

Solicitation 09-86193

CA-MMIS DDI Project Management Services Project

State of California

Bid 09-86193 CA-MMIS DDI Project Management Services Project

Bid Number **09-86193**
Bid Title **CA-MMIS DDI Project Management Services Project**

Bid Start Date **Aug 18, 2010 1:50:55 PM PDT**
Bid End Date **Nov 15, 2010 4:00:00 PM PST**
Question & Answer End Date **Aug 18, 2010 2:30:00 PM PDT**

Bid Contact **Nathan Greve**

Standard Disclaimer **The State of California advises that prospective bidders periodically check the websites, including but not limited to Bidsync, and / or other state department links for modifications to bid documents. The State of California is not responsible for a prospective bidder's misunderstanding of the bid solicitation or nonresponsive bid due to failure to check these websites for updates or amendments to bid documents, and / or other information regarding the bid solicitations. Failure to periodically check these websites will be at the bidder's sole risk.**

The information published and / or responded to on these websites is public information. Confidential questions / issues / concerns should be directed to the contact on the ad.

Changes made on Aug 18, 2010 2:05:21 PM PDT

Previous Q & A End Date

New Q & A End Date

**Aug 18, 2010 2:30:00 PM
PDT**

Changes made on Aug 18, 2010 4:36:35 PM PDT**Changes were made to the following items:**[CA-MMIS DDI Project Management Services Project](#)

Changes made on Aug 30, 2010 8:01:52 AM PDT

New Documents

CAMMISddiPMSAdBul1.pdf**Conference on Sep 8, 2010 2:00:00 PM PDT has been removed****Changes were made to the following items:**[CA-MMIS DDI Project Management Services Project](#)

Changes made on Sep 15, 2010 8:37:49 AM PDTPrevious End Date **Sep 30, 2010 4:00:00 PM PDT**New End Date **Nov 15, 2010 4:00:00 PM PST****Changes were made to the following items:**[CA-MMIS DDI Project Management Services Project](#)

Description

The organization selected from this procurement will establish and direct the activities of the DHCS FI-MMIS Project Office (PO), including the development of the master project management plan, managing the activities from this plan, advising, reporting, and supporting all aspects of the State's involvement in CA-MMIS Replacement DDI, including accepted Legacy System Enhancements and/or Optional Contractual Services. Entities outside the FI contract such as DHCS's Information Technology Systems Division and the Department of Technology Services will be impacted by the transition to a new contract and eventually the transition to a new MMIS. The PO will coordinate, manage and oversee any enterprise wide State activities. The DDI Project Manager will provide Project Office and Project Management Support services, risk and issue management, and direct and lead quality assurance, governance, resource, scheduling and integration, communications and change control activities. In addition, this organization will be responsible to provide all transition management, process design, testing and training services with the overall goal to support DHCS efforts to successfully transition from the Legacy CA-MMIS to the CA-MMIS Replacement. The PO transition manager will develop and execute a Communication Plan, conduct stakeholder analysis to determine effective engagement of all stakeholders impacted by the transition and prepare State and stakeholder staff for 'acceptance' and impact of changes, ensure successful execution of the Fiscal Intermediary's Transition Management Plan, ensure synchronization of Legacy to Replacement phases, and establish a post-implementation maintenance process for State monitoring and testing. This organization will report to the Project Sponsor and the FI-MMIS Project Director.

Questions should be submitted directly to DHCS using the instructions within the RFP.

Project Website: http://www.dhcs.ca.gov/provgovpart/rfa_rfp/Pages/OMCPcammisDDIpmHome.aspx

Added on Aug 18, 2010:

8/18/2010 (pm) Data Library documents added. Please go to the project website referenced in the Bid Comments to view the the data library contents.

Added on Aug 30, 2010:

08/26/2010 - Administrative Bulletin 1 released. This bulletin announces the postponement of the bidder's conference. All other future event dates in the timeline will be adjusted accordingly in another bulletin that will be released at a later date.

Added on Sep 15, 2010:

09/15/2010 - The project due date has been extended to 11/15/2010. Please note that this is a TENTATIVE DATE ONLY and is still subject to change and/or extension.

Changes made on Aug 18, 2010 4:36:35 PM PDT

Changes made on Aug 30, 2010 8:01:52 AM PDT

Changes made on Sep 15, 2010 8:37:49 AM PDT



DAVID MAXWELL-JOLLY
Director

State of California—Health and Human Services Agency Department of Health Care Services



ARNOLD SCHWARZENEGGER
Governor

August 18, 2010

Notice to Prospective Proposers

Dear Interested Party,

Prospective Proposers are invited to review and respond to the attached Request for Proposal (RFP) Number 09-86193 entitled, "CA-MMIS DDI Project Management Services."

The objective of this RFP is to obtain the services of a qualified and experienced Contractor that will provide Project Management Services in directing State staff during the Design, Development and Implementation (DDI) of the California Medicaid Management Information System (CA-MMIS) Project.

NOTE: Prospective Proposers are reminded that, if awarded the CA-MMIS DDI Project Management Services contract, the selected vendor and any subcontractors will not be eligible for award of the upcoming CA-MMIS Principal Architect Support contract. In addition, the Fiscal Intermediary (selected from RFP 08-85022) and/or their subcontractors will not be eligible to be awarded either the CA-MMIS DDI Project Management Services contract or the CA-MMIS Principal Architect Support Contract.

When preparing and submitting a proposal, compliance with the instructions found herein is imperative. Any firm which intends to submit a proposal is required to describe its approach to addressing any potential conflict of interest, as described in Section L. Proposal Format and Content Requirements, 3. Content Requirements, i. Appendix Section, 8) Conflict of Interest Compliance Certificate.

Prospective Proposers can view and download the CA-MMIS DDI Project Management Services RFP from the following Internet site:

http://www.dhcs.ca.gov/provgovpart/rfa_rfp/Pages/OMCPHomePage.aspx. If any prospective Proposer is unable to obtain the RFP via the Internet, please contact the Office of Medi-Cal Procurement (OMCP) at (916) 552-8006 or e-mail OMCP at omcprfp1@dhcs.ca.gov to request a CD-R version.

All agreements entered into with the State of California will include, by reference, the Contractor Certification Clauses (CCC) that may be viewed and downloaded at this Internet site:

<http://www.ols.dgs.ca.gov/Standard+Language/default.htm>. If any prospective Proposer lacks Internet access, a CD-R copy can be obtained by contacting OMCP.

If a discrepancy occurs between the information in the advertisement appearing in BidSync (the State's e-procurement system) and the information herein, the information in this notice and in the attached RFP take precedence.

Interested Party Letter
8/18/2009
Page 2

I. Proposal Submission Deadline

Regardless of postmark or method of delivery, the Department of Health Care Services' Office of Medi-Cal Procurement must receive proposal packages no later than **4:00 p.m.** on **September 30, 2010**. Refer to the attached RFP for detailed submission requirements.

II. "Voluntary" Non-Binding Letter of Intent

In this procurement, prospective Proposers are asked to voluntarily submit a non-binding Letter of Intent. See the attached RFP for detailed Letter of Intent submission instructions.

III. Request for Inclusion on Mailing List Form

In this procurement, prospective Proposers also are asked to submit the form entitled "Request for Inclusion on Mailing List " in order to receive further mailings related to this procurement. See the attached RFP for detailed submission instructions for this form.

IV. Limitation of State Liability

Payment for performance under the resulting contract may be dependent upon the availability of future appropriations by the State Legislature or Congress for the purposes of the resulting contract. No legal liability on the part of the State for any payment may arise under the resulting contract until funds are made available through an annual appropriation and the Proposer is notified accordingly. If a contract is executed before ascertaining available funding and funding does not become available, DHCS will cancel the contract.

V. Proposer Questions

In the opinion of DHCS, this RFP is complete and without need of explanation. However, if questions arise or there is a need to obtain clarifying information, put all inquiries in writing and mail or fax them to DHCS according to the instructions in the RFP section entitled, "Proposer Questions".

Thank you for your interest in our Department's service needs.

Sincerely,

Original Signed by *Kevin Morrill*

Kevin Morrill, Chief
Office of Medi-Cal Procurement



Request for Proposal 09-86193

CA-MMIS DDI Project Management Services Request for Proposal

Department of Health Care Services
CA-MMIS Project Office/Project Management Services
MS Code 4200
1501 Capitol Ave. Suite 71.3041
P. O. Box 997413
Sacramento, CA 95899-7413

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Attachment 2	Required Attachment / Certification Checklist
Attachment 2a	Required Attachment / Certification Checklist for Cost Section
Attachment 3	Business Information Sheet
Attachment 4	Client References
Attachment 5	RFP Clause Certification
Attachment 6	CCC 307 - Certification
Attachment 7	Payee Data Record
Attachment 8	Follow-on Consultant Contract Disclosure
Attachment 9	DVBE Instructions / Forms with Attachment 9a, Actual DVBE Participation
Attachment 10	Darfur Contracting Act Certification
Attachment 11	Proposer Response Guide
Attachment 12 a-b	Non-Small Business Subcontractor Preference Request/Supplier Acknowledgement
Attachment 13.1 to 13.5	Narrative Staffing Levels
Attachment 14.1 to 14.6	Cost Sheets
Attachment 15	Conflict of Interest Compliance Certificate
Attachment 16	Voluntary Letter of Intent
Attachment 17	Request for Inclusion on Mailing List

U. Sample Contract Forms / Exhibits

Exhibit #	Exhibit Name
Exhibit A1	Standard Agreement
<u>Exhibit A,</u> <u>Attachment 1</u>	Scope of Work
Exhibit B	Budget Detail and Payment Provisions
Exhibit C View on-line.	General Terms and Conditions (GTC 610). View or download at this Internet site http://www.ols.dgs.ca.gov/Standard Language/default.htm .
Exhibit D(F)	Special Terms and Conditions
Exhibit E	Additional Provisions
Exhibit F	Contractor's Release
Exhibit G	HIPAA Business Associate Addendum
Exhibit H	Information Confidentiality and Security Requirements

V. Program Appendices

Appendix #	Appendix Name
Appendix 1	Driving and Parking Instructions

A. Purpose, Background and Description of Services

1. Purpose

The California Department of Health Care Services (DHCS) is soliciting proposals from firms able to provide Project Management Services in directing State staff during the Design, Development and Implementation (DDI) of the California Medicaid Management Information System (CA-MMIS) Project. Proposals must address all of the services described in Exhibit A, Attachment 1 entitled, "Scope of Work".

DHCS intends to make a single contract award to the most responsive and responsible firm earning the highest score. Cost will be a factor in the selection of the Contractor, but the selected Contractor will be the firm achieving the highest total score as described in this RFP.

This procurement is open to all eligible firms and/or individuals that meet the qualification requirements, including commercial businesses, nonprofit organizations, State or public universities (including auxiliary organizations) and other entities.

2. Background

The Department of Health Care Services (DHCS) is designated as the single state agency in California to administer the approved mandatory Medicaid program (Medi-Cal). The California Medicaid Management Information System (CA-MMIS) processes the payments to providers for medical care to the 6.8 million Medi-Cal beneficiaries in the State. Under the CA-MMIS Contract, the Fiscal Intermediary (FI) adjudicates Medi-Cal and non-Medi-Cal claims for the State and performs other FI services to medical program providers, beneficiary members, and federal and state users of the system. The CA-MMIS Contract is one of the largest and most complex contracts in State government.

In early 2008, DHCS initiated the California Medicaid Management Information Systems Fiscal Intermediary Project (CA-MMIS FI) to procure a new contract for fiscal intermediary services and to replace the existing thirty (30) year-old legacy system. The CA-MMIS FI Contract was won by ACS State Healthcare, LLC (ACS). Historically, the FI contract has included the takeover, operation, enhancement and turnover of the CA-MMIS and all related claims processing services. The contract requires the next FI contractor to takeover and operate the existing CA-MMIS while planning, designing, testing and implementing a replacement MMIS for the State. DHCS intends to leverage opportunity to implement new MMIS technology and functionality that will allow for enhanced management of the Medi-Cal Program and comply with new federal mandates. The Contract Effective Date (CED) was May 3, 2010.

The FI Contractor is responsible for the design or accomplishment of the activities and system capabilities for the Legacy Expansion items, which are largely administrative in nature. These new activities, new system capabilities, new procedures and required personnel must be completed and operational as of the Assumption of Operations (AOO) of the Legacy System, Scheduled for nine (9) months following the start of Takeover. At AOO and following a successful Takeover, the FI will have responsibility for maintaining Legacy Operations and implementing any selected Legacy Enhancements and Optional Contractual Services (OCS). DHCS may elect to implement any Optional Contractual Service or Legacy System Enhancement, with the exception of the Business Rules Extraction Enhancement, which is mandatory.

DHCS plans a phased implementation of the replacement CA-MMIS. DHCS has scheduled the Planning Phase for one (1) calendar year, beginning concurrently with the Assumption of Operations for the Legacy System. The formal DDI tasks, beginning with the early implementation requirements for the Surveillance Utilization Review Guidance and Evaluation (SURGE) replacement and including consolidation of the Field Office Automation Group into Treatment Authorization Request Processing Centers, the Pharmacy replacement system (including Drug Utilization Review and drug rebates) and Third Party Liability replacement functionality, followed by all other replacement system design, development and implementation.

