating systems and critical applications with which the Software is designed to run for a minimum of seven years from the date the Software is licensed to the State. For purposes of the last sentence, a "critical application" is any computer program that the Software is specifically designed to work in conjunction with. An example would be Software that requires an Oracle database engine to function. The Oracle database engine would be a critical application for that Software.
- 13. Follow-on Software.** If the Contractor stops supporting or upgrading any Software but then offers or later releases another product that performs substantially similar functions, the State will be entitled to convert its license for the unsupported Software to a license in the new Software. Any such conversion will be without charge to the State, provided only that the State has paid all applicable Support Fees for the unsupported Software since first acquiring it through the time when the Contractor terminated Support.
- 14. Functionality Migration.** If the Contractor eliminates functionality material to the use or performance of any Software licensed under this Contract ("Original Software") and then includes the functionality in a new product ("New Software"), the Contractor must grant the State a license to use the migrated functionality of such New Software, but not to any other functionality in the New Software, if (i) the State is a subscriber to

Support for the Original Software at the time the New Software is available and is entitled to receive subsequent releases of the Original Software, and (ii) the New Software is available for the same operating system or technical environment as the Original Software. The license granted to the State for the New Software will be (i) pursuant to the terms and conditions of this Contract and the applicable Schedule governing the Original Software, (ii) subject to the use restrictions and other limitations for the Original Software in this Contract and applicable Schedule, (iii) granted without the payment of additional fees other than fees for Support which would otherwise be due for the Original Software.

- 15. Support Location.** For each Schedule under this Contract, the Contractor must disclose the location(s) where it will perform all Support, the location(s) where any State data applicable to this Contract will be maintained or made available, and the principal place of business for the Contractor and all its subcontractors that may perform Support under this Contract. While performing under this Contract, the Contractor may not change the location(s) where Support is performed or change the location(s) where it maintains or makes the State's data available to a location outside the country of the original location(s) without prior, written approval of the State, which the State is not obligated to provide. Further, each of the Contractor's subcontractors that perform Support under this Contract must agree in writing to and be bound by this and all other provisions of this Contract that inure to the benefit of the State.

PART VI: CONSTRUCTION

- 1. Entire Document.** This Contract will apply to all Software that the State acquires from the Contractor during the term of this Contract, unless the parties expressly agree otherwise in a written document signed by the duly authorized representatives of the parties. Furthermore, this Contract, along with the Schedules and Addenda entered into under it, is the entire agreement between the parties with respect to its subject matter, and it supersedes any previous statements or agreements, whether oral or written.
- 2. Additional Documents.** All terms and conditions contained in any document not signed by both parties, such as a purchase order, invoice, or a click-wrap license, are excluded from this Contract and will have no legal effect.
- 3. Binding Effect.** Subject to the limitations on assignment provided elsewhere in this Contract, this Contract will be binding upon and inure to the benefit of the respective successors and assigns of the State and the Contractor.
- 4. Amendments.** No amendment or modification of any provision of this Contract will be effective unless it is in writing and signed by both parties.
- 5. Waiver.** The failure of either party at any time to demand strict performance by the other party of any of the terms of this Contract will not be construed as a waiver or a relinquishment of any such term. Either party may at any later time demand strict and complete performance by the other party of such a term.
- 6. Severability.** If any provision of this Contract is held by a court of competent jurisdiction to be contrary to applicable law, the remaining provisions of this Contract will remain in full force and effect to the extent that such does not create an absurdity or material injustice.
- 7. Plain Meaning.** This Contract must be construed in accordance with the plain meaning of its language and neither for nor against the drafting party.
- 8. Headings.** The headings used herein are for the sole sake of convenience and may not be used to interpret any section.
- 9. Notices.** For any notice under this Contract to be effective, it must be made in writing and sent to the address of the appropriate party first appearing above, unless that party has notified the other party, in accordance with the provisions of this section, of a new mailing address for notices.
- 10. Continuing Obligations.** To the extent necessary to carry out their purpose, the terms of this Contract will survive the termination of this Contract. Some such provisions that require survival to carry out their full

intent include the indemnity, warranty, and limitation of liability provisions. Other examples include the confidentiality section, the escrow section, and the grant of Software licenses. Additional provisions include the Support obligations for existing licenses, and the Pricing section with respect to related Software licenses and caps on increases in Support for existing licenses.

11. **Counterparts.** This Contract may be executed simultaneously in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

PART VII: LAW AND COURTS

1. **Compliance with Law.** The parties will comply with all applicable federal, state, and local laws in all endeavors under this Contract.
2. **Export Restrictions.** The State may not directly or indirectly export or transmit the Software or Documentation to any country in violation of any applicable US regulation, order, or statute.
3. **UCITA.** The Uniform Computer Information Transactions Act ("UCITA") will not apply to this Contract. To the extent that UCITA, or any version of it that is adopted by any jurisdiction in any form, is applicable, the parties agree to opt out of it pursuant to the opt-out provisions contained therein. Likewise, the United Nations Convention on Contracts for the International Sale of Goods will not apply to this Contract.
4. **Injunctive Relief.** Nothing in this Contract is intended to limit either party's right to injunctive relief if such is necessary to protect its interests or to keep it whole.
5. **Governing Law.** The laws of Ohio will govern this Contract, excluding its laws dealing with conflict of law, and venue for any disputes will lie exclusively with the appropriate court in Franklin County, Ohio.

PART VIII: MISCELLANEOUS

1. **Conflicts of Interest And Ethics Compliance Certification:** Contractor affirms that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree, with the performance of services which are required to be performed under any resulting Contract. In addition, Contractor affirms that a person who is or may become an agent of Contractor, not having such interest upon execution of this Contract shall likewise advise the State in the event it acquires such interest during the course of this Contract.

Contractor agrees to adhere to all ethics laws contained in Chapters 102 and 2921 of the Ohio Revised Code governing ethical behavior, understands that such provisions apply to persons doing or seeking to do business with the State, and agrees to act in accordance with the requirements of such provisions; and warrants that it has not paid and will not pay, has not given and will not give, any remuneration or thing of value directly or indirectly to the State, the Bureau or any of this board members, officers, employees, or agents, or any third party in any of the engagements of this Contract or otherwise, including, but not limited to a finder's fee, cash solicitation fee, or a fee for consulting, lobbying or otherwise.

2. **Assignment.** Neither party may assign this Contract without the prior, written consent of the other party, which the other party will not withhold unreasonably. Any such assignment, unless otherwise agreed in writing, is contingent on the assignee assuming all the assignor's rights and obligations under this Contract.
3. **Independent Status.** Each party is an independent contractor. Neither party will have any authority to bind the other unless expressly agreed in writing. Nothing in this Contract may be construed to create a partnership, agency, or employer-employee relationship between the Contractor and the State, and in no event will the Contractor and the State be deemed joint employers.
4. **Employees.** All Contractor Personnel are employees or contractors of the Contractor, and none are or will be deemed employees or contractors of the State. No Contractor Personnel will be entitled to participate in, claim benefits under, or become an "eligible employee" for purposes of any employee benefit plan of the State by reason of the subject matter of this Contract or work performed under this Contract. The

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

5. **Publicity.** The Contractor will not advertise or publicize that it is doing business with the State or use this Contract as a marketing or sales tool, unless otherwise agreed to in writing by the State.
6. **Cancellation.** The State may cancel this Contract without cause and on 30 days written notice or at any time if the General Assembly or any other funding source fails to continue funding. But in the case of any license of Software entered before the effective date of the cancellation, the State will have the right to continue such license after termination on the terms contained in this Contract.
7. **Deliveries.** All deliveries will be F.O.B. destination.
8. **EEO.** The Contractor will comply with all state and federal laws regarding equal employment opportunity and fair labor and employment practices, including Ohio Revised Code Section 125.111 and all related Executive Orders.

