

Iowa Department of Human Services



**Technical Assistance and Support for
Iowa Medicaid Enterprise Services Procurement**

MED-09-006

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**Joanne Rockey, Issuing Officer
Iowa Department of Human Services
Iowa Medicaid Enterprise
100 Army Post Road
Des Moines, Iowa 50315
(515) 725-1212 phone
(515) 725-1010 fax
jrokey@dhs.state.ia.us**

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1.1 Purpose

The purpose of this Request for Proposal (RFP) is threefold. First, the Iowa Department of Human Services (Department) is soliciting proposals from qualified service providers (QSP) to review the Iowa Medicaid Enterprise (IME) model, the administrative entity for the Iowa Medicaid Program within the Iowa Department of Human Services (Department), the single State Medicaid Agency in Iowa. The IME is a business driven model, most functions of which are very similar to most commercial insurance companies, put into production in 2005. It is the third largest payer of healthcare claims in Iowa after Wellmark and Medicare. The purpose of the review would be to perform a business analysis on the IME business model, it's current business operations, and performance measures, and identify where the use of commercial insurance "best practices" could be used to gain efficiencies in IME operations. The IME insurance business is the driver of any recommended changes. If the business supports recommended changes in processes or tools they will be considered. A validation of the IME's key assumptions (Section 1.3) are to be included as part of the business analysis.

Second, the QSP is to provide technical assistance to the Department for the procurement of daily business operations of the IME, updating, as needed, the Advanced Planning Document (APD) for enhanced funding from Centers for Medicare and Medicaid (CMS) for the procurement; a cost benefit analysis (CBA) to show the effectiveness of recommended solutions, and developing, writing, issuing and updating of a request for proposal (RFP) with an issue date of July 1, 2009 for the professional services contracts. A second RFP will be developed by the QSP to procure the systems services contracts expiring after 2010. This second RFP would have an issue date no later than December, 2011. Included in both RFPs' scope is the identification of an evaluation methodology for the procurement RFP evaluation process, development of a tool and training of the Evaluation Committees in use of the tool. Technical assistance shall be provided to the Department through the entire procurement process. Time is of the essence. **To avoid any potential conflict of interest or appearance of impropriety, the ultimate QSP hired through this may not bid on RFPs developed pursuant to the scope of work contained in this RFP. In addition, current IME service contractors and their parent companies and subsidiaries are prohibited from bidding on this RFP.**

Third, the QSP will convert Iowa's Medicaid Information Technology Architecture (MITA) state self-assessment (SS-A) from MITA Framework 1.0 to the current Framework 2.0. At the conclusion of the IME services procurement process, the TA Contractor will update Iowa's SS-A based on newly procured IME services.

The scope of services for this RFP will allow, at the discretion of the

Department, for the amendment of the resulting contract to include Independent Verification and Validation (IV&V) of the two (2) transition periods between the current Contractors and the successful bidders of the next contracts.

As the Medicaid program in Iowa is very similar to the operations of a commercial insurer, QSPs will have or bring:

- Expertise in commercial insurance operations,
- Expertise in Medicaid, at both the federal and state level,
- An understanding and working knowledge of MITA,
- The skill sets to produce an RFP and conduct the selection process,
- IV&V skill sets to manage Contractor transitions

What is unique from commercial insurance companies in the Medicaid Program is the management of the Medicaid populations, not the daily business operations.

The Department intends to execute a three (3) year contract, beginning October 15, 2008 and ending September 30, 2011 with two (2) one year extensions at the sole discretion of the Department. Any contract resulting from the RFP shall not be an exclusive contract.

1.2 Background Information

This RFP is designed to provide QSPs with the information necessary for the preparation of competitive bid proposals. The RFP process is for the Department's benefit and is intended to provide the Department with competitive information to assist in the selection process. It is not intended to be comprehensive. Each QSP is responsible for determining all factors necessary for submission of a comprehensive bid proposal. The Department adheres to all applicable federal and state laws, rules, and regulations when entering into a contract for services.

1.2.1 Iowa Medicaid Program

Medicaid is an entitlement program designed to provide medical care to low-income individuals who are aged, blind, or disabled, pregnant, under 21 years of age, or members of a family with dependent children. The program was authorized under Title XIX of the Social Security Act of 1965. The Medicaid program is funded jointly by the state and federal governments.

There are two major components to the Iowa Medicaid program: a traditional Medicaid fee-for-service component, and a managed care component. There are approximately 366,000 total members enrolled in Iowa's Medicaid program.

The fee-for-service component generates approximately 20 million claims for payment each year. Payments are made to physicians,

hospitals, labs, pharmacies, home health providers, rural health providers, federally qualified health centers (FQHCs), and many other types of providers. Hospitals are paid on a schedule based on diagnosis related groups (DRGs) and ambulatory patient groups (APGs). (In the fall of 2008, the Department will be changing to ambulatory payment classifications (APCs). There are established fee schedules for both physicians and labs. The Department uses Medicare-based reimbursement schedules for payment of claims for services provided by home health care providers, rural health care providers, and FQHCs. For pharmacies, the Department established a point of sale (POS) system for prescription payment.

In Iowa, Medicaid managed care includes two main components:

- Managed health care, which includes a primary care case management program (MediPASS), and an HMO-based capitated managed care program. There are approximately 138,000 members enrolled in the managed care program.
- The Iowa Plan is a capitated mental health and substance abuse program. There are approximately 283,000 members enrolled in the Iowa Plan during any given month.

1.2.2 Iowa Medicaid Enterprise

In Iowa the Iowa Medicaid Enterprise (IME) is the entity charged with administering the Iowa Medicaid Program. It is, in most ways, like a commercial insurance company. It operates a medical management component (including policy, medical professionals reviewing for medical necessity, prior authorization, etc.) and a business operations component that pays claims, enrolls providers, sets rates and so on. It is the third largest payer of healthcare claims in Iowa. It covers the standard populations of most insurers. Its distinct populations included in coverage, are the long term care population, Home and Community Based Services (HCBS) population, and a large disabled population. Functions specific to Medicaid include Estate Recovery and Drug Rebate.

Historically, the Department administered the state Medicaid program through the use of a fiscal agent, which provided daily administration of the state Medicaid program. In 2005, the Department took back direct daily operations of the Medicaid program. After extensive research and planning and a lengthy RFP process, the Department entered into a series of contracts with vendors to provide services in defined functional areas of expertise, including:

- Medical and Pharmacy Medical Services
- Member and Provider Services
- Mailroom
- Workflow Management System

- Claims Adjudication
- Provider Cost Audit and Rate Setting
- Surveillance and Utilization Review
- Revenue Collections
- Systems including the Medicaid Management Information System (MMIS), Data Warehouse, and the Pharmacy Point of Sale (POS) system

The successful Contractors, representing the “best of breed” in their areas of expertise, are co-located with Department policy staff at the IME facility on the south side of Des Moines, Iowa. The IME became operational on June 30, 2005 and CMS certified the IME’s Medicaid Management Information System (MMIS) after an on-site inspection in February of 2006.

Each of the individual functional areas within the IME is the product of a separate and unique contract that outlines numerous performance measures and goals that are tied to operations and continued contract development. All of the functional areas are interrelated and interoperable. Data is shared among the IME units freely and without barriers so that each unit operates with maximum efficiency.

1.2.3 Medicaid Information Technology Architecture

The Medicaid IT Architecture (MITA) is an initiative of the Center for Medicaid and State Operations (CMSO) to establish national guidelines for technologies and processes that can enable improved program administration for Medicaid enterprises.

MITA is both an initiative and a framework. As an initiative MITA is a plan to promote improvements in the Medicaid enterprise and the systems that support it through collaboration between CMS and the States. As a framework, MITA is a blueprint consisting of models, guidelines, and principles to be used by States as they implement enterprise solutions.

The MITA initiative includes an architecture framework, processes, and planning guidelines that allow State Medicaid enterprises to meet their Medicaid objectives within the MITA Framework – yet support unique local needs.

The MITA Framework is a consolidation of principles, business and technical models, and guidelines that creates a template for States to use to develop their individual enterprise architectures.

The MITA Framework 2.0 comprises three parts:

- Business Architecture

- Information Architecture
- Technical Architecture

The MITA processes provide guidance to State Medicaid enterprises on how to adopt the MITA Framework through shared leadership, partnering, and reuse of solutions.

The MITA planning guidelines help States define their own strategic MITA goals and objectives and develop tailored enterprise architectures that are consistent with CMS expectations.

Iowa completed a State Self-Assessment (SS-A) under the MITA Framework 1.0. in July, 2005, prior to the release of MITA Framework 2.0. (See Bidder’s Library). For further information on Medicaid Information Technolgy Architectur Framework 2.0 go to www.cms.hhs.gov/MedicaidInfoTechArch

1.2.4 Department of Human Services Table of Organization

For a table of organization of the Department’s structure refer to Attachment A.

1.2.5 Iowa Medicaid Enterprise Table of Organization

For a table of organization of the IME’s structure refer to Attachment B.

1.2.6 Key Functional Responsibilities of the IME Units

For a table of functional responsibilities of each IME contracts and each current contractor refer to Attachment C.

1.3 Key Assumptions for the Technical Assistance and Support Project

The successful QSP will determine if the following key assumptions are realistic:

- The Department should integrate as many “industry standard” best practice solutions into the IME operations as practical.
- The Department will not need to procure a new MMIS system.
- The Department should not return to an historical fiscal agent business model.
- The analysis and subsequent recommendations will take into account the changing environment within the insurance industry generally and Medicaid specifically. It will accommodate changes including, but not limited to:
 - HIPAA electronic attachments
 - HIPAA version 5010
 - ICD-10
 - MITA

- Increased use of electronic medical records in claims adjudication and program operations and administration

- 2.1 Issuing Officer** – the Issuing Officer, identified below, is the sole point of contact regarding the RFP from the date of issuance until selection of the successful bidder.

Joanne Rockey, Issuing Officer
Iowa Department of Human Services
Iowa Medicaid Enterprise
100 Army Post Road
Des Moines, Iowa 50315
515-725-1212
jrockey@dhs.state.ia.us

- 2.2 Restriction on Communication** – From the issue date of this RFP until announcement of the successful bidder, bidders may contact only the Issuing Officer. The Issuing Officer will respond only to questions regarding the procurement process. Bidders shall be disqualified if they contact any Department employee other than the Issuing Officer regarding this RFP.
- 2.3 Downloading the RFP from the Internet** – If the bidder obtained this RFP on the Internet from the Department of Administrative Services/Information Technology Enterprise website directly or by link from the Department of Human Service’s home page prior to submitting a letter of intent to bid, the bidder will not automatically receive amendments that may be made to the RFP. All amendments will be posted at <http://bidopportunities.iowa.gov>. The bidder is advised to check the web page periodically for any amendments to this RFP, particularly if the RFP from the Internet may not automatically receive amendments. Bidders who received this RFP as a result of a written request to the Department will automatically receive amendments.
- 2.4 Procurement Timetable** – The following dates are set forth for information and planning purposes; however, the Department reserves the right to change the dates.

Notice of Intent to Issue RFP.....	August 8, 2008
Issue RFP.....	August 26, 2008
Letters of Intent to Bid/Questions Due.....	September 9, 2008
Response to Questions Issued.....	September 16, 2008
Closing Date for Receipt of Bid Proposals and Amendments.....	September 25, 2008
Oral Presentations.....	September 29 – 30, 2008

Notice of Intent to Award Issued.....	October 3, 2008
Completion of Contract Execution.....	October 10, 2008
Begin Contract.....	October 15, 2008

2.5 Bidders’ Library – A Bidders’ Library is available, on request, via CD-ROM and contains information detailed in Attachment D.

2.6 Letters of Intent to Bid – Submitting a letter of intent to bid is no longer a Mandatory requirement to submit a bid proposal. Submission of a letter of intent to bid permits such bidders to ask questions about the RFP, ensures receipt of written responses to bidders’ questions, and ensures receipt of amendments to the RFP.

2.7 Questions, Requests for Clarification and Suggested Changes – Bidders who have timely submitted a letter of intent to bid can submit written questions and requests for clarifications regarding the RFP. Bidders may also submit suggestions for changes to the requirements of this RFP. The questions, requests for clarifications, or suggestions must be in writing and be received by the Issuing Officer before 3:00 p.m., Central Time on the date specified in Section 2.4. Oral questions will not be permitted. If the questions, requested for clarifications or suggestions pertain to a specific section of the RFP, the page and section number(s) must be referenced. Written responses to questions, requests for clarification, or suggestions will be sent on or before the date specified in Section 2.4 to bidders who have submitted a letter of intent by the required date. The Department’s written responses will not be considered part of the RFP. If the Department decides to adopt a suggested change, the Department will issue an amendment to the RFP.

The Department assumes no responsibility for verbal representations made by its officers or employees unless such representations are confirmed in writing and incorporated into the RFP.

NOTE: Bidders may not include assumptions in their bid proposals. Any ambiguity regarding this RFP must be addressed through this question and answer process.

2.8 Amendment to the RFP or Bid Proposal and Withdrawal of Bid Proposal - The Department reserves the right to amend the RFP at any time. The bidder shall acknowledge receipt of an amendment in its proposal. If the amendment occurs after the closing date for receipt of bid proposals, the Department may, in its sole discretion, allow bidders to amend their bid proposals if necessary.

The bidder may amend its bid proposal. The amendment must be in writing and signed by the bidder. The Issuing Officer must receive the amendment by the deadline for submitting proposals. Electronic mail and faxed amendments will not be accepted.

The bidder may withdraw its bid proposal prior to the closing date for receipt of bid proposals by submitting a written request to withdraw to the Issuing Officer. Electronic mail and faxed requests to withdraw will not be accepted.

2.9 Submission of Bid Proposals - The bid proposal must be received by the Issuing Officer **no later than 3:00 P.M.** Central Time, on the date specified in Section 2.4. This mandatory requirement will not be waived by the Department. Any bid proposal received after this deadline will be rejected and returned unopened to the bidder. Bidders mailing bid proposals must allow ample mail delivery time to ensure timely receipt of their bid proposals. It is the bidder's responsibility to ensure that the bid proposal is received prior to the deadline. Postmarking by the due date will not substitute for actual receipt of the bid proposal by the Department. Electronic mail and faxed bid proposals will not be accepted.

2.10 Costs of Preparing the Bid Proposal - The costs of preparation and delivery of the bid proposal are solely the responsibility of the bidder.

2.11 Rejection of Bid Proposals - The Department reserves the right to reject any or all bid proposals, in whole and in part, and to cancel this RFP at any time prior to the execution of a written contract. Issuance of this RFP in no way constitutes a commitment by the Department to execute a contract.

2.12 Disqualification - The Department shall reject outright and shall not evaluate proposals for any one of the following reasons:

2.12.1 The bidder fails to deliver the bid proposal by the due date and time.

2.12.2 The bidder fails to deliver the cost proposal in a separate envelope.

2.12.3 The bidder states that a service requirement cannot be met.

2.12.4 The bidder's response materially changes a service requirement.

2.12.5 The bidder's response limits the rights of the Department.

2.12.6 The bidder fails to include information necessary to substantiate that it will be able to meet a service requirement. A response of "will comply" or merely repeating the requirement is not sufficient.

- 2.12.7 The bidder fails to respond to the Department's request for information, documents, or references.
 - 2.12.8 The bidder fails to include bid proposal security.
 - 2.12.9 The bidder fails to include any signature, certification, authorization, stipulation, disclosure or guarantee requested in Section 4 of this RFP.
 - 2.12.10 The bidder presents the information requested by this RFP in a format inconsistent with the instructions of the RFP.
 - 2.12.11 The bidder initiates unauthorized contact regarding the RFP with state employees.
 - 2.12.12 The bidder provides misleading or inaccurate responses.
 - 2.12.13 The bidder includes assumptions in its bid proposal.
- 2.13 Nonmaterial and Material Variances** - The Department reserves the right to waive or permit cure of nonmaterial variances in the bid proposal's form and content providing, in the judgment of the Department, such action is in the best interest of the Department. Nonmaterial variances include minor informalities that do not affect responsiveness; that are merely a matter of form or format; that do not change the relative standing or otherwise prejudice other bidders; that do not change the meaning or scope of the RFP; or that do not reflect a material change in the services. In the event the Department waives or permits cure of nonmaterial variances, such waiver or cure will not modify the RFP requirements or excuse the bidder from full compliance with RFP specifications or other contract requirements if the bidder executes a contract. The determination of materiality is in the sole discretion of the Department.
- 2.14 Reference Checks** - The Department reserves the right to contact any reference to assist in the evaluation of the bid proposal, to verify information contained in the bid proposal and to discuss the bidder's qualifications and the qualifications of any subcontractor identified in the bid proposal.
- 2.15 Information from Other Sources** - The Department reserves the right to obtain and consider information from other sources concerning a bidder, such as the bidder's capability and performance under other contracts.
- 2.16 Verification of Bid Proposal Contents** - The contents of a bid proposal submitted by a bidder is subject to verification. Misleading or inaccurate responses shall result in disqualification.

- 2.17 Criminal History and Background Investigation** - The Department reserves the right to conduct criminal history and other background investigation of the bidder, its officers, directors, shareholders, or partners and managerial and supervisory personnel retained by the bidder for the performance of the contract.
- 2.18 Bid Proposal Clarification Process** - The Department may request clarifications from bidders for the purpose of resolving ambiguities or questioning information presented in the bid proposals. Clarifications may occur throughout the bid proposal evaluation process. Clarification responses shall be in writing and shall address only the information requested. Responses shall be submitted to the Department within the time stipulated at the occasion of the request.
- 2.19 Disposition of Bid Proposals** - All bid proposals become the property of the Department and shall not be returned to the bidder. At the conclusion of the selection process, the contents of all bid proposals will be in the public domain and be open to inspection by interested parties subject to exceptions provided in Iowa Code Chapter 22 or other applicable law.
- 2.20 Public Records and Request for Confidential Treatment** - All information submitted by a bidder may be treated as public information by the Department following the conclusion of the selection process unless the bidder properly requests that information be treated as confidential at the time of submitting the bid proposal. The Department's release of information is governed by Iowa Code Chapter 22. Bidders are encouraged to familiarize themselves with Chapter 22 before submitting a proposal. The Department will copy public records as required to comply with the public records laws.

Any request for confidential treatment of information must be included in the transmittal letter with the bidder's bid proposal. In addition, the bidder must enumerate the specific grounds in Iowa Code Chapter 22 or other applicable law, which support treatment of the material as confidential and explain why disclosure is not in the best interest of the public. The request for confidential treatment of information must also include the name, address, and telephone number of the person authorized by the bidder to respond to any inquiries by the Department concerning the confidential status of the materials.

Any bid proposal submitted which contains confidential information must be conspicuously marked on the outside as containing confidential information, and each page upon which confidential information appears must be conspicuously marked as containing confidential information. Identification of the entire bid proposal as confidential shall be deemed non-responsive and disqualify the bidder.

If the bidder designates any portion of the bid proposal as confidential, the bidder must submit one copy of the bid proposal from which the confidential information has been redacted. This redacted copy is in addition to the number of copies requested in Section 4 of this RFP. The confidential material must be redacted in such a way as to allow the public to determine the general nature of the material removed and to retain as much of the bid proposal as possible. To the extent possible, pages should be redacted sentence by sentence unless all material on a page is clearly confidential under the law.

The Department will treat the information marked confidential as confidential information to the extent such information is determined confidential under Iowa Code Chapter 22 or other applicable law by a court of competent jurisdiction.

In the event the Department receives a request for information marked confidential, written notice shall be given to the bidder seventy-two (72) hours prior to the release of the information to allow the bidder to seek injunctive relief pursuant to Section 22.8 of the Iowa Code.

The bidder's failure to request confidential treatment of material pursuant to this section and the relevant law will be deemed by the Department as a waiver of any right to confidentiality which the bidder may have had.