DHCS sought external State resources to provide project management for the DHCS CA-MMIS Replacement System DDI project to no avail. The knowledge, skills and abilities to perform the functions required did not exist within current State resources.

The overall objective of this Request for Proposal is to obtain a qualified and experienced Contractor that will provide project management services to the DHCS for five (5) major CA-MMIS Contract project phases. Those phases are:

- a. Business Rules Extraction;
- b. Pharmacy Online/Drug Utilization Review (DUR) Design Development and Implementation (DDI);
- c. Treatment and Service Authorization Request Systems (TAR/SAR) DDI;
- d. Third Party Liability/Automated Collection Management Systems (TPL/ACMS) DDI;
- e. CA-MMIS Replacement System DDI.

Legacy Enhancement items and all Optional Contractual Services are excluded from this Contract. The Business Rules enhancement is part of this Contract.

B. Time Schedule

Below is the tentative time schedule for this procurement.

Event	Date	Time (If applicable)
RFP Released	08/18/10	
Questions Due	09/02/10	4:00 p.m.
Request to be included on Mailing List	09/08/10	4:00 p.m.
Voluntary Pre-Proposal Conference	09/08/10	2:00 p.m.
Voluntary Non-Binding Letter of Intent	09/08/10	4:00 p.m.
Proposal Due Date	09/30/10	4:00 p.m.

Event	Date	Time (If applicable)
Notice of Intent to Award Posted	11/15/10	
Protest Deadline	11/22/10	5:00 p.m.
Contract Award Date	11/23/10	
Proposed Start Date of Agreement	01/02/11	

C. Contract Term

The term of the resulting agreement is expected to be sixty-nine (69) months from the contract award date plus one (1) one-year extension at the discretion of DHCS. The agreement term may change if DHCS makes an award earlier than expected or if DHCS cannot execute the agreement in a timely manner due to unforeseen delays. DHCS reserves the right to extend the term of the resulting agreement via an amendment as necessary to complete or continue the services. Contract extensions are subject to satisfactory performance, funding availability, and possibly approval by the Department of General Services.

The resulting contract will be of no force or effect until it is signed by both parties and approved by the Department of General Services, if required. The Contractor is hereby advised not to commence performance until all approvals have been obtained and the Contractor is advised by DHCS to begin work. If performance commences before all approvals are obtained, said services may be considered to have been volunteered until all approvals are obtained.

D. Proposer Questions

Immediately notify DHCS if clarification is needed regarding the services sought or questions arise about the RFP and/or its accompanying materials, instructions, or requirements. Put the inquiry in writing and transmit it to DHCS as instructed below. At its discretion, DHCS reserves the right to contact an inquirer to seek clarification of any inquiry received.

Proposers that fail to report a known or suspected problem with the RFP and/or its accompanying materials or fail to seek clarification and/or correction of the RFP and/or its accompanying materials shall submit a proposal at their own risk. In addition, if awarded the contract, the successful Proposer shall not be entitled to additional compensation for any additional work caused by such problem, including any ambiguity, conflict, discrepancy, omission, or error.

Following the question submission deadline, DHCS will summarize all general questions and issues raised and post the summary and official responses on the OMCP website at the following location: www.dhcs.ca.gov/ProvGovPart/rfa_rfp/Pages/OMCPHomePage.aspx.

In response to inquiries that appear to be unique to a single firm or that are marked "Confidential", DHCS will respond only to the inquirer if DHCS concurs with the inquirer's claim that the inquiry is sensitive or proprietary in nature. If DHCS does not concur, the inquiry will be answered in the manner described herein for general questions and the inquirer will be so

notified. Inquiries and/or responses that DHCS agrees should be held in confidence shall be held in confidence only until the Notice of Intent to Award is posted.

To the extent practical, inquiries shall remain as submitted. However, DHCS may consolidate and/or paraphrase similar or related inquiries.

1. What to include in an inquiry

- a. Inquirer's name, name of firm submitting the inquiry, mailing address, email address, area code and telephone number, and fax number.
- b. A description of the subject or issue in question or discrepancy found.
- c. RFP section, page number or other information useful in identifying the specific problem or issue in question.
- d. Remedy sought, if any.

A prospective proposer that desires clarification about specific RFP requirements and/or whose inquiry relates to sensitive issues or proprietary aspects of a proposal may submit individual inquiries that are marked "Confidential". The Inquirer must include with its inquiry an explanation as to why it believes questions marked "Confidential" are sensitive or surround a proprietary issue.

2. Question deadline

Regardless of delivery method, written inquiries must be received no later than **4:00 p.m. on September 2, 2010.**

Notwithstanding the question submission deadline, DHCS will accept questions or inquiries about the following issues if such inquiries are received prior to the proposal submission deadline.

- a. DVBE participation requirements and how to complete the DVBE attachments,
- b. The reporting of RFP errors or irregularities.

3. How to submit questions

Submit inquiries using one of the following methods.

U.S. Mail, Hand Delivery or Overnight Express:	Fax:
Questions - RFP 09-86193 Department of Health Care Services CA-MMIS Project Office/Project Management Services Maegan Jorgensen Nathan Greve Department of Health Care Services Office of Medi-Cal Procurement MS 4200 1501 Capitol Ave. Suite 71.3041 PO Box 997413 Sacramento, CA 95899-7413 omcprfp1@dhcs.ca.gov	Questions - RFP 09-86193 Department of Health Care Services CA-MMIS Project Office/Project Management Services Maegan Jorgensen Nathan Greve Department of Health Care Services Office of Medi-Cal Procurement MS 4200 1501 Capitol Ave. Suite 71.3041 PO Box 997413 Sacramento, CA 95899-7413 Fax: (916) 440-7369

Proposers submitting inquiries by fax are responsible for confirming the receipt of all faxed materials by the question deadline.

Call Maegan Jorgensen or Nathan Greve at (916) 552-8006 to confirm faxed transmissions.

4. Proposer warning

- a. DHCS' internal processing of U.S. mail may add 48 hours or more to the delivery time. If questions are mailed, consider using certified or registered mail and request a receipt upon delivery.
- b. For hand deliveries, allow sufficient time to locate on street metered parking and to sign-in at the security desk. If detained at the security desk, ask security personnel to call Maegan Jorgensen or Nathan Greve at 916-552-8006 to arrange for question pickup and receipt issuance by program staff.
- c. Courier service personnel must sign-in at the security station and must obtain an access key card. Couriers will then be able to access pre-determined areas. If detained at the security desk, ask security personnel to call Maegan Jorgensen or Nathan Greve at 916-552-8006 to collect the question envelope and to issue a receipt.

For driving and parking instructions, please review Appendix 1.

5. Verbal questions

Verbal inquiries are discouraged. DHCS reserves the right not to accept or respond to verbal inquiries. **Spontaneous verbal remarks provided in response to verbal inquiries are unofficial and are not binding on DHCS unless later confirmed in writing.**

Direct all verbal requests for DVBE assistance to DHCS' DVBE Coordinator at (916) 650-0205 up to the proposal deadline.

E. Data Library

A Data Library for the sole use of Proposers will be available on the release date of this RFP. The entire contents of the Data Library will be accessible in an electronic format for the duration of this procurement and longer if deemed necessary by DHCS. Data Library materials will not be supplied in hard copy, unless doing so is necessary to meet a reasonable accommodation request.

F. Pre-Proposal Conference

DHCS will conduct a voluntary Pre-Proposal Conference in Sacramento on September 8, 2010, beginning at 2:00 p.m. at the following location:

Department of Health Care Services
1500 Capitol Avenue
1st Floor Auditorium
Sacramento, CA 95814

Prospective proposers that intend to submit a proposal are encouraged to attend the voluntary Pre-Proposal Conference. It shall be each prospective Proposer's responsibility to attend the

Pre-Proposal Conference promptly at 2:00 p.m. DHCS reserves the right not to repeat information for participants that join the conference after it has begun.

The voluntary Pre-Proposal Conference is a public event or meeting and anyone can attend.

The purpose of the conference is to:

1. Allow prospective Proposers to ask questions about the services sought or RFP requirements and/or instructions.
2. Share the answers to general questions and inquiries received before and during the conference.

Spontaneous verbal remarks provided in response to questions/inquiries are unofficial and are not binding on DHCS unless later confirmed in writing.

Carefully review this RFP before the conference date to become familiar with the qualification requirements, Scope of Work and proposal content requirements. Conference attendees are encouraged to have their copy of this RFP available for viewing during the conference.

Refer to the RFP section entitled, "Proposer Questions" for instructions on how to submit written questions and inquiries before the conference date.

After the conference, DHCS will summarize all general questions and issues raised before and during the conference and post the summary and official responses on the OMCP website at the following location: www.dhcs.ca.gov/ProvGovPart/rfa_rfp/Pages/OMCPHomePage.aspx. If an inquiry appears to be unique to a single firm or is marked "Confidential", DHCS will respond only to the inquirer if DHCS concurs with the inquirer's claim that the inquiry is sensitive or proprietary in nature. If DHCS does not concur, the inquiry will be answered in the manner described herein and the inquirer will be so notified. Inquiries and/or responses that DHCS agrees should be held in confidence shall be held in confidence only until the Notice of Intent to Award is posted.

To the extent practical, inquiries shall remain as submitted. However, DHCS may consolidate and/or paraphrase similar or related inquiries.

Conference attendees are responsible for their costs to attend/participate in the conference. Those costs cannot be charged to DHCS or included in any cost element of a Proposer's price offering.

For driving and parking instructions, please review Appendix 1.

G. Request for Inclusion on the Mailing List (Attachment 17)

1. General Information

All updates, change notices, Administrative Bulletins and Addenda will be posted to the OMCP website at the following location: www.dhcs.ca.gov/ProvGovPart/rfa_rfp/Pages/OMCPHomePage.aspx. In addition, an e-mail blast will be sent to every prospective Proposer who has submitted a Request for Inclusion on Mailing List, Attachment 17.

- a. To obtain the e-mail blast notifications, submit the Request for Inclusion on Mailing List, Attachment 17 by **4:00 p.m. on September 8, 2010.**
- b. It is incumbent upon any prospective Proposer that has not submitted a Request for Inclusion on Mailing List to monitor the DGS State Contracts Register Ad site and the following DHCS website:
www.dhcs.ca.gov/ProvGovPart/rfa_rfp/Pages/OMCPHomePage.aspx for any RFP Administrative Bulletins and RFP Addenda and/or other updates to the RFP and procurement.
- c. Any interested party who is unable to download information from the OMCP website may contact Maegan Jorgensen or Nathan Greve at (916) 552-8006 to request CD copies of any RFP information. DHCS requires prospective Proposers to replace any CD made.

2. Submitting the Request for Inclusion on Mailing List

Submit the Request for Inclusion on the RFP Mailing List form using one of the following methods.

U.S. Mail, Hand Delivery or Overnight Express:	Fax:
Mailing List Request - RFP 09-86193 Department of Health Care Services Office of Medi-Cal Procurement Maegan Jorgensen Nathan Greve MS Code 4200 1501 Capitol Ave Suite 71.3041 P.O. Box 997413 Sacramento, CA 95899-7413	Mailing List Request - RFP 09-86193 Department of Health Care Services Office of Medi-Cal Procurement Maegan Jorgensen Nathan Greve Fax: (916) 440-7369
Email: omcprfp1@dhcs.ca.gov Subject: Mailing List Request – RFP 09-86193	

Persons transmitting a Request for Inclusion on Mailing List form by fax are responsible for confirming the receipt of the fax by the stated deadline.

Call Maegan Jorgensen or Nathan Greve at (916) 552-8006 to confirm fax transmissions.

3. Proposer warning

- a. DHCS' internal processing of U.S. mail may add 48 hours or more to the delivery time. If the Request for Inclusion on Mailing List form is mailed, consider using certified or registered mail and request a receipt upon delivery.
- b. For hand deliveries, allow sufficient time to locate on street metered parking and to sign-in at the security desk. If detained at the security desk, ask security personnel to call Maegan Jorgensen or Nathan Greve at 916-552-8006 to arrange for pickup of the Request for Inclusion on Mailing List form and receipt issuance.

- c. Courier service personnel must sign-in at the security station and must obtain an access key card. Couriers will then be able to access pre-determined areas. If detained at the security desk, ask security personnel to call Maegan Jorgensen or Nathan Greve at 916-552-8006 to have appropriate staff collect the Request for Inclusion on Mailing List form and to issue a receipt.

For driving and parking instructions, please review Appendix 1.

H. Reasonable Accommodations

For individuals with disabilities, DHCS will provide assistive services such as reading or writing assistance, and conversion of the Request for Proposal, questions/answers, RFP Addenda, applicable Data Library materials, or other Administrative Notices into Braille, large print, audio cassette, computer disk or CD. To request copies of written materials in an alternate format, please call the number below to arrange for reasonable accommodations.

Maegan Jorgensen or Nathan Greve
Office of Medi-Cal Procurement (916) 552-8006
(TTY) California Relay telephone number 711 - 1-800-735-2929

NOTE: The range of assistive services available may be limited if requestors cannot allow ten or more State working days prior to date the alternate format material is needed.