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

9. **Drug Free Workplace.** The Contractor must comply with all applicable Ohio laws regarding maintaining a drug-free workplace. The Contractor will make a good faith effort to ensure that all its employees, while working on the State's property, do not possess and will not be under influence of illegal drugs or alcohol or abuse prescription drugs.
10. **Ohio Elections Law.** Contractor hereby certifies that no applicable party listed in Division (I) (J), (Y) and (Z) of Ohio Revised Code Section 3517.13 has made contributions in excess of the limitations specified under Divisions (I) (J), (Y) and (Z) of Ohio Revised Code Section 3517.13.
11. **Travel Expenses.** Any travel or living expenses required by the Contractor to do its obligations under this Contract will be at the Contractor's expense. The State will pay for any additional travel that it requests only with prior, written approval. All additional travel and living expenses that the State requests in addition to what this Contract requires the Contractor to provide at the Contractor's expense will be paid in accordance with the Office of Budget and Management's Travel Rules in Section 126-1-02 of the Ohio Administrative Code.
12. **Order of Priority.** If there is any inconsistency or conflict between this Contract and any provision of anything incorporated by reference, this Contract will prevail.
13. **Record Keeping.** The Contractor must keep all financial records in accordance with generally accepted accounting principles consistently applied. The Contractor will file documentation to support each action under this Contract in a manner allowing it to be readily located. And the Contractor will keep all related records and documents at its principal place of business.

14. Audits. During the term of this Contract and for three years after the payment of any fee to the Contractor under this Contract, on reasonable notice and during customary business hours, the State may audit the Contractor's records and other materials that relate to this Contract. This audit right will also apply to the State's duly authorized representatives and any person or organization providing the State with financial support related to this Contract.

If any audit reveals any misrepresentation or any overcharge to the State, the State will be entitled to recover damages, as well as the cost of the audit.

15. Ohio Revised Code Section 9.24. Contractor warrants that it is not subject to an unresolved finding for recovery under Ohio Revised Code Section 9.24. If this warranty was false on the date the parties signed this Contract, the Contract is void. Further, if the Contractor is subject to an unresolved finding of the Auditor of State under Revised Code Section 9.24 on any date on which the parties renew or extend this Contract, the renewal or extension will be void.

16. Declaration Regarding Terrorism. The Contractor represents and warrants that it has not provided any material assistance, as that term is defined in ORC Section 2909.33(C), to an organization that is identified by, and included on, the United States Department of State Terrorist Exclusion List and that it has truthfully answered "no" to every question on the DMA form. The Contractor further represents and warrants that it has provided or shall provide the DMA form through the Ohio Business Gateway at <http://business.ohio.gov/efiling/> prior to execution of this Contract. If these representations and warranties are found to be false, this Contract shall be void and the Contractor shall immediately repay to the State any funds paid under this Contract.

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

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

FOR THE CONTRACTOR:

**FOR STATE OF OHIO
DEPARTMENT OF ADMINISTRATIVE SERVICES
INVESTMENT AND GOVERNANCE DIVISION**

By:

By:

Name:

Name: «OIT_DIRECTOR»

Title:

Title: «OIT_DIRECTOR_TITLE»

Date:

Date:

PRICE HOLD ADDENDUM NUMBER [0000000.00]

This license addendum ("Addendum") is between the State of Ohio (the "State"), through the Department of Administrative Services, Investment and Governance Division, with offices at 30 East Broad Street, Columbus, Ohio 43215, and *[Company name of the Contractor]* (the "Contractor"), with offices at *[street address, city, state and zip code for the Contractor]*, and is entered into under that certain Master Contract for Software Licensing between the State and the Contractor that is dated *[Date of the Contract]* and numbered [0000000] (the "Contract").

This Addendum does not represent a license of Software. Instead, it provides a price-hold for the Software listed below and permits the State to acquire the Software in exchange for the License Fees and Support Fees listed below. The State is not obligated to license any of the Software listed below, but if it does at any time during the period starting on the date this Addendum is signed and _____ thereafter (Price-hold Period), the State will be entitled to acquire such Software for the Fees specified below. The State may acquire such Software by executing a standard Schedule in the form of that attached to the Contract. The State has the right to acquire some or all of the Software listed below and to acquire the Software in increments during the Price-hold Period using multiple Schedules. Nothing in the Addendum commits the State to any volume of licensing or total expenditure. The State may acquire some, all, or none of the Software in such volumes as it determines during the Price Hold Period.

Software	Copies Delivered	License Type	# of Licenses (E.g., Users)	List License Price	Discount	Actual License Fee*	Support Percentage†	Operating System(s)	Start Date

*The License Fee [] does [] does not include the Support Fee for the first Support Period for each Software license identified above.

† The Support percentage is based on [] list price [] discounted price. Any increase in annual maintenance must be equal to or less that the annual increase in the list price of the Software and is subject to the caps specified in the Contract.

License Descriptions

License Type	Description of License
<i>[Insert License Type]</i>	<i>[Insert License Description]</i>
<i>[Insert License Type]</i>	<i>[Insert License Description]</i>
<i>[Insert License Type]</i>	<i>[Insert License Description]</i>

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

FOR THE CONTRACTOR:

**FOR STATE OF OHIO
DEPARTMENT OF ADMINISTRATIVE SERVICES
INVESTMENT AND GOVERNANCE DIVISION**

By:
Name:

By:
Name: «OIT_DIRECTOR»

Title:

Title: «OIT_DIRECTOR_TITLE»

Date:

Date:

LICENSE SCHEDULE NUMBER [0000000.00]

This license schedule ("Schedule") is between the State of Ohio (the "State"), through the Department of Administrative Services, Investment and Governance Division, with offices at 30 East Broad Street, Columbus, Ohio 43215 for the beneficial use of [agency], and [Company name of the Contractor] (the "Contractor"), with offices at [street address, city, state and zip code for the Contractor], and is entered into under that certain Master Contract for Software Licensing between the State and the Contractor that is dated [Date of the Contract] and numbered [0000000] (the "Contract").

Granted Licenses

Software	Copies Delivered	License Type	# of Licenses (E.g., Users)	List License Price	Discount	Actual License Fee*	Support Percentage†	Operating System(s)	Start Date

*The License Fee [] does [] does not include the Support Fee for the first Support Period for each Software license identified above.

† The Support percentage is based on [] list price [] discounted price. Any increase in annual maintenance must be equal to or less than the annual increase in the list price of the Software and is subject to the caps specified in the Contract.

License Descriptions

License Type	Description of License
[Insert License Type]	[Insert License Description]
[Insert License Type]	[Insert License Description]
[Insert License Type]	[Insert License Description]

Location Information

<i>Service Types</i>	Locations
Locations where the Contractor will provide Support:	<i>[Insert Locations]</i>
Locations where the Contractor will provide services or keep the State's data or from which the data may be accessed:	<i>[Insert Locations]</i>
Locations where any subcontractor will provide support or keep the State's data or from which the data may be accessed:	<i>[Insert Locations]</i>

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

FOR THE CONTRACTOR:

**FOR STATE OF OHIO
DEPARTMENT OF ADMINISTRATIVE SERVICES
INVESTMENT AND GOVERNANCE DIVISION**

By:

By:

Name:

Name: «OIT_DIRECTOR»

Title:

Title: «OIT_DIRECTOR_TITLE»

Date:

Date:

ATTACHMENT TEN BWC LEGACY SYSTEMS OVERVIEW

Claims processing – Version 3

Version 3 is BWC's comprehensive claims management system. Originally implemented in 1993, this application has been regularly enhanced to reflect evolving business requirements and statutory mandates. It features a client-server architecture and a graphical user presentation. Version 3 captures first report of injury information and supports the timely adjudication of claims. Work assignment and diary features are also incorporated. Version 3 is BWC's most heavily used business application with over 1000 internal users. These users actively manage approximately 1.2 million open claims.

