

STATE OF ILLINOIS

SOLICITATION DOCUMENT

INPATIENT HOSPITAL REVIEWS RFP P&A 2009-15-011

The Illinois Department of Healthcare and Family Services (AGENCY) is requesting Offers (proposals) from responsible Vendors to meet the State's needs. Below is a brief description of our needs with detailed requirements in subsequent sections of this solicitation. If you are interested and able to meet these requirements, please submit an Offer.

We are issuing this solicitation in the following form and you must take that into account when reading and responding:

- ☐ Invitation for Bids
- ☐ Request for Proposals
- ☒ Request for Proposals (Professional and Artistic Services)

Brief Description:

The Illinois Department of Healthcare and Family Services (Agency) is seeking to contract with one or more Vendors who specialize in Medical Record Coding or Health Information Management to annually conduct up to 50 on-site record reviews of hospital billed Diagnosis Related Group (DRG) based services and up to 20 re-reviews of previously completed post payment reviews, located in two (2) designated regions.

The Agency's Office of Inspector General (OIG) currently performs inpatient hospital audits in the form of targeted self-audits of particular areas of concern but does not conduct random sample audits of a broad range of DRG-paid inpatient claims. The OIG's goal is to initiate an extrapolation-based audit program similar to the audits done for most other provider types. The Hospital Inpatient Audit Program will ensure the consistent review of hospital claims for program compliance. The contracted inpatient audit reviews, which the Agency is securing through this procurement, will be a major component of this new program.

The solicitation package consists of two parts:

Part A INSTRUCTIONS FOR SUBMITTING AND EVALUATING BIDS AND PROPOSALS: Part A consists of the following sections:

- SECTION 1 INSTRUCTIONS, DATES, RESERVATIONS AND OTHER GENERAL INFORMATION
- SECTION 2 HOW WE WILL EVALUATE OFFERS
- SECTION 3 SPECIFICATIONS / QUALIFICATIONS / STATEMENT OF WORK

These sections provide information necessary for submitting an Offer (proposal), set forth the basic legal and policy requirements associated with this solicitation and tell how we will evaluate Offers.

Part B OFFER RESPONSE FORMS: Part B consists of the following sections:

- SECTION 4 OFFER TO STATE OF ILLINOIS
- SECTION 5 RESPONSIBILITY FORMS
- SECTION 6 RESPONSIVENESS
- SECTION 7 PRICE
- SECTION 8 CONTRACT

Your response to Part B will constitute your Offer to the State and will provide us with information about you, what you will provide, your ability to perform and your price. We will evaluate this information as well as compliance with the Instructions.

In this document the State of Illinois will be referred to as "State", "Agency". The person submitting an Offer will be referred to as "Vendor", "Contractor".

Please read the entire solicitation package and submit your Offer for evaluation in accordance with all instructions.

NON-DISCRIMINATION POLICY In compliance with the State and Federal Constitutions, the Illinois Human Rights Act, the U.S. Civil Rights Act, and Section 504 of the Federal Rehabilitation Act, the State of Illinois does not discriminate in employment, contracts, or any other activity.

SECTION 1 - INSTRUCTIONS, DATES, RESERVATIONS AND OTHER GENERAL INFORMATION

1.0 PROJECT CONTACT: If you have a question or suspect an error, you must immediately notify the Project Contact identified in this section. Do not discuss the solicitation or your Offer, directly or indirectly, with any State officer or employee other than the State Project Contact. Only written answers to questions shall be binding on the State.

Steve Hogg Illinois Department of Healthcare and Family Services
404 N. Fifth Street
Springfield, IL 62702
Phone: 217-524- 5100
Fax: 217-785-2324
TDD: 800-526-5812
E-mail: Steve.Hogg@Illinois.gov

1.1 VENDOR CONFERENCE / SITE VISIT: ☒ Yes ☐ No **Mandatory Attendance:** ☒ Yes ☐ No
Date and Time: December 19, 2008 at, 10:00am Location: 2946 Old Rochester Rd, Springfield, IL

We will provide written responses to questions received prior to and during the Vendors' Conference and via email until COB on **December 29, 2008**. Only those written responses, to be published in an Addendum shall be binding. Viewing sessions of the test case documentation, as discussed in Section 6.2.7 will be scheduled during the Vendors' Conference **Attendance at the Vendors' Conference is mandatory and you will be disqualified if you do not attend, are not on time, leave early or fail to sign the attendance sheet. You must allow adequate time to accommodate security screenings at the site.**

1.2 OFFER DUE DATE, TIME AND SUBMISSION LOCATION: Due Date: **January 14, 2009 -- Time: 2:00 p.m.**

DELIVER OFFERS TO/ LABEL OUTSIDE OF ENVELOPE / CONTAINER:

Illinois Department of Healthcare and Family Services
Office of Inspector General
Attn: Steve Hogg
404 N Fifth Street
Springfield, IL 62702
Inpatient Hospital Reviews RFP P&A, 2009-15-11
Due: January 14, 2009 at 2:00 p.m.
[Vendor Name, Address, contact person, phone, fax and email]

We will open Offers at the Due Date, Time and Delivery Location. Prior to the due date, you may mail or hand-deliver Offers, modifications, and withdrawals. We do not allow e-mail, fax, or other electronic submissions. We must physically receive submissions as specified; it is not sufficient to show you mailed or commenced delivery before the due date and time. We will not consider Offers, modifications or withdrawals submitted after the due date and time. All times are State of Illinois local times.

1.3 NUMBER OF COPIES: You must submit a signed original and five (5) copies of the Offer in a sealed container. In addition, you must submit one (1) copy on CD in Microsoft Word 2003. If this is an RFP of either type you must submit separate CDs for technical and price with the price CD sealed in the pricing envelope. If you are requesting confidential treatment, you must make that request in the form and manner specified elsewhere in this solicitation.

1.4 OFFER FIRM TIME: Your Offer must remain firm for 180 days from opening.

1.5 SECURITY: Bid Bond \$ N/A Performance Bond \$ N/A. You must submit the Bid Bond with the Offer and the Performance Bond within 10 days after award. The bond must be from a surety licensed to do business in Illinois. An irrevocable letter of credit is an acceptable substitute. The form of security must be acceptable to us.

1.6 PROTEST REVIEW OFFICE:

Illinois Department Of Healthcare And Family Services
Attn: Office Of State Purchasing Officer
201 South Grand Ave East
Springfield, IL 62763

Ph: 217-557-5777
Fax: 217-557-6745
TDD 800-526-5812

You may submit a written protest of our actions to the PROTEST REVIEW OFFICE following the requirements of the Standard Procurement Rules (44 Ill. Adm. Code 1.5550). We must physically receive the protest by noon of the seventh calendar day after you knew or should have known of the facts giving rise to the protest.

1.7 SMALL BUSINESS SET-ASIDE: ☐ Yes ☒ No. If “Yes” is marked, you must be certified by the Small Business Set-Aside Program at the time Offers are due in order for us to evaluate your Offer. For complete requirements and to certify your business in the Small Business Set-Aside Program, visit http://www.sell2.illinois.gov/bep/Set_Aside.htm.

1.8 MINORITY, FEMALE AND PERSONS WITH DISABILITY SUBCONTRACTING: ☐ Yes ☒ No. If “Yes” is marked, this solicitation contains a goal to include businesses owned and controlled by minorities, females and persons with disabilities in the State’s procurement and contracting processes. In addition to the number of copies requested above, you must submit an original and 1 copy of the Utilization Plan and Letter of Intent, sealed separately within the offer container. Failure to submit a Utilization Plan as instructed later in this solicitation will render the offer non-responsive. All questions regarding the subcontracting goal must be directed to the **Supplier Diversity Manager at 312-814-1589** or Nancy.Quoss@illinois.gov. Subcontracting vendors must be certified by CMS as BEP vendors before the time of contract award. Go to http://www.sell2.illinois.gov/bep/Business_Enterprise.htm for complete requirements for BEP certification.

1.9 PUBLIC CONTRACTS NUMBER: (775 ILCS 5/2-105) If you do not have a Department of Human Rights’ (DHR) Public Contracts Number or have not submitted a completed application to DHR for one before opening we may not be able to consider your Offer. Please contact DHR at 312-814-2431 or visit <http://www.state.il.us/dhr/index.htm> for forms and details.

1.10 OUT OF STATE COMPANIES: Non-Illinois Vendors must contact the Illinois Secretary of State (217-782-1834) regarding a Certificate of Authority to Transact Business in Illinois (805 ILCS 5/13). Application Form BCA 13.15 may be downloaded from http://www.cyberdriveillinois.com/departments/business_services/publications_and_forms/bca.html.

1.11 ILLINOIS PROCUREMENT BULLETIN (Bulletin): We publish procurement information (including updates) in the electronic Bulletin (<http://www.purchase.state.il.us>). Procurement information may not be available in any other form or location. You are responsible for monitoring the Bulletin; we cannot be held responsible if you fail to receive the optional e-mail notices.

1.12 AWARD: We will post a notice to the Bulletin identifying the apparent awardee. The notice extends the Offer Firm Time until we sign a contract or determine not to sign a contract. We may accept or reject your Offer as submitted, or may require contract negotiations. If negotiations do not result in an acceptable agreement, we may reject your Offer and begin negotiations with another Vendor. Protested awards are not final and are subject to resolution of the protest.

1.13 PUBLIC RECORDS AND REQUESTS FOR CONFIDENTIAL TREATMENT: Offers become the property of the State and these and late submissions will not be returned. Your Offer will be open to the public under the Illinois Freedom of Information Act (FOIA) (5 ILCS 140) and other applicable laws and rules, unless you request in your Offer that we treat certain information as exempt. We will not honor requests to exempt entire Offers. You must show the specific grounds in FOIA or other law or rule that support exempt treatment. Regardless, we will disclose the successful Vendor’s name, the substance of the Offer, and the price. If you request exempt treatment, you must submit an additional copy of the Offer with exempt information deleted. This copy must tell the general nature of the material removed and shall retain as much of the Offer as possible. You will be responsible for any costs or damages associated with our defending your request for exempt treatment. You agree the State may copy the Offer to facilitate evaluation, or to respond to requests for public records. You warrant that such copying will not violate the rights of any third party.

1.14 RESERVATIONS: You must read and understand the solicitation and tailor your Offer and activities to ensure compliance. We reserve the right to amend the solicitation; reject any or all Offers; to award by item, group of items, or grand total; and to waive minor defects. We may request a clarification; inspect your premises; interview staff; request a presentation; or otherwise verify the contents of the Offer, including information about subcontractors and suppliers. We may request Best & Final Offers when appropriate. We will make all decisions on compliance, evaluation, terms and conditions, and shall make decisions solely in the best interests of the State. This competitive process requires that you provide additional information and otherwise cooperate with us. If you do not comply with requests for information and cooperate, we may reject your Offer. You have no right to an award by submitting an Offer, nor do you have the right to a contract based on our posting your name in a Bulletin notice. We are not responsible for and will not pay any costs associated with the preparation and submission of your Offer. If you are the awardee, you shall not commence, and will not be paid for any billable work prior to the date all parties execute

the contract, unless approved in writing in advance by the State Purchasing Officer or the Chief Procurement Officer (or the CPO's designee).

1.15 GOVERNING LAW AND FORUM: Illinois law and rule govern this solicitation and any resulting contract. You must bring any action relating to this solicitation or any resulting contract in the appropriate court in Illinois. We do not allow binding arbitration. This document contains statutory references designated with "ILCS". You may view the full text at <http://www.ilga.gov/legislation/ilcs/ilcs.asp>. The Illinois Procurement Code (30 ILCS 500) and the Standard Procurement Rules (44 Ill. Adm. Code 1) are applicable to this solicitation and may be viewed by users registered for the Illinois Procurement Bulletin at <http://www.purchase.state.il.us>.

1.16 EMPLOYMENT TAX CREDIT: Vendors who hire qualified veterans and certain ex-offenders may be eligible for tax credits. Please contact the Illinois Dept. of Revenue (312-814-3215) for information about tax credits. If you receive this tax credit you must report to the Dept. of Central Management Services the number of individuals hired for whom you received tax credits. You must submit this information by August 31 of each year covering the previous 12 months (July–June) (PA 94-1067; 30 ILCS 500/45-67 and 45-70).

1.17 DEFINITIONS:

Whenever used in this RFP, Contract, or amendment, including schedules and exhibits to this RFP or Contract, the following terms will have the meanings defined below. Any objections or questions regarding the definitions should be raised with the Agency during the RFP process.

1.17.1 Acceptance: the point in time when the product or equipment has been fully installed and operates in compliance with the Agency's order and the Contract, or the State otherwise indicates acceptance in writing.

1.17.2 Affiliates: any person, firm, corporation (including, without limitation, service corporation and professional corporation), partnership (including, without limitation, general partnership, limited partnership and limited liability partnership), limited liability company, joint venture, business trust, association or other entity that now or in the future directly or indirectly controls, is controlled by, or is under common control with Vendor.

1.17.3 Agency: the agency, board, department or commission of State government responsible for entering into the Contract, monitoring performance, receiving the benefits derived from the Contract and making payments under the Contract.

1.17.4 Certified: The status of receiving certification as a disadvantaged, minority or woman business enterprise by a governmental agency or private organization that provides such certifications, e.g., CMS Business Enterprise Program (BEP), the Illinois Unified Certification Program; the City of Chicago, Illinois; the National Minority Supplier Development Council; the Women's Business Development Center; the U.S. Small Business Administration, etc.

1.17.5 Change of Control: any transaction or combination of transactions as a result of which (a) ownership of a Vendor changes, (b) the sale or transfer of fifty percent (50%) or more of the beneficial ownership occurs or, (c) the divestiture, in whole or in part, of the business unit or division of a party that is obligated to produce the products and services occurs.

1.17.6 CMS: the State of Illinois Department of Central Management Services and any successor organizations.

1.17.7 Code: the Illinois Procurement Code, 30 ILCS 500/1-5 et seq. Unofficial versions of the Code and Standard Procurement Rules (44 Ill. Adm. Code 1), which are applicable to this procurement, may be viewed at <http://www.purchase.state.il.us/>

1.17.8 Contract: the "Contract for Services" included with the State's Request for Proposals.

1.17.9 Confidential Information: any material, data, or information disclosed by either Party to the other that, pursuant to agreement of the parties or the State's grant of a proper request for confidentiality, is not generally known by or disclosed to the public or to Third Parties including, without limitation: (a) all materials, know-how, processes, trade secrets, manuals, confidential reports, services rendered by State, financial, technical and operational information, and other matters relating to the operation of a Party's business; (b) all information and materials relating to Third Party Vendors of State that have provided any part of State's information or communications infrastructure to State; (c) software; and (d) any other information that the Parties agree should be kept confidential. See also subsection 7.2.7 of Section 7 of this RFP, "Public Records and Requests for Confidential Treatment."

1.17.10 DRG – Diagnosis Related Groups: a system for classifying patient care by relating common characteristics such as diagnosis, treatment, and age to an expected consumption of hospital resources and length of stay. Its purpose is to provide a framework for specifying case mix and to reduce hospital costs and reimbursements and it forms the cornerstone of the prospective payment system.

1.17.11 Filing: where applicable, an instrument or document submitted to a regulatory body for review and approval to allow the Vendor(s) to make the Services contained therein available for consumption.

1.17.12 IHAP: Inpatient Hospital Audit Program -- developed by the Agency to ensure the consistent review of hospital claims for program compliance.