I. Voluntary Non-Binding Letter of Intent

1. General information

Prospective Proposers are asked to voluntarily indicate either their intention to submit a proposal or to indicate the reason(s) for not submitting a proposal. Failure to submit the Voluntary Letter of Intent will not affect the acceptance of any proposal. The Voluntary Letter of Intent is not binding and prospective Proposers are not required to submit a proposal merely because a Voluntary Letter of Intent is submitted. **Use the Letter of Intent (Attachment 16) for this purpose.**

2. Submitting the Voluntary Letter of Intent

Regardless of delivery method, the Voluntary Letter of Intent should be received by **4:00 p.m. on September 8, 2010**. Submit the Voluntary Letter of Intent (Attachment 16) using one of the following methods.

U.S. Mail, Hand Delivery or Overnight Express:	Fax:
Letter of Intent - RFP 09-86193 Department of Health Care Services Office of Medi-Cal Procurement Maegan Jorgensen Nathan Greve MS Code 4200 1501 Capitol Ave Suite 71.3041 P.O. Box 997413 Sacramento, CA 95899-7413 Omcprfp1@dhcs.ca.gov	Letter of Intent - RFP 09-86193 Department of Health Care Services Office of Medi-Cal Procurement Maegan Jorgensen Nathan Greve Fax: (916) 440-7369

Proposers transmitting a Letter of Intent by fax are responsible for confirming the receipt of the fax by the stated deadline.

Call Maegan Jorgensen or Nathan Greve at (916) 552-8006 to confirm fax transmissions.

3. Proposer warning

- a. DHCS' internal processing of U.S. mail may add 48 hours or more to the delivery time. If the Letter of Intent is mailed, consider using certified or registered mail and request a receipt upon delivery.
- b. For hand deliveries, allow sufficient time to locate on street metered parking and to sign-in at the security desk. If detained at the security desk, ask security personnel to call Maegan Jorgensen or Nathan Greve at (916)552-8006 to arrange for Letter of Intent pickup and receipt issuance.
- c. Courier service personnel must sign-in at the security station and must obtain an access key card. Couriers will then be able to access pre-determined areas. If detained at the security desk, ask security personnel to call Maegan Jorgensen or Nathan Greve at (916)552-8006 to have appropriate staff collect the Letter of Intent request and to issue a receipt.

For driving and parking instructions, please review Appendix 1.

J. Scope of Work

See Exhibit A, Attachment 1 entitled, "Scope of Work" that is included in the Sample Contract Forms and Exhibits section of this RFP. Exhibit A, Attachment 1 contains a detailed description of the services and work to be performed as a result of this procurement.

K. Qualification Requirements

Failure to meet the following requirements by the proposal submission deadline will be grounds for DHCS to deem a proposer nonresponsive. Evaluators may choose not to thoroughly review or score proposals that fail to meet these requirements. In submitting a proposal, each proposer must certify and prove that it possesses the following qualification requirements.

1. Experience requirements for the Proposing firm

The Proposing firm must demonstrate at least five consecutive years of experience of the type(s) listed below. All experience must have occurred within the past ten years. The Proposing firm must have experience:

- a. Providing project management services for system implementation of projects from system design through the implementation phases, for a governmental agency the size and scope proposed for the CA-MMIS Replacement Project or for a project of at least twenty-five (\$25,000,000) million dollars (including DD&I costs only).
- b. Qualifying experience does not have to be for an MMIS implementation.

2. Experience requirements for Project Office Manager (POM)

The POM shall have at least ten (10) years relevant experience working on large complex projects similar to the size and complexity of the CA-MMIS Project with at least five (5) consecutive years of the experience having been in a lead capacity. All experience must have occurred within the last twelve (12) years. POM experience shall include:

- a. Previous experience with a government or private sector healthcare payer program in management methodology, processes and tools; systems architecture and design; strategic planning and execution;
- b. Considerable experience in business theory, business processes, management, budgeting, and business office operations.
- c. Proven experience in program and project management, planning, organization, risk mitigation, development and implementation.
- d. Bachelor's Degree in Computer Science, Business Administration/Management or related fields. A Project Management Professional (PMP) certification from the PMI and/or Master's degree in one of these fields is preferred. Additional relevant management experience may substitute for the degree on a year-for-year basis.
- e. Substantial experience with data processing, hardware platforms, enterprise software applications, and outsourced systems including experience with computer systems characteristics, features and integration capabilities.
- f. Shall have at least five (5) years experience with similar System Development Life Cycle (SDLC) from business requirements through implementation as defined in the CA-MMIS FI Contract and ACS's Narrative Technical Proposal.
- g. Shall have completed three (3) SDLC large scale projects within the twelve (12) year period.
- h. Demonstrated experience in PM services for at least one project of similar size and scope of the DDI CA-MMIS Replacement System or for a project of at least twenty-five (\$25,000,000) million dollars (including DDI costs only).
- i. Shall have at least five (5) years experience with multiple phased projects and multiple implementations with complex data conversions and strategies.
- j. Shall have at least five (5) years experience in:
 - 1) Change Management.
 - 2) Managing Project Plans.
 - 3) Issue and Risk Management.
 - 4) Operational Readiness.
- k. Shall demonstrate a thorough understanding of the new technology proposed and have experience with Service Oriented Architecture (SOA) principles and practices.

I. The following is preferred experience:

- 1) Medicaid.
- 2) MITA.
- 3) Office of the State Chief Information Officer (OCIO) California Project Management Methodology (CA-PMM).
- 4) Capability Maturity Model Integration (CMMI) Level 2 or higher.

3. Experience requirements for Project Managers and Project Leads

Each Project Manager and Project Lead shall have at a minimum:

- a. Five (5) years experience working on a large complex project:
 - 1) With a government or private sector healthcare payer program in management methodology, processes and tools; systems architecture and design; strategic planning and execution required;
 - 2) In business theory, business processes, management, budgeting, and business office operations;
 - 3) In program and project management, planning, organization, risk mitigation, development and implementation.
- b. Experience working with multiple phased projects and multiple implementations with complex data conversions and strategies.
- c. Project Management with PMP credentials
- d. The following is preferred experience:
 - 1) Medicaid.
 - 2) MITA.
 - 3) OCIO California Project Management Methodology (CA-PMM)
 - 4) CMMI Level 2 or higher.

4. Compliance with Contract Terms and Conditions

Proposers must certify they have read and are willing to comply with all proposed terms and conditions addressed in the RFP section entitled, "Contract Terms and Conditions", including the terms appearing in the referenced contract exhibits. Corporations must certify they are in good standing and qualified to conduct business in California.

5. Limited Liability Companies and Limited Partnerships

Limited Liability Companies and Limited Partnerships must certify that they are in active standing and qualified to conduct business in California.

6. Non-Profit Organizations

Non-profit organizations must certify their eligibility to claim nonprofit status.

7. Past Business Practice

Proposers must have a past record of sound business integrity and a history of being responsive to past contractual obligations.

8. Financial Stability

Proposers must be certify they are financially stable and solvent and have adequate cash reserves to meet all financial obligations while awaiting reimbursement from the State.

9. Follow-on Consultant Contract Disclosure

Proposers must certify their proposal response is not in violation of Public Contract Code (PCC) Section 10365.5 and, if applicable, must identify previous consultant services contracts that are related in any manner to the services, goods, or supplies being acquired in this solicitation. Detailed requirements are outlined in **Attachment 8**.

PCC Section 10365.5 generally prohibits a person, firm, or subsidiary thereof that has been awarded a consulting services contract from submitting a bid for and/or being awarded an agreement for, the provision of services, procurement of goods or supplies, or any other related action that is required, suggested, or otherwise deemed appropriate in the end product of a consulting services contract.

PCC Section 10365.5 does not apply to any person, firm, or subsidiary thereof that is awarded a subcontract of a consulting services agreement that totals no more than 10 percent of the total monetary value of the consulting services agreement. Consultants and employees of a firm that provides consulting advice under an original consulting contract are not prohibited from providing services as employees of another firm on a follow-on contract, unless the persons are named contracting parties or named parties in a subcontract of the original contract.

PCC Section 10365.5 does not distinguish between intentional, negligent, and/or inadvertent violations. A violation could result in disqualification from bidding, a void contract, and/or imposition of criminal penalties.

10. Disabled Veteran Business Enterprise Participation Requirements

Proposers must meet a Disabled Veteran Business Enterprise (DVBE) participation goal of 1% for this solicitation. Detailed information and instructions are outlined in **Attachment 9** (DVBE Instructions/Forms).

11. Darfur Contracting Act Certification

Pursuant to the Darfur Contracting Act of 2008, Proposers must certify their status as “scrutinized” company and their eligibility to submit a proposal response. A “scrutinized” company is defined in Public Contract Code Section 10476. Detailed certification requirements appear in **Attachment 10**.

12. Liability Insurance Requirement

The winning Proposer must supply, before contract execution, proof of liability insurance that meets the requirements of Provision 15 of Exhibit E, entitled, Additional Provisions.

1. Conflict of Interest Certification

Proposers must certify and submit proof that no prohibited conflict of interest exists.

L. Proposal Format and Content Requirements

1. General instructions

- a. Each firm or individual may submit only one proposal consisting of a Narrative Proposal with narrative content and a separate Cost Proposal.

For the purposes of this paragraph, “firm” includes a parent corporation of a firm and any other subsidiary of that parent corporation. If a firm or individual submits more than one proposal, DHCS will reject all proposals submitted by that firm or individual.

A firm or individual proposing to act as a prime contractor may be named as a subcontractor in another Proposer’s proposal. Similarly, more than one proposer may use the same subcontractors and/or independent consultants.

- b. Develop proposals by following all RFP instructions and/or clarifications issued by DHCS in the form of question and answer notices, clarification notices, Administrative Bulletins or RFP addenda.
- c. Before submitting a proposal, seek timely written clarification of any requirements or instructions that are believed to be vague, unclear or that are not fully understood.
- d. In preparing a proposal response, all narrative portions should be straightforward, detailed and precise. DHCS will determine the responsiveness of a proposal by its quality, not its volume, packaging or colored displays.
- e. Arrange for the timely delivery of the proposal package(s) to the address specified in this RFP. Do not delay until shortly before the deadline to submit the proposal.

2. Format requirements

- a. Submit one (1) original proposal, three (3) copies or sets, and one (1) CD-ROM of the cost proposal in any DHCS standard platform (i.e., Word, Excel, or PDF formats). The CD-ROM must be identical to, and contain everything included in, the proposal hard copy, although the original hard copy submission remains the official submission.
- b. Format the narrative portion of the proposal as follows:

- 1) Use one-inch margins at the top, bottom, and both sides.
 - 2) Use a font size of not less than 11 points.
 - 3) Print pages single-sided on white bond paper.
 - 4) Sequentially paginate the pages in each section. It is not necessary to paginate items in the Forms Section or Appendix Section.
- c. Bind each proposal set in a way that enables easy page removal. Loose leaf or three-ring binders are acceptable.
- d. All RFP attachments that require a signature must be signed in blue ink. Signatures may be omitted from the accompanying CD.
- 1) Have a person who is authorized to bind the proposing firm sign each RFP attachment that requires a signature. Signature stamps are not acceptable.
 - 2) Place the originally signed attachments in the proposal set marked "Original".
 - 3) The RFP attachments and other documentation placed in the extra proposal sets may reflect photocopied signatures.
- e. Do not mark any portion of the proposal response, any RFP attachment, or other item of required documentation as "Confidential" or "Proprietary". DHCS will disregard any language purporting to render all or portions of a proposal confidential.
- f. Assembly of the Cost Proposal (**Note: the Cost Proposal is submitted as a separate sealed package**):
- 1) Submit one (1) original proposal, three (3) copies or sets, and one (1) CD-ROM of the cost proposal in any DHCS standard platform (I.e., Word, Excel, or PDF formats). The CD-ROM must be identical to, and contain everything included in, the proposal hard copy, although the original hard copy submission remains the official submission.
 - 2) Write "**Original**" on the original cost proposal set.

3. Content requirements

This section specifies the order and content of each proposal. Assemble the materials in each proposal set in the following order:

a. Proposal Cover Page

A person authorized to bind the Proposer must sign the Proposal Cover Page (**Attachment 1**). If the proposer is a corporation, a person authorized by the Board of Directors to sign on behalf of the Board must sign the Proposal Cover Page.

b. Table of Contents

Properly identify each section and the contents therein. Paginate all items in each section with the exception of those items placed in the Forms Section and Appendix Section.

c. Executive Summary Section

This section must not exceed six (6) pages in length. Evaluators may not review or evaluate excess pages.

In preparing the Executive Summary, do not simply restate or paraphrase information in this RFP. Your summary should state your global understanding of the requirements of this RFP, the resources and staff you will commit to this project to achieve superior results. Also include a description or demonstrate, in the Proposer's own words, the following information.

- 1) An understanding of DHCS' needs for Project Management Services and the importance of this project.
- 2) The tangible results that are expected to be achieved and acknowledgement that the Proposer expects to be held accountable for achieving those results.
- 3) A sincere commitment to perform the Scope of Work in an efficient and timely manner.
- 4) How this project will be effectively integrated into the proposing firm's current obligations and existing workload.
- 5) Why the proposing firm should be chosen to undertake this Project at this time.

d. Proposing Firm's Capability Section

- 1) Include a brief history of the proposing firm, including:
 - a) A discussion of the organizational structure of the Proposer and how that structure supports the goals and requirements of this RFP. Also include a history of the organization, the parent corporation and /or subsidiaries and partnership arrangements detailing any assistance those entities are expected to provide in meeting the requirements of this RFP.
 - b) A description of the proposing firm's goals that are relevant, closely related, or which complement the requirements of this RFP.
 - c) Indicate any relevant past experience with Medicaid, Medicare, and/or other health organizations in providing project management services.
 - d) A list of previous relationships with governmental programs for which consulting services were provided by Proposer in the last ten (10) years.
 - e) A description of your firms prior project management services experience with a governmental agency that the Contractor's consultants or employees have been

directly engaged in, where the Scope Of Work (SOW) included performing project management services.