Claims processing is central to the mission of BWC. Consequently, Version 3 serves as the nexus for many BWC processes. Version 3 has an extensive network of interfaces to BWC and partner systems. The most significant data interfaces are presented in the following table:

Version 3 Data Interfaces		Data Type		
		Claim	Employer	Payment
Internal	WCIS		To Version 3	
	Rates and Payments	From Version 3		To/From Version3
	Oracle Financial			From Version 3
	MIIS	From Version 3		
	Data Warehouse	From Version 3		
External	Ohio Industrial Commission	To/From Version 3		
	Cambridge	From Version 3	To Version 3	
	Managed care organizations	To/From Version 3	To Version 3	
	Pharmacy benefits manager	From Version 3		

Version 3 has extensive batch facilities beyond these data interfaces. Version 3 creates over 20,000 pieces of correspondence nightly. The system also initiates over 140,000 indemnity payments each month.

Version 3 is built upon a two-tier, client-server architecture. The business logic is divided between custom Visual Basic .Net modules running on the client PC and CICS remote stored procedures (RSPs) operating on the IBM zSeries mainframe. This approach was designed to take advantage of the characteristics of each platform and minimize network traffic.

Version 3 provides most of the claims data and business logic for OhioBWC.com, the External Data Access (EDA) and interactive voice response (IVR) systems.

Claims processing – Imaging

The Document Imaging System for Claims (DISC) is a document imaging and workflow application initiated in 1993, as an enhancement to the Version 3 claims management system. DISC captures scanned document images and facsimiles. Images are stored in a central repository. Customers can then index, view, annotate, print, and fax digital document images. The system is logically subdivided into Claims Imaging and Medical Repository subsystems.

Medical Repository serves as a temporary storehouse for incoming medical documents related to an active claim, prior to their inclusion in DISC. This information is used by internal staff, medical providers, and managed care organizations. Medical Repository currently collects between 30,000 and 35,000 new pages each business day.

Claims Imaging stores images for all documents pertaining to a workers' compensation claim. Approximately 650,000 imaged documents are indexed and stored on a monthly basis. Over **238 million total pages** are stored in the DISC system.

The DISC system's primary interface is a bi-directional document exchange with the Ohio Industrial Commission.

Universal Document Service (UDS)

The Universal Document Service (UDS) is a custom application that employs the same technology as DISC. UDS allows storage of any type of electronic document to a single solution that has been customized for multiple business areas at BWC. Some customizations include workflow capabilities.

While the DISC system is used for claim images, UDS supports images and other digital documents for policy, fraud, human resources, investments and other functions.

Policy Management - WCIS

The Workers' Compensation Insurance System (WCIS) is BWC's policy and risk management system. WCIS is a client/server application purchased from Price Waterhouse and subsequently modified for use by BWC. The WCIS system has been servicing several hundred internal users since December, 1996. WCIS's primary functions include policy application and maintenance, premium payment, accounts receivable and some rating functions. WCIS maintains information on approximately 256,000 active accounts.

WCIS utilizes Oracle's two-tier client/server architecture. Interactive services are delivered using the Oracle Forms 6i package and custom scripts residing on a personal computer. This client is responsible for presentation, business, and data logic. All WCIS data is stored in an Oracle database residing on the IBM zSeries mainframe.

Most WCIS batch processing and reporting are implemented using a combination of SQR, C programs and custom scripts running on an Oracle (Sun) Enterprise server. Remaining batch functions and most data interfaces are implemented as COBOL programs residing on the IBM mainframe.

The WCIS data base supplies most of the employer-related data for the external web site applications.

Rates and Payments - R&P

Rates and Payments are two distinct applications that are often considered together because they were products of a single initiative. The two applications share a common design philosophy, architecture and database structure. Rates and Payments utilize the Enhanced Information Engineering (EIE) methodology, along with the Computer Associates Gen suite for modeling and development.

The rates application is used to calculate and maintain the rates that an employer is charged for workers' compensation coverage. The system incorporates job classifications, extensive claim experience data, and applicable rating programs in determining each employer's rates.

The payments system is responsible for initiating all electronic funds transfers and generating all BWC warrants. It also provides a detailed payment register and account balancing and reconciliation capabilities.

OhioBWC.com

OhioBWC.com is BWC's external customer facing e-government application. Originally implemented in 2000, it consolidates processes and data from multiple operational systems. It is designed to automate and simplify most routine and some complex customer transactions. Functions are grouped by employer, injured worker, and medical provider customer areas.

Employers can request workers' compensation coverage, report their employee payroll figures, pay premiums, query statistics on their rating plan and learn about safety and alternative coverage programs. Injured workers and parties to the claim (employers, representatives, MCO's and medical providers) can file a claim, check payment status, update demographics and access imaged claim and medical documents.

The presentation layer features a redundant n-tier design running on x86 servers with Windows 2008. The Web servers run Microsoft IIS 7 in a fully clustered and load balanced configuration. Pages are rendered through Microsoft classic ASP and ASPX using JavaScript for basic form validation. Most requests made to BWC's backend systems are implemented as web services.

The business logic resides on application servers. These Windows 2008 servers are virtualized and load balanced. Custom application components accept requests from the Web server and, in turn, issue requests to the data layer.

Most of the data used by the website resides within the existing claims (Version 3), rating (Rates & Payments) and employer (WCIS) data bases. The data base management systems are IBM DB2, IBM DB2 and Oracle RDBMS, respectively. Session variables and other transient application data are maintained in a separate Microsoft SQL Server data base.

Medical Bill Management - MIIS

The MIIS system is BWC's legacy medical bill processing system. MIIS was purchased from the Ohio Department of Human Services in 1989. It was subsequently modified for use by BWC. MIIS automates the medical bill adjudication process for 40,000 non-Health Partnership Program bills processed each week. It also provides for customized validation rules for specific types of bills and procedures. In addition, MIIS supports drug bill payment to BWC's pharmacy benefits manager (PBM) firm.

MIIS utilizes VSAM files residing on the IBM zSeries mainframe. The OhioBWC.com website, Version 3, and EDA systems all access these files directly to retrieve bill history information. MIIS receives claim information from Version 3. MIIS sends the Rates and Payment system remittance advice data for check printing functions and summary data to for rate making.

MIIS was constructed using COBOL, CICS, and VSAM file structures. A character-based 3270-terminal presentation is used.

Medical Bill Management – Cambridge

BWC has contracted with Cambridge Integrated Services Group Inc. / Managed Care System (CISGI/MCS) since 1997 to accept and adjudicate medical bills on behalf of BWC. Cambridge returns the results of the bill adjudication process to BWC for payment.

The Cambridge system operates in parallel with the MIIS system. Cambridge is responsible for all medical bills related to claims covered by the Healthcare Partnership Program (HPP), typically over 10,000 bills per day. A smaller number of non-HPP bills continue to be processed through MIIS.

Cambridge receives claim, employer and provider updates from Version 3, WCIS, and MIIS respectively. Version 3 and OhioBWC.com directly access Cambridge information using SQL queries.