- 2.21 Copyrights** - By submitting a bid proposal, the bidder agrees that the Department may copy the bid proposal for purposes of facilitating the evaluation of the bid proposal or to respond to requests for public records. The bidder consents to such copying by submitting a bid proposal represents and warrants that such copying will not violate the rights of any third party. The Department shall have the right to use ideas or adaptations of ideas that are presented in the bid proposals.
- 2.22 Release of Claims** - By submitting a bid proposal, the bidder agrees that it will not bring any claim or cause of action against the Department based on any misunderstanding concerning the information provided herein or concerning the Department's failure, negligent or otherwise, to provide the bidder with pertinent information as intended by this RFP.
- 2.23 Presentations** - Bidders may be required to make a presentation of the bid proposal. The presentation may occur at the Department's offices or at the offices of the bidder. The determination as to need for presentations, the location, order, and schedule of the presentations is at the sole discretion of the Department. The presentation may include slides, graphics and other media selected by the bidder to illustrate the bidder's bid proposal. The presentation shall not materially change the information contained in the bid proposal.

- 2.24 Evaluation of Bid Proposals** - Bid proposals that are timely submitted and are not subject to disqualification will be reviewed in accordance with Section 5 of the RFP.
- 2.25 Notice of Intent to Award** - Notice of Intent to Award the contract will be sent by mail to all bidders submitting a timely bid proposal. The Notice of Intent to Award is subject to execution of a written contract and, as a result, the Notice does not constitute the formation of a contract between the Department and the apparent successful bidder.
- 2.26 Acceptance Period** - Execution of the contract shall be completed no later than the date specified in Section 2.4. If the apparent successful bidder fails to negotiate and execute a contract, in its sole discretion, the Department may revoke the Notice of Intent to Award and enter into negotiations with the next highest ranked bidder or withdraw the RFP.
- The Department further reserves the right to cancel the RFP or negotiations at any time prior to the execution of a written contract.
- 2.27 Review of Notice of Intent to Award Decision** - Bidders may request review of the award decision by filing a written appeal to the District Court.
- 2.28 Definition of Contract** - The full execution of a written contract shall constitute the making of a contract for services and no bidder shall acquire any legal or equitable rights relative to the contract services until the contract has been fully executed by the apparent successful bidder and the Department.
- 2.29 Choice of Law and Forum** - This RFP and the resulting contract are to be governed by the laws of the state of Iowa, excluding the conflicts of law provisions thereof. Changes in applicable laws and rules may affect the contracting process or the resulting contract. Bidders are responsible for ascertaining pertinent legal requirements and restrictions. Any and all litigation or actions commenced in connection with this RFP shall be brought in the appropriate Iowa forum.
- 2.30 Restrictions on Gifts and Activities** - Iowa Code Chapter 68B restricts gifts which may be given or received by state employees and requires certain individuals to disclose information concerning their activities with state government. Bidders are responsible to determine the applicability of this Chapter to their activities and to comply with the requirements. In addition, pursuant to Iowa Code Section 722.1, it is a felony offense to bribe or attempt to bribe a public official.

2.31 No Minimum Guaranteed - The Department anticipates that the selected bidder will provide services as requested by the Department. The Department will not guarantee any minimum compensation will be paid to the bidder or any minimum usage of the bidder's services.

Section 3 Service Requirements

- 3.1 Introduction** - The Department is seeking services of technical assistance and support in analyzing the Iowa Medicaid Enterprise (IME) against commercial insurance “best practices”; planning, developing and re-procuring the IME service contracts; and converting the State’s MITA self assessment (SS-A) to Framework 2.0 and updating the SS-A at the conclusion of the procurement.

These activities include a business analysis of the IME insurance model against industry “best practices” informed by MITA, updating of the Advanced Planning Document (APD), review of current operations, identification of enhancements to the business model including processes and tools, request for proposals (RFPs) for all IME contracts; evaluation tools as well as support and technical assistance in all phases of planning, development and procurement of the IME service contracts. The Department believes the current business model is effective but believes a review of operations against an industry standard “best practices” model will cause additional efficiencies to be identified.

The Department is seeking a Technical Assistance (TA) Contractor with extensive knowledge and experience in commercial insurance operations and best practices; Medicaid policy and operations requirements, and planning; APD and RFP development; Medicaid Information Technology Architecture (MITA); and the federal and state competitive bidding process. Because the TA Contractor has such an interactive role with the State in the analysis and development of the RFP, **throughout the project there must be an on-site presence of the TA Contractor during regular business hours each week, beginning noon on Monday through noon on Friday, unless otherwise approved by the Department.**

Detailed below are the activities to be accomplished as a part of this RFP’s scope of work. Key activities, Contractor responsibilities, deliverables, and performance measures are identified. All time frames for deliverables will be identified in a Department approved work plan unless otherwise stated below.

All aspects of the services described in this section must be addressed in the bidder’s technical proposal. All fees associated with the services described in this section must be addressed in the bidder’s cost proposal. The cost proposal must be inclusive of all costs including travel.

Describe how you propose to comply with each requirement. Include a detailed description of the manner in which the bidder will perform specific tasks and provide assurances that the deliverables will be completed. To be determined acceptable, all deliverables must be reviewed and approved by

the Department. Bidders may assume the Contractor will have reasonable access to state staff in developing deliverables.

- 3.2 Scope of Services** – The scope of services involves three principle areas; evaluating the IME operation against a business standard of “best practices” in the insurance industry; developing, writing, issuing, and assisting with the evaluation of two RFPs to re-procure the IME service contracts; and converting and updating the MITA state self-assessment. **It will be imperative that the TA Contractor not discuss any aspect of this project at any time with current IME Contractors or their corporate entities so as not to disqualify them from their ability to bid the resulting RFPs. Likewise, no project materials will be left unsecured as to all access by IME Contractors to details of the project. A locked room or separate facility nearby will be available to TA Contractor staff throughout the term of the project.**

3.2.1 Project Start-up

- 3.2.1.1 Key Activity:** The Contractor will establish a project management structure, to be approved by the Department, within which the project will be managed. This will include a work plan that, once approved by the Department, will contain required dates for all deliverables.

Contractor Responsibilities:

- Develop a structure that, when approved, will be maintained by the Contractor so it remains current and will successfully maintain all approved time frames so all parts of the project will be completed on time.
- Describe in your proposed structure, the project methodology and tools that would be used to manage the project.
- Include details regarding project management and oversight, communications plan, project status reporting and tracking (i.e. tasks, issues, decisions, and ad hoc and status reporting), corrective actions, change control, and risk management.

Deliverables:

- Details of a structure within which the project will be managed.

- A work plan
- Monthly reports to include each performance measure and the progress towards its successful attainment.

Performance Measures:

- Detailed design of a project management structure will be presented to the Department for approval no later than seven (7) calendar days after the Contract begins.
- No later than ten (10) calendar days after the Contract begins, the Contractor shall submit a work plan for approval by the Department.
- Monthly reports shall be due the fifth day following the last day of the month for which the report is due.

All deliverables not having a specific date in the approved work plan will be due at a time designated by the Department. Such dates will not be assigned unreasonably.

3.2.2 Comparative Analysis

The Contractor will assist the Department in reviewing current Medicaid operational procedures and policies, roles, responsibilities, performance measures, and operational tools of the current IME functional areas (or Units) against standardized commercial insurance company standards of operation and identify proposed enhancements to those policies, procedures, roles, responsibilities, performance measures and tools for opportunities for the IME to implement industry standard “best practices” and possible inclusion in the IME contracts.

The Contractor will review the IME tools currently used in IME operations, including but not limited to, the systems, electronic workflow management tools, data warehouse, mailroom; and assist the Department in identifying further opportunities to incorporate “best practice” standards when the next contracts are re-procured.

Based on these reviews and analyses, the Contractor will collaborate with the Department to develop a set of recommendations for

inclusion as scope of work and performance measures for each IME contract and produce technical and functional requirements for a set of operational tools for the IME. All recommendations will be driven by the need of the business to produce more effective health outcomes. **MITA goals and objectives are to be integrated into all solutions.**

3.2.2.1 Key Activity: Conduct analyses of IME operational procedures and policies, roles, responsibilities, and performance measures and IME tools. Make recommendations to include commercial insurance “best practices” within IME business processes.

Contractor Responsibilities:

- Review current operational policies and procedures.
- Review IME roles and responsibilities.
- Review IME Contractor performance measures.
- Review current IME operational tools.
- Identify commercial insurance industry “best practices” against which IME operations can be measured.
- Conduct meetings with Department staff to solicit input regarding functional requirements or enhancements of the IME.
- Meet with the Department’s Chief Information Officer (CIO) to discuss chief strategies of the Department’s information technology goals and receive input.
- Develop scope of work and performance measures for each contract of the IME.
- Develop recommendations to the Department on technical and functional requirements of the IME operational tools.
- Prioritize any recommended replacement of any operational tools.

Deliverables:

- A written report with recommendations of changes in IME policies and procedures, roles, responsibilities, and performance measures.
- A written report with recommendations of changes to IME operational tools.
- A written scope of work (functional requirements) and performance measures for each of the IME contracts.
- A matrix of “best practices” by functional area.

Performance Measures:

- A matrix of industry “best practices” by functional area to be received by the Department no later than November 1, 2008.
- A written report on recommended changes to policies, procedures, roles, responsibilities, and performance measures no later than May 1, 2009.
- A written report on recommended changes to the IME operational tools no later than May 1, 2009.
- A written scope of work and associated performance measures for each of the IME contracts by May 1, 2009.

3.2.2.2 **Key Activity:** Produce a cost benefit analysis (CBA) to support the cost effectiveness of the overall recommended solution(s).

Contractor Responsibilities:

- Gather required data for a CBA through MARS reports, CMS 64s and the data warehouse.
- Produce a CBA to show the cost effectiveness of the recommended solution of in section 3.2.2.

Deliverables:

- A cost benefit analysis.
- Supporting documentation.

Performance Measures:

- A completed CBA to the Department for approval by June 1, 2009.

3.2.3 Develop the Request for Proposals (RFPs)

The Contractor shall develop draft RFPs for review by the Department. The Contractor will make all revisions as requested by the Department in order to produce final RFPs for approval by the Department and CMS. Once approved, the Contractor will finalize the RFPs and assist the Department in releasing them to the public. The Contractor will assist the Department in all phases of the procurement process including answering any questions the Department may receive from potential bidders, facilitating the contractor bidders' conferences and contract negotiations. The Department seeks assistance from the TA Contractor in developing solutions to structuring the RFPs in a way that minimizes the need for future amendments while also managing the Contractors' risk. The Department reserves the right to approve and make changes to the RFPs as necessary. The Contractor will also develop an evaluation methodology and any necessary forms and tools for use by the evaluators with training as necessary. The Contractor shall prepare amendments to the RFPs as necessary and assist in any needed modifications to the Advanced Planning Document (APD).

3.2.3.1 Key Activity: Assist with all modifications to the APD.

Contractor Responsibilities:

- Identify when modifications are needed to the APD.
- Assist Department staff in making any modifications in accordance with CMS guidelines and requirements.
- Assist the Department in obtaining any CMS approvals.
- Assist the Department in securing appropriate matching funding from CMS.

Deliverables:

- Written communication identifying needed changes to the APD.
- Written APD drafts with modifications, in accordance with CMS guidelines.
- If requested by the Department, produce final documents to be submitted to CMS for approval.

Performance Measures:

- All identification of changes to the APD must be given to the Department within 24 hours of identification of the need for modifications, to be submitted to CMS.
- Final APD document must be ready for submission to CMS within 24 hours of final Department approval.

3.2.3.2 **Key Activity:** Develop RFPs and amend as necessary.

Contractor Responsibilities:

- Based on requirements analyses and approved scope of work and performance measures, for each IME contract, write RFPs meeting all state and federal requirements for a competitive bid.
- Assist the Department in getting all approvals for the RFPs including CMS approval.
- Amend RFPs as necessary.

Deliverables:

- Write an RFP draft for approval by the Department for the IME Professional Services.
- Modify draft RFP as directed by the Department.
- Create the final IME Professional Services RFP for Department and CMS approval.

- Write an RFP draft for approval by the Department for IME System Support Services.
- Modify draft RFP as directed by the Department.
- Create the final IME System Support Services RFP for Department and CMS approval.

Performance Measures:

- Finalize draft of IME Professional Services RFP no later than May 1, 2009.
- Submit final IMP Professional Services RFP to the Department for approval so the RFP is issued no later than July 1, 2009.
- Finalized draft of IME System Support Services RFP no later than September 1, 2011.
- Submit final IME Systems Support Services RFP to the Department for approval so the RFP is issued no later than November 1, 2011.
- RFPs will be technically, functionally, and legally sound as determined by the Department, CMS and the Iowa Attorney General's Office.
- RFP amendments as necessary on a schedule as approved by the Department.

3.2.3.3 **Key Activity:** Develop an evaluation methodology to be utilized in each RFP and support the Department throughout the evaluation process.

Contractor Responsibilities:

- Recommend an evaluation methodology that will fairly assess bidders' proposals.
- Design all tools and forms necessary for conducting an impartial evaluation of all bids.
- Develop training materials for the evaluation process.

- Provide training as necessary to Department staff on the evaluation tool.
- Provide technical assistance during the evaluation process.
- Assist the Department in conducting the evaluations of all valid bids.
- If requested, the TA Contractor shall also participate as an evaluator.

Deliverables:

- Written recommendation of the evaluation methodology for approval by the Department.
- Written forms and evaluation instructions for approval by the Department.
- Training materials for the evaluation teams. All materials will be approved by the Department prior to use.
- Conduct training for the evaluation teams.
- A written summary of the evaluation process including all recommendations from the evaluation teams.

Performance Measures:

- The recommendation of the evaluation methodology will be delivered at a date as defined by the Department approved work plan.
- Forms and instructions are to be delivered at a date as defined by the Department approved work plan.
- Provide training materials a minimum of fourteen (14) business days prior to evaluations.
- Provide evaluation team training a minimum of seven (7) business days prior to evaluations.

- Summarize the evaluation process, including recommendations, within 24 hours of final evaluation team meetings.

3.2.4 Conduct Bidders' Conference and Respond to Bidders' Questions

The TA Contractor shall support the Department in preparing for and conducting the bidders' conference following issuance of each RFP. The Contractor shall review and assess the bidders' questions submitted during the procurement process. The Contractor shall prepare answers to bidders' questions to be published as part of the procurement process.

- 3.2.4.1 Key Activity:** Prepare for and conduct the IME Bidders' Conferences to be held at a State government facility.

Contractor Responsibilities:

- Secure time and location for each bidders' conference.
- Prepare site for bidders' conference.
- After each bidders' conference return site to the original condition.
- Assist the Department in any other needs relative to the bidders' conferences.

Deliverables:

- A detailed written plan submitted to the Department for approval to conduct each bidders' conference.

Performance Measures:

- The detailed written plan for approval by the Department will be submitted according to the dates in the Department approved work plan.

- 3.2.4.2 Key Activity:** Review, assess and prepare responses to bidders' questions.

Contractor Responsibilities:

- Review all bidders' questions that are submitted timely.
- Consult with the Department on the recommended answers.
- Write responses to bidders' questions, approved by the Department, to be released in a format approved by the Department.

Deliverables:

- Department approved written responses to the bidders' questions in a format approved by the Department.

Performance Measures:

- All recommended answers must be presented to the Department for its review and approval no later than five (5) calendar days prior to the date of release.
- All approved answers must be released no later than the date designed by the Department.

3.2.5 Update Iowa's MITA State Self-Assessment

As an early adopter state Iowa completed a MITA State Self-Assessment (SS-A) under Framework 1.0. The TA Contractor will convert Iowa's SS-A to Framework 2.0 format, updating as needed. At the conclusion of the IME procurement process, the SS-A will be updated to reflect the most current maturity levels for all functional processes.

3.2.5.1 Key Activity: Using the SS-A developed in July, 2005, convert the format to reflect Iowa's SS-A under the Framework 2.0 format. As needed confirm the SS-A is current.

Contractor Responsibilities:

- Using the SS-A deliverable developed in July, 2005, convert the SS-A using Framework 2.0.

- Confirm the completeness of the current SS-A as needed.
- Use the converted SS-A deliverable as a resource in the development of the RFPs.

Deliverables:

- A SS-A in MITA Framework 2.0.

Performance Measures:

- Complete the conversion of the SS-A Framework 2.0 no later than April 1, 2009 so that it will be used as a resource in the development of the RFPs.

3.2.5.2 Key Activity: Near the conclusion of the IME procurement process for all IME contracts, update Iowa's SS-A so that it is current with all newly procured processes and technologies and in the most current CMS format.

Contractor Responsibilities:

- Update Iowa's SS-A to reflect all recently procured processes and technologies.
- Document where there were advancements in maturity levels and make recommendations for the next steps to advance maturity levels further.
- Document the SS-A process in the most current CMS format.

Deliverables:

- A report summarizing in an executive summary, the advancement of the IME as a result of the new procurements.
- SS-A updated and presented in the most current CMS format at the conclusion of the procurement process.

Performance Measures:

- The summary report will be submitted to the Department for approval no later than September 1, 2012.
- The updated SS-A will be submitted to the Department for approval no later than October 1, 2012.

Section 4 Format and Content of Bid Proposals

These instructions prescribe the format and content of the bid proposal and are designed to facilitate the submission of a bid proposal that is easy to understand and evaluate. Failure to adhere to the proposal format shall result in the disqualification of the bid proposal.

4.1 Instructions

4.1.1 The bid proposal shall be typewritten on 8.5” x 11” paper (two-sided).

4.1.2 The bid proposal shall be divided into two parts: (1) the Technical Proposal and (2) the Cost Proposal. The Technical Proposal and the Cost Proposal shall be placed in separate envelopes. The entire bid proposal shall be sealed in another envelope (or a box if necessary to accommodate the size of the bid proposal). If the Technical Proposal is in multiple volumes, the volumes shall be numbered in the following fashion. 1 of 4, 2 of 4, etc. The envelopes shall be labeled with the following information:

**Technical Assistance and Support for Iowa Medicaid
Enterprise Services Procurement
MED-09-006**

**Joanne Rockey, Issuing Officer
Iowa Medicaid Enterprise
100 Army Post Road
Des Moines, IA 50315**

Bidder's Name and Address

4.1.3 The Technical Proposal and Cost Proposal materials shall be presented in a spiral binder, comb binder, or similar binder. Each Technical Proposal and Cost Proposal shall be sealed separately. Proposals received in 3-ring/loose-leaf binders will not be accepted and will be returned without evaluation.

4.1.4 One (1) original and seven (7) copies of the bid proposal, each in a sealed envelope, shall be timely submitted to the Issuing Officer. The envelope containing the original bid proposal and the original proposal shall be labeled “original” and each envelope containing a copy of the bid proposal and each copy of the proposal shall be labeled “copy”.

4.1.5 The bidder must also submit two (2) electronic copies of the bid proposal with all documents in Adobe PDF format. Each electronic copy shall be submitted on CD-ROM. The bidder’s entire technical

proposal should be placed in one PDF file. The file shall not be in any way password protected or saved with restrictions that prevent copying, saving, or reprinting contents of the file.