- f) Services that are similar to, or relevant to, the services requested in this RFP.
- 2) Describe experience that qualifies the proposing firm to undertake this project. At a minimum, demonstrate the proposing firm possesses experience in large scale project management services contracting. All experience must have occurred within the past ten (10) years. Experience required below could be attained during the same time period with various engagements. Proposers should describe or detail their experience in:
- a) Developing project management services for non-related organizations. Describe the dates, size, complexity and methodology/type of project management services offered.
 - b) Describe in detail the staffing levels and total staff hours used in each of the historical projects identified. Where appropriate, identify and discuss the staff assigned to those historical projects that will be assigned to this project in either significant managerial roles or in significant subject matter expert roles.
 - c) Describe the controls and reporting methods used to report, manage or convey your findings to the client at the appropriate level.
 - d) Medical care service organizations (Medicaid, Medicare, etc.), which should be included as examples of project management services you have provided to government agencies.
 - e) Hardware and software project implementations throughout the entire project life cycle.
- 3) Please identify and describe the project management methodology your firm ascribes to and employs for project management services. Please describe the qualifications your firm has to use this methodology. Include in your discussion the attributes to this method as they apply to this project. Please discuss why this methodology is superior to other methods for this project.
- 4) Briefly describe the accounts or work projects begun and/or completed in the past ten (10) years that involved services similar in nature or closely related to the SOW in this RFP. For each account or project listed, include the following information:
- a) Name of agency or firm for whom services were performed,
 - b) Identification of a contact person
 - c) Duration or length of the project,
 - d) Total cost or value of the project (including DDI costs only),
 - e) Indicate if the account or project is "active/open" or "closed/settled",
 - f) Describe briefly the type and nature of the services performed.
 - g) Specify if you were the prime contractor or subcontractor.
- 5) Briefly describe any experience that demonstrates the proposing firm's ability to establish and maintain effective working relationships with government entities, local community based organizations, and private nonprofit organizations.

- 6) Briefly describe any experience that demonstrates the proposing firm's ability to maintain effective working relationships with the CA-MMIS contractor while providing project management services for DHCS.
- 7) Briefly describe the firm's recruiting capabilities and retention policies that demonstrates its ability to provide qualified staff for a project over the expected time frame of this contract
- 8) Identify three (3) client references specific to the Proposer's firm, serviced within the past ten (10) years that can confirm their satisfaction with the Proposer's services. Client references should be able to confirm that the Proposer provided timely and effective services and/or deliverables. Use the Client References Form (**Attachment 4**) for this purpose and place the completed forms in the Forms Section of the Proposal.
- 9) While not required as a client reference, identify any client for any qualifying experience discussed in detail under RFP Main L.3.d.8) above which is listed as a reference on Attachment 4.

DHCS **will** contact references to validate the information provided by the Proposer to determine the client's overall satisfaction with the services provided. Please be sure your points of contact for the selected references are current. Please be sure the references are prepared to confirm the information provided and that the reference will be available during the period of time that DHCS will be validating references (shortly following the submission of the final proposal). References that fail to respond to the State will not be considered a reference and may result in determining a Proposer to be found non-responsive.

e. Work Plan Section

- 1) Overview
 - a) The contractor should describe in their own words their understanding of the project's objectives and DHCS' expectations of the work activities.
 - b) DHCS is interested in proposals that provide well-organized, comprehensive, and technically sound business solutions. Vague explanations will undermine the proposing firm's credibility and will result in reduced proposal scores.
 - c) The Work Plan must include an in-depth discussion and description of the methods, approaches, and step-by-step actions that will be carried out to fulfill all Scope of Work requirements.
 - d) If Proposer is unable to specifically delineate or explain in-depth methods and procedures for a task or function (e.g., if specific methods or procedures are presently unknown due to dependence upon a future action or where multiple approaches may be used), explain the probable methods, approaches, or procedures that will be used to accomplish the task or function. Also, describe, in this instance, how the proposing firm will propose the ultimate strategies and detailed plans to DHCS for full consideration and approval before proceeding to carry out the project.

2) Rejection of tasks, activities or functions

- a) The Proposer may not reject any task, activity or function required by this proposal. Any language discovered during the evaluation by DHCS that states a task, activity or function is rejected may be grounds to deem a Proposer non-responsive, at DHCS' sole discretion. Upon execution of the contract the Proposer may not assert that any part, section or language of their proposal rejected a task, activity or function.
- b) If the Work Plan contains proposed methods or approaches, + functions, tasks, or activities known by DHCS to be ineffective or determined to be unacceptable, DHCS reserves the right to require the substitution of comparable items that can be performed at the same or lesser cost.

3) Work Plan content

- a) Briefly, explain or describe the overall approach and/or methods that will be used to accomplish the scope of work.
- b) Describe how your firm will evaluate the CA-MMIS Project's viability and monitor the planning, design, development and implementation processes of the CA-MMIS Project throughout the project's development cycle, as required by Exhibit A, Attachment 1.A.5.
- c) Provide a detailed description of how your firm will provide or disseminate both urgent and routine information regarding management issue to State staff allowing for timely interaction as required by Exhibit A, Attachment 1.A.6.
- d) The Project Office is required to review the Replacement System Planning and DDI phase of the CA-MMIS project. As part of the review the Proposer is required to describe in detail their management and administrative control of various parts including Risk and Mitigation, Exhibit A, Attachment 1, B.1.d. Please provide a sample from a prior engagement where you identified risk to that engagement and provided solutions to mitigate the risk. A short summary explaining the sample may accompany your sample. Only relevant portions of the sample are required. Your sample must be limited to 10 pages and should be placed in the Appendix section of your Proposal. You may redact any client information.
- e) Given the payment structure of the FI Contract, describe how the POM will monitor the FI to assure that projects are within budget as required by Exhibit A, Attachment 1.C.4. Include in your description an explanation of facts that will alert your firm that budgetary issues may be developing for the FI contractor.
- f) Describe how POM will monitor the FI for compliance with project contract tasks and deliverables, as required by Exhibit A, Attachment 1.C.6.

- g) Describe how POM will maintain oversight of the over-all project resources, schedule, key milestones, deliverables and project status, as required by Exhibit A, Attachment 1,C.7.
- h) The Proposer must train DHCS staff in various aspects of project management, as required by Exhibit A, Attachment 1,D,10-13. Include a description of the plan to provide these services.
- i) The Proposer must mentor and provide knowledge transfer to DHCS staff in various aspects of project management, as required by Exhibit A, Attachment 1,D,10-13. Include a description of the plan to provide these services.
- j) The Proposer is required to develop a Risk Management Plan (RMP) for the Department, as required by Exhibit A, Attachment 1, G,3. Please provide a sample of a similar RMP type plan your firm has produce for a prior client. A short summary explaining the sample may accompany your sample.

Please place your sample plan in the Appendix section of your Proposal. You may redact any client information.

- k) The Proposer is required to develop a Quality Management Plan (QMP) for the Department, as required by Exhibit A, Attachment 1, G,4. Please provide a sample of a similar QMP type plan your firm has produce for a prior client.

Please place your sample plan in the Appendix section of your Proposal. You may redact any client information.

- l) The Proposer is required to develop a Change Management Plan for the Department, as required by Exhibit A, Attachment 1, G,9. Please provide a sample of a Change Management Plan your firm has produced for a prior client. A short summary explaining the sample may accompany your sample.

Please place your sample plan in the Appendix section of your Proposal. You may redact any client information.

- m) When responding explain why the particular approaches and methods that are proposed were chosen (e.g., proven success or past effectiveness, etc.).
- n) If applicable, explain what is unique, creative, or innovative about the proposed approaches and/or methods.
- o) Describe a contingency plan for your firm if delays in initiating a project phase or delays in the execution of a project phase occur.
- p) If, for any reason, the Work Plan does not wholly address each Scope of Work requirement, fully explain each omission. Likewise, indicate if the Work Plan contains no omissions.
- q) Indicate the assumptions made in developing the Work Plan in response to DHCS' Scope of Work. For each assumption listed, explain the reasoning or rationale that led to each assumption. Likewise, indicate if no assumptions were made.

- r) If applicable, identify any additional Contractor and/or State responsibilities that were included in the Work Plan that are believed to be necessary to ensure successful performance, but were omitted from DHCS' Scope of Work. Likewise, indicate if no additional Contractor and/or State responsibilities, outside of those identified in DHCS' Scope of Work were included in the Work Plan.

f. Management Plan Section

- 1) Describe how the proposing firm will effectively coordinate, manage, and monitor the efforts of the assigned staff, including subcontractors and/or consultants, if any, to ensure that all tasks, activities, and functions are completed effectively and in a timely manner.
- 2) Describe the fiscal accounting processes and budgetary controls that will be employed to ensure the responsible use and management of contract funds and accurate invoicing. Include at a minimum, a brief description of all of the following:
 - a) How the costs incurred under this project will be appropriately accounted for and only applicable project expenses will be billed to DHCS (e.g., use of unique account/project codes, etc.).
 - b) The proposing firm's fiscal reporting and monitoring capabilities (e.g., spread sheets, automated fiscal reports, quality controls, checks and balances, etc.) to ensure contract funds are managed responsibly.
 - c) Proposed billing or invoicing frequency (not more frequently than once per month). Electronic billing is not possible.
 - d) Identify the documentation that will be retained on file or submitted to DHCS upon request to prove, support, and/or substantiate the expenses that are invoiced to DHCS.
- 3) Include an organization chart. The organization chart must show the distinct lines of authority between and among the divisions that will perform the project work and the primary reporting relationships within the Proposer's organization. Show the relationships between management, key decision makers, supervisory personnel and subcontractors and/or independent consultants, if any.

If your organization is a subsidiary, please provide an organizational chart detailing your position in relationship to any up stream entities to your parent organization.

- 4) Include financial statements, as required. Instructions are explained in the Appendix Section. **Place the financial statement in the Appendix Section of the proposal.**

g. Project Personnel Section

The Contractor shall make available to the State technically competent and experienced personnel, appropriately aligned throughout the term of the contract to accomplish the POM and PM tasks and to promote quality deliverables. Proposed staff may consist of one contractor with different teams or subcontractors with separate teams.

The POM and PM are expected to be full-time positions. However, other Lead Contact positions may or may not be full-time positions but employed as appropriate. Designated staff may be assigned multiple project roles, as required.

- 1) In this section, describe the proposed staffing plan. In the staffing plan, include at a minimum:
 - a) Identify by name and/or position title, each person that will have primary responsibility for managing, directing, overseeing and/or coordinating the work of assigned staff, subcontractors and/or independent consultants and who will maintain effective communications with DHCS (i.e., Project or Program Manager, Project or Program Director, Contract Manager, technical experts, etc.).
 - i. Briefly, describe each person's expertise, capabilities, and credentials.
 - ii. Emphasize any relevant past experience in directing, overseeing, coordinating, or managing other government projects.
 - b) Include a resume, no longer than four pages, for each person (professional, managerial, technical experts or supervisory) that will exercise a major administrative, policy, or consulting role in carrying out the project work. The resumes must demonstrate that staff meets the Qualification requirements stated in Section K of this RFP. **Place staff resumes in the Appendix Section.** To the extent possible, resumes should not include personal information such as a social security number, home address, home telephone number, personal email address, marital status, sex, birth date, age, etc.
- 2) Briefly, describe the administrative policies or procedures will be used to ensure that the proposing firm will recruit and select well-qualified, competent, and experienced in-house staff, subcontractors and/or independent consultants.
 - a) If employee recruitment/selection policies or procedures are present in an operations manual, Proposers may cite excerpts from such manuals. Do not simply indicate that such policies exist and do not attach copies of any policies or manuals to the proposal. If deemed necessary, DHCS may request copies of the Proposer's existing manuals or policies.
- 3) Briefly, describe the processes or procedures that will be used to ensure that vacancies are filled expeditiously and that services are continued despite the presence of vacancies.
- 4) If subcontractors (including independent consultants) will be used to perform contract services, proposers must do the following at the time of proposal submission:
 - a) Indicate if the Proposer has pre-identified any firms/persons to perform the work or if the Proposer will recruit them later.
 - i. For each pre-identified subcontractor and independent consultant include:
 - A. Full legal name.
 - B. A job description or duty statement that outlines the duties and functional responsibilities that will be assigned to the subcontracted firm or independent consultant.

- C. A brief explanation as to why the subcontracted firm or independent consultant was chosen. Stress things such as applicable skills, knowledge, capabilities, past experience or accomplishments, availability, reasonableness of rates, notoriety in a field or specialty, etc.
- D. Include a resume, no longer than four pages, for each pre-identified subcontractor and independent consultant. **Place all subcontractor and/or consultant resumes in the Appendix Section.** To the extent possible, resumes should not include personal information such as a social security number, home address, home telephone number, marital status, sex, birth date, age, etc.
- E. A letter of agreement, signed by an official representative of each subcontracted firm or independent consultant, acknowledging their intended participation/availability and confirmation that they have read or been made aware of the terms and conditions of the proposed contract. **Place all subcontractor and/or consultant letters of agreement in the Appendix Section.**

Specific subcontractor and/or independent consultant relationships proposed in response to this RFP (i.e., identification of pre-identified subcontractors and independent consultants) shall not be changed during the procurement process or prior to contract execution. The pre-identification of a subcontractor or independent consultant does not affect DHCS' right to approve personnel or staffing selections or changes made after the contract award.