The Cambridge application operates on an IBM System p server running the AIX operating system. Data resides in an Oracle data base. Oracle Web Forms is used for presentation. The Cambridge system exchanges X.12 format EDI documents from BWC and managed care organizations.

PEACH

PEACH is a custom-developed internal Web application. Its purpose is to maintain provider-related information, including enrollment and certification details. The acronym stands for Provider Enrollment and Certification Housing. It was completed in November, 2008. PEACH includes work list, search, provider enrollment, credentialing, maintenance, and notes components.

One PEACH function replaces the MIIS provider subsystem. The MIIS provider master file is now synchronized in order to preserve the integrity of its remaining interfaces.

UDS is integrated with PEACH so that when a provider related document is scanned into UDS, it is assigned to the appropriate person based on the assignment rules.

PEACH is built on .Net framework and uses a service-oriented architecture. The front-end asp.net and AJAX user controls call webMethods web services. These web services either return data or call other .Net or COBOL web services. PEACH data is stored in DB2 tables. Some batch programs for correspondence and recertification are written for IBM zSeries mainframe using COBOL. The system generates correspondence and updates the MIIS provider master file using an online COBOL/CICS program accessed through the webMethods enterprise service bus.

External Data Access

External Data Access (EDA) permits authorized external parties to view claim, employer, and provider data. An injured worker medical bill history can also be requested. Nine network service providers (NSPs) have contracted with BWC to provide fee-for-use access to EDA. The NSPs resell access to medical providers, managed care organizations, government agencies, third party administrators, and attorneys. Some NSP firms customize their presentation or bundle BWC offerings with those of other public sector entities.

The EDA system runs on an IBM zSeries mainframe. It consists of interactive, character-based CICS programs that read the existing DB2 claims data base. Since EDA is primarily an alternative presentation for Version 3, there is neither batch processing nor interfaces to other systems.

ATTACHMENT ELEVEN BWC MEDICAL BILL REVIEW REQUIREMENTS SUMMARY

Introduction. BWC requires a bill review application that applies industry-standard edits and pricing methodologies with customization to comply with requirements set out in Ohio law, rules and in BWC policy. The application must allow BWC to accurately adjudicate bills with a minimum of human intervention. BWC expects to need a minimum amount of bill data entry as there should be multiple opportunities for providers to submit bills electronically. Data from any paper bills received should be handled primarily via optical character recognition (OCR).

BWC is required to cover medically necessary treatment related to allowed injuries and illnesses. The agency publishes fee schedules that may also be used by self-insuring employers. Reimbursement levels are intended to ensure injured worker access to high-quality medical and vocational rehabilitation services without unreasonable expense to employers.

The application must be able to support multiple benefit plans as BWC is also responsible for bill processing for a small number of federal claims that are allowed pursuant to the Federal Coal Mine Health and Safety Act (Black Lung claims) and claims with Longshore and Harbor Workers' coverage (Marine Industry Fund claims). In addition to adjudicating and pricing medical bills, the system must store and allow adjustment of drug bills adjudicated by BWC's pharmacy benefit manager (PBM). It must also provide an interface to BWC payment systems that handle reimbursement to various payees.

BWC is not a covered entity under the 1996 Health Insurance Portability and Accountability Act (HIPAA), but strives to use transactions and code sets that are as close to being HIPAA compliant as possible. There are certain workers' compensation-specific requirements that we have not yet found a way to accommodate under HIPAA guidelines, however. In these cases, we have tried to develop procedure codes and processes that remain "HIPAA-friendly," (i.e. have similar field lengths, structures and attributes as similar HIPAA data elements and transactions).

Information in the bill review system must be accessible (either directly or via interfaces defined by BWC) by authorized users, including BWC employees, injured workers, employers, and BWC vendors (MCOs, PBM, utilization review vendors, etc.). The system must allow authorized users to perform function-based updates, including attachment of or links to relevant documentation.

It must also allow authorized users to customize rules to implement changes in laws, rules and BWC policy.

In order to support customized adjudication and pricing, the system must access or store the following information:

- A. Customized provider eligibility data
- B. MCO eligibility data
- C. Injured worker eligibility data
- D. Medical reference and fee schedule development data and rules
- E. Pricing and clinical editing rules
- F. Benefit plan rules
- G. Duplicate checking rules
- H. Customized explanation of benefit (EOB) codes
- I. User authorization rules

The system must allow various methods of new bill entry, have customizable adjustment rules for medical and drug bills, allow for bills related to subrogation cases to be handled according to specific rules, allow authorized users to access groups of bills in a variety of ways, and support flexible, customizable reporting.

1. **Adjudication and Pricing Functionality.** The following sections describe required functionality and give examples of rules that could be required. They also describe the type of data that would need to be accessed or stored within a bill review system.

A. Provider Eligibility

BWC uses the National Provider Identifier (NPI) and its attributes (taxonomy codes, demographic information), Medicare (OSCAR) IDs, and BWC proprietary provider identifiers and attributes (provider types and specialties, enrollment and certification statuses, network relationships, and other BWC-specific provider information in bill adjudication in determining a provider's eligibility for reimbursement as well as amounts to be reimbursed.

Medicare's provider specific factors must be associated with BWC provider records and used for both outpatient and inpatient prospective pricing systems.

Providers may not be reimbursed for services outside of the scope of service granted by the provider's license or certification or by BWC policy for custom provider types and procedure codes.

Special rules are required for payments to be made to third parties, including injured workers, employers, and insurers seeking reimbursement through various subrogation processes (e.g. Medicare and its contractors, private group health plans).

B. MCO Eligibility

The bill review process must be able to identify the MCO currently responsible for a specific bill. This MCO may be different from the MCO responsible for managing the claim on the date of service. MCO information is used in determining bill review responsibility, identifying customized fee schedule information, as well as in reporting and performance monitoring.

C. Injured Worker Eligibility

The bill review process must access the following injured-worker and claim-specific information in order to determine whether a bill can be reimbursed: injured-worker identifier (SSN or other internal identifier), claim number (specific to an injury or illness), claim status, conditions allowed in a claim (ICD-9 or ICD-10 diagnosis codes), prior authorization information, and injured-worker and claim-specific denials and service limitations.

The most significant adjudication aspect of injured worker eligibility involves determining relatedness of a billed service to an allowed claim. BWC requires rules that allow it to use combinations of data that include claim information, bill information, authorization data, and treatment benchmarks to determine whether a bill can be paid automatically or whether it requires review by a clinical professional. Rules will also identify whether some type of medical documentation is required for bill approval.

Following are examples of rules that might allow automatic payment without review by an adjuster or clinician:

- Claim is allowed for a simple condition; expected treatment is rendered within a few days of the date of injury
- Claim is allowed for a complex condition that has easily-predicted standard treatment; expected treatment is rendered within expected timeline
- Claim is allowed for a complex condition and specific prior authorization information is on file; expected treatment is rendered within authorization parameters (dates of service, procedures code ranges)

BWC's goal is to automate bill review and payment wherever possible so that clinical staff only reviews outliers that require professional expertise to determine appropriate payment.