- 4.1.6 If the bidder designates any information in its bid proposal as confidential, the bidder must also submit one (1) copy of the bid proposal from which confidential information has been redacted. The confidential material must be redacted in such a way as to allow the public to determine the general nature of the material removed and to retain as much of the bid proposal as possible. In addition, the redacted version must be submitted both hardcopy and CD-ROM and marked redacted.
 - 4.1.7 Bid proposals must respond to RFP requirements by restating the number and text of the requirement in sequence and writing the response immediately after the restated requirement.
 - 4.1.8 Bid proposals shall not contain promotional or display materials.
 - 4.1.9 Attachments shall be references in the bid proposal.
 - 4.1.10 If a bidder proposes more than one method of meeting these requirements, each should be labeled and submitted separately. Each will be evaluated separately.
- 4.2 **Technical Proposal** - The Technical Proposal shall consist of the following documents and responses in the order given below:
- 4.2.1 **Table of Contents (Tab 1)** - A Table of Contents of the Technical Proposal shall be inserted at Tab 1. The Table of Contents will identify all sections, all subsections contained therein, and the corresponding page numbers. The Table of Contents shall include all sections and subsections present under Tabs 1 through 10. The Table of Contents found at the beginning of this RFP provides a representative example of what is expected for the Technical Proposal Table of Contents.
 - 4.2.2 **Transmittal Letter (Tab 2)** - An individual authorized to legally bind the bidder shall produce and sign a Transmittal Letter on official business letterhead. A photocopy of the Transmittal Letter shall be included in each copy of the Technical Proposal. The Transmittal Letter shall include:
 - 1) The bidder's mailing address;

- 2) Electronic mail address, fax number, and telephone number for both the authorized signer and the point of contact designated by the bidder;
- 3) A statement indicating that the bidder is a corporation or other legal entity;
- 4) A statement confirming that the prime contractor is registered to do business in Iowa and providing the corporate charter number and assurances that any subcontract proposed is also licensed to work in Iowa;
- 5) A statement identifying the bidder's Federal Tax Identification Number;
- 6) A statement that the bidder will comply with all Contract Terms and Conditions as indicated by Section 6 of the RFP;
- 7) A Statement that no attempt has been made or will be made by the bidder to induce any other person or firm to submit or not submit a proposal;
- 8) A statement of affirmative action that the bidder does not discriminate in its employment practices with regard to race, color, religion, age (except as provided by law), sex, marital status, political affiliation, national origin, or handicap;
- 9) A statement that no cost or pricing information has been included in this letter or the Technical Proposal;
- 10) A statement identifying all amendments to this RFP issued by the state and received by the bidder. If no amendments have been received, a statement to that effect shall be included;
- 11) A statement that the bidder certifies in connection with this procurement that:
 - a. The prices proposed have been arrived at independently, without consultation, communication, or agreement, as to any matter relating to such prices with any other bidder or with any competitor for the purpose of restriction competition; and
 - b. Unless otherwise required by law, the prices quoted have not been knowingly disclosed by the bidder prior to award, directly or indirectly, to any other bidder or to any competitor.

- 12) A statement that the person signing this proposal certifies that he/she is the person in the bidder's organization responsible for, or authorized to make, decisions regarding the prices quoted and that he/she has not participated, and will not participate, in any action contrary to item 11 above; and
- 13) If the use of subcontractor(s) is proposed, a statement from each subcontractor must be appended to the transmittal letter signed by an individual authorized to legally bind the subcontractor stating:
 - a. The identity of the subcontractor and a statement including the exact amount of work to be done by the prime contractor and each subcontractor;
 - b. The general scope of work to be performed by the subcontractor;
 - c. The subcontractor's willingness to perform the work indicated; and
 - d. The subcontractor's assertion that it does not discriminate in employment practices with regard to race, color, religion, age (except as provided by law), and sex, marital status, political affiliation, national origin, or handicap.

Any request for confidential treatment or information shall also be identified in the Transmittal Letter, as well as the specific statutory basis supporting the request and an explanation why disclosure of the information is not in the best interest of the public. The Transmittal Letter shall also contain the name, address and telephone number of the individual authorized to respond to the Department about the confidential nature of the information.

Transmittal Letters should be numbered in sequence with the remainder of the Technical Proposal.

4.2.3 Mandatory Requirements Checklist (Tab 3) - The bidder shall submit with the bid proposal the document included as Attachment E in which the bidder will check each mandatory requirement it has met. The Department will make the final determination, however, whether the bid proposal meets the mandatory requirements.

4.2.4 Executive Summary/Introduction (Tab 4) - The bidder shall submit an executive summary/introduction that provides the Evaluation Committees and state Management with a collective understanding of the contents of the entire Bid Proposal. The executive summary/introduction should briefly summarize the strengths of the bidder and key features of its proposed approach to meet the requirements of this RFP. This section shall also include a

summary of the bidder's Project Management Plans for the resulting contract.

4.2.5 Understanding of the Iowa Medicaid Procurement Project (Tab 5)

- Due to the complex nature of this procurement, the Department requests that bidders provide a written description of their company's understanding of the Iowa Medicaid Enterprise Procurement project. In this Section, the Department is looking for evidence that bidders understand how multiple contractors interact and integrate their operations creating a unified Iowa Medicaid program. In addition, it is expected that bidders will identify the risks inherent in the procurement of a multi-faceted operation such as the IME and identify the strategies the bidder will use to mitigate each risk.

4.2.6 Service Requirements (Tab 6) – The bidder shall address each service requirement in Section 3 and explain how it plans to approach each requirement. Bidders are given wide latitude in the degree of detail they offer or the extent to which they reveal plans, designs, examples, processes, and procedures. Bid proposals must be fully responsive to the service requirements in Section 3. Merely repeating the requirement will be considered non-responsive and disqualify the bidder. Bid proposals must identify any deviations from the requirements of this RFP the bidder cannot satisfy.

4.2.7 Corporate Organization, Experience and Qualifications (Tab 7)

4.2.7.1 Background Information. The bidder shall provide the following general background information:

4.2.7.1.1 Name, address, telephone number, fax number and e-mail address of the bidder including all d/b/as or assumed names or other operating names of the bidder.

4.2.7.1.2 Form of business entity, i.e., corporation, partnership, proprietorship, limited liability company

4.2.7.1.3 State of incorporation, state of formation, or state of organization.

4.2.7.1.4 Identity and specify the locations(s) and telephone numbers of the major offices and other facilities that relate to the bidder's performance under the terms of this RFP.

4.2.7.1.5 Local Office address and telephone number (if any).

4.2.7.1.6 Number of employees.

4.2.7.1.7 Type of business.

4.2.7.1.8 Name, address and telephone number of the bidder's representative to contact regarding all contractual and technical matters concerning this proposal.

4.2.7.1.9 Name, address and telephone number of the bidder's representative to contact regarding scheduling and other arrangements.

4.2.7.1.10 Identify the bidder's accounting firm.

4.2.7.1.11 The successful bidder will be required to register to do business in Iowa. If already registered, provide the date of the bidder's registration to do business in Iowa and the name of the bidder's registered agent.

4.2.7.2 Experience. The bidder shall provide the following information regarding its experience:

4.2.7.2.1 Number of years in business.

4.2.7.2.2 Number of years experience with providing the three specific types of services sought by the RFP. The three specific types of service are the comparative analysis with the insurance industry "best practices", experience developing and writing a Medicaid RFP, and developing a MITA State self-assessment.

4.2.7.2.3 Describe the level of technical experience in each of the three areas above providing the types of services sought by the RFP.

4.2.7.2.4 List all services similar to those sought by this RFP that the bidder has provided to other businesses or governmental entities. This includes all contracts and projects that the bidder currently holds or is working on with a contact person's name from that vendor.

4.2.7.2.5 Identify if the services were timely provided and within budget.

4.2.7.2.6 Letters of reference from three (3) previous clients knowledgeable of the bidder's performance, as the Primary Contractor, in providing services similar to the services described in this RFP and a contact person and telephone number for each reference. These letters must reference work completed within the past two years.

4.2.7.3 Personnel - The bidder shall provide the following information regarding its personnel. Key personnel described in the bidder's proposal must be the same personnel that begins work on the project unless the Department is notified of and approves a change.

4.2.7.3.1 Provide a table of organization. Illustrate the lines of authority. Include the names and credentials of the owners and executives of your organization and, if applicable, their roles on this project. Also include key personnel who will be involved in providing services contemplated by this RFP.

4.2.7.3.2 Provide resumes for all key personnel, including the project manager, who will be involved in providing the services contemplated by this RFP. The resumes must include: name, education, and years of experience and employment history, particularly as it relates to the scope of services specified herein.

4.2.7.3.3 Provide the name and qualifications of any subcontractor who will be involved with this project. Describe the work and estimate the percent of total work the subcontractor will be performing.

4.2.7.3.4 Describe other contracts and projects currently undertaken by the bidder.

4.2.7.4 Financial Information - The bidder must provide the following financial information:

4.2.7.4.1 Submit audited financial statements (annual reports) for the last three (3) years. Privately owned companies may supply unaudited statements if audited statements are not available.

Such information should include, at the minimum:

- Balance sheet
- Income statement
- Statement of cash flow
- Notes to financial statements

4.2.7.4.2 Provide a minimum of three (3) financial references.

4.2.7.4.3 Provide the following organizational background information:

- Full name, address, and telephone number
- Date established
- Ownership (i.e. public company, partner-ship, etc.)
- Description of business operations
- Details of any proposed mergers, acquisitions, or sales that may affect financial stability or organizational structure
- A description, if any, of insurance claims filed within the past five (5) years

4.2.7.5 Termination, Litigation, and Investigation - The bidder must provide the following information:

4.2.7.5.1 During the last five (5) years, has the bidder had a contract for services terminated for any reason or has any such contract been subject to any form of default notice or threat of termination. If so, provide full details related to the termination, notice of default, or threat of termination.

4.2.7.5.2 During the last five (5) years, describe any damages or penalties or anything of value traded or given up by the bidder under any of its existing or past contracts as it relates to services performed that are similar to the services contemplated by this RFP and the resulting Contract. If so, indicate the reason and the estimated cost of that incident to the bidder.

4.2.7.5.3 During the last five (5) years, list and summarize pending or threatened litigation, administrative or regulatory proceedings, or similar matters that could affect the ability of the bidder to perform the required services. The bidder must also state

whether it or any owners, officers, or primary partners have ever been convicted of a felony. Failure to disclose these matters may result in rejection of the bid proposal or in termination of any subsequent contract. This is a continuing disclosure requirement. Any such matter commencing after submission of a bid proposal, and with respect to the successful bidder after the execution of a contract must be disclosed in a timely manner in a written statement to the Department

4.2.7.5.4 During the last five (5) years, have any irregularities been discovered in any of the accounts maintained by the bidder on behalf of others? If so, describe the circumstances of irregularities or variances and disposition of resolving the irregularities or variances.

4.2.8 Certification and Guarantees by the Bidder (Tab 8)

- 4.2.8.1 Acceptance of Terms and Conditions** - The bidder shall specifically stipulate that the bid proposal is predicated upon the acceptance of all terms and conditions stated in the RFP. If the bidder objects to any term or condition, specific reference to the RFP page and section number must be made. Objections or responses that materially alter the RFP shall be deemed non-responsive and disqualify the bidder. All changes to proposed contract language, include deletions, additions, and substitutions of language, must be address in the bid proposal.
- 4.2.8.2 Proposal Certification** - The bidder shall sign and submit with the bid proposal the document included as Attachment F in which the bidder shall certify that the contents of the bid proposal are true and accurate.
- 4.2.8.3 Certification of Independence and No Conflict of Interest** - The bidder shall sign and submit with the bid proposal the document included as Attachment G in which the bidder shall certify that the bid proposal was developed independently. The bidder shall also certify that no relationship exists or will exist during the contract period between the bidder and the Department that interferes with fair competition or is a conflict of interest. The Department reserves the right to reject a bid proposal or cancel the Notice of Intent to Award if, in its sole discretion, any relationship exists that could interfere with fair

competition or conflict with the interests of the Department.

- 4.2.8.4 Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transactions** - The bidder shall sign and submit with the bid proposal the document included as attachment H in which the bidder shall certify that it is not presently debarred, suspended, proposed for debarment, declared ineligible
- 4.2.8.5 Authorization to Release Information** - The bidder shall sign and submit with the bid proposal the document included as Attachment I in which the bidder authorizes the release of information to the Department.
- 4.2.8.6 Certification Regarding Registration, Collection, and Remission of State Sales and Use Tax** - The bidder shall sign and submit with the bid proposal the document included in Attachment J.
- 4.2.8.7 Certification of Compliance with Pro-Children Act of 1994** - The bidder shall sign and submit with the bid proposal the document included as Attachment K.
- 4.2.8.8 Certification Regarding Lobbying** - The bidder shall sign and submit with the bid proposal the document included as Attachment L.
- 4.2.8.9 Business Associate Agreement (“BAA”)** - The bidder shall sign and submit the bid proposal the document included as Attachment M.
- 4.2.8.10 Proposal Certification of Available Resources** – The bidder shall sign and submit with the bid proposal the document included as Attachment N.
- 4.2.8.11 Firm Bid Proposal Terms** – The bidder shall guarantee in writing the availability of the services offered and that all bid proposal terms, including price, will remain firm a minimum of **120** days following the deadline for submitting proposals.

4.3 Cost Proposal – The Cost Proposal shall include the following:

- Table of Contents
- Bid Proposal Security
- Pricing Schedules

4.3.1 Table of Contents (Tab 1) - A Table of Contents of the Cost

Proposal shall be inserted at Tab 1. The Table of Contents will identify all Sections (identified herein by Tabs), subsection contained therein, and corresponding page numbers. The Table of Contents shall include all sections and subsections present under Tabs 1 through 3. The Table of Contents found at the beginning of this RFP provides a representative example of what is expected for the Cost Proposal Table of Contents.

4.3.2 Bid Proposal Security (Tab 2) – The bidder shall submit a bid bond, a certified or cashier’s check or an irrevocable letter of credit in favor or made payable to the Department in the amount of \$5,000, which shall guarantee the availability of the services as provided in the preceding section. If the bidder elects to use a bond, a surety licensed to do business in Iowa must issue the bond on a form acceptable to the Department. The bid proposal security shall be forfeited if the bidder chosen to receive the contract withdraws its bid proposal after the Department issues a Notice of Intent to Award, does not honor the terms offered in its bid proposal or does not negotiate contract terms in good faith. Security submitted by bidders will be returned when the bid proposals expire, are rejected, or the Department enters into a contract with the successful bidder, whichever is earliest.

4.3.3 Pricing Schedule (Tab 3) – See Pricing Schedule provided in Attachment O for specific format and content instructions.

Section 5 Evaluation of Bid Proposals

- 5.1 Introduction.** This section describes the evaluation process that will be used to determine which bid proposal provides the greatest benefits to the Department. The evaluation process is designed to award the contract not necessarily to the bidder of least cost, but rather to the bidder with the best combination of attributes to perform the required services.

The evaluation process will ensure the selection of the best overall solution for the Iowa Medicaid Enterprise (IME). The evaluation process will include the following components:

- Establish Evaluation Committee.
- Evaluate Bid Proposal Mandatory Requirements from Checklist.
- Evaluate and Score Technical Proposals.
- Evaluate and Score Cost Proposals.
- Proposal Ranking and Evaluation Committee Recommendation.
- Department Contract Award Decision by State Medicaid Director.

The information that follows describes the components of, the activities conducted in, and the resultant product of the evaluation process.

- 5.2 Evaluation Committee.** The Department intends to conduct a comprehensive, fair and impartial evaluation of bid proposals received in response to this RFP. In making this determination, the Department will be represented by an Evaluation Committee.
- 5.3 Mandatory Requirements for Proposals.** As part of its initial screening, all Bid Proposals submitted in response to this RFP will be assessed by the Department to assure that the mandatory submittal requirements for proposals have been satisfied. Any one mandatory requirement that is not met will cause a Bid Proposal to be declared non-responsive. The form for the Bid Proposal Mandatory Requirements Checklist is provided in this RFP as Attachment E. This initial screening does not, in any way, restrict the Evaluation Committee from later determining that a mandatory requirement was not met and excluding a proposal during the evaluation process.
- 5.4 Technical Proposal Scoring.** Technical proposals meeting all mandatory requirements will be evaluated and scored by the Evaluation Committee. A weighted scoring system will be used. The weighted scoring system will provide numerical scores that represent the Committee's assessment of the relative merits of the technical bid proposals. The Technical Proposal will be evaluated first – a minimum score of 4,500 points out of the maximum of 7,500 points must be accumulated for the Technical Proposal to be considered competitive and determination whether the Cost Proposal will be

evaluated (if the Technical Proposal receives less than 4,500 points, the Cost Proposal will not be considered).

5.4.1 Independent Evaluation of Technical Proposals – The individual Evaluation Committee members will independently evaluate each proposal that passes the mandatory submittal criteria. Committee members will score each proposal using criteria established by the Department and according to the factors that are outlined below. The Committee will meet at the completion of their independent evaluation process to address any technical questions raised by their respective reviews and discuss the relative merits of each bidder’s Bid Proposal. At the conclusion of this discussion, the Committee members may independently reevaluate and re-score any section of any proposal. After the first round of scoring, Oral Presentations will be held with a Department designated set of finalists. Following Oral Presentations, the Evaluation Committee may independently re-evaluate and re-score any section of any proposal. After the final re-score, the Committee will convene and average the bidder’s scores (from all independent Evaluation Committee members) for each section of the bidder’s Technical Proposal in order to facilitate a composite and final Technical Proposal score for each bidder.

5.4.2 Points and Evaluation Criteria. Points will be assigned for each component of the evaluation criteria as follows:

- 5 - Exceeds requirements**
- 3 - Meets requirements**
- 1 - Doesn’t Meet Requirements**

TECHNICAL SECTION	POSSIBLE POINTS	SCORE	POINTS EARNED
Executive Summary	75		
Project Understanding	225		
Scope of Services	-		
Project Start-up	160		
Comparative Analysis	160		
Develop Request for Proposal	160		
Conduct Bidders’ Conference and Respond to Bidders’ Questions	160		

Update MITA State Self-Assessment	160		
Oral Presentations	100		
Corporate/Team Experience & Qualifications	300		
TECHNICAL SECTION TOTAL			7500

5.4.3 Scoring of Bidder Cost Proposals

The bidder with the lowest price received will receive the maximum points.

In order to calculate every other bidder's score (other than the bidder who received maximum points) for each Cost Proposal will be divided into the corresponding value of the lowest bidder and then multiplied by the maximum points. The formula for each is expressed as follows:

Bidder's Cost Score = (Lowest Cost / Bidder Cost) x Maximum Points

Example:

Bid #1: \$1,000 | Bid #2: \$5,000 | Cost Points Available: 2500

Score for Proposal #1 = (\$1,000/\$1,000) * 2500 = 2500

Score for Proposal #2 = (\$1,000/\$5,000) * 2500 = 500

COST SECTION	POSSIBLE POINTS	% ASSIGNED	POINTS EARNED
Cost	2500		

5.5 Technical and Cost Proposals Combined. Technical and Cost Proposal scores will be combined to establish a final score for each bidder. The maximum Total Score is 10,000 points. Proposals will be ranked according to total score in order to facilitate a recommendation from the Evaluation Committee.

TOTAL SCORE = TECHNICAL SECTION TOTAL + COST SECTION	
---	--

5.6 Recommendation of the Evaluation Committee, The evaluation committee shall issue a formal recommendation to the State Medicaid Director. That recommendation shall be based on all information received through the evaluation process and shall provide the committee's assessment of the bidder or bidders that will provide the greatest benefit to the Department. The Evaluation Committee will recommend the bidder with the total point value for selection or a recommendation that no bidder be selected.

The State Medicaid Director may accept or reject the recommendation of the Evaluation Committee. If the State Medicaid Director rejects the recommendation of the Evaluation Committee the RFP will be canceled.

6.1 Introduction

The Contract between the Department and the successful bidder shall be a combination of the specifications, terms and conditions of the RFP, the offer of the bidder contained in the Bid Proposal, written clarifications or changes made in accordance with the provisions herein, and any other terms deemed necessary by the Department.