- ii. For subcontractors and/or independent consultants that cannot be identified when the proposal is submitted to DHCS or are to be determined (TBD) after the contract is executed, include:
 - A. An identification of the functions, activities, and responsibilities that will be assigned to each subcontractor and/or independent consultant.
 - B. A description of the process that will be used to obtain DHCS approval of each subcontractor and/or independent consultant selection along with approval of their budgeted costs and assigned responsibilities.

h. Facilities and Resources Section

- 1) Contract staff will be required to work side-by-side with State personnel and on site as needed. DHCS will provide State office facilities on site at the FI Contractor's location or at the East End complex in Sacramento California. DHCS will provide the following support services to contract staff or contractor support staff working in State office facilities: office furniture; standard office supplies; telecommunications equipment (telephones, fax); photocopying equipment; postage and mail handling services, including overnight mail services and reproduction services.
- 2) DHCS will provide building access and limited but necessary access to DHCS floors and offices.

- 3) DHCS will provide cubicles at the DHCS location with standard office furniture including: desk chairs, desktop computer access to the DHCS local area network (LAN) for email purposes and standard desk telephones with voice mail.
- 4) Contractors may use their own laptop computers; however these must be used standalone and will not be allowed to be connected to the DHCS LAN. Additionally, Proposers will not be allowed to access their own internet – based email accounts while using the DHCS desktop, but may forward their business emails to the DHCS email account. All incoming email is subject to DHCS security processes. Wireless devices are permissible.
- 5) Any and all costs associated with Contractor-supplied equipment, including loss or destruction, shall be the sole responsibility of the contractor.
- 6) All expenses including, but not limited to, charges for travel and long-distance phone calls must be included in the price of the Proposal that is submitted.
- 7) DHCS working hours are typically Monday – Friday 8 am to 5 pm Pacific Time, however vendors should plan for additional hours during critical development or implementation time periods. Contractor should be aware that State mandated furlough days have been required in the recent past and may be imposed in the future. The contractor will be required to conform to any imposed furlough schedule.
- 8) DHCS requires the vendor to acknowledge and follow all applicable personnel policies. These include use of state equipment, policies on sexual harassment, ethics, etc.
- 9) Successful contractor staff and their DHCS-approved subcontractors who work or visit DHCS offices will abide by security requirements. DHCS may provide security badges for easy access to DHCS offices and the Contractors will sign a Confidentiality Agreement with DHCS to protect confidential and protected information access.

i. Appendix Section

Place the following documentation in the Appendix Section of the proposal in the order shown below.

1) **Proof of Corporate, Limited Liability Company or Limited Partnership status**

If the Proposer is a Corporation, Limited Liability Company or Limited Partnership submit **either** a copy of the proposing firm's most current Certificate of Status issued by State of California, Office of the Secretary of State **or** submit a downloaded copy of the proposing firm's on-line status information from the California Business Portal website of California's Office of the Secretary of State. Include an explanation if this documentation cannot be submitted. Unless otherwise specified, do not submit copies of the proposing firm's Bylaws or Articles of Incorporation.

2) **Proof of Nonprofit status**

Nonprofit organizations must prove they are legally eligible to claim "nonprofit" and/or tax-exempt status by submitting a copy of an IRS determination letter indicating

nonprofit or 501 (3) (c) tax-exempt status. Submit an explanation if this documentation cannot be supplied.

3) **An organization chart**

The organization chart must show the distinct lines of authority between and among the divisions that will perform the project work and the primary reporting relationships within the Proposer's organization. Show the relationships between management, key decision makers, supervisory personnel and subcontractors and/or independent consultants, if any.

If your organization is a subsidiary, please provide an organizational chart detailing your position in relationship to any up stream entities to your parent organization.

4) **Statement of Financial Position**

Audited statements are preferred, but not required. DHCS will accept financial statements prepared by your financial accounting department, accounting firm or an auditing firm. DHCS will accept audited or unaudited financial statements prepared according to Generally Accepted Accounting Principles (GAAP) or other industry standard auditing standard such as, Statutory Accounting Principles (SAP) of the National Association of Insurance Commissioners (NAIC), as appropriate. Un-audited financial statements may not be used to qualify under Section I 4.e) below.

Be advised that in order to safeguard the interest of the State an assessment of the Proposer's financial capacity to complete this contract will be conducted. Additional requirements or actions up to and including removal of the Proposer as financially unqualified for a proposal of this size may be taken by the Department.

- a) Proposers shall submit the two most recent fiscal years for which Financial Statements have been prepared, shown at a minimum on an annual basis. Financial Statements at a minimum shall include a balance sheet and an income statement for each year. If your financials presented for the most recent fiscal year ending is greater than 18 months old from the due date of proposals, please explain why a more recent fiscal year is not presented.
- b) The Chief Financial Officer shall provide a signed statement that financial statements provided fairly represent the current financial position of the firm or a detailed statement of how the position has changed, including but not limited to, the changes in relationship to the presented statements.
- c) If the Proposer is a subsidiary of any other legal entity and the financial resources of the Parent Corporation might be used to support the subsidiary do to State budget issues, please submit the two most recent fiscal years for which Financial Statements have been prepared. Financial Statements at a minimum shall include a balance sheet and an income statement for each year. Publicly traded companies should provide copy of their annual audit reports as presented to the public.
- d) If, as a subsidiary, on review of the RFP requirements and the financial position of the Proposer, the Proposer believes that their financial position may result the State finding the Proposer unqualified to perform under this proposal due to financial concerns, the proposer may qualify under a parent corporation's

financials. To use the parent financials for additional support, please provide two years of annual reports from the parent corporation (as describe below) and a statement from an officer of the parent corporation committing the parent corporation to financial support, as needed.

- i. Financial Statements as describe above in Section L.i.4)a)-d) or Audited annual financial statements for the last two (2) fiscal years, accompanied by an independent certified public accountant's report, certificate or Opinion Statement.
 - ii. Interim financial statements for the interim period from the end of the last full fiscal year up to and including the month prior to submission of proposals. The State does not require submittal of interim statements for the last two (2) fiscal years for which annual reports are submitted.
 - iii. A projected pro forma financial statement and statement of changes in financial position for the next three (3) years predicated upon operation without the award of this Contract.
 - iv. A detailed financial plan and proposed cash flow budget demonstrating the availability and source of sufficient funds to cover the Proposer's projected operational cost without risk of insolvency should the Proposer be selected to provide the contractual services.
 - v. All financial data submitted in the Financial Stability Plan in connection with this RFP shall be accompanied by a signed statement from the Proposer's or parent corporation's Chief Executive Officer and Chief Financial Officer or Representative, certifying that the data is current, accurate and complete.
 - vi. Proposers must include an organization history of claims of bankruptcy, receivership, questioned cost, repayment of funds, failure to fulfill contract requirements and criminal or civil legal actions that name the organization or administrative/supervisory staff that have occurred during the past five (5) years. If you supply audited financial statements, all noted audit exceptions must be explained.
- e) In lieu of the above Section requirements, Proposers may provide the following:
- i. Proposers two (2) most recent annual certified financial statements accompanied by an independent certified public accountant's Unqualified Audit Report or Opinion Statement (Unqualified/Clean Opinion); Any noted audit exceptions of the audited financial statements must be explained, and
 - ii. An organization history of claims of bankruptcy, receivership, questioned cost, repayment of funds, failure to fulfill contract requirements and criminal or civil legal actions that name the organization or administrative/supervisory staff that have occurred during the past five (5) years.
 - iii. Parent Corporations

Subsidiary may use the parent financial statements to qualify under this section by providing the parent information required in Section I.4)e).

iv. The Chief Financial Officer shall provide a signed statement that financial statements provided fairly represent the current financial position of the firm or a detailed statement of how the position has changed, including but not limited to, the changes in relationship to the presented statements.

v. Either

A. Evidence of capital contributions and retained earnings equal to an amount greater than \$5,000,000 (five million dollars), as identified in the annual financial statements.

Or

B. Evidence of assets under control greater than \$10,000,000 (ten million dollars), as identified in the annual financial statements.

f) Certification

Under either submission criteria, all financial data submitted in connection with this RFP shall be accompanied by a signed statement from the Proposer or parent corporation(s) Chief Executive Officer, Chief Financial Officer or designee certifying that the financial statements are accurate, complete and reflect the current financial position of the firm.

5) **Staff resumes**

Resume specifications appear in the Project Personnel Section. To the extent possible, resumes should not exceed 4 pages in length per person and should not include personal information such as a social security number, home address, home telephone number, home email address, marital status, sex, birth date, age, etc.

6) **Subcontractor/Consultant resumes**

Submit a resume for each pre-identified subcontractor or independent consultant, if any, as discussed in the Project Personnel Section. To the extent possible, resumes should not exceed 4 pages in length per person and should not include personal information such as a social security number, home address, home telephone number, home email address, marital status, sex, birth date, age, etc.

7) **Subcontractor/Consultant letters of agreement**

For each pre-identified subcontractor and independent consultant that will be used to perform services under the resulting contract, submit a letter of agreement to work on this project.

A letter of agreement must be signed by an official representative of each subcontracted firm or independent consultant, acknowledging their intended participation/availability to work on this project and acknowledging they have read or been made aware of the terms and conditions of the proposed contract. Include an explanation if a letter of agreement cannot be obtained from each pre-identified subcontractor and consultant and indicate when a letter of agreement will be forthcoming.

8) Conflict of Interest Compliance Certificate

- a) Any firm that intends to submit a proposal is required to submit **Attachment 15** certifying:
 - i. Whether the proposing firm is currently involved with or connected to any Contractor or subcontractor (including consultant) that is contracted with any Medi-Cal Managed care health plan, provider, or billing agent for Medi-Cal services; and,
 - ii. That the proposing firm is not currently involved with or connected to the current or proposed Fiscal Intermediary for Medi-Cal services, or any of their subcontractors; and,
 - iii. That the proposing firm understands that the conflict of interest requirements shall remain in effect for the entire term of the resulting agreement.
- b) If a conflict of interest is determined to exist that cannot be resolved to the satisfaction of DHCS, before the award of the contract, the conflict will be grounds for deeming a proposal nonresponsive.
- c) Proposers must assess their own situation according to the Conflict of Interest Compliance Certification information in **Attachment 15**. Complete, sign, and attach any required documentation according to the instructions on the attachment. **Place Attachment 15 and any accompanying documentation in the Appendix Section of the proposal.**

9) Proposer Response Guide

To insure that each proposal is evaluated on the full merits of the information provided, please complete the Proposer Response Guide, as provided. (Attachment 11 and accompanying instructions.)

10) Sample Plans

- a) Sample of Risk and Mitigation
 - b) Sample of Quality Management Plan
 - c) Sample of Change Management Plan
- j. Forms Section

Complete, sign, and include the forms/attachments listed below. When completing the attachments, follow the instructions in this section and any instructions appearing on the attachment. After completing and signing the applicable attachments, assemble them in the order shown below.

Attachment #, Name, or Documentation	Instructions
2 - Required Attachment / Certification Checklist	1) Check each item with "Yes" or "N/A", as applicable, and sign the form. If necessary, explain the choices. 2) If a proposer marks "Yes" or "N/A" and makes any notation on the checklist and/or attaches an explanation to the checklist to clarify their choice, DHCS considers this a "qualified response". Any "qualified response", determined by DHCS to be unsatisfactory or insufficient to meet a requirement, may cause a proposal to be deemed nonresponsive.
3 - Business Information Sheet	Completion of the form is self-explanatory.
4 - Client References	Identify three (3) client references specific to the Proposer's firm serviced within the past ten (10) years that can confirm their satisfaction with the Proposer's services. Client references should be able to confirm that the Proposer provided timely and effective services and/or deliverables. Use the Client References Form (Attachment 4) for this purpose and place the completed forms in the Forms Section of the Proposal.
5 - RFP Clause Certification	Complete and sign this form indicating a willingness and ability to comply with the contract certification clauses appearing in the RFP section entitled, "Bid Requirements and Information," subsection "Bidding Certification Causes".
6 - CCC 307 – Certification	Complete and sign this form indicating a willingness and ability to comply with the Contractor Certification Clauses appearing in this Attachment. The attachment supplied in this bid represents only a portion of the contractor information in this document. Visit this web site to view the entire document: http://www.ols.dgs.ca.gov/StandardLanguage/default.htm.
7 - Payee Data Record	Complete and return this form, <u>only</u> if the proposing firm has not previously entered into a contract with DHCS. If uncertain, complete and return the form.
8 - Follow-on Consultant Contract Disclosure	Complete and sign this form. If applicable, attach to this form the appropriate disclosure information.