D. Medical Reference Tables and Fee Schedule Development

BWC business areas develop and implement fee schedules. BWC maintains six fee schedules: 1) Professional Provider Medical Services, 2) Ambulatory Surgical, 3) Hospital Inpatient, 4) Hospital Outpatient, 5) Vocational Rehabilitation, and 6) Administrative Services. The Administrative Services fee schedule includes items that are not true medical services, e.g. fees for file reviews and independent medical examinations (IMEs) provided by vendors under contract to BWC or the IC. This fee schedule also includes injured worker reimbursements for travel to required IMEs. All fee schedules except for Administrative Services must go through the rule-making process. The Administrative

Services fee schedule does not go through the rule-making process as the fees are paid according to rates set out in various BWC agreements. Documentation for fee schedules subject to rulemaking is found on BWC's website: <http://www.ohiobwc.com/provider/services/FeeSchedules.asp>

The bill review system must contain national reference data (CPT, HCPCS, and revenue center codes and modifiers) updated according to industry standards (i.e. new codes must be added according to HIPAA-compliant schedule; deletions may need to be handled on a customized schedule). Users must be able to customize attributes (i.e. coverage, fee schedule amounts) according to BWC rules and policies, including procedure/modifier combinations that may not be standard for Medicare or group health payers. Reference information used in determining pricing for various methodologies must be loaded and be customizable according to BWC specifications. Users should be able to customize batches of similar codes in a single transaction (e.g. mark a list of procedures as covered by BWC).

Fee-schedule development functionality must allow BWC to model pricing scenarios during development and to request reports to be used as appendices to rules and for use by self-insured employers wishing to use BWC's fee schedule. This functionality must allow BWC users to access data from CMS files (provider, outpatient and inpatient fee schedules) in order to identify coverage and limitations (units of service per customizable time period, prior authorization requirements, provider scope and site of service rules). It must also allow users to make changes to specific aspects of a fee schedule during the rulemaking process.

The bill review system must also access ICD-9 and ICD-10 reference information stored by BWC and use custom attributes in determining eligibility for payment.

It must also access National Drug Code information (including custom attributes) stored by BWC as reference data associated with drug bills.

E. Pricing methodologies and clinical editing

Following are examples of BWC's current pricing methodologies, including customization examples. BWC expects to be able to use these methodologies, but also to be able to implement changes that create greater advantage to employers without compromising access to care or quality of care. BWC also requires the ability to use external fee schedules in pricing (MCO or other contract fee schedules, for example).

- Professional Provider Medical Services,
Generally, fees in the professional fee schedule are paid based on the Medicare fee schedule and using the same pricing methodologies as Medicare, i.e. RBRVS and maximum fee schedules. BWC develops its own fee schedule for services not covered by Medicare that are appropriate for treatment of work-related injuries and illnesses. In a few cases, BWC continues to reimburse services using deleted national codes or custom codes in order to be able to specifically identify workers' compensation-specific services.

Daily maximum units of service are set using Medicare's professional Medically Unlikely Edit and Maximum Allowed Units documentation. For frequently-billed services that are not covered in either document, BWC identifies maximum units based on code descriptions, industry-standard guidelines as well vendor cost information, other publicly available information. In addition, BWC limits units reimbursed based on customizable time periods (number of days, weeks, months, years) and considers certain services reimbursable only once per lifetime.

BWC needs to be able to reduce reimbursement for multiple procedures, usually according to Medicare guidelines (e.g. surgeries, therapies, radiology procedures).

Clinical edits:

- Manage reimbursement to assistant surgeons;
- Identify services that are bundled into a global fee;
- Ensure that new patient visits are reimbursed correctly;

- Manage payment of services rendered during pre-op and surgical follow-up periods
- Ensure that pathology services have been billed correctly
- Ensure that bills comply with National Correct Coding Initiative (NCCI) edits that apply to professional bills

Criteria for these edits must be customizable. For example, in BWC's current global services edits only flag services billed for like conditions for denial. BWC customizes post-surgical follow-up periods, and reimburses certain service combinations that Medicare would not allow under NCCI.

- **Ambulatory Surgical Center Fee Schedule**
BWC uses CMS's ASC Prospective Payment System fee schedule as a basis for its fee schedule. As with other fee schedules, BWC identifies adjustment factors to be applied to the Medicare fee schedule. The adjustment factors are intended to ensure equitable reimbursement for medically necessary services. BWC identifies services that are considered bundled, subject to multiple procedure pricing, by-report and not routinely covered. Maximum units of service are based on CMS outpatient MUEs and BWC professional fee schedule maximum units when codes are not included in outpatient MUE documentation. Procedures not included in the ASC fee schedule are not eligible for reimbursement in an ASC setting.
- **Hospital Inpatient Reimbursement**
Wherever possible, BWC uses Medicare's Inpatient Prospective Payment System to reimburse services. BWC needs to group and calculate Medicare's base price for inpatient bills. Customization requirements include: distinct adjustment factors for inliers and outliers, an additional per diem amount for direct graduate medical education. For facilities that are not eligible for reimbursement using the MS-DRG methodology (rehab and psych units and facilities, cancer hospitals, children's hospitals, etc), BWC applies an adjustment factor to the facility's cost-to-charge ratio. For facilities that cannot be reimbursed according to these methodologies, BWC pays a percent of billed charges.
- **Hospital Outpatient Reimbursement**
Outpatient bills are reimbursed using Medicare's Outpatient Prospective Payment System. Bills are clinically edited and grouped according to Medicare guidelines. Bills are priced using a customized pricer that identifies CMS base pricing, allows exceptions to clinical editing, and applies add-ons (outliers, rural, hold harmless), BWC adjustment factors, and BWC-specific mark-ups. The pricer also applies a BWC fee schedule to services not covered by Medicare, including services billed using BWC custom procedure codes. In addition, services without fee schedule information are priced using reasonable cost information.
- **Vocational Rehabilitation Fee Schedule**
BWC's Vocational Rehabilitation Fee Schedule consists of less than 100 custom procedure codes with specific units limitations and terms of service. They are processed like professional bills, but generally use a fixed fee schedule amount. Certain provider types are only eligible to be reimbursed a percentage of the full fee schedule for professional services.
- **Administrative Services Fee Schedule**
BWC maintains an administrative fee schedule, primarily for evaluation services that are rendered at BWC, IC or MCO request by providers with specific contracts with one of these entities. Examples of services in this fee schedule are: file reviews, independent medical exams, drug utilization reviews, and prosthetic evaluations. The fee schedule consists of custom codes. Codes can only be reimbursed after the appropriate report has been submitted to BWC.

F. Benefit Plan and Terms of Service Exceptions

In general, fee schedules apply to all bills that are deemed payable based on eligibility and coverage rules. There are several small groups of claims and services that fall outside standard rules and are covered under distinct benefit plans and terms of service. These include services rendered in:

- Black Lung Claims (some services that are not routinely covered for the general claim population may be routinely covered in these claims)

- Marine Industry Fund Claims (some provider types not routinely reimbursed under BWC's other benefit plans may be eligible for reimbursement for services rendered in these claims)
- Claims incurred during vocational rehabilitation plans (services rendered in these claims are payable even when the original claim's employer is self-insured)
- Self-Insured Claims with allowed conditions requiring prosthetics (BWC is responsible for reimbursement of all prosthetics for Ohio's injured workers, regardless of employer type)
- Catastrophic claims requiring home or vehicle modifications (BWC manages authorization of these services)
- Claims requiring family caregiver services (a number of claims have authorization for reimbursement of caregiver services to family members who are not healthcare providers; these type of services are no longer authorized, but BWC is still responsible for those caregivers whose authorization was granted prior to discontinuation of this benefit). These services are reimbursed using BWC custom procedure codes, only to specific enrolled providers.

G. Duplicate Checking

In addition to eligibility and pricing rules, BWC has duplicate billing criteria that may be applied across bills of a like type. Rules for duplicate billing may need to take into account: provider number, injured worker unique ID, claim number, dates of service, procedures or lists of procedures, modifiers, and other criteria identified by BWC. Duplicate editing may be used to deny payment in certain cases or to report situations that warrant retrospective review.