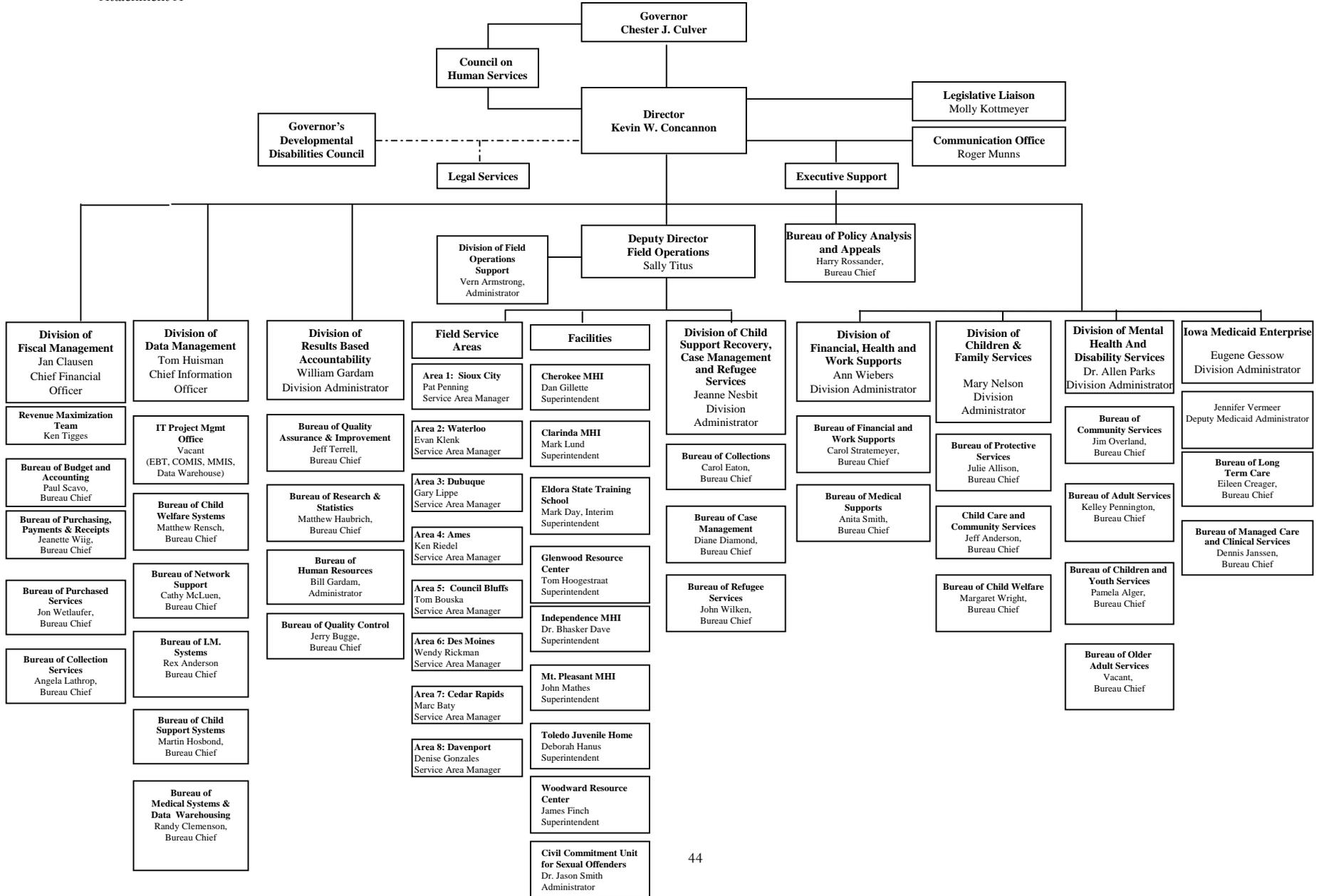
The Contract terms contained in Attachment P are not intended to be a complete listing of all Contract terms, but are provided only to enable the Contractor to better evaluate the costs associated with the RFP and the potential resulting Contract. Contractors should plan on such terms being included in any contract awarded as a result of the RFP. All costs associated with complying with these requirements should be included in the bid proposal or any pricing quoted by the bidder.

Each bidder shall specifically stipulate its acceptance of these specifications, terms and conditions without change. The Department reserves the right to either award a contract without further negotiation with the successful Contractor or to negotiate contract terms with the selected Contractor if the best interests of the Department would be served.

See Attachment Q for Contract Terms and Conditions.

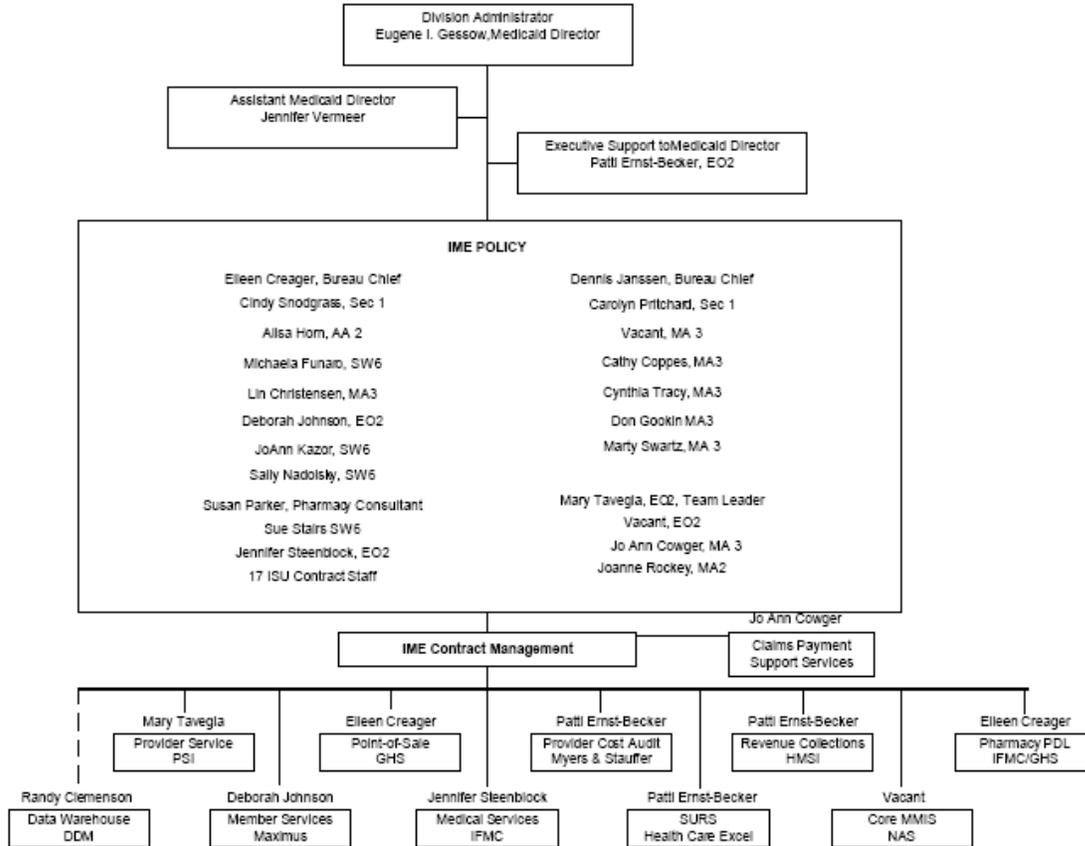
State of Iowa Department of Human Services

Attachment A



ATTACHMENT B

Iowa Department of Human Services/Division of Medical Services Iowa Medicaid Enterprise



July 18, 2008

ATTACHMENT C

Key Responsibilities for IME Services Components

COMPONENT	KEY RESPONSIBILITIES
COMPONENT 1: CORE MMIS NORIDIAN ADMINISTRATIVE SERVICES, LLC JULY 1, 2004 – JUNE 30, 2010 3 ONE YEAR EXTENSIONS	Claims Processing Subsystem (except pharmacy claims) Prior Authorization Subsystem TPL Subsystem Provider Subsystem Reference Subsystem MARS Subsystem SURS Subsystem EPSDT Subsystem Medically Needy Subsystem Recipient Subsystem (Maintained by the State) Imaging System functionality for received paper documents (e.g., paper claims, prior authorizations, claims & prior authorization attachments, etc.) Lead contractor responsibility for interfaces and technical integration with all other components Workflow Process Management system
COMPONENT 2: PHARMACY POS GHS DATA MANAGEMENT, INC. DECEMBER 23, 2004 – JUNE 30, 2010 3 ONE YEAR EXTENSIONS	Point-of-Sale (POS) Processing Prospective DUR (ProDUR) Pharmacy reference file maintenance, including drug pricing file and PDL Drug Rebate and Supplemental Drug Rebate processing
COMPONENT 3: DATA WAREHOUSE / DECISION SUPPORT IOWA DEPARTMENT OF HUMAN SERVICES DIVISION OF DATA MANAGEMENT JANUARY 1, 2004 – JUNE 30, 2008 3 ONE YEAR EXTENSIONS	Query Tool Development and Support Training of users from State staff and other component Contractor staff Capability to upgrade to include MAR and SUR Subsystems

Key Responsibilities for IME Services Components

COMPONENT	KEY RESPONSIBILITIES
COMPONENT 4: MEDICAL SERVICES IOWA FOUNDATION FOR MEDICAL CARE, INC. JULY 1, 2004 – JUNE 30, 2008 2 ONE YEAR EXTENSIONS	Medical Support Disease Management Retrospective DUR (RetroDUR) Enhanced Primary Care Case Management (for high cost / high risk members) Prevention Promotion (EPSDT) Prior Authorization, including Pharmacy Prior Authorization Quality of Care Long term care assessment Case-mix audits

COMPONENT	KEY RESPONSIBILITIES
COMPONENT 5: PROVIDER SERVICES POLICY STUDIES, INC. JULY 1, 2004 – JUNE 30, 2008 2 ONE YEAR EXTENSIONS	Provider Enrollment and Data Maintenance, including Provider File updates Provider Inquiry / Provider Relations including the Provider Call Center Function Provider Publications Provider Training Provider Subsystem File Updates Managed Care Provider Recruitment and Support
COMPONENT 6: MEMBER SERVICES MAXIMUS, INC. JULY 1, 2004 – JUNE 30, 2008 2 ONE YEAR EXTENSIONS	Enrollment Broker for Managed Health Care (MHC) Member Inquiry / Member Relations including the Member Services Call Center Function Member Publications and Education (Eligibility & Coverage Information) Complaints process Member Quality Assurance
COMPONENT 7: REVENUE COLLECTION HEALTH MANAGEMENT SYSTEMS, INC. JULY 1, 2004 – JUNE 30, 2008 2 ONE YEAR EXTENSIONS	TPL Recovery and Pay & Chase (recoveries) Estate Recovery Lien Recovery Overpayments to Providers Interface with DAS (Tax Offset) Miller Trust and Special Needs Trust Recovery
COMPONENT 8: SURS ANALYSIS AND PROVIDER AUDITS HEALTH CARE EXCEL, INC. JULY 1, 2004 – JUNE 30, 2008 2 ONE YEAR EXTENSIONS	Claims Analysis Provider Profiling Desk Review of Cases Provider Field Audits
COMPONENT 9: PROVIDER COST AUDITS AND RATE SETTING: MYERS AND STAUFFER, LLC JULY 1, 2004 – JUNE 30, 2008 2 ONE YEAR EXTENSIONS	Hospital Cost Settlements Inpatient and Outpatient Rate Determinations DRG and APG Re-basing Provider Rate Appeals
COMPONENT 10: MEDICAID CLAIMS PAYMENT SUPPORT SERVICES NORIDIAN ADMINISTRATIVE SERVICES MARCH 22, 2005 – JUNE 30, 2008 2 ONE YEAR EXTENSIONS	Weekly Provider Payment Checks and Electronic Funds Transfers Weekly Provider Remittance Advices

ATTACHMENT D

BIDDERS' LIBRARY

RFP MED-04-015 Systems and Professional Services for the Iowa Medicaid Enterprise

- IME Bidders Proposals
- IME Contracts
- Quarterly Reports

RFP MED-04-034 Medical Services with Preferred Drug Lis

- IME Bidders Proposal
- IME Contract
- Quarterly Reports

RFP MED-04-084 Pharmacy Point-of-Sale System

- IME Bidders Proposal
- IME Contract
- Quarterly Reports

RFP MED-04-085 Medicaid Claims Payment Support Services

- IME Bidders Proposal
- IME Contract

IME Policies

- Iowa Administrative Code
- State Medicaid Plan

IME Operational Procedures

IME Operational Tools

- OnBase
- Mailroom – verification/scanning
- MQUIDS
- Data Warehouse
- Decision Support Documentation
- MMIS Valid Values Booklet

Provider Manuals – can be viewed at www.ime.state.ia.us

Provider Informational Releases

Workflow Process Maps

System Interface Diagram

MITA Self Assessment

ATTACHMENT E

MANDATORY REQUIREMENTS AND REASONS FOR DISQUALIFICATIONS

Bidders are expected to confirm review of their proposal against the Mandatory Requirements for this RFP by initialing the space provided. The Agency will make the final determination as to the whether Mandatory Requirements have been met. This document is to be submitted with the Technical Proposal portion of Bid Proposals.

Bidder	Agency	Mandatory Requirements
		1. Was the Letter of Intent submitted on time as specified in section 2.6 of the RFP?
		2. Did the Issuing Officer receive the bid proposal before 3:00 p.m. Central Time on September 11, 2008?
		3. Was the proposal submitted with the correct number of copies, and in the correct format as specified in section 4.1 of the RFP? <ul style="list-style-type: none"> • Submitted in spiral, comb or similar binder (no loose leaf binders) • Divided in two parts: (1) Technical Proposal; (2) Cost Proposal. • Original and seven (7) copies properly labeled • Two (2) electronic copies in Adobe PDF file format on CD ROM • One copy of bid proposal from which confidential information has been redacted, if any claim of confidential information is made. • Bid proposal must respond to RFP requirements by restating the number and text of the requirement in sequence and writing the response immediately after the restated requirement.
		4. Does the proposal include a signed copy of Attachment F: Proposal Certification?
		5. Does the proposal include a signed copy of Attachment G: Certification of Independence and No Conflict of Interest?
		6. Does the proposal include a signed copy of Attachment H: Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion—Lower Tier Covered Transactions?
		7. Does the proposal include a signed copy of Attachment I: Authorization to Release Information?
		8. Does the proposal include a signed copy of Attachment J: Certification Regarding Registration, Collection and Remission of State Sales and Use Tax?
		9. Does the proposal include a signed copy of Attachment K: Certification of Compliance with Pro-Children Act of 1994?
		10. Does the proposal include a signed copy of Attachment L: Certification Regarding Lobbying?
		11. Does the proposal include a signed copy of Attachment M: Business Associate Agreement (BAA)?
		12. Does the proposal include a signed copy of Attachment N: Proposal Certification of Available Resources?
		13. Does the proposal include a transmittal letter as specified in section 4.2.2 of

		the RFP?
		14. Does the proposal include three (3) letters of reference as specified in section 4.2.7.2.6 of the RFP?
		15. Does the proposal include a bid bond, payable to the State of Iowa, in the amount of \$5,000?

Signature of Authorized Representative for Bidder Initials Printed Name

Signature of Agency Representative Initials Printed Name

ATTACHMENT F

PROPOSAL CERTIFICATION

BIDDERS – SIGN AND SUBMIT CERTIFICATION WITH PROPOSAL.

I certify that I have the authority to bind the bidder indicated below to the specific terms, conditions and technical specifications required in the Department’s Request for Proposals (RFP) and offered in the bidder’s proposal. I understand that by submitting this bid proposal, the bidder indicated below agrees to provide services described in the Technical Assistance and Support for Iowa Medicaid Enterprise Services Procurement RFP which meet or exceed the requirements of the Department’s RFP unless noted in the bid proposal and at the prices quoted by the bidder.

I certify that the contents of the bid proposal are true and accurate and that the bidder has not made any knowingly false statements in the bid proposal.

Name

Date

Title

Name of Bidder Organization

ATTACHMENT G

CERTIFICATION OF INDEPENDENCE AND NO CONFLICT OF INTEREST

By submission of a bid proposal, the bidder certifies (and in the case of a joint proposal, each party thereto certifies) that:

- the bid proposal has been developed independently, without consultation, communication or agreement with any employee or consultant of the Department who has worked on the development of this RFP, or with any person serving as a member of the evaluation committee;
- the bid proposal has been developed independently, without consultation, communication or agreement with any other bidder or parties for the purpose of restricting competition;
- unless otherwise required by law, the information in the bid proposal has not been knowingly disclosed by the bidder and will not knowingly be disclosed prior to the award of the contract, directly or indirectly, to any other bidder;
- no attempt has been made or will be made by the bidder to induce any other bidder to submit or not to submit a bid proposal for the purpose of restricting competition;
- no relationship exists or will exist during the contract period between the bidder and the Department that interferes with fair competition or is a conflict of interest.

Name

Date

Title

Name of Bidder Organization

ATTACHMENT H

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION -- LOWER TIER COVERED TRANSACTIONS

By signing and submitting this Proposal, the bidder is providing the certification set out below:

1. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the bidder knowingly rendered an erroneous certification, in addition to other remedies available to the federal government the Department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

2. The bidder shall provide immediate written notice to the person to whom this Proposal is submitted if at any time the bidder learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.

3. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principle, proposal, and voluntarily excluded, as used in this clause, have the meaning set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this Proposal is submitted for assistance in obtaining a copy of those regulations.

4. The bidder agrees by submitting this Proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the Department or agency with which this transaction originated.

5. The bidder further agrees by submitting this Proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

6. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from covered transactions, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. A participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs.

7. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to

exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

8. Except for transactions authorized under paragraph 4 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the federal government, the Department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

**CERTIFICATION REGARDING DEBARMENT, SUSPENSION,
INELIGIBILITY AND/OR VOLUNTARY EXCLUSION--LOWER TIER
COVERED TRANSACTIONS**

(1) The bidder certifies, by submission of this Proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.

(2) Where the bidder is unable to certify to any of the statements in this certification, such bidder shall attach an explanation to this Proposal.

(Signature)

(Date)

(Title)

(Company Name)

ATTACHMENT I

AUTHORIZATION TO RELEASE INFORMATION

_____ (name of bidder) hereby authorizes any person or entity, public or private, having any information concerning the bidder's background, including but not limited to its performance history regarding its prior rendering of services similar to those detailed in this RFP, to release such information to the Department.

The bidder acknowledges that it may not agree with the information and opinions given by such person or entity in response to a reference request. The bidder acknowledges that the information and opinions given by such person or entity may hurt its chances to receive contract awards from the Department or may otherwise hurt its reputation or operations. The bidder is willing to take that risk. The bidder agrees to release all persons, entities, the Department, and the Department of Iowa from any liability whatsoever that may be incurred in releasing this information or using this information.

Printed Name of Bidder Organization

Signature of Authorized Representative

Date

ATTACHMENT J

CERTIFICATION REGARDING REGISTRATION, COLLECTION, AND
REMISSION OF STATE SALES AND USE TAX

By submitting a proposal in response to this Request for Proposal for _____
("RFP"), the undersigned certifies the following: (check the applicable box):

- _____ [name of vendor] is registered or agrees to become registered if awarded the contract, with the Iowa Department of Revenue, and will collect and remit Iowa Sales and use taxes as required by Iowa Code chapter 423; or

- _____ [name of vendor] is not a "retailer" or a "retailer maintaining a place of business in the state" as those terms are defined in Iowa Code §§ 423.1(42) & (43) (2005).

_____ [name of vendor] also acknowledges that the Department may declare the Vendor's bid or resulting contract void if the above certification is false. The Vendor also understands that fraudulent certification may result in the Department or its representative filing for damages for breach of contract.

Signature

Date

Name - printed

Title

Name of Bidder Organization

ATTACHMENT K

CERTIFICATION OF COMPLIANCE WITH PRO-CHILDREN ACT OF 1994

The Contractor must comply with Public Law 103-227, Part C Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act). This Act requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by federal programs either directly or through State or local governments. Federal programs include grants, cooperative agreements, loans or loan guarantees, and contracts. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment; service providers whose sole source of applicable federal funds is Medicare or Medicaid; or facilities (other than clinics) where WIC coupons are redeemed.

The Contractor further agrees that the above language will be included in any subawards that contain provisions for children's services and that all subgrantees shall certify compliance accordingly. Failure to comply with the provisions of this law may result in the imposition of a civil monetary penalty of up to \$1000 per day.

Signature: _____

Title: _____

Organization: _____

Date: _____

ATTACHMENT L

CERTIFICATION REGARDING LOBBYING

The undersigned certifies, to the best of his or her knowledge and belief, that:

- A. No federal appropriated funds have been paid or will be paid on behalf of the Sub-Grantee to any person for influencing or attempting to influence an officer or employee of any federal agency, a Member of the Congress, an officer or employee of the Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, or the extension, continuation, renewal, amendment, or modification of any federal contract, grant loan or cooperative agreement.