- 1.17.13 ILCS:** Illinois Compiled Statutes. An unofficial version of the ILCS can be viewed at <http://www.legis.state.il.us/legislation/ilcs/ilcs.asp>.
- 1.17.14 Offer:** the Offer consists of the Technical Proposal, Price Proposal, and all required forms and certifications—completed, signed, and returned by the Vendor.
- 1.17.15 Offer Firm Time:** offers shall remain firm and unaltered after opening for the number of days shown. An Offer may be accepted, subject to successful contract negotiations, at any time during the Offer Firm Time.
- 1.17.16 On Site:** At the hospital's location.
- 1.17.17 Order:** any written request from CMS or an Agency for services and/or products and/or equipment pursuant to this Contract.
- 1.17.18 Parties:** the State of Illinois and the Vendor.
- 1.17.19 Performance Guarantee:** the Vendor's commitment to place some or all of its fee at risk contingent upon the Agency's satisfaction with the work to be performed.
- 1.17.20 Professional & Artistic Services:** those services provided under contract to a State Agency by a person or business, acting as an independent contractor, qualified by education, experience and technical ability including, without limitation, installation, implementation, integration, custom programming, conversion, training, consulting and any other similar services that may be provided by Vendor(s) independently or in conjunction with a Third Party hereunder.
- 1.17.21 RFP/RFP P&A:** the State's Request for Proposals (Professional & Artistic Services, if applicable).
- 1.17.22 Responses:** when used in association with the term "RFP" refer to the Vendor's (s') replies, clarifications, revisions, and additions to the State's Request for Proposals.
- 1.17.23 Review:** to retrospectively look over, study, or examine the hospital records to determine whether the records support the hospital's claim submittal to HFS for payment.
- 1.17.24 Security:** the Vendor may be required to provide offer security (e.g., bond, cashier's check, money order or irrevocable letter of credit) with the Offer and performance security within ten (10) days of acceptance of the Offer unless a different time is specified herein. Security shall be in the form of a bond unless otherwise agreed. In the event a bond is used, a surety licensed to do business in Illinois must issue the bond on a form acceptable to the Agency. The security shall be forfeited if the selected Vendor withdraws its Offer before the expiration of the Offer Firm Time or after the Agency issues a Notice of Intent to Award, does not honor the terms in its Offer, or does not negotiate contract terms in good faith. Security submitted by Vendor will be returned when the Offers expire, are rejected, or the Agency enters into a contract with the successful Vendor(s), whichever is earliest.
- 1.17.25 State:** the State of Illinois, as represented through any agency, department, board, or commission.
- 1.17.26 State Hospital:** any hospital, site or location owned, managed, controlled or operated by the State.
- 1.17.27 State Liaison:** when applicable, the CMS employee who shall act as a centralized liaison between Vendor(s) and Agency with respect to all matters relating to the administration of this Contract.
- 1.17.28 Sustained Complaint:** any complaint that the Vendor or its employees or agents violated conduct standards or other requirements of this RFP that is investigated by the Agency and determined to be factual.
- 1.17.29 Third Party:** any entity other than the Agency, Vendor(s), or any of their respective Affiliates.
- 1.17.30 Utilization Plan:** the Vendor's written commitment to meet the Business Enterprise Program's established goal for the Contract.

SECTION 2 - HOW WE WILL EVALUATE OFFERS

2.0 OFFER RESPONSE FORMS: We will evaluate the information you provide in the Offer Response Forms. You will find these forms in later sections of this solicitation.

2.1 EVALUATION CATEGORIES: We evaluate four categories of information: Administrative Compliance, Responsibility, Responsiveness, and Price. We will consider the information you supply or don't supply, and the quality of that information when evaluating your Offer. If we find a failure or deficiency, we may have to reject the Offer or reflect that in the evaluation.

2.1.1 ADMINISTRATIVE COMPLIANCE: We will determine whether your Offer complied with the Instructions for submitting Offers. Except for late submissions, we may require that a Vendor correct deficiencies as a condition of further evaluation.

2.1.2 RESPONSIBILITY: We will determine whether you are a "Responsible" Vendor; a Vendor with whom we can or should do business. Factors that we may evaluate to determine Responsibility include, but are not limited to: certifications, conflict of interest, financial disclosures, taxpayer identification number, past performance, references (including those found outside the Offer,) compliance with applicable laws, financial stability and the perceived ability to perform completely as specified. You must at all times have financial resources sufficient, in the opinion of the State, to ensure performance of the contract and must provide proof upon request. We may require that a Vendor correct any deficiencies as a condition of further evaluation.

2.1.3 RESPONSIVENESS: We will determine whether the Offer meets the stated requirements. Minor differences or deviations that have negligible impact on the price or suitability of the supply or service to meet the State's needs may be accepted or corrections allowed. If no administratively compliant and responsible Vendor meets a particular requirement, we may waive that requirement. When the specification calls for "Brand Name or Equal," the brand name product is acceptable. Other products will be considered with proof the other product meets stated specifications and is equivalent to the brand product in terms of quality, performance and desired characteristics.

2.2 AWARD: We will award to the Responsible Vendor whose Offer passes Administrative review, is Responsive and is considered the best of those submitted (without consideration of price) and with whom we are able to negotiate a fair and reasonable price. Vendors who receive fewer than the minimum required points will not be considered for award.

We will determine how well Offers meet the Responsiveness requirements. We will rank Offers, without consideration of Price, from best to least qualified using a point ranking system (unless otherwise specified) as an aid in conducting the evaluation.

We will attempt to negotiate a fair and reasonable Price with the Vendor with the best Offer. If we can not negotiate a fair and reasonable price, we reserve the right to cancel award and take appropriate action to meet our needs. We will determine whether the price is fair and reasonable by considering the Offer, including the Vendor's qualifications, the Vendor's reputation, all prices submitted, other known prices, the project budget and other relevant factors.

The point evaluation system is described below:

2.2.1 The chart below shows the elements of Responsiveness that we will evaluate, their relative weights in point format and any minimum point requirements. The total number of points for Responsiveness is: 1000.

2.2.2 Vendors who do not receive 600 of the total "responsiveness" points will not be considered for price evaluation and award.

<u>Elements</u>	<u>Weight</u>
Vendor's Background and Experience	100
Technical Expertise	500
Qualifications and Experience of Staff	300
References	100

SECTION 3 - SPECIFICATIONS / QUALIFICATIONS / STATEMENT OF WORK

3.1 AGENCY'S NEED FOR SERVICES

The Illinois Department of Healthcare and Family Services (Agency), Office of Inspector General (OIG), conducts post payment audits and other research projects relating to payments made to various providers participating in the Medical Assistance Program.

Post payment audits are conducted to ensure that providers participating in the Medical Assistance Program are in compliance with the established State and Federal statutes, rules and regulations. These audits are primarily intended to identify and recover any overpayments made to providers. All incorrect payments determined by the audit are recovered after the provider is given notice and opportunity for an administrative hearing.

The OIG is in the process of establishing an Inpatient Hospital Audit Program (IHAP). Prior to this, OIG's reviews of hospitals were limited to outpatient services and targeted DRG (Diagnosis Related Group) audits. IHAP will be an extrapolation-based audit program focused on DRG validation and ICD-9 coded hospital services. Inpatient record reviews are a critical component of this new program, and require certified coding services, which the Agency is securing through this procurement.

The Agency's goal is to contract with one or more Vendors who specialize in Medical Record Coding or Health Information Management to perform inpatient DRG validation and review of ICD-9 coding. The Vendor(s) will be responsible for on-site record reviews and re-reviews, when requested. The Agency also seeks to contract for any related services associated with testimony at hearing. The Vendor(s) will serve as an expert witness for post payment review cases brought to administrative hearings. The Agency is seeking to contract with one or more Vendors to annually conduct up to 50 on-site record reviews of hospital billed (DRG) based services and up to 20 re-reviews of previously completed post payment reviews, located in two (2) designated regions.

3.2 SERVICES REQUIRED

3.2.1 Under general supervision of the OIG's staff, the Vendor shall perform the following services as required by the Agency on a schedule determined by the Agency:

3.2.1.1 On-site post payment review of hospital DRG services, including DRG validation and ICD-9 coding. As part of these reviews, the Vendor will be expected to evaluate the hospital's compliance with the Agency's policies, Administrative Rules and regulations. Vendor shall conduct on-site post payment reviews in accordance with the Review Program for IHAP prepared by the Agency's OIG Bureau of Medicaid Integrity. The Agency will provide a copy of the review program to the Vendor upon award. The Vendor will record all findings in the DRG database provided by the Agency. The Vendor shall:

3.2.1.1.1 Review documents and information provided by the Agency regarding the hospital to be reviewed.

3.2.1.1.2 Conduct an initial interview with the hospital representative, explain the review program, and complete the initial interview section of the DRG database.

3.2.1.1.3 Review all hospital records for the claims in the sample to determine the appropriateness of the coding, determine that the documentation supports the submitted claim, and record findings for each service in the DRG database.

3.2.1.1.4 Scan all copies of the applicable hospital records for all services determined to be coded in error in the format dictated by the Agency.

3.2.1.1.5 On a daily basis, generate for the hospital an electronic list of missing inpatient records. At the end of each day, this list is to be provided to the hospital. The Vendor and the hospital will mutually agree upon the medium for the list, i.e. e-mail, disk, or printed copy. Include a copy of the daily submittal in the DRG database file and record receipt of any patient records from the hospital.

3.2.1.1.6 Review the requested recipients' accounts receivable ledgers to determine if payments were received by the hospital from sources other than the Agency and record findings in the DRG database.

3.2.1.1.7 Scan all copies of the applicable hospital records for all instances where the hospital received payments from sources other than the Agency.

3.2.1.1.8 Summarize all interactions with the hospital in the DRG database.

3.2.1.1.9 Conduct an exit interview with the hospital representative to discuss the preliminary review findings. Complete the exit interview form and closing comment worksheet and include them in the DRG database. At the conclusion of the exit interview, ask the representative to sign the signature form which signifies that the preliminary findings were discussed.

3.2.1.1.10 Submit to the Agency the completed DRG database via overnight mail

3.2.1.1.11 Submit to the Agency, via overnight mail, the scanned document files of the discrepant records that were scanned according to 3.2.1.1.4 and 3.2.1.1.7 above

3.2.1.1.12 Participate in post review conferences at the Agency's request.

3.2.1.2 On-site post payment re-reviews of hospital DRG services, including any additional documentation or clarification provided by the hospital. Vendor shall conduct post payment re-reviews in accordance with the Review Program for IHAP, described in 3.2. 1 above, to determine the validity of findings of a previous inpatient review that are disputed by a hospital. For each hospital re-review, the Agency and the Vendor will mutually agree to the location of the re-review. The Vendor shall:

3.2.1.2.1 Review the following documents:

3.2.1.2.1.1 The hospital's re-review request letter describing the individual agreed/disputed discrepancies.

3.2.1.2.1.2 Additional documents provided by the hospital in support of the disputed discrepancies.

3.2.1.2.1.3 Work papers, DRG database entries and related review documents in support of the original review findings.

3.2.1.2.2 Identify the specific disputed discrepancies and evaluate the reasons for the disputes.

3.2.1.2.3 Evaluate additional documents submitted by the hospital in support of the disputed discrepancies. Record the findings in the DRG database created for the hospital's post payment review.

3.2.1.2.4 Summarize all interactions with the hospital in the DRG database.

3.2.1.2.5 Scan all discrepancies found in the re-review into a file(s) in the format dictated by the Agency.

3.2.1.2.6 Submit to the Agency, via overnight mail, the updated DRG database describing the result of the re-review.

3.2.1.2.7 Submit to the Agency, via overnight mail, the scanned document file(s) of the discrepant records that were scanned according to 3.2.1.2.5 above.

3.2.1.3 If requested, testify in administrative, civil, or criminal hearings or cases at locations designated by the Agency. If requested, provide depositions to be used in hearings or cases.

At the request of the Agency, the Vendor's employees who participated on behalf of the Vendor in the review or re-review shall testify for the Agency in any administrative or judicial proceeding brought to resolve any disputed findings. These employees must also be made available to the Agency or its representatives for preparation and participation for any formal conference, deposition administrative or judicial proceeding as required by the Agency or its representative.

The Agency shall pay the Vendor \$40 per hour for the actual time spent in testifying or meeting with the Agency's attorneys, plus allowable lodging, meals and traveling expenses, subject to the reimbursement limitations set forth under the Governor's Travel Control Board issued by the Illinois Department of Central Management Services.

3.2.2 Regions and Number of Reviews

3.2.2.1. The state and border state counties have been divided into two (2) regions for the inpatient audit reviews with one contract being awarded per region. ATTACHMENT A indicates the counties included in the established regions. The Vendor for a region may be asked to conduct a review outside their region if there is a conflict of interest for the other region's Vendor.

3.2.2.2 Region 1 (Downstate Region). Vendor will conduct up to twenty-three (23) reviews and up to eight (8) re-reviews annually.

3.2.2.3 . Region 2 (Upstate Region). Vendor will conduct up to twenty-seven (27) reviews and up to twelve (12) re-reviews annually.

3.3. VENDOR AND STAFFING SPECIFICATIONS

3.3.1 Qualifications of the Vendor. Vendor must specialize in Medical Record Coding or Health Information Management and have a minimum of three (3) years of professional experience in the area of DRG validation and ICD-9 coding.

3.3.2 Qualifications of Project Manager. Vendor shall assign a project manager, who will oversee each review and coordinate the review with the Agency. The project manager shall have a minimum of a bachelor's degree in Health Information Administration, or the equivalent, and be certified as a Coding Specialist. They must also possess a minimum of three years professional experience as a certified coder in the area of DRG validation and ICD-9 coding. The project manager must also be a Registered Health Information Administrator, or the equivalent.

3.3.3 Qualifications of Reviewers. Reviewers assigned to this contract must be certified coders at the Certified Coder Specialist level or above. They shall have a minimum of a bachelor's degree in accounting or a related field (for example Health Information Management) and three (3) years of professional ICD-9 coding experience. It is desirable that staff has testified in administrative or judicial proceedings within the last two years.

3.3.4 Subcontracting. Subcontracting is not allowed for this procurement.

3.3.5 References: You must provide references from established private firms or government agencies, (four preferred; two of each type preferred) other than the procuring agency, that can attest to your experience and ability to perform the contract subject of this solicitation. You must provide the name, contact information and a description of the supplies or services provided.

3.4 MILESTONES AND DELIVERABLES

3.4.1 For reviews, Vendor must submit the completed DRG database and the scanned document file to the Agency on compact disk (CD), via overnight mail within fourteen (14) calendar days after the initiation of the review or by the Agency approved deadline extension date, if applicable.

3.4.2 For re-reviews, Vendor must submit the updated DRG database and the scanned document file to the Agency on compact disk (CD), via overnight mail, within seven (7) calendar days after the initiation of the re-review or by the Agency approved deadline extension date, if applicable.

3.4.3. Any requests for an extension must be submitted via email to the Agency at the earliest moment that the Vendor believes that they will need an extension. The extension request must include:

3.4.3.1 Identifying information on the post payment review or re-review (for example hospital name, hospital provider number, OIG case number)

3.4.3.2 Length of additional days needed to complete the post payment review or re-review

3.4.3.3 Justification for the extension

3.4.3.4 Planned steps to complete the review or re-review as quickly as possible

3.4.4 Any reviews or re-reviews that are returned to the Vendor for correction must be corrected and returned within five (5) calendar days.

3.5 REPORTING, STATUS AND MONITORING

3.5.1 Contract Monitoring

3.5.1.1 Vendor(s) are responsible for the faithful performance of the contract and shall have internal monitoring procedures and processes to ensure compliance.

3.5.1.2 The State reserves the right to monitor and track Vendor's performance over the course of the contract including any warranty term. The information gathered may be used in administration of the contract including payment, and may be used when evaluating the Vendor in future procurements.

3.5.1.3 At the State's option the Parties will work together to monitor performance during the contract and any warranty term. This may include use of a performance scorecard with conditions, milestones, requirements, or timetables that must be met before additional steps may be taken, or payment is due. The scorecard may also record matters related to price, service, quality and other factors deemed important.

3.5.1.4 Vendor shall cooperate with the State in this monitoring activity, which may require that Vendor report progress and problems (with proposed resolutions), provide records of its performance, allow random inspections of its facilities, participate in scheduled meetings and provide management reports as requested by the State.

3.5.1.5 The State expects to have quality Vendors who are willing to work with us during the term of the contract to provide us with better quality at the same price, or to provide the same quality at a lower price. We may consider, in future procurement evaluations, a Vendor that successfully provides better quality or price.

3.6 WHERE SERVICES ARE TO BE PERFORMED

3.6.1 Post payment review services must be performed at the designated hospital.

3.6.2 The Agency and Vendor will mutually agree upon the location for post payment re-review services -- dependent on the volume of hospital records involved, the ability/cost to have them shipped to the vendor, etc.

3.6.3 The Vendor may also be required to participate in telephone conferences with Agency staff (which can be done at the Vendor's premises) and attend meetings or hearings at 404 N. Fifth St., Springfield, IL or 401 S. Clinton St., Chicago, IL or other locations identified by the Agency

3.6.4 Work Location Disclosure: Vendor shall disclose in Section 7.5 the location where the services required shall be performed. If at multiple locations, the known or anticipated value of the services performed at each location shall be identified. This information and economic impact on Illinois and its residents may be considered in the evaluation.

If any work identified for performance in the United States is moved to another country, such action may be deemed a breach of the contract.

3.7 PRICE REDUCTIONS

In addition to termination for cause pursuant to Section 1.3 of the Sample Contract for Services and, notwithstanding any other provision, the Agency may impose price reductions on the Vendor.