H. Customized Explanation of Benefit (EOB) Codes

One area where BWC deviates from HIPAA standards is in explanation of benefit codes. Because many denials are for workers' compensation-specific reasons, BWC uses a proprietary code set with the intent to communicate efficiently with providers.

I. User Authorization Rules

Authorized users must be grouped in a way that allows distinct access to data and functionality in the bill review system. User groups must be able to perform various combinations of functions, based on their role in the bill review process. For example:

- BWC employees with adjustment authority – should be able to 1) view bill, reference and eligibility information, 2) create and enter new bills, 3) adjust existing bills, 4) manually price bills according to special instructions from authorized BWC or MCO staff.
- MCO employees with bill approval authority – should be able to 1) view bill, reference and eligibility information, 2) indicate that lines or bills can be approved for payment, 3) indicate that lines or bills are denied reimbursement, including identification of appropriate EOB codes, 4) enter notes or further authorization or denial information.
- Enrolled providers – should be able to 1) enter or amend bill information, 2) submit medical documentation related to a specific bill, 3) view bills submitted by them or submitted on their behalf.
- Employers – should be able to 1) view bill detail according to BWC specifications for claims belonging to their employees, 2) submit documentation or inquiries related to medical treatment for their injured workers, 3) submit information related to bills that they paid on their employee's behalf so that BWC can reimburse the employer.
- Injured workers – should be able to 1) view bill detail according to BWC specifications for their claims, 2) submit documentation or inquiries related to medical treatment in their claims, 3) submit requests for travel reimbursement related to services where BWC authorizes such reimbursement.

The bill review system must contain a table of authority that allows authorized users to grant requested system access. Access for providers, employers and injured workers may be automated based on account credentials, but requests for access to authorize payment must be reviewed according to BWC guidelines and approved by authorized users.

It must also track user access to BWC-specified sensitive information as well as all updates and update sources (i.e. user ID who updated a record/field, and date the field was updated). Wherever possible, change history must be maintained including information about the person or process responsible for a change.

2. **Additional Functionality.** BWC requires the following functionality in order to correctly manage drug bills, do analysis of medical payments, and ensure that all medical payments are accurate. In addition, BWC requires flexible options for bill and documentation submission.

A. Drug bill receipt and storage

Outpatient drug bills are adjudicated and priced by BWC's PBM. The PBM submits a bill detail file to BWC's bill review system that allows charges to be accounted for at the claim and employer level and permits analysis of BWC's drug expenditures to allow BWC to evaluate its benefit plan and make changes as appropriate. Following basic validation edits, accepted bills are interfaced to BWC's payment systems so that approved bills can be reimbursed.

B. Reporting

Detailed medical and drug bill data must be available both for standard, easily-customizable reports and data warehousing that will allow BWC users to analyze medical bill data along with other BWC data. Standard reports must be distributed to specific users in a secure manner that protects sensitive information. Authorized users should be able to add or delete users from report distribution lists. Users should be able to remove themselves from report distribution lists if they no longer require a given report. Reports must be in formats that allow users to easily manipulate data for analytical purposes (i.e. text files that can be imported into Excel or Access).

C. Subrogation Bill Processing

Parties authorized to subrogate payment from BWC must be able to submit information in a way that allows BWC to consider requests as efficiently as possible. There may be subrogation-specific pricing and adjudication rules. In addition, the bill review system may need to perform a tentative adjudication based on minimal data elements to determine whether a bill might be considered for reimbursement. For instance a provider, injured worker or third party should be able to submit claim number, dates of service, provider type information and any additional standard bill data elements that are available and receive a response that either tells them that 1) BWC is not responsible for the services (if, for example, the claim is no longer BWC's responsibility because it is settled or out of statute), or 2) that it appears that BWC has already reimbursed the service to a provider, or 3) that BWC requires additional information in order to consider the request for reimbursement.

This service should be available via a secure user interface as well as for batches of data submitted in a BWC-approved format. BWC may also need to be able to extract data from imaged documents in order to make initial determinations of responsibility.

D. Bill Submission and Adjustments

New bills and adjustment requests should be accepted from authorized parties via the following methods:

- ANSI X12 ASC 837 and any other electronic format that meets BWC requirements received from authorized trading partner
- Via secure user interface available to authorized BWC or MCO employee, provider, employer, injured worker or authorized third party, in accordance with BWC specifications

Submissions should be acknowledged in a return transaction that includes information about the bill or adjustment's disposition. For example, submitters should know immediately whether a bill was accepted and authorized for payment, accepted and subject to review, accepted but not eligible for payment.

The bill review system must allow bill adjustments in a way that allows users to easily identify history of changes as well as the latest status of a bill. Users should be able to indicate the desired outcome of an adjustment transaction (changes to previously-submitted data, additional billed lines, reversal of lines or bills) and have the bill review system complete the adjustment transaction, including adjudication of new or changed information according to all rules that apply to new bills. Authorized users should be able to indicate exceptions to rules that apply to the adjustment.

E. Documentation and Inquiry Submission

Authorized parties should be able to submit or link electronic documentation and inquiries about specific bills or groups of bills and have the submission routed to the appropriate party for review.

Documentation submission should include the ability to submit batches of documentation associated with bills submitted by the same provider as well as individual documents. Authorized parties should be able to upload new documentation securely and also link to images of previously-submitted documentation.

F. Payment Interface

The bill review system will interface payment authorization information to BWC's payment systems on a scheduled basis so that BWC can reimburse appropriate payees. Payment information will be interfaced back to bill review system. The system may need to make remittance advices available to payees in one of a number of formats: ANSI X12 ASC 835, other BWC-approved electronic format, including PDF or text file that can be imported into a spreadsheet or data base.

**ATTACHMENT TWELVE
BWC IT CONTRACTOR AGREEMENT**

I understand that in the course of my employer's assignment with the Bureau of Workers' Compensation ("BWC") I may have access to confidential information, including but not limited to the confidential information or trade secret information of BWC or the confidential or trade secret information of another entity in the possession or control of BWC. I understand that I may also have access to state property and equipment in the course of my employer's assignment with BWC.

I agree to maintain the confidentiality of this confidential or trade secret information in the manner instructed by my supervisor(s) or any BWC official at the time access is granted to me. I agree not to disclose this confidential or trade secret information to any individual or entity, directly or indirectly during the term of my assignment or thereafter, except as requested by my supervisor(s) or by a BWC official. I agree not to use such confidential or trade secret information for any purpose than to complete the assignment.

I acknowledge receipt of a copy of the BWC Code of Ethics and I agree to follow them to the extent they pertain to my employer's assignment with BWC.

If given access to state resources to complete work in the course of my employer's assignment with BWC, including but not limited to electronic mail ("email"), telecommunications, online and network services, and computer equipment and systems, I agree to keep all passwords confidential; to ensure the appropriateness of the content of all transmissions in order to ensure that the time spent on the system directly benefits work for my employer's assignment with BWC, to make every reasonable effort to avoid the introduction of malicious code into any computer system; to report inappropriate uses of email from internal or external sources and any malicious code encountered to the Bureau's Manager of Computer Security; and to observe and obey all copyright laws and to be responsible for respecting any other intellectual property rights of others.