Attachment #, Name, or Documentation	Instructions
9a & 9b- Actual DVBE Participation applicable DVBE certification(s) and DVBE Subcontractor/ Supplier Participation Acknowledgement	Read and carefully follow the completion instructions in Attachment 9. Submission of this form only applies to contract awards that will equal \$10,000 or more for the entire contract term.
10 – Darfur Contracting Act Certification	Complete and sign this form. If applicable, a “scrutinized” company must attach proof of possession of written permission issued by the Dept. of General Services authorizing the Proposer to submit a bid for a contract to provide goods or services.
11 Proposer Response Guide	Identify the location of your responses to the submission requirements and evaluation criteria.
12a-Non-Small Business Subcontractor Preference Request 12b-Small Business Subcontractor / Supplier Acknowledgement	Submission of these forms is optional. Read and carefully follow the completion instructions in Attachments 12, 12a, and 12b. Complete and return Attachments 12a and 12b only if the bidding firm is a not a certified small business but is requesting a subcontractor bidding preference by committing to use one or more certified small business subcontractors for an amount equal to at least 25% of the total bid price.
13.1-13.5 Narrative Staffing Levels	Complete the Narrative Staffing Level forms. THE NARRATIVE STAFFING LEVELS FORMS ARE TO BE SUBMITTED WITH THE NARRATIVE PROPOSAL SUBMISSION.
14.1-14.6 Cost Sheets	Complete the Cost Sheets. Include all estimated costs in your all inclusive Cost Proposal to perform the services over the entire contract term, including applicable annual rate adjustments attributable to merit increases, profit margins, and inflation or cost of living adjustments. THE COST SHEETS/ THE COST PROPOSAL ARE TO BE SUBMITTED IN A SEALED PACKAGE SEPARATE FROM THE NARRATIVE PROPOSAL SUBMISSION.

Attachment #, Name, or Documentation	Instructions
15 Conflict of Interest Compliance Certificate	Proposers must assess their own situation according to the Conflict of Interest Compliance Certification information in this documentation according to the instructions in the attachment. In the event a Proposer has a suspected or potential conflict relationship, the Proposer must provide a written statement to DHCS that describes what relationship it has with the entity in question, and its plan for protecting DHCS from any potential conflict or negative impact.

k. Cost Proposal

1) Basic content

The Cost Proposal will consist of the following documents:

Cost Sheets (Attachments 14.1-14.6)

2) General instructions

- a) The Cost Sheets must be typewritten or completed in ink. Errors, if any, should be crossed out and corrections should be printed in ink or typewritten adjacent to the error. The person who signs the Cost Proposal should initial all corrections preferably in blue ink.
- b) On the Cost Sheets, indicate the **all inclusive** hourly rate to be paid for each type of position or type employee to be available.
- c) When completing the Cost Sheets, include all estimated costs in your all inclusive cost proposal to perform the services described and produce the deliverables required. DHCS will not reimburse the Contractor for any costs not included in the Cost Proposal, represented in Attachments 14.1-14.6 (Cost Sheets). Estimated costs must include, but are not limited to :
 - i. Personnel Costs
 - ii. Fringe Benefits
 - iii. Operating Expenses (including travel costs)
 - iv. Equipment Expenses
 - v. Facility Expenses
 - vi. Subcontract Expenses
 - vii. Indirect Costs
 - viii. Phase in and Phase Out Costs (unpaid portions of the contract term)
 - ix. Profit
 - x. Clerical Support Staff required to support your firm's activities
- d) Costs are established as an hourly rate for various types of skill sets/job types to be utilized during the contract. Each rate shall include a request for the number of full-time equivalent (FTE) employees or fractions of an FTE. An FTE employee

is deemed to be employed 1800 hours per year. Fractional full-time equivalent numbers may be used but reported at no more than two (2) decimal places. (Any FTE reported at greater than two decimal points shall be rounded down/truncated to two decimal *points*. *i.e.* 5.019 = 5.01)

The number of FTE's reported for each job type on the cost sheets must match the reported number of FTE's reported for each job type on the Narrative Staffing Level Sheets, discussed later in this RFP.

The RFP requires that certain job classifications be filled to certain minimum levels. Please be sure those minimal or greater levels are reported, as required.

M. Proposal Submission

1. General Instructions

a. Assemble the accompanying CD on top of the paper copies. Package an original and three (3) copies of the proposal together. Place the proposal set marked "Original" on top, followed by the three (3) extra paper copies.

b. If possible, place all proposal copies and accompanying CD in a single envelope or package. Seal the envelope, package, carton, or box.

If more than one envelope, package, carton, or box is submitted, carefully label each one as instructed below, and mark on the outside of each envelope or package "1 of X", "2 of X", etc.

c. Mail or arrange for hand delivery of the proposal sets and accompanying CD to the Department of Health Care Services' Office of Medi-Cal Procurement. Proposals may not be transmitted electronically by fax or email.

d. The Office of Medi-Cal Procurement must receive the proposal sets and accompanying CD, regardless of postmark or method of delivery, by **4:00 p.m. on September 30, 2010**. Late proposals will not be reviewed or scored.

e. Label and submit the proposal sets and accompanying CD using one of the following methods.

Hand Delivery or Overnight Express:	U.S. Mail:
Proposal - RFP 09-86193 Department of Health Care Services Office of Medi-Cal Procurement Maegan Jorgensen or Nathan Greve MS 4200 1501 Capitol Avenue, Suite 71.3041 Sacramento, CA 95899-7413	Proposal - RFP 09-86193 Department of Health Care Services Office of Medi-Cal Procurement Maegan Jorgensen or Nathan Greve MS 4200 1501 Capitol Avenue, Suite 71.3041 Sacramento, CA 95899-7413

f. Proposer warning

- 1) DHCS' internal processing of U.S. mail may add 48 hours or more to the delivery time. If the proposal is mailed, consider using certified or registered mail and request a receipt upon delivery.
- 2) OMCP requests that a Proposer schedule an appointment for any hand delivered proposals by contacting Maegan Jorgensen or Nathan Greve at (916) 552-8006. For hand deliveries, allow sufficient time to locate on street metered parking and to sign-in at the security desk. Please stop at the security desk, ask security personnel to call Maegan Jorgensen or Nathan Greve at (916) 552-8006 to arrange for proposal pickup and receipt issuance. **Proposers are warned not to surrender proposals to the care of a person other than an Office of Medi-Cal Procurement employee.**
- 3) Courier service personnel, please stop at the security desk, ask security personnel to call Maegan Jorgensen or Nathan Greve at (916) 552-8006 to arrange for proposal pickup and receipt issuance. **Couriers are warned not to surrender proposals to the care of a person other than an Office of Medi-Cal Procurement employee.**

2. Proof of timely receipt

- a. DHCS staff will log and attach a date/time stamped slip or bid receipt to each proposal package/envelope received. If a proposal envelope or package is hand delivered, DHCS staff will give a bid receipt to the hand carrier upon request.
- b. To be timely, DHCS' Office of Medi-Cal Procurement must receive each proposal at the stated delivery address **no later than 4:00 p.m.** on the proposal submission due date.
- c. DHCS will deem late proposals non-responsive.

3. Proposer costs

Proposers are responsible for all costs of developing and submitting a proposal. Such costs cannot be charged to DHCS or included in any cost element of a Proposer's price offering.

N. Evaluation and Selection

A multiple stage evaluation process will be used to review and/or score narrative proposals. DHCS will reject any proposal that is found to be nonresponsive at any stage of evaluation. A separate evaluation committee will be used for all stages during the evaluation and selection process. The evaluation committee is comprised of four (4) groups:

The **Preliminary Review Committee** (PRC) consists of team leads from OMCP and FI-Medicaid Management Information System (FI-MMIS) and conducts the Stage 1 review.

The **Evaluation Scoring Committee** (ESC) consists of Medi-Cal program staff, and DHCS staff working in other areas of the Medi-Cal program. The ESC conducts the review of the proposals.

The **Rating Review Committee** (RRC) consists of OMCP management staff, and members of the PRC. The RRC will interact with the ESC throughout the evaluation process.

The **Executive Review Committee** (ERC) consists of DHCS Executive management officials. The ERC acts as a final decision-making authority for Proposal evaluation issues without knowledge of any Proposer to which the issue applies. The ERC assures all appropriate processes have been followed. Additionally, the ERC may seek independent review or advice from individuals, including internal auditors, from within DHCS or elsewhere regarding issues including, but not limited to, procurement policy matters, Narrative Proposal and/or Cost Proposal deficiencies, and acceptability. Finally, the ERC provides final approval of the procurement process in order to determine the awardee.

1. Stage 1 – Required Attachment / Certification Checklist review

- a. Shortly after the proposal submission deadline, DHCS staff will convene to review each proposal for timeliness, completeness, and initial responsiveness to the RFP requirements. This is a pass/fail evaluation.
- b. In this review stage, DHCS will compare the contents of each proposal to the claims made by the Proposer on the Required Attachment / Certification Checklist to determine if the Proposer's claims are accurate.
- c. If deemed necessary, DHCS may collect additional documentation (i.e., missing forms, missing data from RFP attachments, missing signatures, etc.) from a Proposer to confirm the claims made on the Required Attachment / Certification Checklist and to ensure that the proposal is initially responsive to the RFP requirements.
- d. If a Proposer's claims on the Required Attachment / Certification Checklist cannot be proven or substantiated to DHCS' satisfaction, the proposal will be deemed nonresponsive and rejected from further consideration.

2. Stage 2 – Narrative Proposal Evaluation/Scoring

- a. Proposals that appear to meet the basic format requirements, initial qualification requirements and contain the required documentation, as evidenced by passing the Stage 1 review, will be submitted to a rating committee.

Raters will review as a team, evaluate and numerically score proposals based on each proposal's adequacy, thoroughness, and the degree to which it complies with the RFP requirements.

- b. DHCS will use the following scoring system to assign points. Following this chart is a list of the considerations that raters may take into account when assigning individual points to a narrative proposal.

Points	Interpretation	General basis for point assignment
0	Inadequate	Proposal response (i.e., content and/or explanation offered) is inadequate or does not meet DHCS' needs/requirements or expectations. The omission(s), flaw(s), or defect(s) are significant and unacceptable.

Points	Interpretation	General basis for point assignment
1	Barely Adequate	Proposal response (i.e., content and/or explanation offered) is barely adequate or barely meets DHCS' needs/requirements or expectations. The omission(s), flaw(s), or defect(s), are consequential but are acceptable. The quality of the proposal response is considered to be less than average for a qualified proposer.
2	Adequate	Proposal response (i.e., content and/or explanation offered) is adequate or meets DHCS' basic needs/requirements or expectations. The omission(s), flaw(s), or defect(s), if any, are inconsequential and acceptable. The proposal response is considered to be of average quality for a qualified proposer.
3	More than Adequate	Proposal response (i.e., content and/or explanation offered) is more than adequate and fully meets DHCS' needs/requirements or expectations. No omission(s) or flaw(s) are apparent. The proposal response is not considered outstanding but is above the average quality that is expected from a qualified proposer.
4	Excellent or Outstanding	Proposal response (i.e., content and/or explanation offered) is well above average or exceeds DHCS' needs/requirements or expectations. Proposer offers one or more enhancing feature, method or approach that will benefit the State. Response represents the best proposal that can be expected of any Proposer. Any present weakness is minor and unrelated to a performance requirement.

c. In assigning points for individual rating factors, raters may consider issues including, but not limited to, the extent to which a proposal response:

- 1) Is lacking information, lacking depth or breadth or lacking significant facts and/or details, and/or
- 2) Is fully developed, comprehensive and has few if any weaknesses, defects or deficiencies, and/or
- 3) Demonstrates that the Proposer understands DHCS' needs, the services sought, and/or the contractor's responsibilities, and/or
- 4) Illustrates the Proposer's capability to perform all services and meet all scope of work requirements, and/or
- 5) If implemented, will contribute to the achievement of DHCS' goals and objectives, and/or
- 6) Demonstrates the Proposer's capacity, capability and/or commitment to exceed regular service needs (i.e., enhanced features, approaches, or methods; creative or innovative business solutions).

- d. Below are the point values and weight values for each rating category that will be scored.

- 1) The Narrative Proposals shall account for approximately 70% of the evaluation points available, excluding preference points, and will be scored on a scale of 0 to 4 points with total narrative points available of 261.00 points , calculated as follows:

Rating Category	Max. Points	X	Weight	=	Total
Executive Summary	20	X	0.25	=	5.00
Proposing Firm's Capability	56	X	1.00	=	56.00
Work Plan	56	X	2.00	=	112.00
Management Plan	8	X	1.00	=	8.00
Project Personnel	32	X	2.50	=	80.00
Possible Narrative Proposal Total					261.00

- 2) Narrative score shall be calculated to at least four decimal places with the Total Narrative Scores rounded to two (2) decimal places.

- e. Narrative Staffing Levels

- 1) Overview

Attachments 13.1 to 13.5 are statements of the estimated level and type of staff needed to meet the requirements to execute this contract appropriately. The Department will use these attachments in evaluating the narrative proposal for its ability to meet the requirements of the contract.

A full-time equivalent person is deemed to be 1800 hours. Fractional full-time equivalent numbers may be used but reported at no more than two (2) decimal places. (Any FTE reported at greater than two decimal points shall be rounded down/truncated to two decimal points. i.e. 5.019 = 5.01) The RFP requires that the named positions for POM and PM shall be filled to certain minimum levels. Please be sure those minimal or greater levels are reported, as required.