3.7.1 Violation of Conduct Standards. Should the Agency sustain a complaint that the Vendor or its employees violated ethical standards or in anyway acted unprofessionally, including but not limited to, threatening a provider or their agent or failing to properly display identification, the Agency may impose the following price reductions:

3.7.1.1 A \$500.00 price reduction for the first sustained complaint against the Vendor

3.7.1.2 A \$700.00 price reduction for the second sustained complaint against the Vendor.

3.7.1.3 If an employee of the Vendor has had two complaints sustained by the Agency during the term of the contract, or any extension thereof, that employee is barred from performing any further reviews or re-reviews. The Agency shall not pay Vendor for any further reviews or re-reviews performed by said employee.

3.7.2 Unsatisfactory Post Payment Review and Re-Reviews. The Agency may impose price reductions on the Vendor for any post payment review or post payment re-review that is considered unsatisfactory:

3.7.2.1 If any electronic file (DRG database, discrepant documents, TPL review docs, etc.) for a given review or re-review contains major omissions or inaccuracies, the Vendor's work will be considered unsatisfactory. The following are examples of major omissions and inaccuracies:

3.7.2.1.1 The identified discrepancies are incorrectly recoded.

3.7.2.1.2 The database entries are incomplete.

3.7.2.1.3 The scanning is incomplete or incorrect.

3.7.2.1.4 The entrance and exit interviews are incomplete or missing.

3.7.2.2 The Agency may impose a price reduction of 10% of the amount to be paid to the Vendor for the work performed if the work is considered unsatisfactory.

3.7.3 Failure to Meet Established Deadlines. The Agency may impose price reductions on the Vendor for failure by Vendor to adhere to the time frames set forth in Section 3.4 of this RFP. The Agency may impose the following price reductions for each day Vendor fails to meet the deadline:

3.7.3.1 For the first occurrence, the penalty will be \$500.00 per day.

3.7.3.2 For the second and subsequent occurrences, the penalty will be \$1,000.00 per day.

3.7.4 Any price reductions imposed pursuant to this section shall be deducted from future payments to the Vendor and the Vendor will be notified in writing of such price reductions.

3.7.5 If any of the above problems persist, the Vendor will be subject to termination of the contract.

3.8 OTHER SPECIFICATIONS

3.8.1 Financial Capacity Information

3.8.1.1 Submit end of year financial statements for the last 2 years. The Vendor must provide to the Agency with its Proposal a copy of the Vendor's annual audited financial statement for the most recent 2 years. If the most recent annual audited financial statement is not available, the Vendor must provide the unaudited financial statements for the Vendor's most recent year and audited financial statements for the prior fiscal year. If audited or unaudited financial statements prepared by an independent accountant or CPA firm are not available, the Agency will accept Federal Income Tax Returns for the most recent two- year period to determine the financial stability of the individual, partnership, or corporation. The Agency may request the Vendor provide a credit report from a national credit rating agency.

3.8.1.2 If the Agency determines, in its sole reasonable discretion, that the Vendor is not financially stable at any time during the term of the Contract, the Agency may proceed to terminate the Contract, as provided in the Contract. Vendor also may be required to provide additional financial information upon request.

3.8.1.3 If the Agency determines the review of financial statements is necessary during the contract period the Vendor shall provide to the Agency a copy of the Vendor's annual audited financial statement, due five (5) months after the report period.

3.8.1.4 The Vendor shall submit to the Agency the Vendor's unaudited financial statement every six months, due forty-five (45) days after the close of the report period. The Vendor shall provide additional financial information upon the request of the Agency.

3.8.2 Agency Rights and Obligations.

3.8.2.1 The Agency shall approve or disapprove via email within fourteen (14) calendar days after the receipt from the Vendor, each post payment review or re-review that the Vendor submits.

3.8.2.2 The Agency will respond to extension requests in writing by email within two (2) business days after the receipt of the extension request from the Vendor. If the Agency determines that the Vendor is responsible, in part or whole, for the delay the extension may not be granted.

3.8.2.3 The Agency is responsible for the selection of hospitals for post payment review or post payment re-review.

3.8.2.4 The Agency is responsible for the selection of the hospital services that the Vendor will examine for each assigned post payment review.

3.8.2.5 The Agency is responsible for the initial contact with the selected hospital and scheduling of the reviews and re-reviews.

3.8.2.6 The Agency may attend the initial and exit interviews.

3.8.2.7 The Agency will attend all hearings and formal conferences.

3.8.2.8 The Agency reserves the right to perform quality control reviews of each review or re-review completed by the Vendor.

3.8.2.9 The Agency must approve the Vendor's Project Manager and review staff that will be utilized in this procurement.

3.8.2.10 The Agency will provide a copy of the Review Program for IHAP.

3.8.2.11 The Agency will provide the DRG Database for each post payment review. The database will be pre-populated with the services that the Vendor will examine in the post payment review,

3.8.2.12 The Agency will provide the DRG Database, which contains all the data from the original post payment review, for each post payment re-review.

3.8.3 Vendor Rights and Obligations

3.8.3.1 New Hires. The Vendor must provide to the Agency, the name and resume of all new hires that the Vendor wishes to perform reviews. This includes the Project Manager and reviewers. The new employee must be approved, in writing, prior to the performance of any review. If the new employee performs a review prior to Agency approval, the Agency will not pay for those reviews. It is the Vendor's responsibility to train any new employees in the areas previously covered in Agency provided training. New employees may have to attend a mandatory training session at the discretion of the Agency.

3.8.3.2 Technology Requirements

The Vendor must utilize the following software and hardware to perform the services required under Section 3 of this RFP. At the Agency's discretion, the Vendor may be required to upgrade the software and hardware.

3.8.3.2.1 Software Requirements

3.8.3.2.1.1 A full version of Microsoft Access 2003 is required and must be utilized by the Vendor to access the DRG Database.

3.8.3.2.1.2 Adobe Acrobat 8.0 Professional is required and must be utilized by the Vendor to create files and reports in an electronic format; and to convert and protect scanned images with password security in a PDF format.

3.8.3.2.1.3 WinZip 10.0 or later is required and must be utilized by the Vendor for compression and 128-bit AES encryption of files sent between the Vendor and the Agency.

3.8.3.2.2 Hardware Requirements

3.8.3.2.2.1 Laptop computers are required and must be utilized by the Vendor in conducting on-site record reviews and re-reviews. To facilitate the running of required software and to ensure a secure environment, each laptop requires:

3.8.3.2.2.1.1 Security in place to safeguard Protected Health Information (PHI)

3.8.3.2.2.1.2 Minimum 2 gigabytes of memory to run the required software

3.8.3.2.2.1.3 Minimum 120 gigabytes of disk space to store scanned images

3.8.3.2.2.1.4 Microsoft XP Professional

3.8.3.2.2.1.5 Compact Disk (CD) burner

3.8.3.2.2.1.6 DVD burner

3.8.3.2.2.2 Scanners are required and must be utilized by the Vendor to capture images of hospital records. The scanner must be USB 2.0 compatible. Scanned images must be created in PDF format and must be created using mutually agreeable naming conventions. Image quality must be demonstrated to the Agency and approved by the Agency prior to scheduling the first on-site review.

3.8.3.2.2.3 Printing capability is desirable, but not required.

3.8.3.3 Conflicts of Interest. Vendor is required to disclose any conflicts of interest as soon as they become aware that a conflict of interest exists. At the time that a hospital is assigned to the Vendor for post payment review or post payment re-review, the Vendor must divulge any conflict of interest for the Vendor or its staff utilized in this procurement.

3.8.3.4 Vendor may be required to conduct a post payment review or post payment re-review in a different region if a conflict exists for that region's Vendor.

3.8.3.5 Extension requests must be made in accordance with Section 3.4.3 of the RFP.

3.8.3.6 Vendor may be required to testify in support of their findings as set forth in Section 3.2.1.3

3.9 TERM OF CONTRACT

The initial term of the contract is February 1, 2009 or upon execution of the contract by the Director of the Department of Healthcare and Family Services through June 30, 2011.

3.10 RENEWAL

The resulting Contract may not be renewed unless the renewal period(s) and any applicable conditions are shown below. The renewal shall be subject to the same terms and conditions as the original Contract unless otherwise stated below. However, the Contract may not renew automatically, nor may the Contract renew solely at the Vendor's option.

At the sole discretion of the Agency, the value of the contract may be increased up to 3% at renewal time with a maximum of twice during the life of the contract. The State reserves the right to renew for a total of 4 years in one of the following manners:

- a) One renewal covering the entire renewal allowance,
- b) Individual one-year renewals up to and including the entire renewal allowance, or
- c) Any combination of full or partial-year renewals up to and including the entire renewal allowance.

End of Instructions

SECTION 4 - OFFER TO STATE OF ILLINOIS

INPATIENT HOSPITAL REVIEWS RFP P&A 2009-15-011

The undersigned authorized representative of the identified Vendor does hereby submit this Offer to perform in full compliance with the subject solicitation. By completing and signing this Form, we are making an Offer to the State of Illinois that the State may accept. We are also certifying to compliance with the various requirements of the solicitation and the documents contained in the solicitation.

We have marked each blank below as appropriate and have used N/A when a section is not applicable to this solicitation. We understand that failure to meet all requirements is cause for disqualification.

We have:

☐ Reviewed the Offer Form, including all referenced documents as well as the solicitation Instructions, filled in all relevant blanks, provided any requested information, and

☐ Signed on the space(s) provided.

Acknowledgment of Addendums

☐ We acknowledge receipt of any and all addendums to the solicitation and have taken those into account in making this Offer.

Offer Response Forms. Accompanying and as part of this Offer you will find:

For all Offers

- ☐ Bid Security, if required
- ☐ Designated number of copies
- ☐ Electronic copies, if required. For RFP's include separate disks for technical and pricing, with pricing disk sealed in pricing envelope.
- ☐ Completed Responsibility Forms packet
 - Business and Directory Information
 - Conflict of Interest Disclosures
 - Completed and Signed Taxpayer Identification Number form
- ☐ Completed Minority, Female and Person with Disability Status and Subcontracting form, if required
- ☐ References, if required

For RFPs

☐ Response to Statement of Work/Specifications/Qualifications and Price sections completed and submitted in separate sealed envelopes in the Offer package.

Exceptions. In preparing the Offer we have taken (check one)

- ☐ No Exceptions
- ☐ Exceptions to the State's language or requirements in the following sections of the Offer:
 - ☐ Contract
 - ☐ Responsibility forms

Details of the exceptions are shown (check one)

- ☐ in the text of each section of the Offer
- ☐ on a separate labeled attachment

Domestic Products (check one)

☐ We are not making a claim for preference under the Procurement of Domestic Products Act (30 ILCS 517).

☐ We are making a claim for preference under the Procurement of Domestic Products Act (30 ILCS 517). After reading the Act we certify we are eligible and that the following product or products bid or proposed in response to this solicitation meet the requirements of the Act. Check and complete as applicable:

☐ All products

☐ The following individual products (show line item if applicable)

Request for Confidential Treatment (check one)

☐ We are not requesting confidential treatment for this Offer.

☐ We are seeking confidential treatment for portions of this Offer. We have supplied, as an attachment to this Offer, a listing of the provisions identified by section number for which we seek confidential treatment along with the statutory basis under Illinois law for exempting that information from public disclosure. We have supplied an additional copy of the Offer with confidential information deleted. In the event the designation of confidentiality of this information is challenged, the undersigned hereby agrees to provide legal counsel or other necessary assistance to defend the designation of confidentiality and agrees to hold the State harmless for any costs or damages arising out of the State agreeing to withhold the materials based on Vendor's request.

Protests and Negotiations

If we are selected for award, we understand that does not entitle us to a contract. We further understand the award is conditioned on favorable resolution of any protests and to successful negotiation of terms and conditions including, but not limited to price and any exceptions requested.

Vendor Contact Person: The contact person for purposes of responding to any questions the State may have is:

Printed Name _____ Title _____

Address _____

Phone _____ Fax _____

Email _____

(Vendor name and DBA)

(Signature of party authorized to bind the named Vendor)

Printed Name _____ Title _____

Address _____

Phone _____ Fax _____

E-mail _____

SECTION 5 - RESPONSIBILITY FORMS

We have identified various information we need in order to determine if you are eligible to contract with the State and can be considered a "Responsible" Vendor.

You will need to:

Review each of the Responsibility forms, fill in all relevant blanks and provide any requested information.

Business and Directory Information

Conflict of Interest Disclosures

Minority, Female, Person with Disability Status and Subcontracting

Complete and sign the:

Taxpayer Identification Form

Attach references, if required

You must include all of this as part of your Offer or risk disqualification.

Business and Directory Information

- (a) Name of Business (Official Name and D/B/A)
- (b) Business Headquarters (include Address, Telephone and Facsimile)
- (c) If a Division or Subsidiary of another organization provide the name and address of the parent
- (d) Billing Address
- (e) Name of Chief Executive Officer
- (f) Customer Contact (include Name, Title, Address, Telephone, Toll-Free Number, Facsimile and E-mail)
- (g) Company Web Site
- (h) Type of Organization (i.e., Sole Proprietor, Corporation, Partnership, etc. -- should be the same as on the Taxpayer ID form below)
- (i) Length of Time in Business
- (j) Annual Sales (for most recently completed Fiscal Year)
- (k) Number of Full-Time Employees (average from most recent Fiscal Year)
- (l) Type of and description of business
- (m) State of incorporation, state of formation or state of organization
- (n) Identify and specify the location(s) and telephone numbers of the major offices and other facilities that relate to the Vendor's performance under the terms of this solicitation.
- (o) Department of Human Rights (DHR) Public Contract Number
If Vendor has employed fifteen (15) or more full-time employees at any time during the 365-day period immediately preceding the publication of this solicitation in the Illinois Procurement Bulletin (or issuance date if not published), then Vendor must have a current Public Contract Number or have proof of having submitted a completed application for one prior to the Solicitation opening date. (44 Ill. Adm. Code 750.210(a)) For application information call the DHR Public Contracts unit at (312) 814-2431.

Show # _____ or attach proof of application.

(p) Information Regarding Debarment, Litigation and Terminations

1. During the last five (5) years has any order, judgment or decree of any Federal or State authority been issued barring, suspending or otherwise limiting your right to contract with any governmental entity, including school districts, or to engage in any business practice or activity?
Yes____ No____

2. Is there any current, pending or threatened litigation, administrative or regulatory proceedings, or similar matters that could affect your ability to perform the required services.
Yes____ No____

3. During the last five (5) years has any customer terminated a contract for cause or accepted damages in lieu of for cause termination?
Yes____ No____

(q) Disclosure of Business Operations with Iran (30 ILCS 500/50-36)

Each bid, offer, or proposal submitted for a State contract, other than a small purchase defined in Section 20-20 [of the Illinois Procurement Code], shall include a disclosure of whether or not the bidder, offeror, or proposing entity, or any of its corporate parents or subsidiaries, within the 24 months before submission of the bid, offer, or proposal had business operations that involved contracts with or provision of supplies or services to the Government of Iran, companies in which the Government of Iran has any direct or indirect equity share, consortiums or projects commissioned by the Government of Iran and:

(1) more than 10% of the company's revenues produced in or assets located in Iran involve oil-related activities or mineral-extraction activities; less than 75% of the company's revenues produced in or assets located in Iran involve contracts with or provision of oil-related or mineral – extraction products or services to the Government of Iran or a project or consortium created exclusively by that Government; and the company has failed to take substantial action; or

(2) the company has, on or after August 5, 1996, made an investment of \$20 million or more, or any combination of investments of at least \$10 million each that in the aggregate equals or exceeds \$20 million in any 12- month period that directly or significantly contributes to the enhancement of Iran's ability to develop petroleum resources of Iran.

A bid, offer, or proposal that does not include this disclosure shall not be considered responsive. We may consider this disclosure when evaluating the bid, offer, or proposal or awarding the contract.

You must check one of the following items and if item 2 is checked you must also make the necessary disclosure:

____ There are no business operations that must be disclosed to comply with the above cited law.

____ The following business operations are disclosed to comply with the above cited law:

CONFLICT OF INTEREST DISCLOSURES

Instructions. Vendor shall disclose with the Offer financial interests, potential conflicts of interest and contract information identified in Sections 1, 2 and 3 below as a condition of receiving an award or contract (30 ILCS 500/50-13 and 50-35).

If the Vendor is a wholly owned subsidiary of a parent organization, separate disclosures must be made by the Vendor and the parent. For purposes of this form, a parent organization is any entity that owns 100% of the Vendor.

This disclosure information is submitted on behalf of (show official name of Vendor, and if applicable, D/B/A and parent):

Name of Vendor: _____

D/B/A (if used): _____

Name of any Parent Organization: _____

Section 1: Section 50-13 Conflicts of Interest

All Vendors must complete this section regardless of the dollar value of the contract or method of procurement. Even if you mark "No Conflict of Interests" you may still need to complete Section 2 and 3.