I agree not to disable anti-virus software; not to bypass any access controls or other security measures; not to download, transmit, and/or store any message or information that is defamatory, abusive, obscene, profane, sexually oriented, threatening, or racially offensive or otherwise inappropriate or unrelated to my employer's assignment with BWC; not to transmit confidential Bureau information to anyone not authorized to receive that information; not to transmit messages that serve as advertising or solicitation; not to transmit chain letters, business solicitations, or global email messages; and not to download executable programs and not to participate in chat rooms, open discussions or forums or interactive messaging without specific authorization from the Bureau's Manager of Computer Security.

I acknowledge that the Bureau monitors email, internet, PC and network use and reserves the right to access and to use all material and records of use of its property. I understand that unauthorized access to any BWC system is prohibited. I also understand that if I misuse any data or access granted it could result in access restrictions and possible criminal and civil penalties.

DATE

SIGNATURE

Print Name

Print Employer's Name

BWC CODE OF ETHICS

OAC §4123-15-01 Code of Ethics, Title and Rules Covering

This rule and rules numbered 4123-15-02 to -04 and 4121-15-01 to -04 shall be titled "Code of Ethics" for employees of the Bureau of Workers Compensation and the Industrial Commission of Ohio and shall contain the Code of Ethics for employees of these agencies.

OAC §4123-15-02 Policy

(A) It is essential that the public have confidence in the administration of the Industrial Commission and the Bureau. This public confidence depends in a large degree on whether the public trusts that employees of these agencies are impartial, fair, and act only in the interest of the people uninfluenced by any consideration of self-interest, except those inherent in the proper performance of their duties. Each employee, of whatever position, should therefore maintain the highest standard of personal integrity, since the public often judges the actions of an employee as reflecting the standards of the employing agency.

(B) The Industrial Commission and the Bureau of Workers' Compensation are entrusted with the collection and distribution of a large fund; their employees must respect this trust and should welcome public scrutiny of the way in which they perform their duties in connection with the administration of this fund. They should be willing to accept restrictions on their conduct that may not be necessary of public employees in other agencies, who are not in a similar position of trust. They must avoid not only impropriety, but also the appearance of impropriety.

OAC §4123-15-03 Standards of Conduct

(A) Confidential Information

Confidentiality of all information that comes into possession of Commission and Bureau employees shall be respected; in order to properly discharge this duty, all associates must acquaint themselves with those areas of information that are designated as confidential by statutes, by the courts, and by the Attorney General. Furthermore, they must become familiar with the circumstances under which and the persons to whom such information can be released.

(B) Gifts and Gratuities

- (1) No gift, gratuity, money, service, hospitality, loan, promise or anything of economic value shall be sought, solicited or accepted from or on behalf of any individual or entity who is doing or seeking to do business of any kind with the Commission or Bureau under any circumstances from which the officer or employee could reasonably infer that the gift or benefit was intended to influence the employee in the performance of the employee's duties or was intended as a reward for any official action on the employee's part.
- (2) Commission and/or Bureau employees shall not sponsor parties or other entertainment for the personnel of their agencies, the costs of which are covered in whole or in part by donations or receipts from the sale of tickets to individuals or entities who are doing or seeking to do business with the Commission or Bureau.
- (3) The Commission and Bureau of Workers' Compensation hereby adopt the provisions of the Ohio Ethics Law.

(C) Conflict of Interest

No employee of these agencies shall engage in outside employment that results in conflict or apparent conflict with the employee's official duties and responsibilities.

- (1) Outside employment or activity in which an employee with or without pay represents a claimant or employer in any matter before the Industrial Commission, the Bureau of Workers' Compensation is prohibited.
- (2) Outside employment with an attorney, representative or entity that involves work concerning industrial claims, whether filed or to be filed, or which is in any way related to workers' compensation matters is prohibited.

(D) Professional Code of Ethics

In the event there is any conflict between a professional Code of Ethics governing any employee of these agencies and this Code of Ethics for employees, the professional Code of Ethics shall take precedence over the Code of Ethics for employees but the conflict shall be promptly reported to the employing agency. In such case the agency shall promptly determine the degree of conflict and take such further actions as may be indicated.

- (E) An employee shall not use state property of any kind for other than approved activities. The employee shall not misuse or deface state property. The taking or use of state property for the private purposes of an employee is prohibited. The employee shall protect and conserve all state property, including equipment and supplies entrusted to or issued to the employee.

(F) Diligence and Impartiality in Work

Employees are encouraged to avoid absenteeism and tardiness, to not use sick leave unless necessary and to abide by rules of the Ohio Civil Service, recognizing that the Industrial Commission and Bureau of Workers' Compensation serve many people whose interest are divergent, employees should work in a speedy and efficient manner, strive to be courteous, fair and impartial, to the people that come before them. All segments of the public are to be treated equally without regard to age, race, sex, religion, country of origin, or handicap.

- (G) It is understood that standards of ethical conduct may involve a myriad of situations. The good conscience of individual employees shall remain the best guarantee of the moral quality of their activities. The overall intent of this Code of Ethics is that employees avoid any action, whether or not prohibited by the preceding provisions, which results in or creates the appearance of:

- (1) Using public office for private gain, or
- (2) Giving preferential treatment to any person, entity, or group.

OAC §4123-15-04 **Posting, Distribution and Employee Acknowledgment and Receipt**

- (A) The Code of Ethics for employees of the Bureau of Workers' Compensation and Industrial Commission shall be posted in a conspicuous place in every office of the Bureau and Commission.
- (B) A copy of this Code of Ethics shall be distributed to each employee; after two weeks from such receipt each employee will certify that the employee has received and read this code. New employees will review and Code of Ethics at the Newcomer's Orientation and provide certification at that time. The certification shall be kept in Human Resources.

OAC §4123-15-05 **Purpose: Eliminating Outside Influence, Producing Impartiality in Handling of Claims and Employer Risk Accounts and Avoiding Favoritism**

In accordance with Division (C) of §4121-122 of the Revised Code and division (M) of §4121-122 of the Revised Code, the rules numbered 4123-15-05 to -09 are for the purpose of eliminating improper outside influence on employees of the Bureau of Workers' Compensation and the Industrial Commission, producing an impartial workers' compensation claims and employer risk account handling process and avoiding favoritism in that process.

OAC §4123-15-06 **Furnishing Employees With the Code of Ethics and Rules on Improper Influence to Representatives**

To the extent possible, all those who represent claimants or employers shall be furnished without charge with a copy of the Code of Ethics for employees of the Bureau of Workers' Compensation and the Industrial Commission of Ohio and with a copy of the rules concerning the elimination of outside influence, producing impartial claims and risk account handling, and avoiding favoritism in this process. These rules shall also, to the extent possible, be furnished to employees or agents of those who represent claimants or employers and who may be permitted to inspect claims and employer risk files, or whose work requires personal contact with employees of the Bureau or Commission.

OAC §4123-15-07 **Representatives' Responsibility Relative to Employees' Code of Ethics**

Representatives of claimants and employers as well as their employees and agents shall conduct their business with employees of the Bureau of Workers' Compensation, and the Industrial Commission in accordance with the highest moral principles and are expected to support the Code of Ethics for employees of the Bureau of Workers' Compensation and the Industrial Commission of Ohio by conduct that will not tempt employees of the Bureau and Commission to violate that code but will encourage them to fully observe it. Employees of the Bureau and Commission shall report to their immediate superior any activity that is, or appears to be, in violation of this rule for further action by the Administrator or by the Industrial Commission, as the case may be.

OAC §4123-15-08 **Remedial Action Against Erosions, Exercising Improper Influence, and Engaging in Favoritism**

Upon receipt of information indicating a violation of the preceding rule, the Industrial Commission or the Administrator, as the case may be, shall refer the matter, provided the circumstances warrant it, to the internal security committee for investigation or to the Attorney General for whatever steps are necessary to ensure corrective action.