- B. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any federal agency, a Member of the Congress, or an employee of a Member of Congress in connection with this Contract, grant, loan, or cooperative agreement, the applicant shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

- C. The Contractor shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S.C.A. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Signature: _____

Title: _____

Organization: _____

Date: _____

ATTACHMENT M

Business Associate Agreement

THIS Attachment supplements and is made a part of the Iowa Department of Human Services ("Department") Contract (hereinafter, the "Underlying Agreement") between the Department and the Contractor ("the Business Associate"). This Attachment, when accepted by the Department, establishes the terms of the relationship between the Department and the Business Associate.

Whereas, the Department and the Business Associate are parties to the Underlying Agreement pursuant to which the Business Associate provides or performs certain services on behalf of or for the Department. The Department discloses to the Business Associate certain Protected Health Information ("PHI,")(as defined in 45 C.F. R. § 164.501), related to the services performed by the Business Associate for the relationship and, in connection with the provision of those services. This PHI is subject to protection under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA");

Whereas, the Department is a "Covered Entity" as that term is defined in the HIPAA implementing regulations, 45 C.F.R. Part 160 and Part 164, Subparts A and E, the Standards for Privacy of Individually Identifiable Health Information ("Privacy Rule");

Whereas, the Contractor, provides or performs certain services on behalf of or for the Department which require the disclosure of PHI from the Department, and is, therefore a "Business Associate" as that term is defined in the Privacy Rule;

Whereas, pursuant to the Privacy Rule and the Security Rule, all Business Associates of Covered Entities must agree in writing to certain mandatory provisions regarding the use and disclosure of PHI; and

Whereas, the purpose of this Attachment is to comply with the requirements of the Privacy Rule and the Security Rule, including, but not limited to, the Business Associate's contract requirements at 45 C.F.R. §164.504(e) and 45 C.F.R. §164.314.

NOW, THEREFORE in consideration of the mutual promises and covenants contained herein, the parties agree as follows:

1. **Definitions.** Unless otherwise provided in this Attachment, capitalized terms have the same meanings as set forth in the **Privacy Rule and the Security Rule.**
2. **Scope of Use and Disclosure by Business Associate of Protected Health Information.**
 - A. The Business Associate shall be permitted to use and disclose PHI that is disclosed to it by the Department as necessary to perform its obligations under the Underlying Agreement.
 - B. Unless otherwise limited herein, in addition to any other uses and/or disclosures permitted or authorized by this Attachment or required by law, the Business Associate may:
 - (a) Use the PHI in its possession for its proper management and administration and to fulfill any legal responsibilities of DHS;

- (b) Disclose the PHI in its possession to a third party for the purpose of proper management and administration or to fulfill any legal responsibilities of DHS; provided, however, that the disclosures are required by law or Business Associate has received from the third party written assurances that:
 - (i) The information will be held confidentially and used or further disclosed only as required by law or for the purposes for which it was disclosed to the third party; and
 - (ii) The third party will notify the Business Associate of any instances of which it becomes aware in which the confidentiality of the information has been breached; and
- (c) Disclose or use any PHI created or received by DHS under this Attachment, for other purposes, so long as it has been de-identified and the de-identification conforms to the requirements of the Privacy Rule.
- 3. **Obligations of Business Associate.** In connection with its use and disclosure of PHI, the Business Associate agrees that it will:
 - A. Use or further disclose PHI only as permitted or required by this Attachment or as required by law.
 - B. Use reasonable and appropriate safeguards to prevent use or disclosure of PHI other than as provided for by this Attachment;
 - C. To the extent practicable, mitigate any harmful effect that is known to the Business Associate of a use or disclosure of PHI in violation of this Attachment.
 - D. Promptly report to the Department any use or disclosure of PHI not provided for by this Attachment of which the Business Associate becomes aware.
 - E. Require contractors or agents to whom the Business Associate provides PHI to agree to the same restrictions and conditions that apply to the Business Associate pursuant to this Attachment.
 - F. Make available to the Secretary of Health and Human Services the Business Associate's internal practices, books and records relating to the use and disclosure of PHI for purposes of determining the Business Associate's compliance with the Privacy Rule, subject to any applicable legal privileges.
 - G. Obtain consents, authorizations and other permissions from all individuals necessary or required by laws applicable to the Business Associate to fulfill its obligations under the Underlying Agreement and this Attachment.
 - H. Promptly comply with any changes in, or revocation of, permission by an Individual for the Business Associate or the Department to use or disclose PHI, after receiving written notice by the Department.
 - I. Promptly comply with any restrictions on the use and disclosure of PHI about Individuals that the Department has agreed to, after written notice by the Department.
 - J. Within (15) days of receiving a request from the Department, make available the information necessary for the Department to make an accounting of disclosures of PHI about an individual.

- K. Within ten (10) days of receiving a written notice from the Department about a request from the Individual, make available PHI necessary for the response to individuals' requests for access to PHI about them in the Business Associate's possession which constitutes part of the Department's Designated Record Set.
- L. Within fifteen (15) days of receiving a written notice from the Department to amend or correct an Individual's PHI in accordance with the Privacy Rule, make the amendments or corrections to PHI in Business Associate's possession which constitutes part of the Department's Designated Record Set.
- M. Implement administrative, physical, and technical safeguards that protect the confidentiality, integrity, and availability of the electronic PHI that it creates, maintains, or transmits on behalf of the Department. This security requirement is effective April 20, 2005.
- N. Promptly report to the Department any security incident of which the Business Associate becomes aware.

This security requirement is effective April 20, 2005.

4. **Obligations of the Department.** The Department agrees that it:

- A. Has included, and will include, in the Department's required Notice of Privacy Practices that the Business Associate may disclose PHI for health care operations purposes.
- B. Has obtained, and will obtain, from Individuals authorizations and other permissions necessary or required by laws applicable to the Department and the Business Associate to fulfill their obligations under the Underlying Agreement and this Attachment.
- C. Will promptly notify Business Associate in writing of any restrictions on the use and disclosure of PHI about Individuals that the Department has agreed to that may affect Business Associate's ability to perform its obligations under the Underlying Agreement or this Attachment.
- D. Will promptly notify the Business Associate in writing of any changes in, or revocation of, authorization by an Individual to use or disclose PHI, if such changes or revocation may affect the Business Associate's ability to perform its obligations under the Underlying Agreement or this Attachment.

5. **Termination.**

- A. Termination for Cause. The Department may terminate this Attachment for cause if the Department determines that the Business Associate, or any of its subcontractors, etc. has breached a material term of this Attachment. The Department will allow the Business Associate an opportunity to cure the breach. The Department shall provide written notice to the Business Associate requesting that the breach be remedied within the period of time specified in the notice. If the breach is not remedied by the date specified to the satisfaction of the Department, the Department may immediately terminate this Attachment and the Underlying Agreement.
- B. Automatic Termination. This Attachment will automatically terminate upon the termination or expiration of the Underlying Agreement.
- C. Effect of Termination.

- (a) Termination of this Attachment will result in termination of the Underlying Agreement.
- (b) Upon termination of this Attachment or the Underlying Agreement, unless specially required by the Department for the business associate to retain the protected health information, the Business Associate will return or destroy all PHI received from the Department, or created or received by the Business Associate on behalf of the Department, that the Business Associate still maintains and retain no copies of such PHI. If such return or destruction is not feasible, the Business Associate will extend the protections of this Attachment to the PHI and limit any further uses and disclosures. The Business Associate will provide the Department in writing the reason that will make the return or destruction of the information infeasible.
- 6. **Amendment.** The Department and the Business Associate agree to take such action as is necessary to amend this Attachment from time to time as is necessary for the Business Associate to comply with the requirements of the Privacy Rule and/or the Security Rule.
- 7. **Survival.** The obligations of the Business Associate under section 5.C. (b) of this Attachment shall survive any termination of this Attachment.
- 8. **No Third Party Beneficiaries.** Nothing express or implied in this Attachment is intended to confer, nor shall anything herein confer, upon a person other than the parties and their respective successors or assigns, an rights, remedies, obligations or liabilities whatsoever.
- 9. **Effective Date.** This Attachment shall be effective on _____.

Contractor

Department of Human Services

By: _____ By: _____

Name: _____ Name: _____

Title: _____ Title: _____

Date: _____ Date: _____

ATTACHMENT N

PROPOSAL CERTIFICATION OF AVAILABLE RESOURCES

BIDDERS – SIGN AND SUBMIT CERTIFICATION WITH PROPOSAL.

I certify that the bidder organization indicated below has sufficient personnel resources available to provide all services proposed by this Bid Proposal. I duly certify that these personnel resources for the contract awarded will be available on and after July 1, 2004.

In the event that we, the bidder, have bid more than one component contract specified by this RFP, my signature below also certifies that the personnel bid for this component Bid Proposal are not personnel for any other component Bid Proposal. If my organization is awarded more than one component, I understand that the State may agree to shared resource allocation if the bidder can prove feasibility of shared resource.

Name Date

Title

Name of Bidder Organization

ATTACHMENT O

PRICING SCHEDULE

**RFP MED-09-006 - Technical Assistance and Support for IME Services Procurement
NOT CONFIDENTIAL -- This form may not be designated as confidential in whole or in part**

	10/15/2008 through 9/30/2011	10/01/2011 through 9/30/2012	10/01/2012 through 9/30/2013
Base Contract Year One Price	\$		
Base Contract Year Two Price	\$		
Base Contract Year Three Price	\$		
Total Contract Price – Base Years	\$		
Extension Contract Year One Price		\$	
Extension Contract Year Two Price			\$
Total Contract Price with Base and Extension Years			\$

*Proposed costs must be inclusive of all expenses including travel.

ATTACHMENT P

GLOSSARY OF TERMS AND ACRONYMS

ACRONYM OR TERM	DEFINITION
APC	Ambulatory Payment Classifications
APD	Advanced Planning Document
APG	Ambulatory Patient Groups
BAA	Business Associate Agreement
CBA	Cost Benefit Analysis
CD	Compact Disc
CD ROM	Compact Disc Read-Only Memory
CMS	Centers for Medicare and Medicaid Services (formerly HCFA)
CMSO	Center for Medicaid and State Operations
CMS 64 Report	The CMS 64 Report provides the State's Medicaid Financial Statistics Tables to the Federal Government.
Department	Iowa Department of Human Services
DRG	Diagnosis Related Groups
DUR	Drug Utilization Review. <i>See also Pro-DUR and Retro-DUR.</i>
FQHC	Federally Qualified Health Centers
HCBS	Home and Community Based Services waivers. Iowa has six HCBS waivers, which are for: the Ill and Handicapped, the Elderly, Mentally Retarded, Physically Disabled, Brain Injury, and AIDS/HIV.
HIPAA	Health Insurance Portability and Accountability Act of 1996.
HMO	Health Maintenance Organization. There are currently three HMO providers in the State: John Deere Health Plan, Coventry Health Care, and Iowa Health Solutions.
ICD-10	International Classification of Diseases 10 th Edition Clinical Modification
IME	Iowa Medicaid Enterprise
Iowa Plan	The Iowa Plan for Behavioral Health (Iowa Plan) is Iowa's statewide, managed Behavioral Health plan for mental health and substance abuse treatment services.
IV&V	Independent Verification and Validation
MAR or MARS	Management and Administrative Reporting (MAR) Subsystem
MediPASS	Medicaid Patient Access to Service System. This is Iowa's PCCM program.
MEPD	Medicaid for Employed People with Disabilities
MMIS	Medicaid Management Information System, also referred to as "Core MMIS"
POS	Point-Of-Sale
Pro-DUR	Prospective Drug Utilization Review
QSP	Qualified Service Provider
Retro-DUR	Retrospective Drug Utilization Review

ACRONYM OR TERM	DEFINITION
RFP	Request for Proposal
S-SA	MITA State Self-Assessment
Title XIX	Social Security Act, Title XIX (Title 19). This Act established Medicaid medical assistance programs.
Work Plan	The Work plan for response to this RFP includes Tasks and Subtasks, Duration, Resources, Milestones/Deliverables, and Target Dates for Milestones/ Deliverables

ATTACHMENT Q
Contract Terms and Conditions

NOTE TO BIDDERS: The Contract between the Department and the successful bidder shall be a combination of the specifications, terms and conditions of the RFP, the offer of the bidder contained in the Bid Proposal, written clarifications or changes made in accordance with the provisions herein, and any other terms deemed necessary by the Department. The base language for the contract is attached following this page.

The Contract terms contained in the base Contract are not intended to be a complete listing of all Contract terms, but are provided only to enable the Contractor to better evaluate the costs associated with the RFP and the potential resulting Contract. Contractors should plan on such terms being included in any contract awarded as a result of the RFP. All costs associated with complying with these requirements should be included in the bid proposal or any pricing quoted by the bidder.

Each bidder shall specifically stipulate its acceptance of these specifications, terms and conditions without change. The Department reserves the right to either award a contract without further negotiation with the successful Contractor or to negotiate contract terms with the selected Contractor if the best interests of the Department would be served.

CONTRACT DECLARATIONS & EXECUTION

RFP #	Contract #
MEDD-09-006	MED-09-006

Title of Contract
Technical Assistance for IME Reprocurement

This Contract must be signed by all parties before the Contractor provides any Deliverables. The Department is not obligated to make payment for any Deliverables provided by or on behalf of the Contractor before the Contract is executed by both parties. This Contract is entered into by the following parties:

Department of the State (hereafter "Department")	
Name/Principal Address ("Notice Address") of Department: Iowa Department of Human Services Iowa Medicaid Enterprise 100 Army Post Road Des Moines, IA 50315	Department Billing Contact Name/Address: Mary Tavegia Iowa Medicaid Enterprises 100 Army Post Road Des Moines, IA 50315 Phone: (515) 725-1110
Department Contract Manager Name/Address: Mary Tavegia Iowa Medicaid Enterprise 100 Army Post Road Des Moines, IA 50315 Phone: (515) 725-1110 Fax #: (515) 281-4692 E-Mail: mtavegi@dhs.state.ia.us	

Contractor: (hereafter "Contractor")	
Legal Name: TBD	Contractor Principal Address ("Notice Address"): TBD
Doing Business As Name(s): TBD	
Tax ID #: TBD	Organized under the laws of: State of TBD

Contractor Contract Manager Name/Address: TBD TBD Phone: (000) 000-0000 Fax #: (000) 000-0000 E-Mail: TBD Cell: (000) 000-0000	Contractor Billing Contact Name/Address: TBD TBD Phone: (000) 000-0000
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Contract Information

Start Date: 10/15/08	End Date of Current Term: 09/30/11	Anticipated End Date (including all possible renewals): 09/30/13 Possible Extensions: 2 Duration of Extensions in Months: 12
Does This Contract Include Sharing SSA Data? No Contract Contingent on Approval of Another Department: Yes Which Department? Centers for Medicare and Medicaid Services		

Financial Information

Billing Frequency: Monthly	Amount of Contract: \$0	Federal Funds Involved? Yes
Warranty Period: The term of this Contract		

Insurance Requirements

Type of Insurance	Limit	Amount
General Liability (including contractual liability) written on occurrence basis	General Aggregate	\$2 Million
	Product/Completed Operations Aggregate	\$1 Million
	Personal Injury	\$1 Million
	Each Occurrence	\$1 Million
Automobile Liability (including any auto, hired autos, and non-owned autos)	Combined Single Limit	\$1 Million
Excess Liability, Umbrella Form	Each Occurrence	\$1 Million
	Aggregate	\$1 Million
Workers Compensation and Employer Liability	As required by Iowa law	As Required by Iowa law
Property Damage	Each Occurrence	\$1 Million
	Aggregate	\$1 Million
Professional Liability	Each Occurrence	\$2 Million
	Aggregate	\$2 Million

Special Contract Addenda

Business Associate Agreement: **Yes (funds)**

Iowa Code Chapter 8F: **No (Medicaid)**

Special Contract Attachments

Special Contract Attachments?
No

This Contract consists of the above information, the attached General Terms for Services Contracts, Special Terms, and all Special Contract Attachments (hereafter “Contract”). In consideration of the mutual covenants in this Contract and for other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties have entered into this Contract and have caused their duly authorized representatives to execute this Contract.

Contractor, TBD	
Signature:	
Printed Name:	
Title:	Date:

Department, Iowa Department of Human Services	
Signature:	
Printed Name:	
Title:	Date:

Addenda to the Contract Declarations and Execution Page(s)

The Contractor shall sign and return the Contract Certifications as part of the Contract.

CONTRACT CERTIFICATIONS

CERTIFICATION OF COMPLIANCE WITH PRO-CHILDREN ACT OF 1994

Contractor must comply with Public Law 103-227, Part C Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act). This Act requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the Deliverables are funded by federal programs either directly or through State or local governments. Federal programs include grants, cooperative agreements, loans or loan guarantees, and contracts. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment; service providers whose sole source of applicable federal funds is Medicare or Medicaid; or facilities (other than clinics) where WIC coupons are redeemed.

The Contractor further agrees that the above language will be included in any subawards that contain provisions for children's services and that all subgrantees shall certify compliance accordingly. Failure to comply with the provisions of this law may result in the imposition of a civil monetary penalty of up to \$1000 per day.

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION --LOWER TIER COVERED TRANSACTIONS

By signing and submitting this document, the Contractor is providing the certification set out below:

1. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the Contractor knowingly rendered an erroneous certification, in addition to other remedies available to the federal government, the department or Department with which this transaction originated may pursue available remedies, including suspension and/or debarment.

2. The Contractor shall provide immediate written notice to the person to whom this document is submitted if at any time the Contractor learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.

3. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principle, proposal, and voluntarily excluded, as used in this clause, have the meaning set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this document is submitted for assistance in obtaining a copy of those regulations.

4. The Contractor agrees by submitting this document that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the Department or Department with which this transaction originated.

5. The Contractor further agrees by submitting this document that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion—

Lower Tier Covered Transaction,” without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

6. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from covered transactions, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. A participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs.

7. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

8. Except for transactions authorized under paragraph 4 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the federal government, the Department or Department with which this transaction originated may pursue available remedies, including suspension and/or debarment.

a. The Contractor certifies, by submission of this document, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any agency or Department.

b. Where the Contractor is unable to certify to any of the statements in this certification, such Contractor shall attach an explanation to this document.

CERTIFICATION REGARDING LOBBYING

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No federal appropriated funds have been paid or will be paid on behalf of the sub-grantee to any person for influencing or attempting to influence an officer or employee of any agency, a Member of the Congress, an officer or employee of the Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, or the extension, continuation, renewal, amendment, or modification of any federal contract, grant loan or cooperative agreement.

2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of the Congress, or an employee of a Member of Congress in connection with this Contract, grant, loan, or cooperative agreement, the applicant shall complete and submit Standard Form-LLL, “Disclosure Form to Report Lobbying,” in accordance with its instructions.

3. The Contractor shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S.C.A. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

CERTIFICATION REGARDING DRUG FREE WORKPLACE

1. Requirements for Contractors Who are Not Individuals. If Contractor is not an individual, by signing below Contractor agrees to provide a drug-free workplace by:

a. publishing a statement notifying employees that the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited in the person's workplace and specifying the actions that will be taken against employees for violations of such prohibition;

b. establishing a drug-free awareness program to inform employees about:

(1) the dangers of drug abuse in the workplace;

(2) the person's policy of maintaining a drug-free workplace;

(3) any available drug counseling, rehabilitation, and employee assistance programs; and

(4) the penalties that may be imposed upon employees for drug abuse violations;

c. making it a requirement that each employee to be engaged in the performance of such contract be given a copy of the statement required by subparagraph (a);

d. notifying the employee in the statement required by subparagraph (a), that as a condition of employment on such contract, the employee will:

(1) abide by the terms of the statement; and

(2) notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than 5 days after such conviction;

e. notifying the contracting Department within 10 days after receiving notice under subparagraph (D)(ii) from an employee or otherwise receiving actual notice of such conviction;

f. imposing a sanction on, or requiring the satisfactory participation in a drug abuse assistance or rehabilitation program by, any employee who is so convicted, as required by 41 U.S.C. § 703; and

g. making a good faith effort to continue to maintain a drug-free workplace through implementation of subparagraphs (a), (b), (c), (d), (e), and (f).