(a) Prohibition. It is unlawful for any person holding an elective office in this State, holding a seat in the General Assembly, or appointed to or employed in any of the offices or agencies of State government and who receives compensation for such employment in excess of 60% of the salary of the Governor of the State of Illinois [\$106,447.20], or who is an officer or employee of the Capital Development Board or the Illinois Toll Highway Authority, or who is the spouse or minor child of any such person to have or acquire any contract, or any direct pecuniary interest in any contract therein, whether for stationery, printing, paper, or any services, materials, or supplies, that will be wholly or partially satisfied by the payment of funds appropriated by the General Assembly of the State of Illinois or in any contract of the Capital Development Board or the Illinois Toll Highway Authority.

(b) Interests. It is unlawful for any firm, partnership, association, or corporation, in which any person listed in subsection (a) is entitled to receive (i) more than 7 1/2% of the total distributable income or (ii) an amount in excess of the salary of the Governor (\$177,412.00), to have or acquire any such contract or direct pecuniary interest therein.

(c) Combined interests. It is unlawful for any firm, partnership, association, or corporation, in which any person listed in subsection (a) together with his or her spouse or minor children is entitled to receive (i) more than 15%, in the aggregate, of the total distributable income or (ii) an amount in excess of 2 times the salary of the Governor [\$354,824.00], to have or acquire any such contract or direct pecuniary interest therein.

Check One:

_____ No Conflicts Of Interest

_____ Potential Conflict of Interest (If checked, name each conflicted individual, the nature of the conflict, and the name of the State agency that is associated directly or indirectly with the conflicted individual.)

Section 2: Disclosure of Financial Interest in the Vendor.

This applies to all contracts with an annual value exceeding \$10,000 that must be procured using one of the authorized competitive methods of source selection. Complete the appropriate subsections.

Vendors must complete subsection (a), (b) or (c) below as applicable if the annual value exceeds \$10,000. Use (c) if you do not meet the requirements for (a) or (b). In addition, all Vendors must complete Section 3.

(a) Publicly traded corporations subject to SEC reporting requirements

(a-1) Vendor shall submit their 10K disclosure (include proxy if referenced in 10k) in satisfaction of the financial and conflict of interest disclosure requirements set forth in subsections 50-35 a and b of the Procurement Code. The SEC 20f or 40f, supplemented with the names of those owning in excess of 5% and up to the ownership percentages disclosed in those submissions, may be accepted as being substantially equivalent to 10K.

Check here if submitting a 10k _____, 20f _____, or 40f _____.

(a-2) Vendor shall identify each contract, pending contracts, bids, proposals and other ongoing procurement relationships it has with units of State of Illinois government by showing agency name and other descriptive information such as bid number, project title, purchase order number or contract reference number (Attach additional pages as necessary. Show "none" if appropriate).

(b) Privately held corporations with more than 400 shareholders

(b-1) These Vendors may submit the information identified in 17 CFR 229.401 and list the names of any person or entity holding any ownership share in excess of 5% in satisfaction of the financial and conflict of interest disclosure requirements set forth in subsections 50-35 a and b of the Procurement Code.

(b-2) Vendor shall identify each contract, pending contracts, bids, proposals and other ongoing procurement relationships it has with units of State of Illinois government by showing agency name and other descriptive information such as bid number, project title, purchase order number or contract reference number (Attach additional pages as necessary. Show "none" if appropriate).

(c) General disclosure. Individuals, sole proprietorships, partnerships and any others not qualified to use subsection (a) or (b) above must complete (c-1), (c-2), and (c-3) as appropriate.

(c-1) For each individual having any of the following financial interests in the Vendor (or its parent), please mark each that apply and show the applicable name and address. Use separate forms for each individual.

Does Ownership exceed 5%?	Yes ☐	No ☐	If Yes show percentage* _____ %.
Does Ownership value exceed \$106,447.20?	Yes ☐	No ☐	If Yes show \$ amount \$ _____
Does Distributive Income Share exceed 5%?	Yes ☐	No ☐	If Yes show percentage* _____ %.
Does Distributive Income Share exceed \$106,447.20?	Yes ☐	No ☐	If Yes show \$ amount \$ _____
How is this interest held?			

Type of ownership/distributable income share:

Sole Proprietorship ☐ Stock ☐ Partnership ☐ Other (explain) _____

Name: _____

Address: _____

*For partnerships with more than 50 partners, the percentage share of ownership of each individual identified above may be shown in the following ranges (Dollar value fields must also be completed when applicable):

0.5% or less _____ >0.5 to 1.0% _____ >1.0 to 2.0% _____ >2.0 to 3.0 % _____ > 3.0 to 4.0% _____ %
>4.0 to 5.0% _____ and in additional 1% increments as appropriate _____ %

(c-2) In relation to individuals identified in c-1 above, indicate whether any of the following potential conflict of interest relationships apply. If "Yes," please describe each situation (label with appropriate letter) using the space at end of this Section (attach additional pages as necessary). If no individual has been identified in c-1 above, mark not applicable (n/a) here ____.

(a) State employment, currently or in the previous 3 years, including contractual employment of services directly with the individuals identified in Section 1 in their individual capacity unrelated to the Vendor's contract. Yes ☐ No ☐

(b) State employment of spouse, father, mother, son, or daughter, including contractual employment for services in the previous 2 years. Yes ☐ No ☐

(c) Elective status; the holding of elective office of the State of Illinois, the government of the United States, any unit of local government authorized by the Constitution of the State of Illinois or the statutes of the State of Illinois currently or in the previous 3 years. Yes ☐ No ☐

(d) Relationship to anyone holding elective office currently or in the previous 2 years; spouse, father, mother, son, or daughter. Yes ☐ No ☐

(e) Appointive office; the holding of any appointive government office of the State of Illinois, the United States of America, or any unit of local government authorized by the Constitution of the State of Illinois or the statutes of the State of Illinois, which office entitles the holder to compensation in excess of expenses incurred in the discharge of that office currently or in the previous 3 years. Yes ☐ No ☐

(f) Relationship to anyone holding appointive office currently or in the previous 2 years; spouse, father, mother, son, or daughter. Yes ☐ No ☐

(g) Employment, currently or in the previous 3 years, as or by any registered lobbyist of the State government. Yes ☐ No ☐

(h) Relationship to anyone who is or was a registered lobbyist in the previous 2 years; spouse, father, mother, son, or daughter. Yes ☐ No ☐

(i) Compensated employment, currently or in the previous 3 years, by any registered election or re-election committee registered with the Secretary of State or any county clerk in the State of Illinois, or any political action committee registered with either the Secretary of State or the Federal Board of Elections. Yes ☐ No ☐

(j) Relationship to anyone; spouse, father, mother, son, or daughter; who is or was a compensated employee in the last 2 years of any registered election or reelection committee registered with the Secretary of State or any county clerk in the State of Illinois, or any political action committee registered with either the Secretary of State or the Federal Board of Elections. Yes ☐ No ☐

Section 3: Current and Pending Contracts

Vendor shall identify each contract, pending contracts, bids, proposals and other ongoing procurement relationships it has with units of State of Illinois government by showing agency name and other descriptive information such as bid number, project title, purchase order number or contract reference number. (Attach additional pages as necessary. Show "none" if appropriate.)

Minority, Female, Person with Disability Status and Subcontracting

The Business Enterprise Program Act for Minorities, Females and Persons with Disabilities (BEP) (30 ILCS 575) establishes a goal for contracting with businesses that have been certified as owned and controlled by persons who are minority, female or who have disabilities. While you must complete this form, your response will not be considered in the evaluation. A listing of certified businesses may be obtained from the Department of Central Management Services' Business Enterprise Program for Minorities, Females and Persons with Disabilities by calling 312/814-4190 (Voice & TDD), 800/356-9206 (Toll Free), or 800/526-0844 (Illinois Relay Center for Hearing Impaired).

Name of Company (and D/B/A): _____

Is your company at least 51% owned and controlled by individuals in one or more of the following categories? Yes ☐ No ☐

If "Yes" check each that applies:

Category:

Minority ☐

Female ☐

Person with Disability ☐

Disadvantaged ☐

If "Yes," please identify, by checking the applicable blanks, which agency certified the business and in what category:

Certifying Agency:

Department of Central Management Services ☐

Women's Business Development Center ☐

Chicago Minority Business Development Council ☐

Illinois Department of Transportation ☐

Other (please identify): _____

Category:

Minority ☐

Female ☐

Person with Disability ☐

Disadvantaged ☐

If you are not a certified BEP business, do you have a written policy or goal regarding contracting or subcontracting with BEP certified Vendors? Yes ☐ (attach copy) No ☐

If "No," will you make a commitment to contact BEP certified Vendors and consider them for subcontracting opportunities on this contract? Yes ☐ No ☐

Do you plan on ordering supplies or services in furtherance of this contract from BEP certified Vendors? Yes ☐ No ☐

If "Yes," please identify what you plan to order, the estimated value as a percentage of your total Offer, and the names of the BEP certified Vendors you plan to use.

TAXPAYER IDENTIFICATION NUMBER

I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. person (including a U.S. resident alien).
 - If you are an individual, enter your name and SSN as it appears on your Social Security Card.
 - If you are a sole proprietor, enter the owner's name on the name line followed by the name of the business and the owner's SSN or EIN.
 - If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner's name on the name line and the d/b/a on the business name line and enter the owner's SSN or EIN.
 - If the LLC is a corporation or partnership, enter the entity's business name and EIN and for corporations, attach IRS acceptance letter (CP261 or CP277).
 - For all other entities, enter the name of the entity as used to apply for the entity's EIN and the EIN.

Name: _____

Business Name: _____

Taxpayer Identification Number:

Social Security Number _____

or

Employer Identification Number _____

Legal Status (*check one*):

☐ Individual

☐ Governmental

☐ Sole Proprietor

☐ Nonresident alien

☐ Partnership

☐ Estate or trust

☐ Legal Services Corporation

☐ Pharmacy (Non-Corp.)

☐ Tax-exempt

☐ Pharmacy/Funeral Home/Cemetery (Corp.)

☐ Corporation providing or billing
classification)
medical and/or health care services

☐ Limited Liability Company (select applicable tax

☐ D = disregarded entity

☐ C = corporation

☐ P = partnership

☐ Corporation NOT providing or billing
medical and/or health care services

Signature: _____

Date: _____

References

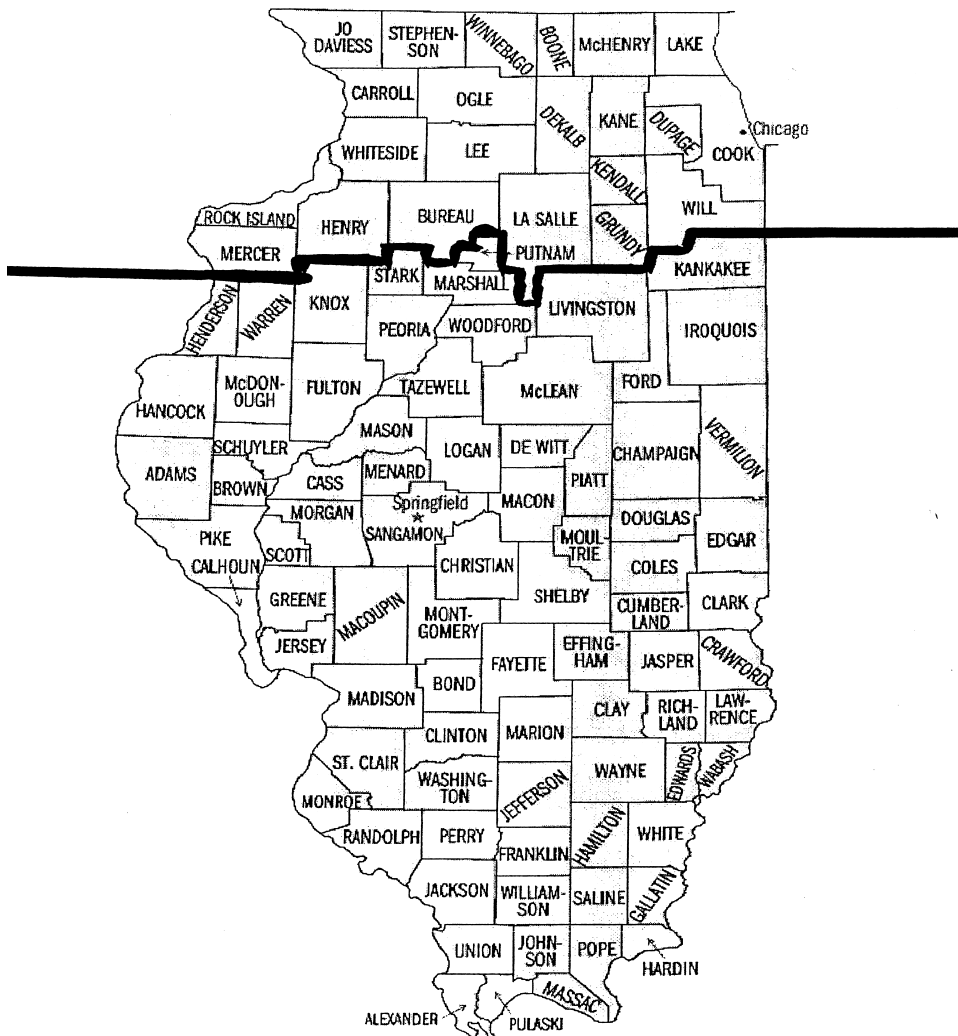
Provide references from established firms or government agencies, (four preferred; two of each type preferred) other than the procuring agency, that can attest to your experience and ability to perform the contract subject of this RFP.

(1) Firm/Government Agency (Name):	Contact Person Name: Address: Phone: E-mail Address:
Types of Supplies/Services Provided and Dates Provided/Contracted:	
(2) Firm/Government Agency (Name):	Contact Person Name: Address: Phone: E-mail Address:
Types of Supplies/Services Provided and Dates Provided/Contracted:	
(3) Firm/Government Agency (Name):	Contact Person Name: Address: Phone: E-mail Address:
Types of Supplies/Services Provided and Dates Provided/Contracted:	
(4) Firm/Government Agency (Name):	Contact Person Name: Address: Phone: E-mail Address:
Types of Supplies/Services Provided and Dates Provided/Contracted:	

Attachment A– State Regions

Region 2 – Upstate Region

Illinois counties above the line,
Dane County, WI
Johnson, Clinton, and Scott Counties, IO
Lake and Porter Counties, IN



Region 1 – Downstate Region

Illinois counties below the line,
McCracken County, KY,
Saint Louis and Cape Girardeau Counties, MO,
Vigo, Marian, and Vanderburgh Counties, IN

Note: Other hospitals located in other States' counties not listed may be added in the future.

Attachment B- Qualifications and Experience of Staff

Please complete & submit this form for each project manager/liaison staff, supervisor, and staff person that will be assigned to perform inpatient DRG post payment reviews or post payment re-reviews.

Note: This form may be recreated for additional space, however the format must be adhered to.

Vendor Name:

Staff person's name:

Staff person's responsibilities (i.e. performing post payment reviews, support staff, etc.):

Level of experience (in providing the types of services specified in Section 4 of the RFP):

Education:

Length of employment with the Vendor:

Pertinent training:

Full or part-time status:

Background:

Provide a list and/or samples of any case evaluations, audits, and/or reviews previously performed:

List all conflicts of interest and any hospital affiliations:

Attachment C– Regions and Staffing Levels

Region 1 **(Downstate Region)**

Are you bidding for Region 1? _____ **Yes** _____ **No**

How many reviewers will be assigned to Region 1? _____

How many of these reviewers will be assigned to each post payment review? _____

How many of these reviewers will be assigned to each post payment re-review? _____

Region 2 **(Upstate Region)**

Are you bidding on Region 2? _____ **Yes** _____ **No**

How many reviewers will be assigned to Region 2? _____

How many of these reviewers will be assigned to each post payment review? _____

How many of these reviewers will be assigned to each post payment re-review? _____

Please name the staff that will be used in more than one region. Please indicate the breakdown (by percentage) of the amount of time the person will be spending on each region:

Attachment D – Testimony Experience

Employee Name:

Position:

Case Name:

Docket Number:

County where filed:

Date(s) Testimony was given:

Give a Detailed Synopsis of Case Type and Testimony Given: (If possible, attach transcript with all identifying information redacted.)