The staffing levels reported in Attachments 13.1 to 13.5 must mirror the reported staffing levels reported under any of the Attachments 14.1-14.5, Cost Sheets, as appropriate. In the event that an error is made and the staffing levels reported in Attachments 13.1 to 13.5, or Attachments 14.1 to 14.5 and the levels do not match, the staffing levels reported on Attachment 13.1 to 13.5 shall be deemed controlling. Any calculation of cost scores shall be based on the controlling Attachments 13.1 to 13.5 staffing levels reported where conflict(s) exist.

In the event that obvious errors are identified during the narrative review of Attachments 13.1 to 13.5, the Department may, at its sole discretion, request corrected copies of Attachments 13.1 to 13.5. If any corrected information on Attachments 13.1 -13.5 does not match the corresponding Attachments 14.1 - 14.5 appropriately, the Proposer may be removed from further review as non-compliant upon Executive Review Committee direction.

Please note that Attachments 13.1 to 13.5 are designed to provide information during the narrative evaluation and are to be packaged with the narrative portion of the proposal.

2) Reporting Lead Positions

Staff identified as Project Leads may hold multiple lead positions. Project Lead positions are not required to be full time unless specifically required by the RFP. A Project Lead assigned multiple positions must not be assigned more hours than a full time equivalent. If any of the Project Lead positions are shown as vacant, please identify in the proposal who will accomplish the required tasks.

3. Stage 3 – Scoring the Cost Section

a. Cost Sheets - Attachments 14.1 to 14.6

The Cost Sheets are a statement of the payment rate for staff proposed to perform the required contract deliverables. The rates bid are for the hourly services provided, properly accounted for by contractor and approved by the Department. The rates offered must cover any cost, expenses or profit associated with the contract. No additional payments will be authorized, except as may be allowed by the contract. The hourly rate bid for any task shall remain unchanged in the event of a reduction of work, the elimination of a task or in the event of the need for a contract extension.

Cost Sheets are divided into five different broad levels of tasks or deliverables to be provided: Business Rules Extraction, Treatment Authorization Request Systems (TARS), Pharmacy, Third Party Liability (TPL) and DD&I for the Replacement System. Some positions are required for all of the tasks under the RFP, others are to be filled or used as appropriate to meet the needs of the Contract. At a minimum, the positions of POM and PM are full time and are to be filled for the duration of the Contract.

b. Cost Sheets

1) Package

The Cost Sheets or CD's containing Cost Sheets or pricing information must be in a separate sealed envelope(s), clearly identified as the Cost Proposal. (Note: Attachments 13.1 to 13.5 are not cost information and are to be packaged with the narrative proposal.)

2) Hourly Rates and Full-Time Equivalent

Each classification has an hourly rate that will be bid for payment for services provided under the classification. The Proposer is required to provide an hourly rate to classifications identified in their work plan or proposer services for any task in which the classification is to be used. Any cost for support staff, overhead, equipment, travel or similar expresses are to be included in the hourly rate. All hourly rates are to be shown at no more than two (2) decimal places. **(Any hourly rate reported at greater than two decimal points shall be rounded down/truncated to two decimal points. i.e. \$25.019 = \$25.01)**

In addition to the hourly rate, each job classification used during a task is to be assigned the number of full-time equivalent positions to be used to perform the task.

The FTE number reported with any of the Cost Sheets (Attachments 14.1 through 14.5) *must* mirror the reported number shown in Attachments 13.1 through 13.5, Narrative Staffing Level forms. In the event that an error is made and the staffing levels reported in Attachments 13.1 through 13.5 do not match those shown on Attachments 14.1 through 14.5 the staffing levels reported on Attachments 13.1 through 13.5 shall be deemed controlling and the cost scores shall be based on the controlling Attachments 13.1 through 13.5. A full-time equivalent person is deemed to be 1800 hours. Fractional full-time equivalent numbers may be used but reported at no more than two (2) decimal places. **(Any FTE reported at greater than two decimal points shall be rounded down/truncated to two decimal points. i.e. 5.019 = 5.01)**

The RFP requires that certain job classifications be filled to certain minimum levels. Please be sure those minimal or greater levels are reported, as required.

3) Extended Prices and Evaluated Totals

Each classification's hourly bid price shall be multiplied by the corresponding full-time equivalent positions or portion of a position reported for that task. The total of each classification within a Cost Sheet shall then be added together to achieve an element of the evaluated cost price.

The five cost totals/elements, Attachment 14.1 to 14.5, will then be added together to establish the total evaluated price offered, Attachment 14.6, by each proposer. The Department has established a maximum of 112 points to be awarded for the evaluated price offered. The Proposer offering the lowest evaluated price shall be awarded the maximum points allowed. All other Proposers shall receive a proportional number of points based on the lowest Proposers bid divided by the Proposers bid times the maximum points allowed for the points awarded to that Proposer. Mathematically this may be expressed as:

$(\text{Low Bid} / \text{Proposers Bid}) \times \text{Maximum Points Available} = \text{Points Earned}$

The example below for illustrative purposes only:

Proposer A bids a evaluated price of \$40,000,000

Proposer B bids an evaluated price of \$50,000,000

The maximum points to be awarded for the Cost Proposal are 112.00points

Proposer A calculates as follows:

$\$40,000,000 / \$40,000,000 (100\%) \times 112.00 \text{ points} = 112.00 \text{ Points}$

Proposer B calculates as follows:

$\$40,000,000 / \$50,000,000 (80\%) \times 112.00 \text{ Points} = 89.60 \text{ Points}$

This process repeated for each Proposer.

Cost Points will be calculated to at least 6 decimal places with the score truncated at two decimal places. DHCS will calculate the points and perform the rounding.

4) Payments Under the Cost Sheets

Payments for each task are to be made under the hourly rate established by the Cost

Sheet for that task. Full-time equivalent hours are estimates of usage and may be greater or less than those reported on the individual Cost Sheets. The totals of the individual task bids are also estimates of the totals to payments for a task and may be greater or less than the amounts shown on the individual task Cost Sheets.

However, the total amount expended under this contract may not exceed the grand total of the all individual task bid total amounts without the prior approval of the Department.

4. Stage 4 - Combining Narrative Proposal Score and Cost Proposal Score

DHCS will combine the Narrative Proposal score to the final Cost Proposal score and will tentatively identify the firm with the highest combined proposal score from each of the earlier evaluation stages(s).

5. Stage 5 - Adjustments to Score Calculations for Bidding Preferences

- a. DHCS will determine which firms, if any, are eligible to receive a bidding preference (i.e., small business or non-small business subcontractor preference).

This procurement is subject to a Disabled Veteran Business Enterprise (DVBE) participation goal of one percent (1%). Pursuant to California laws and regulations, a DVBE incentive in the form of points added to the sum of the proposal score of responsive/responsible proposers that provide for utilization of California certified DVBE(s). The application of the DVBE incentive is for evaluation purposes only. The maximum DVBE incentive allowed is 5% of the total narrative and cost available points, as described in the Section R.4.c. of the RFP.

- b. DHCS will adjust the total score for applicable claimed preference(s) for those Proposers eligible for bidding preferences. DHCS will apply preference adjustments to eligible Proposers according to State regulations following verification of eligibility with the appropriate office of the Department of General Services. More information about the allowable bidding preferences appears in the RFP section entitled, "Preference Programs".

6. Stage 6 – Final Score Calculation

DHCS will use the formula shown below to calculate final proposal scores and to determine the highest scored proposal.

$$\begin{array}{rcl}
 \text{a. Narrative Proposal Score} & & \\
 + & & \\
 \text{b. } \underline{\text{Cost Proposal Score}} & & \\
 \hline
 = \underline{\text{Total Point Score}} & &
 \end{array}$$

Preference Points If Any (DVBE, Small Bus., Non-Small Bus. Subcontractor preference points)

O. Narrative Proposal Rating Factors

Raters will use the following criteria to score the narrative portion of each proposal.

1. Executive Summary

Executive Summary Rating Factors	Points Possible	Points Earned
1. To what extent did the Proposer express, in its own words, an understanding of DHCS' needs for Project Management Services and the importance of this project? - Consider the Proposer's management insight into the scope and complexity of the project as outlined in the CA-MMIS Contract. - Consider what tangible value the Proposer can contribute to the DHCS Project Team's overall management objectives. RFP Main L.3.c.1) Assign 1 point or 0 points if the Proposer merely restates or paraphrases information in the RFP.	0-4	
2. To what extent did the Proposer express, in its own words, an understanding of DHCS' need for tangible results and understanding that the Proposer shall be held responsible for meeting those results? - Consider the Proposer's technical knowledge of the scope and complexity of the project as outlined in the CA-MMIS Contract. - Consider what tangible value the Proposer can contribute to the achievement of results. RFP Main L.3.c.2) Assign 1 point or 0 points if the Proposer merely restates or paraphrases information in the RFP.	0-4	

Executive Summary Rating Factors	Points Possible	Points Earned
3. To what extent did the Proposer demonstrate a commitment to perform this work in an efficient and timely manner? Consider the types of staffing being proposed and numbers of staff for all phases of the CA-MMIS Contract. RFP Main L.3.c.3)	0-4	
4. To what extent did the Proposer demonstrate how it will integrate this project into the firm's current obligations and existing project management services workload? Consider the Proposer's approach to perform the Scope of Work in an efficient and timely manner. RFP Main L.3.c.4)	0-4	
5. To what extent did the Proposer adequately explain why its firm should be chosen to undertake this project at this time? Consider the Proposer's description of its added value that it brings to the project. RFP Main L.3.c.5)	0-4	
Executive Summary <u>20</u> Points earned X 0.25 = <u>5</u>		

2. Proposing Firm's Capability

Proposing Firm's Capability Rating Factors	Points Possible	Points Earned
6. Upon reviewing the Proposer's organizational structure, to what extent does the organizational structure of the Proposer support the goals and requirements of this RFP? RFP Main L.3.d)1.a)	0-4	
	0-4	

Proposing Firm's Capability Rating Factors	Points Possible	Points Earned
7. Upon reviewing the Proposer's business history and discussion of it's related goals, to what extent are the proposing firm's history and goals relevant, closely related, or complementary with this RFP's goals? RFP Main L.3.d.1)b)		
8. To what extent does the proposing firm have experience in providing large scale project management services? • Consider consulting services provided in the last ten (10) years. • Consider the types of clients. • Consider the project size and complexity. • Consider the staffing and resources committed. • Consider the duration of time committed. RFP Main L.3.d.2)a)-d)	0-4	
9. To what extent does the proposing firm have experience in providing project management services to medical care service organizations (Medicaid, Medicare, etc.) or other governmental programs? • Consider consulting services provided in the last ten (10) years. • Consider the types of clients. • Consider the project size. • Consider the duration of time committed. RFP Main L.3.d.2)a) and d)	0-4	
10. To what extent has the Proposer shown a commitment to staffing large scale project management services projects based on the staffing levels and man hours associated with their identified experience? • Consider the relationship between the complexities present in the project, the use of staff and the staff hours required.	0-4	

Proposing Firm's Capability Rating Factors	Points Possible	Points Earned
RFP Main L.3.d.2)b)		
11. Has the Proposer identified any client for any qualifying experience discussed in detail under RFP Main L.3.d.8) as a reference to be called on Attachment 4? • Yes 4 Points No 0 Points RFP Main L.3.d.8)	0 or 4	
12. To what extent does the project management methodology used by the Proposer's firm meet the needs for this procurement? • Consider the described project management methodology. • Consider the described attributes of the methodology used to meet the needs of this contract. • Consider the stated advantages of the methodology used. RFP Main L.3.d.3)	0-4	
13. To what extent does the proposing firm have experience in the implementation of projects of the size and scope proposed for CA-MMIS Replacement Project or for a project of at least twenty-five million dollars (\$25,000,000)? • Consider if the relevant experience occurred within the past ten (10) years. • Consider the types and range of organizations for which the Proposer provided services. RFP Main L.3.d.2)a)	0-4	

Proposing Firm's Capability Rating Factors	Points Possible	Points Earned
14. To what extent does the Proposing firm's prior engagement(s) involve performing Project Management services for large-scale hardware and software project implementations throughout the entire project life cycle? Consider the Proposer's breadth of experience that qualifies them to assess complex organizational relationships. RFP Main L.3.d.2)e)	0-4	
15. To what extent do the work projects begun or completed in the last ten (10) years demonstrate the Proposing firm's ability to establish and maintain effective working relationships with clients? RFP Main L.3.d.5),6)	0-4	
16. To what extent does the history of the Proposing firm's prior engagements demonstrate the ability to maintain effective working relationships with the CA-MMIS contractor while performing project management services? RFP Main L.3.d.6)	0-4	
17. To what extent do the Proposing firm's recruiting capabilities and retention policies demonstrate its ability to attract and retain qualified staff over the expected time frame of the CA-MMIS Replacement Project? RFP Main L.3.d.7)	0-4	
18. To what extent does the Proposer's firm have experience in the implementation of the size and scope proposed for CA-MMIS Replacement Project or for a project of at least twenty-five (\$25,000,000) million dollars? Consider past experience and track record of successful oversight projects.	0-4	