2. Requirement for individuals. If Contractor is an individual, by signing below Contractor agrees to not engage in the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance in the performance of the contract.

3. Notification Requirement. Contractor shall, within 30 days after receiving notice from an employee of a conviction pursuant to 41 U.S.C. § 701(a)(1)(D)(ii) or 41 U.S.C. § 702(a)(1)(D)(ii):

(a) take appropriate personnel action against such employee up to and including termination; or

(b) require such employee to satisfactorily participate in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate Department.

IN WITNESS WHEREOF, Contractor hereby certifies that the above is true and accurate, Contractor will fully comply with obligations herein. If any conditions within these certifications change, the Contractor will provide written notification to the Department within 24 hours. Contractor has caused a duly authorized representative to execute this Contract Certifications document concurrently with the underlying Contract.

Contractor, TBD	
Signature:	
Printed Name:	
Title:	Date:

Business Associate Agreement

THIS ADDENDUM to MED-09-006 supplements and is made a part of the Iowa Department of Human Services ("Department") Contract (hereinafter, the "Underlying Agreement") between the Department and TBD ("the Business Associate"). This Addendum, when accepted by the Department, establishes the terms of the relationship between the Department and the Business Associate.

Whereas, the Department and the Business Associate are parties to the Underlying Agreement pursuant to which the Business Associate provides or performs certain services on behalf of or for the Department. The Department discloses to the Business Associate certain Protected Health Information ("PHI,")(as defined in 45 C.F. R. § 164.501), related to the services performed by the Business Associate for the relationship and, in connection with the provision of those services. This PHI is subject to protection under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA");

Whereas, the Department is a "Covered Entity" as that term is defined in the HIPAA implementing regulations, 45 C.F.R. Part 160 and Part 164, Subparts A and E, the Standards for Privacy of Individually Identifiable Health Information ("Privacy Rule");

Whereas, TBD, provides or performs certain services on behalf of or for the Department which require the disclosure of PHI from the Department, and is, therefore a "Business Associate" as that term is defined in the Privacy Rule;

Whereas, pursuant to the Privacy Rule and the Security Rule, all Business Associates of Covered Entities must agree in writing to certain mandatory provisions regarding the use and disclosure of PHI; and

Whereas, the purpose of this Addendum is to comply with the requirements of the Privacy Rule and the Security Rule, including, but not limited to, the Business Associate's contract requirements at 45 C.F.R. §164.504(e) and 45 C.F.R. §164.314.

NOW, THEREFORE in consideration of the mutual promises and covenants contained herein, the parties agree as follows:

1. **Definitions.** Unless otherwise provided in this Addendum, capitalized terms have the same meanings as set forth in the Privacy Rule and the Security Rule.

2. **Scope of Use and Disclosure by Business Associate of Protected Health Information.**

a. The Business Associate shall be permitted to use and disclose PHI that is disclosed to it by the Department as necessary to perform its obligations under the Underlying Agreement.

b. Unless otherwise limited herein, in addition to any other uses and/or disclosures permitted or authorized by this Addendum or required by law, the Business Associate may:

(1) Use the PHI in its possession for its proper management and administration and to fulfill any legal responsibilities of DHS;

(2) Disclose the PHI in its possession to a third party for the purpose of proper management and administration or to fulfill any legal responsibilities of DHS; provided, however, that the disclosures are required by law or Business Associate has received from the third party written assurances that:

(i) The information will be held confidentially and used or further disclosed only as required by law or for the purposes for which it was disclosed to the third party; and

(ii) The third party will notify the Business Associate of any instances of which it becomes aware in which the confidentiality of the information has been breached; and

(iii) Disclose or use any PHI created or received by DHS under this Addendum, for other purposes, so long as it has been de-identified and the de-identification conforms to the requirements of the Privacy Rule.

3. Obligations of Business Associate. In connection with its use and disclosure of PHI, the Business Associate agrees that it will:

a. Use or further disclose PHI only as permitted or required by this Addendum or as required by law.

b. Use reasonable and appropriate safeguards to prevent use or disclosure of PHI other than as provided for by this Addendum;

c. To the extent practicable, mitigate any harmful effect that is known to the Business Associate of a use or disclosure of PHI in violation of this Addendum.

d. Promptly report to the Department any use or disclosure of PHI not provided for by this Addendum of which the Business Associate becomes aware.

e. Require contractors or agents to whom the Business Associate provides PHI to agree to the same restrictions and conditions that apply to the Business Associate pursuant to this Addendum.

f. Make available to the Secretary of Health and Human Services the Business Associate's internal practices, books and records relating to the use and disclosure of PHI for purposes of determining the Business Associate's compliance with the Privacy Rule, subject to any applicable legal privileges.

g. Obtain consents, authorizations and other permissions from all individuals necessary or required by laws applicable to the Business Associate to fulfill its obligations under the Underlying Agreement and this Addendum.

h. Promptly comply with any changes in, or revocation of, permission by an Individual for the Business Associate or the Department to use or disclose PHI, after receiving written notice by the Department.

- i. Promptly comply with any restrictions on the use and disclosure of PHI about Individuals that the Department has agreed to, after written notice by the Department.
- j. Within (15) days of receiving a request from the Department, make available the information necessary for the Department to make an accounting of disclosures of PHI about an individual.
- k. Within ten (10) days of receiving a written notice from the Department about a request from the Individual, make available PHI necessary for the response to individuals' requests for access to PHI about them in the Business Associate's possession which constitutes part of the Department's Designated Record Set.
- l. Within fifteen (15) days of receiving a written notice from the Department to amend or correct an Individual's PHI in accordance with the Privacy Rule, make the amendments or corrections to PHI in Business Associate's possession which constitutes part of the Department's Designated Record Set.
- m. Implement administrative, physical, and technical safeguards that protect the confidentiality, integrity, and availability of the electronic PHI that it creates, maintains, or transmits on behalf of the Department. This security requirement is effective April 20, 2005.
- n. Promptly report to the Department any security incident of which the Business Associate becomes aware. This security requirement is effective April 20, 2005.

4. Obligations of the Department. The Department agrees that it:

- a. Has included, and will include, in the Department's required Notice of Privacy Practices that the Business Associate may disclose PHI for health care operations purposes.
- b. Has obtained, and will obtain, from Individuals authorizations and other permissions necessary or required by laws applicable to the Department and the Business Associate to fulfill their obligations under the Underlying Agreement and this Addendum.
- c. Will promptly notify Business Associate in writing of any restrictions on the use and disclosure of PHI about Individuals that the Department has agreed to that may affect Business Associate's ability to perform its obligations under the Underlying Agreement or this Addendum.
- d. Will promptly notify the Business Associate in writing of any changes in, or revocation of, authorization by an Individual to use or disclose PHI, if such changes or revocation may affect the Business Associate's ability to perform its obligations under the Underlying Agreement or this Addendum.

5. Termination.

- a. Termination for Cause. The Department may terminate this Addendum for cause if the Department determines that the Business Associate, or any of its subcontractors, etc. has breached a material term of this Addendum. The Department will allow the Business Associate an opportunity to cure the breach. The Department shall provide written notice to the Business Associate requesting that the breach be remedied within the period of time specified in the notice. If the

breach is not remedied by the date specified to the satisfaction of the Department, the Department may immediately terminate this Addendum and the Underlying Agreement.

b. **Automatic Termination.** This Addendum will automatically terminate upon the termination or expiration of the Underlying Agreement.

c. **Effect of Termination.**

(1) Termination of this Addendum will result in termination of the Underlying Agreement.

(2) Upon termination of this Addendum or the Underlying Agreement, unless specially required by the Department for the business associate to retain the protected health information, the Business Associate will return or destroy all PHI received from the Department, or created or received by the Business Associate on behalf of the Department, that the Business Associate still maintains and retain no copies of such PHI. If such return or destruction is not feasible, the Business Associate will extend the protections of this Addendum to the PHI and limit any further uses and disclosures. The Business Associate will provide the Department in writing the reason that will make the return or destruction of the information infeasible.

6. Amendment. The Department and the Business Associate agree to take such action as is necessary to amend this Addendum from time to time as is necessary for the Business Associate to comply with the requirements of the Privacy Rule and/or the Security Rule.

7. Survival. The obligations of the Business Associate under section 5.c.(2) of this Addendum shall survive any termination of this addendum.

8. No Third Party Beneficiaries. Nothing express or implied in this Addendum is intended to confer, nor shall anything herein confer, upon a person other than the parties and their respective successors or assigns, an rights, remedies, obligations or liabilities whatsoever.

9. Effective Date. This Addendum shall be effective on 10/01/08.

Business Associate, TBD	
Signature:	
Printed Name:	
Title:	Date:

Department, Iowa Department of Human Services	
Signature:	
Printed Name:	
Title:	Date:

Section 2: Contract Terms

2.1 Contract Special Terms

2.1 (1) Contract Purpose

The parties have entered into this Contract for the purpose of retaining the Contractor to provide: To provide technical assistance to the Iowa Medicaid Enterprise in reprocurement of service contractors, analysis of systems, and compliance with federal requirements.

2.1 (2) Special Terms Definitions (if any):

N/A

2.1.(3) Scope of Work:

Contractor shall provide all services required by Scope of Work set forth in RFP MED-09-006 Section 3.

2.1 (4) Review Clause:

The Contractor and any subcontractor shall meet with the Department's designated staff, which shall be the Contract Manager and provide information as requested to review the Contractor's compliance with the terms of the Contract and level of performance. Formal review meetings shall occur at least monthly. At the review meetings, the parties will discuss progress toward project goals and any corrective actions if necessary.

The Contractor agrees the Department or the Department's duly authorized and identified agents or representatives of the state and federal governments shall have the right to access any and all information pertaining to the Contract, conduct site visits, conduct quality control reviews, review Contract compliance, assess management controls, assess the Contract services and activities, and provide technical assistance.

2.1 (5) Monitoring Clause:

The Department's Contract Manager shall monitor Contractor's performance on an on-going basis by reviewing reports on a regular basis and meeting with the Contract project manager to discuss progress.

2.1 (6) Contract Payment Clause:

The Contractor shall submit invoices for payment according to a flat fee schedule over the period of the Contract, agreed to at the execution of the Contract. Under no circumstances shall the Contractor be entitled to invoice for, nor shall the Department be obligated to pay, more than eighty percent (80%) of the full contract price until the Contractor has provided and the Department accepted all deliverables required by the Scope of Services listed in this RFP. In addition, the Contractor's failure to timely provide deliverables in accordance with the Scope of Services section of this RFP may result in a reduction of total contract price of up to five percent (5%) on future payments.

The Contractor acknowledges and agrees that the Department shall not be responsible for or liable to the Contractor or its subcontractor(s) for any increased costs or expenses that may be incurred by the Contractor under the Contract.

2.1 (7): Amendments to General Terms for Services Contracts

The General Terms for Services Contracts are hereby modified as follows:

The following provisions are added at the end of the General Terms:

r.r. Contingency. The Contract is subject to review and approval by the Centers for Medicare and Medicaid Services (CMS). The Department shall have the right to modify the Contract at any time to comply with CMS requirements, subject to the modification section of this Contract.

s.s. Contract Disputes. Except as provided herein, the Contract is not subject to arbitration. The Contract Manager will decide any dispute concerning performance of this Contract and put that decision in writing and serve a copy on the Contractor. The Contract Manager's decision will be final unless within ten (10) days of the mailing of the decision the Contractor files with the Director of the Department a written request to review the decision, which identifies all issues being disputed. The Director, or his designee, who may be the Medicaid Director, shall review the Contractor's request to review the Contract Manager's decision and issue a written decision within ten (10) days of receipt of the review request. The decision of the Director shall be final for purposes of Iowa Code Chapter 17A.

Pending final determination of any dispute, the Contractor will proceed diligently with the performance of this Contract and in accordance with the Contract Manager's direction. The Contractor's failure to follow the procedure set out above will be deemed waiver of the Contractor's claim.

2.2 GENERAL TERMS FOR SERVICES CONTRACTS

2.2 (1) Definitions.

a. **“Acceptance”** means that the Department has determined that one or more Deliverables satisfy the Department’s Acceptance Tests. Final Acceptance means that the Department has determined that all Deliverables satisfy the Department’s Acceptance Tests. Non-acceptance means that the Department has determined that one or more Deliverables have not satisfied the Department’s Acceptance Tests.

b. **“Acceptance Criteria”** means the Specifications, goals, performance measures, testing results and/or other criteria designated by the Department and against which the Deliverables may be evaluated for purposes of Acceptance or Non-acceptance thereof.

c. **“Acceptance Tests” or “Acceptance Testing”** mean the tests, reviews and other activities that are performed by or on behalf of Department to determine whether the Deliverables meet the Acceptance Criteria or otherwise satisfy the Department, as determined by the Department in its sole discretion.

d. **“Department”** means the Iowa Department of Human Services.

e. **“Bid Proposal” or “Proposal”** means the Contractor’s proposal submitted in response to the RFP.

f. **“Contract”** means the collective documentation memorializing the terms of the agreement between the Department and the Contractor identified on the Contract Declarations & Execution Page(s) and includes the signed Contract Declarations & Execution Page(s), the Special Terms, these General Terms for Services Contracts, any Special Contract Attachments, and all other addenda to the Contract Declarations & Execution Page(s).

g. **“Contractor”** means the entity or individual providing services under this Contract.

h. **“Declarations & Execution Page(s)”** means the document that contains basic information about the Contract and incorporates by reference these General Terms for Services Contracts, the Special Terms, and all other addenda to the Contract Declarations and Executions Page(s).

i. **“Deficiency”** means a defect, flaw, anomaly, failure, omission, interruption of service, or other problem of any nature whatsoever with respect to a Deliverable, including, without limitation, any failure of a Deliverable to conform to or meet an applicable specification. Deficiency also includes the lack of something essential or necessary for completeness or proper functioning of a Deliverable.

j. **“Deliverables”** all of the goods, products, services, work, work product, items, materials and property to be created, developed, produced, delivered, performed or provided by or on behalf of, or made available through, Contractor (or any agent, contractor or subcontractor of Contractor) in connection with this Contract.

k. **“Documentation”** means any and all technical information, commentary, explanations, design documents, system architecture documents, database layouts, test materials, training materials, guides, manuals, worksheets, notes, work papers, and all other information, documentation and materials related to or used in conjunction with the Deliverables, in any medium, including hard copy, electronic, digital, and magnetically or optically encoded media.

l. **“RFP”** means the Request for Proposals or Request for Bids (and any Addenda thereto) identified on the Contracts Declarations and Execution Page(s) that was issued to solicit the Deliverables that are subject to the Contract.

m. **“Special Contract Attachments”** means any attachment to this Contract indicated on the Contract Declarations & Execution Page(s).

n. **“Special Terms”** means the Section of the Contract entitled “Special Terms” that contains terms specific to this Contract, including but not limited to the Scope of Work, contract payment terms, and any amendments to these General Terms and Conditions for Services Contracts. If there is a conflict between the General Terms for Services Contracts and the Special Terms, the Special Terms shall prevail.

o. **“Specifications”** means all specifications, requirements, technical standards, performance standards, representations and other criteria related to the Deliverables stated or expressed in this Contract, the Documentation, the RFP, and the Proposal. Specifications shall include the Acceptance Criteria and any specifications, standards or criteria stated or set forth in any applicable state, federal, foreign and local laws, rules and regulations. The Specifications are incorporated into this Contract by reference as if fully set forth in this Contract.

p. **“State”** means the State of Iowa, the Department, and all State of Iowa agencies, boards, and commissions, and when this Contract is available to political subdivisions, any political subdivisions of the State of Iowa.

2.2 (2) Duration of Contract. The term of the Contract shall begin and end on the dates specified on the Contract Declarations & Execution Page(s), unless extended or terminated earlier in accordance with the termination provisions of this Contract. The Department may, in its sole discretion, exercise any applicable extension by giving the Contractor written notice of the extension decision at least sixty (60) days prior to the expiration of the initial term or renewal term.

2.2 (3) Scope of Work. The Contractor shall provide Deliverables that comply with and conform to the Specifications.

2.2 (4) Compensation

a. **Pricing.** The Contractor will be compensated in accordance with the payment terms outlined in the Contract Payment Terms and Scope of Work described in the Special Terms.

The Contractor shall submit, on the frequency established on the Contract Declarations & Execution Page(s) an invoice for Deliverables rendered in accordance with this Contract. The invoice shall comply with all applicable rules concerning payment of such claims. The Department shall verify the Contractor’s performance of the Deliverables outlined in the invoice before making payment. The Department shall pay all approved invoices in arrears and in conformance with Iowa Code § 8A.514. The Department may pay in less than sixty (60) days, but an election to pay in less than sixty (60) days shall not act as an implied waiver of Iowa Code § 8A.514.

Unless otherwise agreed in writing by the parties, the Contractor shall not be entitled to receive any other payment or compensation from the State for any Deliverables provided by or on behalf of the Contractor under this Contract. The Contractor shall be solely responsible for paying all costs, expenses and charges it incurs in connection with its performance under this Contract.

b. **Withholding Payments.** In addition to pursuing any other remedy provided herein or by law, the Department may withhold compensation or payments to Contractor, in whole or in part, without penalty to the Department or work stoppage by Contractor, in the event the Department determines that: (1) Contractor has failed to perform any of its duties or obligations as set forth in this Contract; or (2) any Deliverable has failed to meet or conform to any applicable Specifications or contains or is experiencing a Deficiency. No interest shall accrue or be paid to Contractor on any compensation or other amounts withheld or retained by the Department under this Contract.

c. **Setoff Against Sums Owed by the Contractor.** In the event that Contractor owes the State any sum under the terms of this Contract, any other contract or agreement, pursuant to a judgment, or pursuant to any law, the State may, in its sole discretion, set off any such sum against:

(1) any sum invoiced by, or owed to, Contractor under this Contract, or (2) any sum or amount owed by the State to Contractor, unless otherwise required by law. The Contractor agrees that this provision constitutes proper and timely notice under any applicable laws governing setoff.

2.2 (5) Termination.

a. Termination for Cause by the Department. The Department may terminate this Contract upon written notice for the breach by Contractor of any material term, condition or provision of this Contract, if such breach is not cured within the time period specified in the Department's notice of breach or any subsequent notice or correspondence delivered by the Department to Contractor, provided that cure is feasible. In addition, the Department may terminate this Contract effective immediately without penalty and without advance notice or opportunity to cure for any of the following reasons:

(1) Contractor furnished any statement, representation, warranty or certification in connection with this Contract, the RFP or the Proposal that is false, deceptive, or materially incorrect or incomplete;

(2) Contractor or any of Contractor's officers, directors, employees, agents, subsidiaries, affiliates, contractors or subcontractors has committed or engaged in fraud, misappropriation, embezzlement, malfeasance, misfeasance, or bad faith;

(3) Contractor or any parent or affiliate of Contractor owning a controlling interest in Contractor dissolves;

(4) Contractor terminates or suspends its business;

(5) Contractor's corporate existence or good standing in Iowa is suspended, terminated, revoked or forfeited, or any license or certification held by Contractor related to Contractor's performance under this Contract is suspended, terminated, revoked, or forfeited;

(6) Contractor has failed to comply with any applicable international, federal, state (including, but not limited to Iowa Code chapter 8F), or local laws, rules, ordinances, regulations or orders when performing within the scope of this Contract;

(7) The Department determines or believes the Contractor has engaged in conduct that: (a) has or may expose the Department or the State to material liability, or (b) has caused or may cause a person's life, health or safety to be jeopardized;

(8) Contractor infringes or allegedly infringes or violates any patent, trademark, copyright, trade dress or any other intellectual property right or proprietary right, or Contractor misappropriates or allegedly misappropriates a trade secret;

(9) Contractor fails to comply with any applicable confidentiality laws, privacy laws, or any provisions of this Contract pertaining to confidentiality or privacy; or

(10) Any of the following has been engaged in by or occurred with respect to Contractor or any corporation, shareholder or entity having or owning a controlling interest in Contractor:

1. Commencing or permitting a filing against it which is not discharged within ninety (90) days, of a case or other proceeding seeking liquidation, reorganization, or other relief with respect to itself or its debts under any bankruptcy, insolvency, or other similar law now or hereafter in effect; or filing an answer admitting the material allegations of a petition filed against it in any involuntary case or other proceeding commenced against it seeking liquidation, reorganization, or other relief under any bankruptcy, insolvency, or other similar law now or hereafter in effect with respect to it or its debts; or consenting to any such relief or to the appointment of or taking possession by any such official in any voluntary case or other proceeding commenced against it seeking liquidation, reorganization, or other relief under any bankruptcy, insolvency, or other similar law now or hereafter in effect with respect to it or its debts;

2. Seeking or suffering the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its assets;
3. Making an assignment for the benefit of creditors;
4. Failing, being unable, or admitting in writing the inability generally to pay its debts or obligations as they become due or failing to maintain a positive net worth and such additional capital and liquidity as is reasonably adequate or necessary in connection with Contractor's performance of its obligations under this Contract; or
5. Taking any action to authorize any of the foregoing.