Case Name:

Docket Number:

County where filed:

Date(s) Testimony was given:

Give a Detailed Synopsis of Case Type and Testimony Given: (If possible, attach transcript with all identifying information redacted)

Case Name:

Docket Number:

County where filed:

Date(s) Testimony was given:

Give a Detailed Synopsis of Case Type and Testimony Given: (If possible, attach transcript with all identifying information redacted)

SECTION 6 - RESPONSIVENESS

For this solicitation, you will need to respond to each of the Offer requirements in this Section. Your responses must be tabbed in the order given below and each component of your response must be labeled according to the number scheme below.

6.0 TABLE OF CONTENTS: The Vendor must include a table of contents in its Offer. Offers must be page numbered sequentially from front to back.

6.1 TAB 1 VENDOR INFORMATION

6.1.1 Vendor Background

6.1.1.1 State the full name, address, and telephone number of the Vendor along with the year founded. Provide the name, work address, date of birth, and social security number of each responsible director.

6.1.1.2 Provide details on the ownership and governance of the organization. This includes submitting a current organizational chart defining levels of ownership, governance, and management and any planned or current restructuring.

6.1.1.3 Provide a list of the locations (city, state) of all offices. Include the number of full and part-time employees at each location, with a breakdown of the employees' classifications and job descriptions

6.1.1.4 Attach a description, no more than five double-sided pages, of the company to inform the Agency of the company's organization, scope of services, and major accomplishments.

6.1.2 Disclosure

6.1.2.1 Provide the name, address, and FEIN or social security number of each person with an ownership or controlling interest in the Vendor of 5 percent or more. Provide the name, work address, date of birth, and social security number of each such individual.

6.1.2.2 If the Vendor is owned or controlled by a parent corporation, provide the name of any person with an ownership or controlling interest of five (5) percent or more, in the parent corporation.

6.1.2.3 Provide the name and address of any person with an ownership or controlling interest in the disclosing entity or is an agent or employee of the disclosing entity who has been convicted of any criminal offense other than a minor traffic citation or municipal ordinance or who has been convicted of a criminal offense related to that person's involvement in any program under Title XVIII, XIX, or XX of the Social Security Act, since the inception of such programs.

6.1.2.4 Provide the name and address of any person or company identified in subsections (a) through (d) above who is terminated, suspended, barred or otherwise excluded from participation, or has voluntarily withdrawn as the result of a settlement agreement, from any program under Titles XVIII, XIX, or XX of the Social Security Act, or has within the last five years been reinstated to participation in any program under Titles XVIII, XIX, or XX of the Social Security Act, and prior to said reinstatement had been terminated, suspended, barred or otherwise excluded from participation, or has voluntarily withdrawn as the result of a settlement agreement, in such programs.

6.1.2.5 Provide the name, address, specific timeframe and services provided for any hospital for which you might have a financial arrangement with or have had a financial arrangement with in the last five (5) years.

6.1.3 Financial Capacity

Submit financial capacity information specified in Section 3.8.1.1.

6.2 TAB 2 TECHNICAL EXPERTISE

6.2.1 List **all** services and other relevant experience similar to those specified in section 3 of the RFP, "Services Required from the Vendor" that the Vendor has provided to other businesses or governmental entities in the last five (5) years.

6.2.2. Provide a list of references from established private firms or government agencies, (four preferred; two of each type preferred) other than the procuring agency, that can attest to your experience and ability to perform the contract subject of this solicitation. You must provide the name, contact information and a description of the supplies or services provided. Use the Reference form to provide these references.

6.2.3 Provide a detailed description of how the Vendor plans to approach each service requirement as expressed by the Agency in Section 3.2 Services Required of the RFP.

6.2.4 Provide a detailed description of how the Vendor plans to approach each requirement as expressed by the Agency in Sections 3.3 Staffing Specifications and 3.4 Milestones and Deliverables of the RFP.

- 6.2.5** Provide a detailed description of how the Vendor would handle a review outside their designated region as required by Section 3.8.3.4 of the RFP. Provide a detailed description of how the Vendor plans to approach to testimony requirements as outlined in 3.8.3.6 of the RFP
- 6.2.6** Provide a representative sample(s) of ICD-9 code reviews or similar work product from the Vendor. The sample should have any identifying information redacted.
- 6.2.7** Analyze the test case information, and determine if the records support the coding submitted for payment or if it should be coded differently. If the DRG is deemed incorrect, please give the correct coding and explain your reasoning in detail.
- 6.2.7.1** Test case documentation viewings will be scheduled with prospective Vendors to allow Vendors the opportunity to review the test case materials. The viewings (at the Agency's offices in either Chicago (401 S. Clinton Ave) or Springfield (404 N. Fifth Street), will be scheduled at the Mandatory Vendors' Conference.
- 6.2.7.2** Scheduled viewing sessions will be available from 9:00 a.m. to noon (morning session) and 1:30 p.m. to 4:30 p.m. (afternoon session), beginning on December 29, 2008 through December 31, 2008, and continuing on January 2, 2009. This timeframe may be extended at the sole discretion of the Agency.
- 6.2.7.3** No more than four Vendor representatives may participate in each scheduled viewing. Potential vendors will not be allowed to photocopy or take pictures of any documentation during the viewing and no questions will be answered during the viewing. None of the system documentation may be taken from the viewing room. Vendors are required to attend the test case documentation review, as evidenced by sign-in sheets, in order for their proposals to be considered eligible for award in this procurement.
- 6.2.8** Provide complete specifications for hardware and software required to meet Section 3.8.3.2, Technology Requirements.
- 6.2.9** Provide the number of laptops and scanners to be utilized during each on-site review.
- 6.2.10** Describe the security that will be in place to safeguard Protected Health Information (PHI).

6.3 TAB 3 REGIONS AND STAFFING

- 6.3.1** Regions. Utilizing ATTACHMENT C, indicate the region(s) and staffing levels that the Vendor's proposal includes.
- 6.3.2** Project Manager. The Project Manager must meet or exceed the qualifications set forth in Section 3.3 of the RFP. Copies of required certifications must be included.
- 6.3.2.1** List all services and other relevant experience similar to those specified in Section 3 of the RFP, "Services Required from the Vendor" that the Project Manager has provided to other businesses or governmental entities in the last five (5) years.
- 6.3.2.2** Utilizing ATTACHMENT B, provide the qualifications and experience of the project manager. Include a full disclosure of any hospital affiliations the proposed project manager has.
- 6.3.2.3** Utilizing ATTACHMENT D, provide testimony experience of the project manager.
- 6.3.3** Reviewers. Reviewers assigned to this contract must meet or exceed the qualifications set forth in Section 3.3 of this RFP. Copies of required certifications must be included.
- 6.3.3.1** Utilizing the ATTACHMENT B, provide the qualifications and experience for the reviewers that will be utilized under this procurement. Include a full disclosure of any hospital affiliations the reviewer has.
- 6.3.3.2** Utilizing the ATTACHMENT D, provide testimony experience for each reviewer that will be utilized in this procurement.

SECTION 7 - PRICE

7.0 PRICE SUBMISSION: The Price Proposal must be submitted in a separate, sealed envelope or container in the Offer container. The Vendor will provide its Price Proposal in accordance with the specifications provided below for the services specified in this document. Required pricing details are shown below:

7.1 METHOD AND RATE OF COMPENSATION:

It is estimated that the time spent to complete a post payment re-review is equivalent to 1/3 of the time spent to complete a post payment review.

Vendor's proposed prices shall be for the cost of a post payment review and a post payment re-review (do not provide an hourly rate). The Vendor may submit cost proposals for more than one region, but Vendor may submit only one cost proposal per region. If Vendor does not wish to submit a cost proposal on a particular region, please place an "X" on the "no bid" line.

The Vendor may submit one pricing/compensation form in one sealed envelope with price proposal information for more than one region.

Region 1 (Downstate Region)

Price per completed post payment review: \$ _____
Price per completed post payment re-review on-site: \$ _____
Price per completed post payment re-review at Vendor's location: \$ _____

No Bid _____

Region 2 (Upstate Region)

Price per completed post payment review: \$ _____
Price per completed post payment re-review on-site: \$ _____
Price per completed post payment re-review at Vendor's location: \$ _____

No Bid _____

7.2 EXPENSES: Unless otherwise specified, this contract does not allow for reimbursement of any expense incurred by Vendor, including but not limited to telephone or other communications device, postage, copying, travel, transportation, lodging, food and per diem.

7.3 PAYMENT TERMS AND CONDITIONS

Vendor shall submit invoices to the Agency for each completed review/re-review approved by the Agency, in accordance with Section 3.8.2.

7.4 TAX EXEMPTIONS: State and Federal tax exemption information is available upon request.

7.5 WORK LOCATION DISCLOSURE: Vendor shall disclose the location where the services required shall be performed. If at multiple locations, the known or anticipated value of the services performed at each location shall be identified. This information and economic impact on Illinois and its residents may be considered in the evaluation. If the selected Vendor receives additional consideration in the evaluation based on work being performed in the United States, the resulting contract shall contain a provision that any shift in such work outside the United States may be considered a breach of contract.

Location where services will be performed _____
Value of services performed at this location _____

Location where services will be performed _____
Value of services performed at this location _____

SECTION 8 - CONTRACT

We expect to contract based on the terms and conditions as set forth in the attached State of Illinois Contract. If you are unable to accept one or more parts of the Contract, identify any exception that you want us to consider. You may show these changes on the Contract form itself by striking over language you find problematic, and underlining alternate language or by listing the sections and showing the alternate language on a separate page. You must provide these exceptions requests and alternate language with your Offer. Please note that most contract provisions are required by law or important policy and we have very limited ability to consider and accept changes you might propose. Any proposed changes may be considered in the evaluation.

CONTRACT

The Parties to this Contract are the State of Illinois acting through the undersigned Agency (collectively the State) and the Vendor. The Contract consists of this signature page, the following pages detailing the contents described below, and any attachments identified on these pages.

1. TERM AND TERMINATION
2. DESCRIPTION OF SUPPLIES / SERVICES
3. PRICING
4. STANDARD TERMS AND CONDITIONS
5. CERTIFICATIONS AND CONFLICTS
6. SUPPLEMENTAL PROVISIONS

In consideration of the mutual covenants and agreements contained in this Contract, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to the terms and conditions set forth herein and have caused this Contract to be executed by their duly authorized representatives on the dates shown below.

VENDOR
(Vendor Name) _____

Signature _____

Printed Name _____

Title _____ Date _____

Address _____

Phone _____ Fax _____

E-mail _____

STATE OF ILLINOIS
(Agency Name) _____

Official Signature _____

Printed Name _____

Title _____ Date _____

Designee Signature _____

Printed Name _____

Title _____

Address _____

Phone _____ Fax _____

E-mail _____

STATE USE ONLY

NOT PART OF CONTRACTUAL PROVISIONS

PBC# _____

Contract # _____

Project Title _____

Procurement Method (IFB, RFP, Small, etc): _____ Award Code: _____

IPB Publication Date: _____ IPB Ref. # _____

Subcontractor Utilization? Yes ☐ No ☐ Subcontractor Disclosure? Yes ☐ No ☐

Funding Source _____ Obligation # _____

CMS Program Compliance _____

Fiscal Compliance _____

Legal Compliance _____

Executive Compliance _____

1. TERM AND TERMINATION

1.1 TERM OF THIS CONTRACT: *[Agency to include beginning and end date of initial term.]*

Unless otherwise specified, this Contract shall commence upon the last dated signature of the Parties.

1.2 RENEWAL: This Contract may not be renewed unless the renewal period(s) and any applicable conditions are shown below. The renewal shall be subject to the same terms and conditions as the original Contract unless otherwise stated below. Renewal pricing is shown in Section 3. However, the Contract may not renew automatically, nor may the contract renew solely at the Vendor's option.

[Agency to include renewal rights here. If more than one renewal is desired, include the following language for maximum flexibility.]

The State reserves the right to renew for a total of _____ years in one of the following manners:

- a) One renewal covering the entire renewal allowance,
- b) Individual one-year renewals up to and including the entire renewal allowance, or
- c) Any combination of full or partial-year renewals up to and including the entire renewal allowance.

1.3 TERMINATION FOR CAUSE: The State may terminate this Contract, in whole or in part, immediately upon notice to the Vendor if it is determined that the actions, or failure to act, of the Vendor, its agents, employees or subcontractors have caused, or reasonably could cause jeopardy to health, safety, or property. If Vendor fails to perform to the State's satisfaction any material requirement of this Contract or is in violation of a material provision of this Contract, the State shall provide written notice to the Vendor requesting that the breach or noncompliance be remedied within the period of time specified in the State's written notice. If the breach or noncompliance is not remedied by that date the State may either: (a) immediately terminate the Contract without additional written notice or, (b) enforce the terms and conditions of the Contract, and in either event seek any available legal or equitable remedies and damages.

1.4 TERMINATION FOR CONVENIENCE: Following thirty (30) days written notice, the State may terminate this Contract in whole or in part without the payment of any penalty or incurring any further obligation to the Vendor. Following any such termination for convenience, the Vendor shall be entitled to compensation upon submission of invoices and proof of claim for services provided under this Contract up to and including the date of termination.

2. DESCRIPTION OF SUPPLIES AND SERVICES

2.1 GOALS AND OBJECTIVES:

2.2 SUPPLIES AND/OR SERVICES REQUIRED:

2.3 MILESTONES AND DELIVERABLES: Vendor shall not perform services, provide supplies or incur expenses in amount exceeding the amount shown in this Section, unless a higher amount is authorized in writing by the State prior to the Vendor performing the services, providing the supplies, or incurring the expenses.

Not-to-exceed \$ _____

2.4 VENDOR / STAFF SPECIFICATIONS:

2.4.1 SUBCONTRACTORS: Vendor shall identify the names and addresses of all subcontractors utilized by Vendor in the performance of this Contract, together with the anticipated amount of money that each subcontractor is expected to receive pursuant to this Contract. The State may request updated information at any time. For purposes of this section, subcontractors are those specifically hired to perform all or part of the work of this contract or to provide the supplies requested by the State.

Subcontractor Name

Amount to be paid

2.5 DELIVERY SPECIFICATIONS:

2.6 WHERE SERVICES ARE TO BE PERFORMED: Unless otherwise specified in this section all services shall be performed in the United States. If the Vendor creates or manufactures the supplies or performs any of the work in another country in violation of the Contract, such action may be deemed a breach of the Contract. Vendor shall disclose the location where the services required shall be performed. If at multiple locations, the known or anticipated value of the services performed at each location shall be identified. If the Vendor received additional consideration in the evaluation based on work being performed in the United States, it shall be a breach of contract if the Vendor shifts any such work outside the United States.

Location where services will be performed _____

Value of services performed at this location _____

Location where services will be performed _____

Value of services performed at this location _____

2.7 SCHEDULE OF WORK: Any work performed on State premises shall be done during the hours designated by the State and performed in a manner that does not interfere with the State and its personnel.

2.8 WARRANTIES FOR SUPPLIES AND SERVICES:

2.8.1 Vendor warrants that the supplies furnished under this Contract (a) will conform to the State's manufacturing standards, specifications, drawing, samples or descriptions furnished by the State, including but not limited to all specifications attached as exhibits hereto, (b) will be merchantable, of good quality and workmanship, free from defects for a period of twelve months or longer if specified in writing, and fit and sufficient for the intended use (c) will comply with all federal and state laws, regulations and ordinances pertaining to the manufacturing, packing, labeling, sale and delivery of the supplies (d) will be of good title and be free and clear of all liens and encumbrances and (e) will not infringe any patent, copyright or other intellectual property rights of any third party. Vendor agrees to reimburse the State for any losses, costs, damages or expenses, including without limitations, reasonable attorney's fees and expenses, arising from failure of the supplies to meet such warranties. Vendor shall insure that all manufacturers' warranties are transferred to the State and shall provide a copy of the warranty. These warranties shall be in addition to all other warranties, express, implied or statutory, and shall survive the State's payment, acceptance, inspection or failure to inspect the supplies.

2.8.2 Vendor warrants that all services will be performed in a good and professional manner to industry standards by trained and competent personnel. Vendor shall monitor performances of each individual and shall reassign immediately any individual who is not performing to professional standards, who is not efficient or effective in performing the work of the contract, who is disruptive or not respectful of others in the workplace, or who in any way violates the Contract or State policies.

2.9 REPORTING, STATUS AND MONITORING SPECIFICATIONS:

2.9.1 Vendor shall immediately notify the State of any event that may have a material impact on Vendor's ability to perform the Contract.

2.9.2 Upon request and on forms provided by Agency, Vendor shall report the number of qualified veterans and certain ex-offenders hired during Vendor's last completed fiscal year. Vendor may be entitled to employment tax credit for hiring individuals in those groups (PA 94-1067).