OAC §4123-15-09 **Prohibition Against Unnecessary Claim File Possession**

No employee shall have possession of a workers' compensation claim file unless the file is necessary to the performance of the employee's duties. In case of violation or apparent violation of this rule, the section director or service office director shall refer the matter to the internal security committee for investigation, or to the Administrator or the Industrial Commission for action consistent with division (A) of section 4121-122 of the Ohio Revised Code. A copy of this rule shall be distributed to each employee for certification that he or she has received and read this rule. This certification shall be kept in Human Resources.

ATTACHMENT THIRTEEN



JOHN R. KASICH
GOVERNOR
STATE OF OHIO

Executive Order 2011-12K

Governing the Expenditure
of Public Funds for Offshore Services

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

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

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

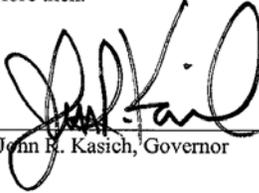
NOW THEREFORE, I, John R. Kasich, Governor of the State of Ohio, by virtue of the authority vested in me by the Constitution and the laws of this State, do hereby order and direct that:

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

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

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




John E. Kasich, Governor

ATTEST:

Jon Husted, Secretary of State

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

Governing the Expenditure of Public Funds on Offshore Services

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

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

CONTRACTOR/SUBCONTRACTOR AFFIRMATION AND DISCLOSURE:

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

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

1. Name/Principal location of business of Contractor:

(Name)

(Address, City, State, Zip)

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

(Name)

(Address, City, State, Zip)

(Name)

(Address, City, State, Zip)

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

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

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

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

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

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

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

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

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

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

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

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

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

(Name)

(Address, City, State, Zip)

**ATTACHMENT FOURTEEN
COST SUMMARY**

BWC Core System Solution Implementation - Tasks and Deliverables

Cost

Task 1 - Project Management	\$
Task 2 – Business and High Level IT Technical Requirements Review and Validation	\$
Task 3 - Design	\$
Task 4 – Implementation/Build	\$
Task 5 – Testing/Quality Assurance	\$
Task 6 – Training	\$
Task 7 – Conversion Plan	\$
Task 8 – Deployment Readiness/Production Release and Post Implementation Support	\$
Not to Exceed Fixed Price for BWC Core System Solution Implementation -Task and Deliverables	\$

Annual System Maintenance for First Seven Years of Maintenance (Excluding COTS Software and Support): \$

1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	6 th Year	7 th Year
\$0.00	\$	\$	\$	\$	\$	\$

Total Commercial Software License Fees (From Breakdown Sheet):

Total Annual Support Fees for Commercial Software for First Seven Years of Support (From Breakdown Sheet):	\$
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Total Key Commercial Software License Fees (From Breakdown Sheet):

Total Annual Support Fees for Key Commercial Software for First Seven Years of Support (From Breakdown Sheet):	\$
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Total Not-to-Exceed Fixed Price for the Project: \$

Performance Bond Cost
\$

**ATTACHMENT FOURTEEN
(CONTINUED)
COST SUMMARY (COMMERCIAL SOFTWARE BREAKDOWN SHEET)**

Offerors may duplicate this breakdown sheet as needed to identify all of the Commercial Software Costs.

COMMERCIAL SOFTWARE COSTS

Commercial Software Product Name and Version/Release #:							License Cost
Type License:							\$
License Count:							
Annual Support Fees for above Software for First Seven Years of Support:							Total Seven Years Annual Support Fees
1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year	\$
\$	\$	\$	\$	\$	\$	\$	\$

Commercial Software Product Name and Version/Release #:							License Cost
Type License:							\$
License Count:							
Annual Support Fees for above Software for First Seven Years of Support:							Total Seven Years Annual Support Fees
1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year	\$
\$	\$	\$	\$	\$	\$	\$	\$

Commercial Software Product Name and Version/Release #:							License Cost
Type License:							\$
License Count:							
Annual Support Fees for above Software for First Seven Years of Support:							Total Seven Years Annual Support Fees
1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year	\$
\$	\$	\$	\$	\$	\$	\$	\$

Total Cost for other Commercial Software, including Annual Support Fees for Seven Years:

\$

**ATTACHMENT FOURTEEN
(CONTINUED)
COST SUMMARY (KEY COMMERCIAL SOFTWARE BREAKDOWN SHEET)**

Offerors may duplicate this breakdown sheet as needed to identify all of the Key Commercial Software Costs.

KEY COMMERCIAL SOFTWARE COSTS							
Key Commercial Software Product Name and Version/Release #:							License Cost \$
Type License:							
License Count:							
Annual Support Fees for above Key Commercial Software for First Seven Years of Support:							Total Seven Years Annual Support Fees \$
1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year	
\$	\$	\$	\$	\$	\$	\$	
Key Commercial Software Product Name and Version/Release #:							License Cost \$
Type License:							
License Count:							
Annual Support Fees for above Key Commercial Software for First Seven Years of Support:							Total Seven Years Annual Support Fees \$
1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year	
\$	\$	\$	\$	\$	\$	\$	
Key Commercial Software Product Name and Version/Release #:							License Cost \$
Type License:							
License Count:							
Annual Support Fees for above Key Commercial Software for First Seven Years of Support:							Total Seven Years Annual Support Fees \$
1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year	
\$	\$	\$	\$	\$	\$	\$	
Total Cost for Key Commercial Software, including Annual Support Fees for Seven Years:							\$

ATTACHMENT FOURTEEN

COST SUMMARY RATE CARD (continued)

Rate Card. The following table lists the positions that may be used in the IDAs. The rate card contains different columns for commitment or actual spending levels that will be identified by Deliverables in the IDAs. The offeror must provide its most competitive rates for the identified positions. The hourly rate column will be multiplied by the “Weight Value” to determine the Rate Card evaluation cost total.

The State expects that the hourly rates provided in the 3 month and 6 month columns will reflect the longer commitment with a lower cost than the straight hourly rate.

Position Title	Hourly Rate		Weight Value	Total Cost For Evaluation	>3 Month (or IDA spend < \$1M)	>6 Month (or IDA spend > \$1M)
Project/Advisory Positions						
Program Manager/Unit Lead	\$	X	1	\$	\$	\$
Project Manager	\$	X	5	\$	\$	\$
COTS Claims SME	\$	X	5	\$	\$	\$
COTS Billing SME	\$	X	5	\$	\$	\$
COTS Policy SME	\$	X	5	\$	\$	\$
Technical Lead	\$	X	5	\$	\$	\$
Technical/Specialist Positions						
Trainer, End User	\$	X	5	\$	\$	\$
Trainer, Technology	\$	X	5	\$	\$	\$
Senior Analyst (Business, Process or System)	\$	X	3	\$	\$	\$
Analyst (Business, Process or System)	\$	X	1	\$	\$	\$
Senior Developer	\$	X	3	\$	\$	\$
Developer	\$	X	1	\$	\$	\$
Technical Integration Specialist	\$	X	3	\$	\$	\$
Network Engineer	\$	X	3	\$	\$	\$
Unix/Windows System Administrator	\$	X	1	\$	\$	\$
Data Warehouse Architect	\$	X	3	\$	\$	\$
Database Administrator	\$	X	1	\$	\$	\$
Quality Assurance and Testing	\$	X	3	\$	\$	\$
Security Specialist	\$	X	1	\$	\$	\$
Technical Writer	\$	X	1	\$	\$	\$
Rate Card Evaluation Total				\$		