The Department's right to terminate this Contract shall be in addition to and not exclusive of other remedies available to the Department, and the Department shall be entitled to exercise any other rights and pursue any remedies, in law, at equity, or otherwise.

b. Termination Upon Notice. Following a thirty (30) day written notice, the Department may terminate this Contract in whole or in part without penalty and without incurring any further obligation to Contractor. Termination can be for any reason or no reason at all.

c. Termination Due to Lack of Funds or Change in Law. Notwithstanding anything in this Contract to the contrary, and subject to the limitations set forth below, the Department shall have the right to terminate this Contract without penalty and without any advance notice as a result of any of the following:

- (1) The legislature or governor fail in the sole opinion of the Department to appropriate funds sufficient to allow the Department to either meet its obligations under this Contract or to operate as required and to fulfill its obligations under this Contract; or
- (2) If funds are de-appropriated, reduced, not allocated, or receipt of funds is delayed, or if any funds or revenues needed by the Department to make any payment hereunder are insufficient or unavailable for any other reason as determined by the Department in its sole discretion; or
- (3) If the Department's authorization to conduct its business or engage in activities or operations related to the subject matter of this Contract is withdrawn or materially altered or modified; or
- (4) If the Department's duties, programs or responsibilities are modified or materially altered; or
- (5) If there is a decision of any court, administrative law judge or an arbitration panel or any law, rule, regulation or order is enacted, promulgated or issued that materially or adversely affects the Department's ability to fulfill any of its obligations under this Contract.

The Department shall provide Contractor with written notice of termination pursuant to this section.

d. Limitation of the State's Payment Obligations. In the event of termination of this Contract for any reason by either party (except for termination by the Department pursuant to Section 2.2(5)(a), the Department shall pay only those amounts, if any, due and owing to Contractor hereunder for Deliverables actually and satisfactorily provided in accordance with the provisions of this Contract up to and including the date of termination of this Contract and for which the Department is obligated to pay pursuant to this Contract; provided however, that in the event the Department terminates this Contract pursuant to Section 2.2(5)(c), the Department's obligation to pay Contractor such amounts and other compensation shall be limited by, and subject to, legally available funds. Payment will be made only upon submission of invoices and proper proof of Contractor's claim. Notwithstanding the foregoing, this Section 2.2(5)(d) in no way limits the rights or remedies available to the Department and shall not be construed to require the Department to pay any compensation or other amounts hereunder in the event of Contractor's breach of this

Contract or any amounts withheld by the Department in accordance with the terms of this Contract. The Department shall not be liable, under any circumstances, for any of the following:

(1) The payment of unemployment compensation to Contractor's employees;

(2) The payment of workers' compensation claims, which occur during the Contract or extend beyond the date on which the Contract terminates;

(3) Any costs incurred by Contractor in its performance of the Contract, including, but not limited to, startup costs, overhead or other costs associated with the performance of the Contract;

(4) Any damages or other amounts associated with the loss of prospective profits, anticipated sales, goodwill, or for expenditures, investments or commitments made in connection with this Contract;

(5) Any taxes Contractor may owe in connection with the performance of this Contract, including, but not limited to, sales taxes, excise taxes, use taxes, income taxes or property taxes.

e. Contractor's Termination Duties. Upon receipt of notice of termination or upon request of the Department, Contractor shall:

1. Cease work under this Contract and take all necessary or appropriate steps to limit disbursements and minimize costs, and furnish a report within thirty (30) days of the date of notice of termination, describing the status of all work performed under the Contract and such other matters as the Department may require.

2. Immediately cease using and return to the Department any property or materials, whether tangible or intangible, provided by the Department to Contractor.

3. Cooperate in good faith with the Department and its employees, agents and independent contractors during the transition period between the notification of termination and the substitution of any replacement service provider.

4. Immediately return to the Department any payments made by the Department for Deliverables that were not rendered or provided by Contractor.

5. Immediately deliver to the Department any and all Deliverables for which the Department has made payment (in whole or in part) that are in the possession or under the control of the Contractor or its agents or subcontractors in whatever stage of development and form of recordation such property is expressed or embodied as that time.

f. Termination for Cause by Contractor. Contractor may only terminate this Contract for the breach by the Department of any material term, condition or provision of this Contract, if such breach is not cured within sixty (60) days of the Department's receipt of Contractor's written notice of breach.

2.2 (6) Confidential Information.

a. Access to Confidential Information. The Contractor's employees, agents and subcontractors may have access to confidential information maintained by the Department to the extent necessary to carry out its responsibilities under the Contract. The Contractor shall presume that all information received pursuant to this Contract is confidential unless otherwise designated by the Department. The Contractor shall provide to the Department a written description of its policies and procedures to safeguard confidential information. Policies of confidentiality shall address, as appropriate, information conveyed in verbal, written, and electronic formats. The Contractor must designate one individual who shall remain the responsible authority in charge of all data collected, used, or disseminated by the Contractor in connection with the performance of the Contract. The Contractor shall provide adequate supervision and training to its agents, employees and subcontractors to ensure compliance with the terms of this Contract. The private or confidential information shall remain the property of the Department at all times.

b. No Dissemination of Confidential information. No confidential information collected, maintained, or used in the course of performance of the Contract shall be disseminated by Contractor except as authorized by law and only with the prior written consent of the Department, either during the period of the Contract or thereafter. Any data supplied by the Department to the Contractor or created by the Contractor in the course of the performance of this Contract shall be considered the property of the Department. The Contractor must return any and all data collected, maintained, created or used in the course of the performance of the Contract in whatever form it is maintained promptly at the request of the Department. The Contractor may be held civilly or criminally liable for improper disclosure of confidential information.

c. Subpoena. In the event that a subpoena or other legal process is served upon the Contractor for records containing confidential information, the Contractor shall promptly notify the Department and cooperate with the Department in any lawful effort to protect the confidential information.

d. Reporting of Unauthorized Disclosure. The Contractor shall immediately report to the Department any unauthorized disclosure of confidential information.

e. Survives Termination. The Contractor's obligations under this section shall survive termination or expiration of this Contract.

2.2 (7) Indemnification.

a. By the Contractor. The Contractor agrees to indemnify and hold harmless the State and its officers, appointed and elected officials, board and commission members, employees, volunteers and agents (collectively the "Indemnified Parties"), from any and all costs, expenses, losses, claims, damages, liabilities, settlements and judgments (including, without limitation, the reasonable value of the time spent by the Attorney General's Office, and the costs, expenses and attorneys' fees of other counsel retained by the Indemnified Parties directly or indirectly related to, resulting from, or arising out of this Contract, including but not limited to any claims related to, resulting from, or arising out of:

(1) Any breach of this Contract;

(2) Any negligent, intentional or wrongful act or omission of the Contractor or any agent or subcontractor utilized or employed by the Contractor;

(3) The Contractor's performance or attempted performance of this Contract, including any agent or subcontractor utilized or employed by the Contractor;

(4) Any failure by the Contractor to make all reports, payments and withholdings required by federal and state law with respect to social security, employee income and other taxes, fees or costs required by the Contractor to conduct business in the State of Iowa;

(5) Any claim of misappropriation of a trade secret or infringement or violation of any intellectual property rights, proprietary rights or personal rights of any third party, including any claim that any Deliverable or any use thereof (or the exercise of any rights with respect thereto) infringes, violates or misappropriates any patent, copyright, trade secret, trademark, trade dress, mask work, utility design, or other intellectual property right or proprietary right of any third party.

b. Survives Termination. Contractor's duties and obligations under this section shall survive the termination of this Contract and shall apply to all acts or omissions taken or made in connection with the performance of this Contract regardless of the date any potential claim is made or discovered by the Department or any other Indemnified Party.

2.2 (8) Insurance.

a. Insurance Requirements. The Contractor, and any subcontractor, shall maintain in full force and effect, with insurance companies licensed by the State of Iowa, at the Contractor's expense, insurance covering its work during the entire term of this Contract and any extensions or renewals thereof. The Contractor's insurance shall, among other things, be occurrence based and shall insure against any loss or damage resulting from or related to the Contractor's performance of this Contract regardless of the date the claim is filed or expiration of the policy. The State of Iowa and the Department shall be named as additional insureds or loss payees, or the Contractor shall obtain an endorsement to the same effect, as applicable.

b. Types and Amounts of Insurance Required. Unless otherwise requested by the Department in writing, the Contractor shall cause to be issued insurance coverages insuring the Contractor and/or subcontractors against all general liabilities, product liability, personal injury, property damage, and (where applicable) professional liability in the amount specified on the Contract Declarations and Execution Page for each occurrence. In addition, the Contractor shall ensure it has any necessary workers' compensation and employer liability insurance as required by Iowa law.

c. Certificates of Coverage. Contractor shall maintain all insurance policies required by this Contract in full force and effect during the entire term of this Contract and any extensions or renewals thereof, and shall not permit such policies to be canceled or amended except with the advance written approval of the Department. The Contractor shall submit certificates of the insurance, which indicate coverage and notice provisions as required by this Contract, to the Department upon execution of this Contract. The certificates shall be subject to approval by the Department. The insurer shall state in the certificate that no cancellation of the insurance will be made without at least a thirty (30) day prior written notice to the Department. Approval of the insurance certificates by the Department shall not relieve the Contractor of any obligation under this Contract.

d. Waiver of Subrogation Rights. The Contractor shall obtain a waiver of any subrogation rights that any of its insurance carriers might have against the State. The waiver of subrogation rights shall be indicated on the certificates of insurance coverage supplied to the State.

2.2(9) Project Management & Reporting.

a. Project Manager. At the time of execution of this Contract, each party shall designate, in writing, a Project Manager to serve until the expiration of this Contract or the designation of a substitute Project Manager. During the term of this Contract, each Project Manager shall be available to meet monthly, unless otherwise mutually agreed, to review and plan the Deliverables being provided under this Contract.

b. Review Meetings. During the review meetings the Project Managers shall discuss progress made by the Contractor in the performance of this Contract. Each party shall provide a status report, as desired by a Project Manager, listing any problem or concern encountered since the last meeting. Records of such reports and other communications issued in writing during the course of Contract performance shall be maintained by each party.

c. Reports. At the next scheduled meeting after which any party has identified in writing a problem, the party responsible for resolving the problem shall provide a report setting forth activities undertaken, or to be undertaken, to resolve the problem, together with the anticipated completion dates of such activities. Any party may recommend alternative courses of action or changes that will facilitate problem resolution. For as long as a problem remains unresolved, written reports shall identify:

(1) Any event not within the control of the Contractor or the Department that accounts for the problem;

(2) Modifications to the Contract agreed to by the parties in order to remedy or solve the identified problem;

(3) Damages incurred as a result of any party's failure to perform its obligations under this Contract; and

(4) Any request or demand by one party that another party believes is not included within the terms of this Contract.

d. Problem Reporting Omissions. The Department's acceptance of a problem report shall not relieve the Contractor of any obligation under this Contract or waive any other remedy under this Contract or at law or equity that the Department may have. The Department's failure to identify the extent of a problem or the extent of damages incurred as a result of a problem shall not act as a waiver of performance or damages under this Contract. Where other provisions of this Contract require notification of an event in writing, the written report shall be considered a valid notice under this Contract provided the parties required to receive notice are notified.

e. Change Order Procedure. The Department may at any time request a modification to the Scope of Work using a change order. The following procedures for a change order shall be followed:

(1) **Written Request.** The Department shall specify in writing the desired modifications to the same degree of specificity as in the original Scope of Work.

(2) **The Contractor's Response.** The Contractor shall submit to the Department a firm cost proposal for the requested change order within five (5) business days of receiving the change order request.

(3) **Acceptance of the Contractor Estimate.** If the Department accepts the cost proposal presented by the Contractor, the Contractor shall provide the modified Deliverable subject to the cost proposal included in the Contractor response. The Contractor's provision of the modified Deliverables shall be governed by the terms and conditions of this Contract.

(4) **Adjustment to Compensation.** The parties acknowledge that a change order for this Contract may or may not entitle the Contractor to an equitable adjustment in the Contractor's compensation or the performance deadlines under this Contract.

2.2 (10) Legislative Changes. The Contractor expressly acknowledges that the contracted Deliverables are subject to legislative change by either the federal or state government. Should either legislative body enact measures which alter the project, the Contractor shall not hold the Department liable in any manner for the resulting changes. The Department shall use best efforts to provide a thirty (30) day written notice to the Contractor of any legislative change. During the thirty (30) day period, the parties shall meet and make a good faith effort to agree upon changes to the Contract to address the legislative change. Nothing in this subsection shall affect or impair the Department's right to terminate the Contract pursuant to the termination provisions.

2.2 (11) Intellectual Property.

a. Ownership and Assignment of Other Deliverables. Contractor agrees that the State and Department shall become the sole and exclusive owners of all Deliverables. Contractor hereby irrevocably assigns, transfers and conveys to the State and the Department all right, title and interest in and to all Deliverables and all intellectual property rights and proprietary rights arising out of, embodied in, or related to such Deliverables, including copyrights, patents, trademarks, trade secrets, trade dress, mask work, utility design, derivative works, and all other rights and interests therein or related thereto. Contractor represents and warrants that the State and the Department shall acquire good and clear title to all Deliverables, free from any claims, liens, security interests, encumbrances, intellectual property rights, proprietary rights, or other rights or interests of Contractor or of any

third party, including any employee, agent, contractor, subcontractor, subsidiary or affiliate of Contractor. The Contractor (and Contractor's employees, agents, contractors, subcontractors, subsidiaries and affiliates) shall not retain any property interests or other rights in and to the Deliverables and shall not use any Deliverables, in whole or in part, for any purpose, without the prior written consent of the Department and the payment of such royalties or other compensation as the Department deems appropriate. Unless otherwise requested by Department, upon completion or termination of this Contract, Contractor will immediately turn over to Department all Deliverables not previously delivered to Department, and no copies thereof shall be retained by Contractor or its employees, agents, subcontractors or affiliates, without the prior written consent of Department.

b. Waiver. To the extent any of Contractor's rights in any Deliverables are not subject to assignment or transfer hereunder, including any moral rights and any rights of attribution and of integrity, Contractor hereby irrevocably and unconditionally waives all such rights and enforcement thereof and agrees not to challenge the State's rights in and to the Deliverables.

c. Further Assurances. At the Department's request, Contractor will execute and deliver such instruments and take such other action as may be requested by the Department to establish, perfect or protect the State's rights in and to the Deliverables and to carry out the assignments, transfers and conveyances set forth in Section 2.2(11)(a).

d. Publications. Prior to completion of all services required by this Contract, Contractor shall not publish in any format any final or interim report, document, form or other material developed as a result of this Contract without the express written consent of the Department. Upon completion of all services required by this Contract, Contractor may publish or use materials developed as a result of this Contract, subject to confidentiality restrictions, and only after the Department has had an opportunity to review and comment upon the publication. Any such publication shall contain a statement that the work was done pursuant to a contract with the Department and that it does not necessarily reflect the opinions, findings and conclusions of the Department.

2.2 (12) Warranties.

a. Construction of Warranties Expressed in this Contract with Warranties Implied by Law. Warranties made by the Contractor in this Contract, whether: (a) this Contract specifically denominates the Contractor's promise as a warranty; or (b) the warranty is created by the Contractor's affirmation or promise, by a description of the Deliverables to be provided, or by provision of samples to the Department, shall not be construed as limiting or negating any warranty provided by law, including without limitation, warranties that arise through course of dealing or usage of trade. The warranties expressed in this Contract are intended to modify the warranties implied by law only to the extent that they expand the warranties applicable to the Deliverables provided by the Contractor. The provisions of this section apply during the term of this Contract and any extensions or renewals thereof.

b. Contractor represents and warrants that:

(1) all Deliverables shall be wholly original with and prepared solely by Contractor; or it owns, possesses, holds, and has received or secured all rights, permits, permissions, licenses and authority necessary to provide the Deliverables to the Department hereunder and to assign, grant and convey the rights, benefits, licenses and other rights assigned, granted or conveyed to the Department hereunder or under any license agreement related hereto without violating any rights of any third party;

(2) Contractor has not previously and will not grant any rights in any Deliverables to any third party that are inconsistent with the rights granted to the Department herein; and

(3) the Department shall peacefully and quietly have, hold, possess, use and enjoy the Deliverables without suit, disruption or interruption.

c. Contractor represents and warrants that:

(1) the Deliverables (and all intellectual property rights and proprietary rights arising out of, embodied in, or related to such Deliverables); and

(2) the Department's use of, and exercise of any rights with respect to, the Deliverables (and all intellectual property rights and proprietary rights arising out of, embodied in, or related to such Deliverables), do not and will not, under any circumstances, misappropriate a trade secret or infringe upon or violate any copyright, patent, trademark, trade dress or other intellectual property right, proprietary right or personal right of any third party. Contractor further represents and warrants there is no pending or threatened claim, litigation or action that is based on a claim of infringement or violation of an intellectual property right, proprietary right or personal right or misappropriation of a trade secret related to the Deliverables. Contractor shall inform the Department in writing immediately upon becoming aware of any actual, potential or threatened claim of or cause of action for infringement or violation or an intellectual property right, proprietary right, or personal right or misappropriation of a trade secret. If such a claim or cause of action arises or is likely to arise, then Contractor shall, at the Department's request and at the Contractor's sole expense:

1. Procure for the Department the right or license to continue to use the Deliverable at issue;

2. Replace such Deliverable with a functionally equivalent or superior Deliverable free of any such infringement, violation or misappropriation;

3. modify or replace the affected portion of the Deliverable with a functionally equivalent or superior Deliverable free of any such infringement, violation or misappropriation; or

4. accept the return of the Deliverable at issue and refund to the Department all fees, charges and any other amounts paid by the Department with respect to such Deliverable. In addition, Contractor agrees to indemnify, defend, protect and hold harmless the State and its officers, directors, employees, officials and agents as provided in the Indemnification section of this Contract, including for any breach of the representations and warranties made by Contractor in this section. The foregoing remedies shall be in addition to and not exclusive of other remedies available to the Department and shall survive termination of this Contract.

d. Contractor represents and warrants that the Deliverables (in whole and in part) shall:

(1) be free from material Deficiencies; and

(2) meet, conform to and operate in accordance with all Specifications and in accordance with this Contract during the Warranty Period, as defined in the Contract Special Terms. During the Warranty Period Contractor shall, at its expense, repair, correct or replace any Deliverable that contains or experiences material Deficiencies or fails to meet, conform to or operate in accordance with Specifications within five (5) business days of receiving notice of such Deficiencies or failures from the Department or within such other period as the Department specifies in the notice. In the event Contractor is unable to repair, correct or replace such Deliverable to the Department's satisfaction, Contractor shall refund the fees or other amounts paid for the Deliverables and for any services related thereto. The foregoing shall not constitute an exclusive remedy under this Contract, and the Department shall be entitled to pursue any other available contractual, legal or equitable remedies. Contractor shall be available at all reasonable times to assist the Department with questions, problems and concerns about the Deliverables, to inform the Department promptly of any known Deficiencies in any Deliverables, repair and correct any Deliverables not performing in accordance with the

warranties contained in this Contract, notwithstanding that such Deliverable may have been accepted by the Department, and provide the Department with all necessary materials with respect to such repaired or corrected Deliverable.

e. Contractor represents, warrants and covenants that all services to be performed under this Contract shall be performed in a professional, competent, diligent and workmanlike manner by knowledgeable, trained and qualified personnel, all in accordance with the terms and Specifications of this Contract and the standards of performance considered generally acceptable in the industry for similar tasks and projects. In the absence of a Specification for the performance of any portion of this Contract, the parties agree that the applicable specification shall be the generally accepted industry standard. So long as the Department notifies Contractor of any services performed in violation of this standard, Contractor shall re-perform the services at no cost to the Department, such that the services are rendered in the above-specified manner, or if the Contractor is unable to perform the services as warranted, Contractor shall reimburse the Department any fees or compensation paid to Contractor for the unsatisfactory services.

f. Contractor represents and warrants that the Deliverables will comply with any applicable federal, state, foreign and local laws, rules, regulations, codes, and ordinances in effect during the term of this Contract, including applicable provisions of Section 508 of the Rehabilitation Act of 1973, as amended, and all standards and requirements established by the Architectural and Transportation Barriers Access Board and the Iowa Department of Administrative Services, Information Technology Enterprise.

g. Obligations Owed to Third Parties. The Contractor represents and warrants that all obligations owed to third parties with respect to the activities contemplated to be undertaken by the Contractor pursuant to this Contract are or will be fully satisfied by the Contractor so that the Department will not have any obligations with respect thereto.