3. PRICING

3.1 METHOD AND RATE OF COMPENSATION: Vendor shall be compensated by the following method:

- ☐ hourly _____
☐ monthly _____
☐ annually _____
☐ project _____
☐ item _____

3.2 MAXIMUM COMPENSATION FOR SUPPLIES AND SERVICES:

- ☐ Firm Price _____
☐ Estimated Price _____

3.3 RENEWAL COMPENSATION: If this contract is renewed, the price shall be the same as for the initial term unless a different compensation, or formula for determining the renewal compensation, is stated below.

3.4 EXPENSES: Unless otherwise agreed upon and stated herein, this Contract does not allow for reimbursement of any expense incurred by Vendor, including but not limited to telephone or other communications device, postage, copying, travel, transportation, lodging, food and per diem. Any approved travel expenses shall be reimbursed in accordance with the Travel Regulation Council and Governor's Travel Board rules.

3.5 DISCOUNT: _____% discount for payment within _____ days of receipt of invoice

3.6 TAX: Vendor shall not bill for any taxes unless accompanied by proof the State is subject to the tax. If necessary, Vendor may request the applicable Agency's Illinois tax exemption number and federal tax exemption information.

3.7 INVOICING: Vendor shall invoice at the completion of the Contract unless invoicing is tied in this Contract to milestone or deliverables, or other invoicing requirements agreed to elsewhere in this Contract. Send invoices to _____.

3.8 PAYMENT TERMS AND CONDITIONS:

3.8.1 By submitting an invoice, Vendor certifies that the supplies or services provided meet all requirements of the Contract, and the amount billed and expenses incurred are as allowed in the Contract. Invoices for supplies purchased, services performed and expenses incurred through June 30 of any year must be submitted to the State no later than July 31 of that year; otherwise Vendor may have to seek payment through the Illinois Court of Claims (30 ILCS 105/25). All invoices are subject to statutory offset (30 ILCS 210).

3.8.2 Payments, including late payment charges, will be paid in accordance with the State "Prompt Payment Act" (30 ILCS 540) and rules (74 Ill. Adm. Code 900) when applicable. Payments delayed at the beginning of the State's fiscal year (July and August payments) because of the appropriation process shall not be considered a breach.

3.8.3 The State shall not be liable to pay for supplies provided or services rendered, including related expenses incurred prior to the execution of this Contract by the Parties and the beginning of the term of this Contract.

3.8.4 As a condition of receiving payment Vendor must pay its employees prevailing wages when required by law (e.g., public works, printing, janitorial, window washing, building and grounds services, site technician services, natural resource services, security guard and food services). Vendor is responsible for contacting the Illinois Dept. of Labor (217-782-6206; <http://www.state.il.us/agency/idol/index.htm>) to ensure understanding of prevailing wage requirements (30 ILCS 500/25-60(b)).

3.8.5 As a condition of receiving payment Vendor must pay its suppliers and subcontractors according to the terms of their respective contracts. Vendor shall provide lien waivers to the State upon request.

4. STANDARD TERMS AND CONDITIONS

4.1 **AVAILABILITY OF APPROPRIATION (30 ILCS 500/20-60):** State shall use its best efforts to secure sufficient appropriations to fund this Contract. However, the State, at its sole option, may terminate or suspend this contract, in whole or in part, without penalty or further payment being required, if the Illinois General Assembly or the federal funding source fails to make an appropriation sufficient to pay such obligation, or if funds needed are insufficient for any reason.

4.2 **AUDIT/RETENTION OF RECORDS (30 ILCS 500/20-65):** Vendor and its subcontractors shall maintain books and records relating to the performance of the Contract or subcontract and necessary to support amounts charged to the State under the Contract or subcontract. Books and records, including information stored in databases or other computer systems, shall be maintained by the Vendor for a period of three years from the later of the date of final payment under the Contract or completion of the Contract, and by the subcontractor for a period of three years from the later of final payment under the term or during the three year period thereafter. Books and records required to be maintained under this section shall be available for review or audit by representatives of the State, the Auditor General, the Executive Inspector General and other governmental entities with monitoring authority, upon reasonable notice and during normal business hours. Vendor and its subcontractors shall cooperate fully with any such audit and with any investigation conducted by any of these entities. Failure to maintain books and records required by this section shall establish a presumption in favor of the State for the recovery of any funds paid by the State under the Contract for which adequate books and records are not available to support the purported disbursement. The Vendor shall not impose a charge for audit or examination of the Vendor's books and records. If federal funds are used to pay contract costs, the Vendor must retain its records for five years. Vendor shall take reasonable steps to insure that any subcontractor is in compliance with the requirements of this section.

4.3 **TIME IS OF THE ESSENCE:** Time is of the essence with respect to Vendor's performance of this Contract. Except as specifically waived in writing, failure by either Party to exercise or enforce a right shall not affect any subsequent ability to exercise or enforce a right.

4.4 **FORCE MAJEURE:** Failure by either Party to perform its duties and obligations will be excused by unforeseeable circumstances beyond its reasonable control and not due to its negligence including acts of nature, acts of terrorism, riots, labor disputes, fire, flood, explosion, and governmental prohibition. The non-declaring party may cancel the Contract without penalty if performance does not resume within 30 days of the declaration.

4.5 **CONFIDENTIAL INFORMATION:** Each Party, including its agents and subcontractors, to this Contract may have or gain access to confidential data or information owned or maintained by the other Party in the course of carrying out its responsibilities under this Contract. The receiving Party shall presume all information received or to which it gains access pursuant to this Contract is confidential unless otherwise designated by the disclosing Party. No confidential data collected, maintained, or used in the course of performance of the Contract shall be disseminated except as authorized by law and with the written consent of the disclosing Party, either during the period of the Contract or thereafter. The receiving Party 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 end of the Contract, or earlier at the request of the disclosing Party, or notify the disclosing Party in writing of its destruction. The foregoing obligations shall not apply to confidential data or information lawfully in the receiving Party's possession prior to its acquisition from the disclosing Party; received in good faith from a third-party not subject to any confidentiality obligation to the disclosing Party; now is or later becomes publicly known through no breach of confidentiality obligation by the receiving Party; or is independently developed by the receiving Party without the use or benefit of the disclosing Party's confidential information.

4.6 **USE AND OWNERSHIP:** All work performed or supplies created by Vendor under this Contract, whether written documents or data, goods or deliverables of any kind, shall be deemed work-for-hire under copyright law and all intellectual property and other laws, and the State of Illinois is granted sole and exclusive ownership to all such work, unless otherwise agreed to herein. Vendor hereby assigns to the State all right, title, and interest in and to such work including any related intellectual property rights, and/or waives any and all claims that Vendor may have to such work including any so-called "moral rights" in connection with the work. Confidential data or information contained in such work shall be subject to Section 4.5 herein.

4.7 **INDEMNIFICATION AND LIABILITY:** The Vendor agrees to indemnify and hold harmless the State of Illinois, its agencies, officers, employees, agents and volunteers from any and all costs, demands, expenses, losses, claims, damages, liabilities, settlements and judgments, including in-house and contracted attorneys' fees and expenses, arising out of (a) any breach or violation by Vendor of any of its representations, warranties, covenants or agreements set forth herein, (b) any actual or alleged death or injury to any person, damage to any property or any other damage or loss by whomsoever suffered, claimed to result in whole or in part from Vendor's negligent performance hereunder, (c) any act, activity or omission of Vendor or any of its employees, representatives, subcontractors or agents. Neither party shall be liable for incidental, special, consequential or punitive damages.

4.8 **INSURANCE:** Vendor shall, at all times during the term and any renewals, maintain and provide a Certificate of Insurance naming the State as additional insured for all required bonds and insurance. Certificates may not be modified or canceled until at least 30 days notice has been provided to the State. Vendor shall provide: (a) General Commercial Liability-occurrence form in amount of \$1,000,000 per occurrence (Combined Single Limit Bodily Injury and Property Damage) and \$2,000,000 Annual Aggregate; (b) Auto Liability, including Hired Auto and Non-owned Auto, (Combined Single Limit Bodily Injury and Property Damage) in amount of \$1,000,000 per occurrence; and (c) Worker's Compensation Insurance in amount required by law. Insurance shall not limit Vendor's obligation to indemnify, defend, or settle any claims.

4.9 INDEPENDENT CONTRACTOR: Vendor shall, in the performance of this Contract, be an independent contractor and not an agent or employee of, or joint venturer with the State. All payments by the State shall be made on that basis.

4.10 ASSIGNMENT AND SUBCONTRACTING: This Contract may not be assigned, transferred or subcontracted in whole or in part by the Vendor without the prior written consent of the State. Vendor shall describe, as a supplemental provision to this Contract, the names and addresses of all authorized subcontractors utilized by Vendor in the performance of this Contract, together with a description of the work to be performed by the subcontractor and the anticipated amount of money that each subcontractor is expected to receive pursuant to this Contract. For purposes of this section, subcontractors are those specifically hired to perform all or part of the work or to provide the supplies covered by the Contract.

4.11 SOLICITATION AND EMPLOYMENT: Vendor shall not employ any person employed by the State during the term of this Contract to perform any work under this Contract. Vendor shall give notice immediately to the Agency's director if Vendor solicits or intends to solicit State employees to perform any work under this Contract.

4.12 COMPLIANCE WITH THE LAW: The Vendor, its employees, agents, and subcontractors shall comply with all applicable federal, state, and local laws, rules, ordinances, regulations, orders, federal circulars and all license and permit requirements in the performance of this Contract. Vendor shall be in compliance with applicable tax requirements and shall be current in payment of such taxes.

4.13 BACKGROUND CHECK: Whenever the State deems it reasonably necessary for security reasons, the State may conduct, at its expense, criminal and driver history background checks of Vendor's officers, employees or agents. Vendor shall reassign immediately any such individual who does not pass the background checks.

4.14 APPLICABLE LAW: This Contract shall be construed in accordance with and is subject to the laws and rules of the State of Illinois. The Department of Human Rights' Equal Opportunity requirements (44 Ill. Adm. Code 750) are incorporated by reference. Any claim against the State arising out of this Contract must be filed exclusively with the Illinois Court of Claims (705 ILCS 505/1). The State shall not enter into binding arbitration to resolve any Contract dispute. The State of Illinois does not waive sovereign immunity by entering into this Contract. The official text of cited statutes is incorporated by reference (An unofficial version can be viewed at <http://www.ilga.gov/legislation/ilcs/ilcs.asp>). In compliance with the Illinois and federal Constitutions, the Illinois Human Rights Act, the U. S. Civil Rights Act, and Section 504 of the federal Rehabilitation Act and other applicable laws and rules the State does not unlawfully discriminate in employment, contracts, or any other activity.

4.15 ANTI-TRUST ASSIGNMENT: If Vendor does not pursue any claim and cause of action it has arising under federal or state antitrust laws relating to the subject matter of the Contract, then upon request Vendor shall assign to the State all right, title and interest in and to the claim or cause of action.

4.16 AUTHORIZATION: Each Party to this Contract represents and warrants to the other that: (a) it has the right, power and authority to enter into and perform its obligations under this Contract and (b) it has taken all requisite action (corporate, statutory or otherwise) to approve execution, delivery and performance of this Contract, and (c) this Contract constitutes a legal, valid and binding obligation upon itself in accordance with its terms.

4.17 CONTRACTUAL AUTHORITY: The Agency that signs for the State of Illinois shall be the only State entity responsible for performance and payment under the Contract. When the Department of Central Management Services (CMS) signs in addition to an Agency, CMS does so as approving officer and shall have no liability to Vendor. When CMS signs a Master Contract on behalf of State agencies, only the Agency that places an order with the Vendor shall have any liability to Vendor.

4.18 NOTICES: Notices and other communications provided for herein shall be given in writing by registered or certified mail, return receipt requested, by receipted hand delivery, by courier (UPS, Federal Express or other similar and reliable carrier), by e-mail, or by fax showing the date and time of successful receipt. Notices shall be sent to the individuals who signed the Contract using the contact information following the signatures. Each such notice shall be deemed to have been provided at the time it is actually received. By giving notice, either Party may change the contact information.

5. CERTIFICATIONS AND CONFLICTS

Vendor certifies it is under no legal prohibition on contracting with the State of Illinois, has no known conflicts of interest and further specifically certifies that:

5.1 Vendor, its employees and subcontractors will comply with applicable provisions of the U.S. Civil Rights Act, Section 504 of the Federal Rehabilitation Act, the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.) and applicable rules in performance under this Contract.

5.2 Vendor is not in default on an educational loan (5 ILCS 385/3).

5.3 Vendor (if an individual, sole proprietor, or partner) has informed the director of the Agency in writing if he/she was formerly employed by that agency and has received an early retirement incentive prior to 1993 under Section 14-108.3 or 16-133.3 of the Illinois Pension Code, 40 ILCS 5/14-108.3 and 40 ILCS 5/16-133.3, and acknowledges that contracts made without the appropriate filing with the Auditor General are not payable from the "contractual services" or other appropriation line items. Vendor has not received an early retirement incentive on or after 2002 under Section 14-108.3 or 16-133.3 of the Illinois Pension Code, 40 ILCS 5/14-108.3 and 40 ILCS 5/16-133.3, and acknowledges that contracts in violation of Section 15a of the State Finance Act are not payable from the "contractual services" or other appropriation line items (30 ILCS 105/15a).

5.4 Vendor certifies (i) that it will offer to assume the collective bargaining obligations of the prior employer, including any existing collective bargaining agreement with the bargaining representative of any existing collective bargaining unit or units performing substantially similar work to the services covered by the contract subject to its bid or offer, and (ii) that it shall offer employment to all employees currently employed in any existing bargaining unit performing substantially similar work that will be performed under this contract (30 ILCS 500/25-80).

5.5 Vendor has not been convicted of bribing or attempting to bribe an officer or employee of the State of Illinois or any other State, nor has Vendor made an admission of guilt of such conduct that is a matter of record (30 ILCS 500/50-5).

5.6 If Vendor has been convicted of a felony, at least five years have passed after the date of completion of the sentence for such felony, unless no person held responsible by a prosecutor's office for the facts upon which the conviction was based continues to have any involvement with the business (30 ILCS 500/50-10).

5.7 If Vendor, or any officer, director, partner, or other managerial agent of Vendor, has been convicted of a felony under the Sarbanes-Oxley Act of 2002, or a Class 3 or Class 2 felony under the Illinois Securities Law of 1953, at least five years have passed since the date of the conviction. Vendor further certifies that it is not barred from being awarded a contract and acknowledges that the State shall declare the Contract void if this certification is false (30 ILCS 500/50-10.5).

5.8 Vendor and its affiliates are not delinquent in the payment of any debt to the State (or if delinquent has entered into a deferred payment plan to pay the debt), and Vendor and its affiliates acknowledge the State may declare the Contract void if this certification is false (30 ILCS 500/50-11) or if Vendor or an affiliate later becomes delinquent and has not entered into a deferred payment plan to pay off the debt (30 ILCS 500/50-60).

5.9 Vendor and all affiliates shall collect and remit Illinois Use Tax on all sales of tangible personal property into the State of Illinois in accordance with provisions of the Illinois Use Tax Act (30 ILCS 500/50-12) and acknowledges that failure to comply can result in the Contract being declared void.

5.10 Vendor certifies that it has not committed a willful or knowing violation of the Environmental Protection Act (relating to Civil Penalties under the Environmental Protection Act) within the last five years, and is therefore not barred from being awarded a contract. If the State later determines that this certification was falsely made by the Vendor, the Vendor acknowledges that the State may declare the Contract void (30 ILCS 500/50-14).

5.11 Vendor has not paid any money or valuable thing to induce any person to refrain from bidding on a State contract, nor has Vendor accepted any money or other valuable thing, or acted upon the promise of same, for not bidding on a State contract (30 ILCS 500/50-25).

5.12 Vendor is not in violation of the "Revolving Door" section of the Illinois Procurement Code (30 ILCS 500/50-30).

5.13 Vendor will report to the Illinois Attorney General and the Chief Procurement Officer any suspected collusion or other anti-competitive practice among any bidders, offerors, contractors, proposers or employees of the State (30 ILCS 500/50-40, 50-45, 50-50).

5.14 In accordance with the Steel Products Procurement Act, steel products used or supplied in the performance of a contract for public works shall be manufactured or produced in the United States, unless the executive head of the procuring agency grants an exception (30 ILCS 565).

5.15 Vendor will, pursuant to the Drug Free Workplace Act, provide a drug free workplace and Vendor and its employees shall not engage in the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance during the performance of the Contract. This certification applies to contracts of \$5000 or more with individuals; and to entities with 25 or more employees (30 ILCS 580).

5.16 Neither Vendor nor any substantially owned affiliate is participating or shall participate in an international boycott in violation of the U.S. Export Administration Act of 1979 or the applicable regulations of the U.S. Department of Commerce. This certification applies to contracts that exceed \$10,000 (30 ILCS 582).

5.17 Vendor has not been convicted of the offense of bid rigging or bid rotating or any similar offense of any state or of the United States (720 ILCS 5/33 E-3, E-4).

5.18 Vendor complies with the Illinois Department of Human Rights Act and rules applicable to public contracts, including equal employment opportunity, refraining from unlawful discrimination, and having written sexual harassment policies (775 ILCS 5/2-105).

5.19 Vendor does not pay dues to, or reimburse or subsidize payments by its employees for any dues or fees to any "discriminatory club" (775 ILCS 25/2).

5.20 Vendor complies with the State Prohibition of Goods from Forced Labor Act, and certifies that no foreign-made equipment, materials, or supplies furnished to the State under the Contract have been or will be produced in whole or in part by forced labor, or indentured labor under penal sanction (30 ILCS 583).

5.21 Vendor certifies that no foreign-made equipment, materials, or supplies furnished to the State under the Contract have been produced in whole or in part by the labor or any child under the age of 12 (30 ILCS 584).

5.22 Vendor certifies that it is not in violation of Section 50-14.5 of the Illinois Procurement Code (30 ILCS 500/50-14.5) that states: "Owners of residential buildings who have committed a willful or knowing violation of the Lead Poisoning Prevention Act (410 ILCS 45) are prohibited from doing business with the State until the violation is mitigated".

5.23 Vendor warrants and certifies that it and, to the best of its knowledge, its subcontractors have and will comply with Executive Order No. 1 (2007). The Order generally prohibits Vendors and subcontractors from hiring the then-serving Governor's family members to lobby procurement activities of the State, or any other unit of government in Illinois including local governments if that procurement may result in a contract valued at over \$25,000. This prohibition also applies to hiring for that same purpose any former State employee who had procurement authority at any time during the one-year period preceding the procurement lobbying activity.

5.24 Vendor has disclosed if required, on forms provided by the State, and agrees it is under a continuing obligation to disclose to the State, financial or other interests (public or private, direct or indirect) that may be a potential conflict of interest or which would prohibit Vendor from having or continuing the Contract. This includes, but is not limited to conflicts under the "Infrastructure Task Force Fee Prohibition" section of the State Finance Act (30 ILCS 105/8.40), Article 50 of the Illinois Procurement Code (30 ILCS 500/50), or those which may conflict in any manner with the Vendor's obligation under this Contract. Vendor shall not employ any person with a conflict to perform under this Contract. If any elected or appointed State officer or employee, or the spouse or minor child of same has any ownership or financial interest in the Vendor or the Contract, Vendor certifies it has disclosed that information to the State if required, on forms provided by the State, and any waiver of the conflict has been issued in accordance with applicable law and rule. A waiver is required if:

- a) the person intending to contract with the State, their spouse or child: (i) holds an elective office in Illinois; (ii) holds a seat in the Illinois General Assembly; (iii) is an officer or employee of the Capital Development Board or the Illinois Toll Highway Authority; or holds an appointed position or is employed in any of the offices or agencies of the State government and who receives compensation for such employment in excess of 60% of the salary of the Governor (currently \$106,447.20). (The conflict of interest threshold of 60% of the Governor's salary set forth in Section 50-13 does not apply to elective office holders, legislators, and officers or employees of the Capital Development Board or the Illinois Toll Highway Authority.);
- b) the contract is with a firm, partnership, association or corporation in which a person referenced in a) above receives more than 7.5% of the total distributable income or an amount in excess of the salary of the Governor (currently \$177,412.00).
- c) the contract is with a firm, partnership, association or corporation in which a person referenced in b) above, together with their spouse or minor child, receives more than 15% in the aggregate of the total distributable income or an amount in excess of 2 times the salary of the Governor (currently \$354,824.00) from the firm, partnership, association or corporation.

6. SUPPLEMENTAL PROVISIONS

6.1 ENTIRE CONTRACT: This Contract, consisting of the signature page, sections one through six, and any attachments marked (X) below, constitutes the entire Contract between the Parties concerning the subject matter of the Contract, and supersedes all prior proposals, contracts and understandings between the Parties concerning the subject matter of the Contract. Amendments, modifications and waivers must be in writing and signed by authorized representatives of the Parties. Any provision of this Contract officially declared void, unenforceable, or against public policy, shall be ignored and the remaining provisions shall be interpreted, as far as possible, to give effect to the Parties' intent. All provisions that by their nature would be expected to survive, shall survive termination. In the event of a conflict between the State's and the Vendor's terms, conditions and attachments, the State's terms, conditions and attachments shall prevail.

X____ Definitions (See Section 6.2)

____ Public Works Requirements (820 ILCS 130/4)

____ Prevailing Wage (janitorial cleaning, window cleaning, building and grounds, site technician, natural resources, food services, and security services, if valued at more than \$200 per month or \$2000 per year (30 ILCS 500/25-60)

____ Prevailing Wage (all printing contracts) (30 ILCS 500/25-60)

____ Prohibition on Contingent Fees (certain federally funded contracts)

____ BEP Subcontracting Requirements (Utilization Plan and Letter of Intent)

X____ State Supplemental Terms and Conditions (See Section 6.3)

____ Vendor Supplemental Terms and Conditions

____ Prior Vendor Collective Bargaining Contractor

This applies if the prior Vendor's employees who perform the services under the prior contract are covered by a collective bargaining contract. In accordance with Illinois law (30 ILCS 500/25-80), in order to be considered a responsible bidder and eligible for award you must: (a) offer to assume the collective bargaining obligations of the prior employer, including any existing collective bargaining agreement with the bargaining representative of any existing collective bargaining unit or units performing substantially similar work to the services covered by the contract subject to its offer, and (b) offer employment to all employees currently employed in any existing bargaining unit performing substantially similar work that will be performed under this contract. You are certifying you will comply with this law.

____ Information Technology Requirements

As required by Illinois Public Act 095-0307, all information technology, including electronic information, software, systems, and equipment, developed or provided under this contract must comply with the applicable requirements of the Illinois Information Technology Accessibility Act Standards as posted at <http://www.dhs.state.il.us/iitaa>.

X____ Other (describe)

Attachment A -- HIPAA Compliance Obligations

6.2 DEFINITIONS:

Whenever used in this RFP, Contract, or amendment, including schedules and exhibits to this RFP or Contract, the following terms will have the meanings defined below. Any objections or questions regarding the definitions should be raised with the Agency during the RFP process.

6.2.1 Acceptance: the point in time when the product or equipment has been fully installed and operates in compliance with the Agency's order and the Contract, or the State otherwise indicates acceptance in writing.

6.2.2 Affiliates: any person, firm, corporation (including, without limitation, service corporation and professional corporation), partnership (including, without limitation, general partnership, limited partnership and limited liability partnership), limited liability company, joint venture, business trust, association or other entity that now or in the future directly or indirectly controls, is controlled by, or is under common control with Vendor.

6.2.3 Agency: the agency, board, department or commission of State government responsible for entering into the Contract, monitoring performance, receiving the benefits derived from the Contract and making payments under the Contract.

6.2.4 Certified: The status of receiving certification as a disadvantaged, minority or woman business enterprise by a governmental agency or private organization that provides such certifications, e.g., CMS Business Enterprise Program (BEP), the Illinois Unified Certification Program; the City of Chicago, Illinois; the National Minority Supplier Development Council; the Women's Business Development Center; the U.S. Small Business Administration, etc.

6.2.5 Change of Control: any transaction or combination of transactions as a result of which (a) ownership of a Vendor changes, (b) the sale or transfer of fifty percent (50%) or more of the beneficial ownership occurs or, (c) the divestiture, in whole or in part, of the business unit or division of a party that is obligated to produce the products and services occurs.

6.2.6 CMS: the State of Illinois Department of Central Management Services and any successor organizations.

6.2.7 Code: the Illinois Procurement Code, 30 ILCS 500/1-5 et seq. Unofficial versions of the Code and Standard Procurement Rules (44 Ill. Adm. Code 1), which are applicable to this procurement, may be viewed at <http://www.purchase.state.il.us/>

6.2.8 Contract: the "Contract for Services" included with the State's Request for Proposals.

6.2.9 Confidential Information: any material, data, or information disclosed by either Party to the other that, pursuant to agreement of the parties or the State's grant of a proper request for confidentiality, is not generally known by or disclosed to the public or to Third Parties including, without limitation: (a) all materials, know-how, processes, trade secrets, manuals, confidential reports, services rendered by State, financial, technical and operational information, and other matters relating to the operation of a Party's business; (b) all information and materials relating to Third Party Vendors of State that have provided any part of State's information or communications infrastructure to State; (c) software; and (d) any other information that the Parties agree should be kept confidential. See also subsection 7.2.7 of Section 7 of this RFP, "Public Records and Requests for Confidential Treatment."

6.2.10 DRG – Diagnosis Related Groups: a system for classifying patient care by relating common characteristics such as diagnosis, treatment, and age to an expected consumption of hospital resources and length of stay. Its purpose is to provide a framework for specifying case mix and to reduce hospital costs and reimbursements and it forms the cornerstone of the prospective payment system.

6.2.11 Filing: where applicable, an instrument or document submitted to a regulatory body for review and approval to allow the Vendor(s) to make the Services contained therein available for consumption.

6.2.12 IHAP: Inpatient Hospital Audit Program.

6.2.13 ILCS: Illinois Compiled Statutes. An unofficial version of the ILCS can be viewed at <http://www.legis.state.il.us/legislation/ilcs/ilcs.asp>.

6.2.14 Offer: the Offer consists of the Technical Proposal, Price Proposal, and all required forms and certifications—completed, signed, and returned by the Vendor.

6.2.15 Offer Firm Time: offers shall remain firm and unaltered after opening for the number of days shown. An Offer may be accepted, subject to successful contract negotiations, at any time during the Offer Firm Time.

6.2.16 On Site: At the hospital's location.

6.2.17 Order: any written request from CMS or an Agency for services and/or products and/or equipment pursuant to this Contract.

6.2.18 Parties: the State of Illinois and the Vendor.

6.2.19 Performance Guarantee: the Vendor's commitment to place some or all of its fee at risk contingent upon the Agency's satisfaction with the work to be performed.

6.2.20 Professional & Artistic Services: those services provided under contract to a State Agency by a person or business, acting as an independent contractor, qualified by education, experience and technical ability including, without limitation, installation, implementation, integration, custom programming, conversion, training, consulting and any other similar services that may be provided by Vendor(s) independently or in conjunction with a Third Party hereunder.

6.2.21 RFP/RFP P&A: the State's Request for Proposals (Professional & Artistic Services, if applicable).

6.2.22 Responses: when used in association with the term "RFP" refer to the Vendor's (s') replies, clarifications, revisions, and additions to the State's Request for Proposals.

6.2.23 Review: to retrospectively look over, study, or examine the hospital records to determine whether the records support the hospital's claim submittal to HFS for payment.

6.2.24 Security: the Vendor may be required to provide offer security (e.g., bond, cashier's check, money order or irrevocable letter of credit) with the Offer and performance security within ten (10) days of acceptance of the Offer unless a different time is specified herein. Security shall be in the form of a bond unless otherwise agreed. In the event a bond is used, a surety licensed to do business in Illinois must issue the bond on a form acceptable to the Agency. The security shall be forfeited if the selected Vendor withdraws its Offer before the expiration of the Offer Firm Time or after the Agency issues a Notice of Intent to Award, does not honor the terms in its Offer, or does not negotiate contract terms in good faith. Security submitted by Vendor will be returned when the Offers expire, are rejected, or the Agency enters into a contract with the successful Vendor(s), whichever is earliest.

6.2.25 State: the State of Illinois, as represented through any agency, department, board, or commission.

6.2.26 State Hospital: any hospital, site or location owned, managed, controlled or operated by the State.

6.2.27 State Liaison: when applicable, the CMS employee who shall act as a centralized liaison between Vendor(s) and Agency with respect to all matters relating to the administration of this Contract.

6.2.28 Sustained Complaint: any complaint that the Vendor or its employees or agents violated conduct standards or other requirements of this RFP that is investigated by the Agency and determined to be factual.

6.2.29 Third Party: any entity other than the Agency, Vendor(s), or any of their respective Affiliates.

6.2.30 Utilization Plan: the Vendor's written commitment to meet the Business Enterprise Program's established goal for the Contract.

6.3 State Supplemental Terms and Conditions

6.3.1 Confidentiality of Program Recipient Identification.

Vendor shall ensure that all information, records, data, and data elements pertaining to applicants for and recipients of public assistance, or to providers, facilities, and associations, shall be protected from unauthorized disclosure by Vendor and Vendor's employees, by Vendor's corporate affiliates and their employees, and by Vendor's subcontractors and their employees, pursuant to 305 ILCS 5/11-9, 11-10, and 11-12; 42 USC 654(26); 42 CFR Part 431, Subpart F; and 45 CFR Part 160 and 45 CFR Part 164, Subparts A and E. To the extent that Vendor, in the course of performing the Contract, serves as a business associate of the Agency, as "business associate" is defined in the HIPAA Privacy Rule (45 CFR 160.103), Vendor shall assist the Agency in responding to the client as provided in the HIPAA Privacy Rule, and shall maintain for a period of six (6) years any records relevant to a client's eligibility for services under the Agency's medical programs.

6.3.2 Nondiscrimination.

Vendor and Vendor's principals, employees and subcontractors shall abide by Executive Orders 11246 and 11375. Vendor further agrees to take affirmative action to ensure that no unlawful discrimination is committed in any manner, including, but not limited to, in the delivery of services under this Contract.

6.3.3 Fraud and Abuse.

Vendor shall report in writing to the Agency's Office of Inspector General (OIG) any suspected fraud, abuse or misconduct associated with any service or function provided for under this contract by any parties directly or indirectly affiliated with this Agreement including but not limited to, Vendor staff, Vendor Subcontractor, Agency employee or Agency contractor. Vendor shall make this report within three days of first suspecting fraud, abuse or misconduct. Vendor shall not conduct any investigation of the suspected fraud, abuse or misconduct without the express concurrence of the OIG; the foregoing notwithstanding, the Vendor may conduct and continue investigations necessary to determine whether reporting is required under this paragraph. Vendor must report to OIG as described in the first sentence above. Vendor shall cooperate with all investigations of suspected fraud, abuse or misconduct reported pursuant to this paragraph. The Vendor shall require adherence with these requirements in any contracts it enters into with Subcontractors. Nothing in this paragraph precludes the Vendor or Subcontractors from establishing measures to maintain quality of services and control costs that are consistent with their usual business practices, conducting themselves in accordance with their respective legal or contractual obligations or taking internal personnel-related actions.

6.3.4 Exclusions.

6.3.4.1 Vendor shall screen all current and prospective employees, contractors and sub-contractors, prior to engaging their services under this Contract and at least annually thereafter, by:

6.3.4.1.1 Requiring that all current or prospective employees, contractors or sub-contractors disclose whether they are an Excluded individual or Entity; and

6.3.4.1.2 Reviewing the list of sanctioned persons maintained by the Agency's Office of Inspector General (OIG) (<http://www.state.il.us/agency/oig>), and the List of Excluded Individuals/Entities maintained by the U.S. Department of Health and Human Services OIG (HHS/OIG) (<http://www.dhhs.gov/oig>).

6.3.4.2. For purposes of this section, "Excluded Individual or Entity" shall mean a person or entity which:

6.3.4.2.1 Under Section 1128 of the Social Security Act, is or has been terminated, barred, suspended or otherwise excluded from participation in, or as the result of a settlement agreement has voluntarily withdrawn from participation in, any program under federal law, including any program under Titles XVIII, XIX, XX or XXI of the Social Security Act;

6.3.4.2.2 Has not been reinstated in the program after a period of exclusion, suspension, debarment, or ineligibility; or

6.3.4.2.3 has been convicted of a criminal offense related to the provision of health care items or services in the last ten (10) years.

6.3.4.3 Vendor shall terminate its relations with any employee, contractor or sub-contractor immediately upon learning that such employee, contractor or sub-contractor meets the definition of an Excluded Individual or Entity, and shall notify the OIG of the termination.