2.2 (13). Acceptance Testing. N/A

2.2 (14) Contract Administration.

a. **Independent Contractor.** The status of the Contractor shall be that of an independent contractor. The Contractor, its employees, agents and any subcontractors performing under this Contract are not employees or agents of the State or any Department, division or department of the State simply by virtue of work performed pursuant to this Contract. Neither the Contractor nor its employees shall be considered employees of the Department or the State for federal or state tax purposes simply by virtue of work performed pursuant to this Contract. The Department will not withhold taxes on behalf of the Contractor (unless required by law).

b. **Incorporation of Documents.** To the extent this Contract arises out of an RFP, the parties acknowledge that the Contract consists of these contract terms and conditions as well as the RFP and the Bid Proposal. The RFP and the Bid Proposal are incorporated into the Contract by reference, except that no objection or amendment by the Contractor to the provisions of the RFP shall be incorporated by reference into the Contract unless the Department has explicitly accepted the Contractor's objection or amendment in writing. If there is a conflict between the Contract, the RFP and the Bid Proposal, the conflict shall be resolved according to the following priority, ranked in descending order: (1) the Contract; (2) the RFP; (3) the Bid Proposal.

c. **Intent of References to Bid Documents.** The references to the parties' obligations, which are contained in this Contract, are intended to supplement or clarify the obligations as stated in the RFP and the Bid Proposal. The failure of the parties to make reference to the terms of the RFP or the Bid Proposal in this Contract shall not be construed as creating a conflict and will not relieve the Contractor of the contractual obligations imposed by the terms of the RFP and the

Contractor's Bid Proposal. The contractual obligations of the Department cannot be implied from the Bid Proposal.

d. Compliance with the Law. The Contractor, its employees, agents, and subcontractors shall comply with all applicable federal, state, and local laws, rules, ordinances, regulations and orders when providing Deliverables under this Contract, including without limitation, all laws that pertain to the prevention of discrimination in employment and in the provision of services. For employment, this would include equal employment opportunity and affirmative action, and the use of targeted small businesses as subcontractors or suppliers. The Contractor may be required to provide a copy of its affirmative action plan, containing goals and time specifications, and non-discrimination and accessibility plans and policies regarding services to clients. Failure to comply with this provision may cause this contract to be cancelled, terminated or suspended in whole or in part and the Contractor may be declared ineligible for future state contracts or be subject to other sanctions as provided by law or rule. The Contractor, its employees, agents and subcontractors shall also comply with all federal, state and local laws regarding business permits and licenses that may be required to carry out the work performed under this Contract. The Contractor may be required to submit its affirmative action plan to the Department of Management to comply with the requirements of 541 Iowa Administrative Code chapter 4. If all or a portion of the funding used to pay for the Deliverables is being provided through a grant from the Federal Government, Contractor acknowledges and agrees that pursuant to applicable federal laws, regulations, circulars and bulletins, the awarding Department of the Federal Government reserves certain rights including, without limitation a royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use, for Federal Government purposes, the Deliverables developed under this Contract and the copyright in and to such Deliverables.

e. Procurement. Contractor shall use procurement procedures that comply with all applicable federal, state, and local laws and regulations.

f. Non-Exclusive Rights. This Contract is not exclusive. The Department reserves the right to select other contractors to provide Deliverables similar or identical to those described in the Scope of Work during the term of this Contract.

g. Compliance with Iowa Code Chapter 8F. N/A

h. Amendments. This Contract may be amended in writing from time to time by mutual consent of the parties. Amendments to the General Terms for Services Contracts may appear in the Special Terms.

i. Third Party Beneficiaries. There are no third party beneficiaries to this Contract. This Contract is intended only to benefit the State and the Contractor.

j. Use of Third Parties. The Department acknowledges that the Contractor may contract with third parties for the performance of any of the Contractor's obligations under this Contract. The Contractor shall notify the Department in writing of all subcontracts relating to Deliverables to be provided under this Contract prior to the time the subcontract(s) become effective. The Department reserves the right to review and approve all subcontracts. The Contractor may enter into these contracts to complete the project provided that the Contractor remains responsible for all Deliverables provided under this Contract. All restrictions, obligations and responsibilities of the Contractor under this Contract shall also apply to the subcontractors and the Contractor shall include in all of its subcontracts a clause that so states. The Department shall have the right to request the removal of a subcontractor from the Contract for good cause.

k. Choice of Law and Forum. The laws of the State of Iowa shall govern and determine all matters arising out of or in connection with this Contract without regard to the conflict of law provisions of Iowa law. Any and all litigation commenced in connection with this Contract shall be brought and maintained solely in Polk County District Court for the State of Iowa, Des Moines,

Iowa, or in the United States District Court for the Southern District of Iowa, Central Division, Des Moines, Iowa, wherever jurisdiction is appropriate. This provision shall not be construed as waiving any immunity to suit or liability including without limitation sovereign immunity in State or Federal court, which may be available to the Department or the State of Iowa.

l. Assignment and Delegation. Contractor may not assign, transfer or convey in whole or in part this Contract without the prior written consent of the Department. For the purpose of construing this clause, a transfer of a controlling interest in the Contractor shall be considered an assignment. The Contractor may not delegate any of its obligations or duties under this Contract without the prior written consent of the Department. The Contractor may not assign, pledge as collateral, grant a security interest in, create a lien against, or otherwise encumber, any payments that may or will be made to the Contractor under this Contract.

m. Integration. This Contract represents the entire Contract between the parties. The parties shall not rely on any representation that may have been made which is not included in this Contract.

n. Headings or Captions. The paragraph headings or captions used in this Contract are for identification purposes only and do not limit or construe the contents of the paragraphs.

o. Not a Joint Venture. Nothing in this Contract shall be construed as creating or constituting the relationship of a partnership, joint venture, (or other association of any kind or agent and principal relationship) between the parties hereto. Each party shall be deemed to be an independent contractor contracting for services and acting toward the mutual benefits expected to be derived herefrom. No party, unless otherwise specifically provided for herein, has the authority to enter into any contract or create an obligation or liability on behalf of, in the name of, or binding upon another party to this Contract.

p. Joint and Several Liability. If the Contractor is a joint entity, consisting of more than one individual, partnership, corporation or other business organization, all such entities shall be jointly and severally liable for carrying out the activities and obligations of this Contract, and for any default of activities and obligations.

q. Supersedes Former Contracts or Agreements. This Contract supersedes all prior contracts or agreements between the Department and the Contractor for the Deliverables to be provided in connection with this Contract.

r. Waiver. Except as specifically provided for in a waiver signed by duly authorized representatives of the Department and the Contractor, failure by either party at any time to require performance by the other party or to claim a breach of any provision of the Contract shall not be construed as affecting any subsequent right to require performance or to claim a breach.

s. Notice. Any and all notices, designations, consents, offers, acceptances or any other communication provided for herein shall be given in writing by registered or certified mail, return receipt requested, by receipted hand delivery, by Federal Express, courier or other similar and reliable carrier which shall be addressed to each party's contract manager as set forth on the Contract Declarations & Execution Page(s). Each such notice shall be deemed to have been provided:

- (1) At the time it is actually received; or,
- (2) Within one day in the case of overnight hand delivery, courier or services such as Federal Express with guaranteed next day delivery; or,
- (3) Within five (5) days after it is deposited in the U.S. Mail in the case of registered U.S. Mail. From time to time, the parties may change the name and address of a party designated to receive notice. Such change of the designated person shall be in writing to the other party and as provided herein.

t. Cumulative Rights. The various rights, powers, options, elections and remedies of any party provided in this Contract, shall be construed as cumulative and not one of them is exclusive of the others or exclusive of any rights, remedies or priorities allowed either party by law, and shall in no way affect or impair the right of any party to pursue any other equitable or legal remedy to which any party may be entitled.

u. Severability. If any provision of this Contract is determined by a court of competent jurisdiction to be invalid or unenforceable, such determination shall not affect the validity or enforceability of any other part or provision of this Contract.

v. Time is of the Essence. Time is of the essence with respect to the Contractor's performance of the terms of this Contract. Contractor shall ensure that all personnel providing Deliverables to the Department are responsive to the Department's requirements and requests in all respects.

w. Authorization. Contractor represents and warrants that:

(1) It has the right, power and authority to enter into and perform its obligations under this Contract.

(2) It has taken all requisite action (corporate, statutory or otherwise) to approve execution, delivery and performance of this Contract, and this Contract constitutes a legal, valid and binding obligation upon itself in accordance with its terms.

x. Successors in Interest. All the terms, provisions, and conditions of the Contract shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns and legal representatives.

y. Records Retention and Access. The Contractor shall maintain accurate, current, and complete records of the financial activity of this Contract which sufficiently and properly document and calculate all charges billed to the Department throughout the term of this Contract and for a period of at least five (5) years following the date of final payment or completion of any required audit (whichever is later). If any litigation, claim, negotiation, audit or other action involving the records has been started before the expiration of the five (5) year period, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular five (5) year period, whichever is later. The Contractor shall permit the Department, the Auditor of the State or any other authorized representative of the State and where federal funds are involved, the Comptroller General of the United States or any other authorized representative of the United States government, to access and examine, audit, excerpt and transcribe any directly pertinent books, documents, papers, electronic or optically stored and created records or other records of the Contractor relating to orders, invoices or payments or any other documentation or materials pertaining to this Contract, wherever such records may be located. The Contractor shall not impose a charge for audit or examination of the Contractor's books and records. Based on the audit findings, the Department reserves the right to address the Contractor's board or other managing entity regarding performance and expenditures. When state or federal law or the terms of this Contract require compliance with OMB Circular A-87, A-110, or other similar provision addressing proper use of government funds, the Contractor shall comply with these additional records retention and access requirements:

(1) Records of financial activity shall include records that adequately identify the source and application of funds. When the terms of this Contract require matching funds, cash contributions made by the Contractor and third party in-kind (property or service) contributions must be verifiable from the Contractor's records. These records must contain information pertaining to contract amount, obligations, unobligated balances, assets, liabilities, expenditures, income and third-party reimbursements.

(2) The Contractor shall maintain accounting records supported by source documentation that may include but are not limited to cancelled checks, paid bills, payroll, time and attendance records, and contract award documents.

(3) The Contractor, in maintaining project expenditure accounts, records and reports, shall make any necessary adjustments to reflect refunds, credits, underpayments or overpayments, as well as any adjustments resulting from administrative or compliance reviews and audits. Such adjustments shall be set forth in the financial reports filed with the Department.

(4) The Contractor shall maintain a sufficient record keeping system to provide the necessary data for the purposes of planning, monitoring and evaluating its program.

(5) The Contractor shall retain all medical records for a period of six (6) years from the last date of service for each patient; or in the case of a minor patient or client, for a period consistent with that established by Iowa Code § 614.1(9). Client records, which are non-medical, must be maintained for a period of five (5) years.

z. Audits. Local governments and non-profit subrecipient entities that expend \$500,000 or more in a year in federal awards (from all sources) shall have a single audit conducted for that year in accordance with the provisions of OMB Circular A-133 “Audit of States, Local Governments, and Non-Profit Organizations.” A copy of the final audit report shall be submitted to the Department if either the schedule of findings and questioned costs or the summary schedule of prior audit findings includes any audit findings related to federal awards provided by the Department. If an audit report is not required to be submitted per the criteria above, the subrecipient must provide written notification to the Department that the audit was conducted in accordance with Government Auditing Standards and that neither the schedule of findings and questioned costs nor the summary schedule of prior audit findings includes any audit findings related to federal awards provided by the Department. See A-133 Section 21 for a discussion of subrecipient versus vendor relationships. Contractor shall provide the Department with a copy of any written audit findings or reports, whether in draft or final form, within 24 hours following receipt by the Contractor. The requirements of this paragraph shall apply to the Contractor as well as any subcontractors.

a.a. Qualifications of Staff. The Contractor shall be responsible for assuring that all persons, whether they are employees, agents, subcontractors or anyone acting for or on behalf of the Contractor, are properly licensed, certified or accredited as required under applicable state law and the Iowa Administrative Code. The Contractor shall provide standards for service providers who are not otherwise licensed, certified or accredited under state law or the Iowa Administrative Code.

b.b. Solicitation. The Contractor represents and warrants that no person or selling Department has been employed or retained to solicit and secure this Contract upon an agreement or understanding for commission, percentage, brokerage or contingency excepting bona fide employees or selling agents maintained for the purpose of securing business.

c.c. Obligations Beyond Contract Term. This Contract shall remain in full force and effect to the end of the specified term or until terminated pursuant to this Contract. All obligations of the Department and the Contractor incurred or existing under this Contract as of the date of expiration or termination will survive the termination or expiration of this Contract.

d.d. Counterparts. The parties agree that this Contract has been or may be executed in several counterparts, each of which shall be deemed an original and all such counterparts shall together constitute one and the same instrument.

e.e. Delays or Potential Delays of Performance. Whenever the Contractor encounters any difficulty which is delaying or threatens to delay the timely performance of this Contract, including but not limited to potential labor disputes, the Contractor shall immediately give notice thereof in writing to the Department Contract Manager with all relevant information with respect thereto. Such notice shall not in any way constitute a basis for an extension of the delivery schedule

or be construed as a waiver by the Department or the State of any rights or remedies to which either is entitled bylaw or pursuant to provisions of this Contract. Failure to give such notice, however, may be grounds for denial of any request for an extension of the delivery schedule because of such delay. Furthermore, Contractor will not be excused from failure to perform that is due to a force majeure unless and until the Contractor provides notice pursuant to this provision.

f.f. Delays or Impossibility of Performance Based on a Force Majeure. Neither party shall be in default under the Contract if performance is prevented, delayed or made impossible to the extent that such prevention, delay, or impossibility is caused by a “force majeure.” The term “force majeure” as used in this Contract includes an event that no human foresight could anticipate or which if anticipated, is incapable of being avoided. Circumstances must be abnormal and unforeseeable, so that the consequences could not have been avoided through the exercise of all due care, such as acts of God, war, civil disturbance and other similar causes. The delay or impossibility of performance must be beyond the control and without the fault or negligence of the parties. “Force majeure” does not include: financial difficulties of the Contractor or any parent, subsidiary, affiliated or associated company of Contractor; claims or court orders that restrict Contractor’s ability to deliver the Deliverables contemplated by this Contract; strikes; labor unrest; or supply chain disruptions. If delay results from a subcontractor’s conduct, negligence or failure to perform, the Contractor shall not be excused from compliance with the terms and obligations of the Contract unless the subcontractor or supplier is prevented from timely performance by a “force majeure” as defined in this Contract. If a “force majeure” delays or prevents the Contractor’s performance, the Contractor shall immediately use its best efforts to directly provide alternate, and to the extent possible, comparable performance. Comparability of performance and the possibility of comparable performance shall be determined solely by the Department. The party seeking to exercise this provision and not perform or delay performance pursuant to a “force majeure” shall immediately notify the other party of the occurrence and reason for the delay. The parties shall make every effort to minimize the time of nonperformance and the scope of work not being performed due to the unforeseen events. Dates by which performance obligations are scheduled to be met will be extended only for a period of time equal to the time lost due to any delay so caused.

g.g. Conflict of Interest. Contractor represents, warrants, and covenants that no relationship exists or will exist during the Contract period between the Contractor and the Department that is a conflict of interest. No employee, officer or agent of the Contractor or subcontractor shall participate in the selection or in the award or administration of a subcontract if a conflict of interest, real or apparent, exists. The provisions of Iowa Code chapter 68B shall apply to this Contract. If a conflict of interest is proven to the Department, the Department may terminate this Contract, and the Contractor shall be liable for any excess costs to the Department as a result of the conflict of interest. The Contractor shall establish safeguards to prevent employees, consultants, or members of governing bodies from using their positions for purposes that are, or give the appearance of being, motivated by the desire for private gain for themselves or others with whom they have family, business, or other ties. The Contractor shall report any potential, real, or apparent conflict of interest to the Department.

h.h. Certification regarding sales and use tax. By executing this Contract, the Contractor certifies it is either (a) registered with the Iowa Department of Revenue, collects, and remits Iowa sales and use taxes as required by Iowa Code chapter 423; or (b) not a “retailer” or a “retailer maintaining a place of business in this state” as those terms are defined in Iowa Code subsections 423.1(42) & (43). The Contractor also acknowledges that the Department may declare the Contract void if the above certification is false. The Contractor also understands that fraudulent certification may result in the Department or its representative filing for damages for breach of contract.

i.i. Right to Address the Board of Directors or Other Managing Entity. The Department reserves the right to address the Contractor's board of directors or other managing entity of the Contractor regarding performance, expenditures and any other issue as appropriate. The Department determines appropriateness.

j.j. Repayment Obligation. In the event that any State and/or federal funds are deferred and/or disallowed as a result of any audits or expended in violation of the laws applicable to the expenditure of such funds, the Contractor shall be liable to the Department for the full amount of any claim disallowed and for all related penalties incurred. The requirements of this paragraph shall apply to the Contractor as well as any subcontractors.

k.k. Further Assurances and Corrective Instruments. The parties agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such amendments hereto and such further instruments as may reasonably be required for carrying out the expressed intention of this Contract.

l.l. Reporting Requirements. If this Contract permits other State agencies and political subdivisions to make purchases off of the Contract, the Contractor shall keep a record of the purchases made pursuant to the Contract and shall submit a report to the Department on a quarterly basis. The report shall identify all of the State agencies and political subdivisions making purchases off of this Contract and the quantities purchased pursuant to the Contract during the reporting period.

m.m. Immunity from Liability. Every person who is a party to the Contract is hereby notified and agrees that the State, the Department, and all of their employees, agents, successors, and assigns are immune from liability and suit for or from Contractor's and/or subcontractors' activities involving third parties and arising from the Contract.

n.n. Public Records. The laws of the State require procurement records to be made public unless otherwise provided by law.

o.o. Use of Name or Intellectual Property. Contractor agrees it will not use the Department and/or State's name or any of their intellectual property, including but not limited to, any State, state Department, board or commission trademarks or logos in any manner, including commercial advertising or as a business reference, without the expressed prior written consent of the Department and/or the State.

p.p. Taxes. The State is exempt from Federal excise taxes, and no payment will be made for any taxes levied on Contractor's employee's wages. The State is exempt from State and local sales and use taxes on the Deliverables.

q.q. No Minimums Guaranteed. The Contract does not guarantee any minimum level of purchases or any minimum amount of compensation.

Section 3
Special Contract Attachments

The Special Contract Attachments in this section are identified on the Contract Declarations and Execution Page(s) and are a part of the Contract.