6.3.5 Child Support.

Vendor shall ensure that its employees who provide services to the Agency under this Contract are] in compliance with child support payments pursuant to a court or administrative order of this or any other State. A partnership shall be deemed to be out of compliance with this requirement if any partner is in default. Vendor will not be considered out of compliance with the requirements of this Section if, upon request by the Agency, Vendor provides:

6.3.5.1 Proof of payment of past-due amounts in full;

6.3.5.2 Proof that the alleged obligation of past-due amounts is being contested through appropriate court or administrative proceedings and Vendor provides proof of the pendency of such proceedings; or

6.3.5.3 Proof of entry into payment arrangements acceptable to the appropriate State agency.

6.3.6 Clean Air Act and Clean Water Act.

Vendor is in compliance with all applicable standards, orders or regulations issued pursuant to the federal Clean Air Act (42 U.S.C. 7401 et seq.) and the federal Water Pollution Control Act (33 U.S.C. 1251 et seq.). Violations shall be reported to the United States Department of Health and Human Services and the appropriate Regional Office of the United States Environmental Protection Agency.

6.3.6 Lobbying.

- 6.3.6.1 Vendor certifies to the best of Vendor's knowledge and belief, that no federally appropriated funds have been paid or will be paid by or on behalf of Vendor, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal loan or grant, or the entering into of any cooperative agreement, or the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan or cooperative agreement.
- 6.3.6.2 If any funds other than federally 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 Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan or cooperative agreement, Vendor shall complete and submit Standard Form LLL, "Disclosure Forms to Report Lobbying," in accordance with its instructions. Such Form is to be obtained at Vendor's request from the Agency's Bureau of Fiscal Operations.
- 6.3.6.3 Vendor shall require that the language of this certification be included in the award document for subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.
- 6.3.6.4 This certification is a material representation of fact upon which reliance was placed when this Contract was executed. Submission of this certification is a prerequisite for making or entering into the transaction imposed by Section 1352, Title 31, U.S. Code. 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.

6.3.7 Termination for Breach of HIPAA Compliance Obligations.

Vendor shall comply with the terms of the HIPAA Compliance Obligations set forth in Attachment A. Upon the Agency's learning of a material breach of the terms of the HIPAA Compliance Obligations set forth in Attachment A, the Agency shall:

- 6.3.7.1 Provide Vendor with an opportunity to cure the breach or end the violation, and terminate this Contract if Vendor does not cure the breach or end the violation within the time specified by the Agency; or
- 6.3.7.2 Immediately terminate this Contract if Vendor has breached a material term of the HIPAA Compliance Obligations and cure is not possible; or
- 6.3.7.3 Report the violation to the Secretary of the United States Department of Health and Human Services, if neither termination nor cure by Vendor is feasible.

6.3.8 HIPAA Compliance Obligations.

Vendor and the Agency shall comply with the terms of the HIPAA Compliance Obligations set forth in Attachment A. If Vendor materially breaches the terms of the HIPAA Compliance Obligations, the Agency may require a cure or terminate this Contract, as provided herein.

6.3.9 Retention of HIPAA Records.

Vendor shall maintain for a minimum of six (6) years documentation of the protected health information disclosed by the Vendor, and all requests from individuals for access to records or amendment of records, pursuant to Attachment A, sections C.6. and C.7., of this Contract, in accordance with 45 CFR 164.530(j).

6.3.10 Marketing.

- 6.3.10.1 Definition. Marketing is any communication by Vendor about a product or service that encourages the individual (as defined in Attachment A, incorporated by reference and made a part hereof) to purchase or use the product or service, unless the communication is limited to:
 - 6.3.10.1.1 A description of health-related products or services (or payment for such products or services) that are provided by or included in a plan of benefits of the Agency or Vendor pursuant to this Contract, including communications regarding the entities participating in a health care provider network or health plan network, replacement of or enhancements to a health plan, and health-related products or services available only to an enrollee that add value to but are not part of the plan of benefits;
 - 6.3.10.1.2 Communications for treatment of the individual; or
 - 6.3.10.1.3 Communications for case management or care coordination for the individual or to direct or recommend alternative treatments, therapies, health care providers, or settings of care to the individual.
- 6.3.10.2 Authorization.
 - 6.3.10.2.1 Vendor must obtain an authorization for any use or disclosure of protected health information (as defined in Attachment A) for marketing, except if the communication is in the form of: face to face communication made by Vendor to the individual, or a promotional gift of nominal value provided by Vendor.
 - 6.3.10.2.2 If the marketing involves direct or indirect remuneration to Vendor from a third party, the authorization shall state that such remuneration is involved.

6.3.11 Rules of Construction.

Unless the context otherwise requires or unless otherwise specified, the following rules of construction apply to this Contract:

- 6.3.11.1 Provisions apply to successive events and transactions;
- 6.3.11.2 "Or" is not exclusive;
- 6.3.11.3 References to statutes and rules include subsequent amendments and successors thereto;
- 6.3.11.4 The various headings of this Contract are provided for convenience only and shall not affect the meaning or interpretation of this Contract or any provision hereof;
- 6.3.11.5 If any payment or delivery hereunder shall be due on any day that is not a business day, such payment or delivery shall be made on the next succeeding business day;

- 6.3.11.6 "Days" shall mean calendar days; "business day" shall mean a weekday (Monday through Friday), excepting State holidays, between the hours of 8:30 a.m. Central Time and 5:00 p.m. Central Time;
- 6.3.11.7 Use of the male gender (e.g., "he", "him", "his") shall be construed to include the female gender (e.g., "she", "her"), and vice versa;
- 6.3.11.8 Words in the plural which should be singular by context shall be so read, and vice versa; and
- 6.3.11.9. References to "Agency/Buyer" shall include any successor agency or agencies thereto.

6.3.12 Sale or Transfer.

Vendor shall provide the Agency/Buyer with the earliest possible advance notice of any sale or transfer of Vendor's business. The Agency/Buyer has the right to terminate this Contract without cause upon notification of such sale or transfer.

6.3.13 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.

6.3.14 Solicitation.

Vendor warrants that no person or agent has been employed or retained for a fee of any type to solicit and secure this Contract excepting bona fide employees of Vendor.

6.3.15 Vendor Certifications.

By signing this Contract, Vendor makes certain certifications and warranties. This Contract may be terminated immediately, or upon notice by the Agency/Buyer in its sole discretion, upon Vendor's failure to maintain these certifications and warranties.

6.3.16 Disputes Between Vendor and Other Parties.

Any dispute between Vendor and any third party, including any subcontractor, shall be solely between such third party and Vendor, and the Agency/Buyer shall be held harmless by Vendor. Vendor agrees to assume all risk of loss and to indemnify and hold the Agency/Buyer and its officers, agents, and employees harmless from and against any and all liabilities, demands, claims, suits, losses, damages, causes of action, fines or judgments, including costs, attorneys' and witnesses' fees, and expenses incident thereto, for Vendor's failure to pay any subcontractor, either timely or at all, regardless of the reason.

6.3.17 Gifts.

Vendor and Vendor's principals, employees and subcontractors are prohibited from giving gifts to Agency/Buyer employees, and from giving gifts to, or accepting gifts from, any person who has a contemporaneous contract with the Agency/Buyer involving duties or obligations related to this Contract.

6.3.18 Legislative Changes.

The Vendor herein expressly acknowledges that the Contract and its subject matter are subject to legislative change by either the federal or state government. Should either legislative body enact measures which alter the terms or subject matter of this Contract, the Vendor shall not hold the Agency/Buyer liable in any manner for the resulting changes. The Agency/Buyer shall use best efforts to provide thirty (30) days' written notice to the Vendor 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 Agency/Buyer's right to terminate the Contract pursuant to the termination provisions.

6.3.19 Media Relations and Public Information.

Subject to any disclosure obligations of Vendor under applicable law, rule, or regulation, news releases pertaining to this Contract or the services or project to which it relates shall only be made with prior approval by, and in coordination with, the Agency/Buyer. Vendor shall not disseminate any publication, presentation, technical paper, or other information related to Vendor's duties and obligations under this Contract unless such dissemination has been previously approved in writing by the Agency/Buyer.

6.3.20 Billing

- 6.3.20.1 All record keeping shall be in accordance with sound accounting standards.
- 6.3.20.2 Each invoice shall be signed by Vendor and shall set out Vendor's social security number or taxpayer identification number.

6.3.21 Retention of Payments. In addition to assessment of liquidated damages (if applicable), imposition of late fees (if applicable), pursuit of actual damages, or termination of this Contract:

- 6.3.21.1 Pursuant to 44 Ill. Admin. Code 1.5530, the Agency/Buyer may deduct from whatever is owed Vendor on this or any other contract an amount sufficient to compensate the State of Illinois for any damages suffered by it because of Vendor's breach of contract or other unlawful act on Vendor's part on which the cancellation is based, including, but not limited to:
 - 6.3.21.1.1 The additional cost of supplies or services bought elsewhere;
 - 6.3.21.1.2 The cost of repeating the procurement procedure;
 - 6.3.21.1.3 Any expenses incurred because of delay in receipt of supplies or services; and
 - 6.3.21.1.4 Any other damages caused by Vendor's breach of contract or unlawful act.
- 6.3.21.2 If any failure of Vendor to meet any requirement of this Contract results in the withholding of federal funds from the State, the Agency/Buyer may withhold and retain an equivalent amount from payments to Vendor until such federal funds are released to the State, at which time the Agency/Buyer will release to Vendor the equivalent withheld funds.

6.3.22 Deductions from Payments. Any payment to Vendor may be reduced or suspended when a provision of this Contract requires a payment or refund to the Agency/Buyer or an adjustment to payment to Vendor.

6.3.23 Computational Error. The Agency/Buyer reserves the right to correct any mathematical or computational error in payment subtotals or total contractual obligation. The Agency/Buyer will notify Vendor of any such corrections.

6.3.24 Most Favorable Rate. Nothing in this Contract shall prevent Vendor from performing similar services for other parties. However, Vendor warrants that at no time will the compensation paid by the Agency/Buyer for services rendered under this Contract exceed the rate Vendor charges for the rendering of similar services elsewhere; and provided further that, if more favorable terms are granted by Vendor to any State or local governmental entity in an agreement for comparable supplies or services, the more favorable financial terms shall be applicable under this Contract.

6.3.25 Development Work. Neither Vendor, nor Vendor's principals, employees and subcontractors, nor any person with whom Vendor has, or is negotiating, a contract for such person's future employment, has performed any work for which there was payment by the Agency/Buyer that directly relates to the development of this Contract.

6.3.26 Notice of Change in Circumstances. In the event Vendor, Vendor's parent, or a related corporate entity becomes a party to any litigation, investigation or transaction that may reasonably be considered to have a material impact on Vendor's ability to perform under this Contract, Vendor will immediately notify the Agency/Buyer in writing.

6.3.27 Inability to Perform. If it becomes impossible for named individuals to render the services set forth in this Contract because of death or any other occurrence beyond the control of Vendor, Vendor shall not be relieved of Vendor's obligations to complete performance hereunder, but the Agency/Buyer, at its own option, may accept a substitute or terminate the Contract.

6.3.28 Performance of Services and Duties. Vendor shall perform all services and other duties as set forth in this Contract in accordance with, and subject to, applicable Agency/Buyer Administrative Rules and policies (which may be contained in HFS' Provider Notices, and HFS' Provider Handbooks), including rules and regulations which may be issued or promulgated from time to time during the term of this Contract. Vendor shall be provided copies of such upon Vendor's written request.

6.3.29 Consultation. Vendor shall promptly furnish the Agency/Buyer with copies of all correspondence and all documents prepared in connection with the services rendered under this Contract.

6.3.30 Employee Handbook. Vendor shall ensure that its employees who provide services under this contract at a location controlled by the Agency/Buyer abide by applicable provisions of HFS' Employee Handbook.

6.3.31 Payment to Vendor.

6.3.31.1 The Agency/Buyer shall pay Vendor for Vendor's performance of all duties and obligations hereunder. Unless specifically provided herein, no payment shall be made by the Agency/Buyer for extra charges, supplies or expenses.

6.3.31.2 The Agency/Buyer will use its best efforts to initiate payment of complete and approved invoices within sixty (60) days after receipt of such invoices from Vendor.

ATTACHMENT A- HIPAA Compliance Obligations

- A. Definitions.
1. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR section 164.501.
 2. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR section 164.502(g).
 3. "PHI" means Protected Health Information, which shall have the same meaning as the term "protected health information" in 45 CFR section 164.501, limited to the information created or received by Contractor from or on behalf of the Agency.
 4. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Part 160 and 45 CFR Part 164 subparts A and E.
 5. "Required by law" shall have the same meaning as the term "required by law" in 45 CFR section 164.103.
- B. Contractor's Permitted Uses and Disclosures.
1. Except as otherwise limited by this Contract, Contractor may use or disclose PHI to perform functions, activities, or services for, or on behalf of, the Agency as specified in this Contract, provided that such use or disclosure would not violate the Privacy Rule if done by the Agency.
 2. Except as otherwise limited by this Contract, Contractor may use PHI for the proper management and administration of Contractor or to carry out the legal responsibilities of Contractor.
 3. Except as otherwise limited by this Contract, Contractor may disclose PHI for the proper management and administration of Contractor, provided that the disclosures are required by law, or Contractor obtains reasonable assurances from the person to whom the PHI is disclosed that the PHI will remain confidential and used or further disclosed only as required by law or for the purpose for which it was disclosed to the person. Contractor shall require the person to whom the PHI was disclosed to notify Contractor of any instances of which the person is aware in which the confidentiality of the PHI has been breached.
 4. Except as otherwise limited by this Contract, Contractor may use PHI to provide data aggregation services to the Agency as permitted by 45 CFR section 164.504(e)(2)(i)(B).
 5. Contractor may use PHI to report violations of law to appropriate federal and state authorities, consistent with 45 CFR section 164.502(j)(1).
- C. Limitations on Contractor's Uses and Disclosures. Contractor shall:
1. Not use or further disclose PHI other than as permitted or required by the Contract or as required by law;
 2. Use appropriate safeguards to prevent use or disclosure of PHI other than as provided for by this Contract;
 3. Mitigate, to the extent practicable, any harmful effect that is known to Contractor of a use or disclosure of PHI by Contractor in violation of the requirements of this Contract;
 4. Report to the Agency any use or disclosure of PHI not provided for by this Contract of which Contractor becomes aware
 5. Ensure that any agents, including a subcontractor, to whom Contractor provides PHI received from the Agency or created or received by Contractor on behalf of the Agency, agree to the same restrictions and conditions that apply through this Contract to Contractor with respect to such information;
 6. Provide access to PHI in a Designated Record Set to the Agency or to another individual whom the Agency names, in order to meet the requirements of 45 CFR section 164.524, at the Agency's request, and in the time and manner specified by the Agency;
 7. Make available PHI in a Designated Record Set for amendment and to incorporate any amendments to PHI in a Designated Record Set that the Agency directs or that Contractor agrees to pursuant to 45 CFR section 164.526 at the request of the Agency or an individual, and in a time and manner specified by the Agency;
 8. Make Contractor's internal practices, books, and records, including policies and procedures and PHI, relating to the use and disclosure of PHI received from the Agency or created or received by Contractor on behalf of the Agency available to the Agency and to the Secretary of Health and Human Services for purposes of determining the Agency's compliance with the Privacy Rule;
 9. Document disclosures of PHI and information related to disclosures of PHI as would be required for the Agency to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR section 164.528;
 10. Provide to the Agency or to an individual, in a time and manner specified by the Agency, information collected in accordance with the terms of this Contract to permit the Agency to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR section 164.528;
 11. Return or destroy all PHI received from the Agency or created or received by Contractor on behalf of the Agency that Contractor still maintains in any form, and to retain no copies of such PHI, upon termination

of this Contract for any reason. If such return or destruction is not feasible, Contractor shall provide the Agency with notice of such purposes that make return or destruction infeasible, and upon the parties' written agreement that return or destruction is infeasible, Contractor shall extend the protections of the Contract to the PHI and limit further uses and disclosures to those purposes that make the return or destruction of the PHI infeasible. This provision shall apply equally to PHI that is in the possession of Contractor and to PHI that is in the possession of subcontractors or agents of Contractor.

D. Agency Obligations. The Agency shall:

1. Provide Contractor with the Agency's Notice of Privacy Practices and notify Contractor of any changes to said Notice;
2. Notify Contractor of any changes in or revocation of permission by an individual to use or disclose PHI, to the extent that such changes may affect Contractor's permitted or required uses and disclosures of PHI;
3. Notify Contractor of any restriction to the use or disclosure of PHI that the Agency had agreed to in accordance with 45 CFR section 164.522, to the extent that such restriction may affect Contractor's use or disclosure of PHI;
4. Not request that Contractor use or disclose PHI in any manner that would not be permissible under the Privacy Rule if done by the Agency.
5. Interpretation. Any ambiguity in this Contract shall be resolved in favor of a meaning that permits the Agency to comply with the Privacy Rule.

E. Interpretation. Any ambiguity in this Contract shall be resolved in favor of a meaning that permits the Agency to comply with the Privacy Rule.