Proposing Firm's Capability Rating Factors	Points Possible	Points Earned
RFP Main K.1.a.		
19. To what extent has the Proposer demonstrated the resources and recruiting capabilities necessary to provide qualified staff over the lifetime of the CA-MMIS Replacement Project? - Consider Proposer's primary and secondary staffing allocated to project. - Consider Proposer's depth of available resources pertinent to the CA-MMIS project technologies and methodologies. RFP Main L.3.d.7)	0-4	
Proposing Firm's Capability <u>56</u> Points earned X 1.0 = <u>56</u>		

3. Work Plan

Work Plan Rating Factors	Points Possible	Points Earned
20. To what extent does the Proposer present a well-organized and comprehensive work plan that reflects an understanding of the project's objectives and the State's expectations of work activities? - Consider the Proposer's delineation of the five major project phases/tasks: Business Rules Extraction, TARS/SARS, Pharmacy, TLP/ACMS DDI and Replacement System DDI. - Consider the Proposer's project plans for each phase including project hours to complete major tasks. - Consider how the proposer identifies the critical path elements for the components of each phase. RFP Main L.3.e.1)a)	0-4	
21. To what extent does the Proposer's plan for	0-4	

evaluation of the CA-MMIS Project's viability and monitoring of planning, design, development and implementation processes of the CA-MMIS Project throughout the project's life cycle appear organized, appropriate and well planned? • Consider the Proposer's conformance to industry standards; • Consider the Proposer's adherence to the Software Development Life Cycle; • Consider the Proposer's application of continuous quality improvement methodologies; • Consider the Proposer's apparent understanding of contract deliverables; and Consider the Proposer's project management plans as they relate to a clear and effective implementation. RFP Main L.3.e.3)b)		
22. To what extent has the Proposer provided a detailed description of an effective plan to provide both urgent and routine information regarding management issues to State staff allowing for timely interaction as required by <u>Exhibit A, Attachment 1.A.6.</u>? • Consider what information the Proposer will examine, analyze, and compare. RFP Main L.3.e.3)c)	0-4	
23. Upon reading the Risk and Mitigation sample provided to what extent does the Proposer's sample show an understanding of the Risk and Mitigation concepts required for this procurement? • Consider whether the concept is identified. Consider solutions offered to mitigate the potential damage or danger identified.	0-4	

Consider clarity of the writing to convey the issue and information. RFP Main L.3.e.3)d)		
24. To what extent does the Proposer's plan for the POM assure that projects are within budget, appear well-planned, are reasonable and are appropriate indications of developing problems or failures in the CA-MMIS contract? • Consider what information the Proposer will examine, analyze, and compare • Consider the explanation of facts that will alert the Proposer to developing budgetary issues with the FI contractor and to what extent those alerts seem detectable, reasonable and appropriate for their intended purpose. RFP Main L.3.e.3)e)	0-4	
25. To what extent is the Proposer's plan for POM monitoring of FI compliance with project contract tasks and deliverables well planned, clearly defined and logical? RFP Main L.3.e.3)f)	0-4	
26. To what extent does the oversight of the over-all project resources, schedules, key milestones, deliverables and project status by the POM appear appropriate, well defined and attainable? RFP Main L.3.e.3)g)	0-4	
27. To what extent does the Proposer's plan for training DHCS staff in various aspects of project management meet the needs of DHCS? • Consider the description of training to be offered. • Consider the staff and qualifications of committed staff to conduct the training.	0-4	

Consider any special training programs, manuals or certification programs that might be offered or used. RFP Main L.3.e.3)h)		
28. Based on the sample Risk Management Plan provided, to what extent does the Proposer demonstrate knowledge of risk management that a presentation that is well written, concise and understandable? - Consider the clarity with which issues are discussed. Are they detailed with expected actions to improve, modify or limit the potential risk to the project? - Consider the actions to improve, modify or limit the potential risk. Does it seem appropriate for the magnitude of risk identified? - Consider whether there appears to be an appropriate assessment or evaluation of significant risks over normal or expected risks that might identify or classify abnormally high risks? - Consider the steps required to monitor or address needed corrective actions . RFP Main L.3.e.3)j)	0-4	
29. Based on the sample Quality Management Plan provided, to what extent does the Proposer demonstrate knowledge of quality management with a presentation which is well written, concise and understandable? - Consider the clarity with which issues are discussed, whether they are detailed with expected actions. - Consider whether there appears to be performance, quality check, milestones and reviews discussed or detailed. - Consider whether there appears to be implementation schedules, plans or other details on the quality management plan present and showing an understanding and knowledge of the quality management which would be applicable to the project management services required for this	0-4	

contract. - Consider the actions to identify, monitor and assess change control or control issues. - Consider whether there appears to be an appropriate plan for the assessment or evaluation of teams or individual performance staff in relationship to quality management. - Consider whether there appears to be steps to monitor or address corrective action steps stated. RFP Main L.3.e.3)k)		
30. Based on the sample Change Management Plan provided, to what extent does the Proposer demonstrate knowledge of change management with a presentation which is well written, concise and understandable? - Consider the clarity with which issues are discussed. Are they detailed with expected actions? - Consider whether there appears to be performance, quality check, milestones and reviews discussed or detailed. - Consider the actions to identify, monitor and assess change or change management issues. RFP Main L.3.e.3)l)	0-4	
31. To what extent does the Proposer's work plan address each SOW element in the Work Plan with an in-depth discussion of methods, approaches and action plans? - Consider the Proposer's analysis of the different requirements and challenges presented by each of the five project phases as outlined in the new FI's Narrative Technical Proposal and CA-MMIS Contract. - Consider the type and frequency of the Proposer' expected deliverables based on the technical and organizational challenges of each phase. - Consider the Proposer's compliance with Office of State Information Officer (OCIO) guidelines for PM services for projects of high criticality. - Consider the extent that proposed methods	0-4	

demonstrates creativity or innovative approaches. RFP Main L.3.e.1)c) to d)		
32. To what extent does the Proposer's work plan delineate the proposed deliverables with detailed tasks and responsibility for the evaluation and assessment of each of the Project phase? • Consider the approach to assessing overall project management. • Consider the approach to assessing overall system design and development. • Consider the components of the evaluation of system test design and execution. • Consider the approach to evaluation of the FI Contractor's resource levels and staff skills and experience. • Consider the approach to the evaluation of DHCS resource levels and staff skills. • Consider the approach to assessing the services provided by other Project consultants. • Consider the approach to assessing the effectiveness of the FI Contractor in achieving DHCS goals and objectives. • Consider the approach to assessing the accuracy, completeness and thoroughness of information supplied to DHCS by the FI Contract for making major project decisions. RFP Main L.3.e.1)d)	0-4	
33. To what extent do contingency plans for delays in initiating a project phase or delays in project phase execution seem viable and appropriate? • Consider the Proposer's assumptions and rationale used to develop alternative approaches. • Consider plans for staff and retention of staff. RFP Main L.3.e.3)o)	0-4	
Work Plan Score <u>56</u> Points earned X 2.0 = <u>112</u>		

4. Management Plan

Management Plan Rating Factors	Points Possible	Points Earned
34. To what extent has the Proposer demonstrated its capability to effectively coordinate, manage and monitor the efforts of assigned staff (including subcontractors and consultants) to ensure that work is effectively completed in a timely manner? RFP Main L.3.f.1)	0-4	
35. Upon reviewing the Proposer's organization chart in the Appendix Section, to what extent is the Proposer's organizational structure sound, with distinct and separate lines of authority and reporting relationships between functions and all staff including subcontractors and independent consultants? RFP Main L.3.f.3)	0-4	
Management Plan Score <u>8</u> Points earned X <u>1.0</u> = <u>8</u>		

5. Project Personnel

Project Personnel Plan Rating Factors	Points Possible	Points Earned
36. Upon review of the job description or duty statement for the Project Office Manager (POM) to what extent does this person meet the qualification requirements stated in Exhibit A, Attachment 1, Section C? - Consider the educational qualification of the proposed POM. - Consider if the person proposed for the POM position is at an executive level in the proposing firm. - Consider the number of years of experience at a senior management level. - Consider the prior experience of proposed POM including but not limited to the positions held, size or complexity of the projects worked, the type of work similar to CA-MMIS.	0-4	

Project Personnel Plan Rating Factors	Points Possible	Points Earned
RFP Main L.3.g.1)a) and b) Exhibit A, Attachment 1, Section C		
37. Upon review of the job description or duty statement for the Project Manager (PM), to what extent does this person meet the experience requirements in <u>Exhibit A, Attachment 1, Section D</u>? • Consider the educational qualifications of the proposed PM. • Consider if the person proposed for the PM position is at an executive level in the proposing firm. • Consider the number of years of experience at a senior management level. • Consider the prior experience of proposed PM including but not limited to the positions held, size or complexity of the projects worked, the type of work similar to CA-MMIS. RFP Main L.3.g.1)a) and b) Exhibit A, Attachment 1, Section D	0-4	
38. Upon review of the job description or duty statement for the Risk Lead Contact, to what extent does this person meet the experience requirements in <u>Exhibit A, Attachment 1, Section E.1</u>? • Consider the educational qualification of the proposed Risk Lead Contact. • Consider the number of years of experience the Risk Lead Contact has in risk assessment or risk management type positions. • Consider whether risk management is or has been the major focus of the Risk Lead Contact's career in the recent past. • Consider the prior experience of proposed Risk Lead Contact including but not limited to the positions held, size or complexity of the projects worked, the type of work similar to risk management and CA-MMIS.	0-4	

Project Personnel Plan Rating Factors	Points Possible	Points Earned
RFP Main L.3.g.1)a) and b) Exhibit A, Attachment 1, Section E.1.		
39. Upon review of the job description or duty statement for the Quality Assurance Lead Contact, to what extent does this person meet the experience requirements in <u>Exhibit A, Attachment 1, Section E.2.</u>? • Consider the educational qualification of the proposed Quality Assurance Lead Contact. • Consider the number of years of experience the Quality Assurance Lead Contact has in Quality Assurance type positions. • Consider whether Quality Assurance is or has been the major focus of the Quality Assurance Lead Contact's career in the recent past. • Consider the prior experience of proposed Quality Assurance Lead Contact including but not limited to the positions held, size or complexity of the projects worked, the type of work similar to Quality Assurance and CA-MMIS. RFP Main L.3.g.1)a) and b) Exhibit A, Attachment 1, Section E.2.	0-4	
40. Upon review of the job description or duty statement for the Scheduling Lead Contact, to what extent does this person meet the experience requirements in <u>Exhibit A, Attachment 1, Section E.3.</u>? • Consider the educational qualification of the proposed Scheduling Lead Contact. • Consider the number of years of experience the Scheduling Lead Contact has in Scheduling type positions. • Consider whether Scheduling is or has been the major focus of the Scheduling Lead Contact's career in the recent past. • Consider the prior experience of proposed Scheduling Lead Contact including but not limited to the positions held, size or complexity of the projects worked, the type of work similar to Scheduling and CA-MMIS.	0-4	

Project Personnel Plan Rating Factors	Points Possible	Points Earned
RFP Main L.3.g.1)a) and b) Exhibit A, Attachment 1, Section E.3.		
41. Upon review of the job description or duty statements for the Change Control Lead Contact, to what extent does this person meet the experience requirements in <u>Exhibit A, Attachment 1, Section E.6.</u>? • Consider the educational qualification of the proposed Change Control Lead Contact. • Consider the number of years of experience the Change Control Lead Contact has in Change Control type positions. • Consider whether Change Control is or has been the major focus of the Change Control Lead Contact's career in the recent past. • Consider the prior experience of Change Control Lead Contact including but not limited to the positions held, size or complexity of the projects worked, the type of work similar to Change Control and CA-MMIS. RFP Main K.1.a.d., RFP Main L.3.g.1)a)and b) <u>Exhibit A, Attachment 1, Section E.6.</u>	0-4	
42. Upon reviewing the Proposer's preliminary high level staffing plan, to what extent is the allocation of FTEs by functional title and skill level appropriately aligned to each of the five phases of the CA-MMIS Replacement Project? • Consider the balance between number and skill level of staff assigned to the activities of each of the five (5) project phases. • Consider the Proposer's work plan and the allocation of staff with qualifications appropriate to those tasks for all activities. • Consider the methodology used by the Proposer to determine the number of staff hours and skills levels were required for each phase of the Project. • Consider how the Proposer plans to recruit and deploy qualified staff in order to deliver quality deliverables during peak Project	0-4	

Project Personnel Plan Rating Factors		Points Possible	Points Earned
activity phases			
RFP Main L.3.g.1)a			
43. Upon reviewing the Proposer's recruitment and retention plan, to what extent has the Proposer demonstrated its ability to hire and retain technically competent and experienced personnel? Consider how the Proposer plans to retain qualified staff over the projected variations in the intensity of Project activities? RFP Main L.3.g.2)		0-4	
Project Personnel Score		<u>32</u> Points earned X 2.5 = <u>80</u>	

P. Bid Requirements and Information

1. Nonresponsive proposals

In addition to any condition previously indicated in this RFP, the following occurrences **may** cause DHCS to deem a proposal nonresponsive.

a. Failure of a Proposer to:

- 1) Meet DVBE participation goals for the full percentage amount of 1%.
- 2) Meet proposal format/content or submission requirements including, but not limited to, the sealing, labeling, packaging and/or timely and proper delivery of proposals.
- 3) Pass the Required Attachment / Certification Checklist review (i.e., by not marking "Yes" to applicable items or by not appropriately justifying, to DHCS' satisfaction, all "N/A" designations).
- 4) Submit a **mandatory** Conflict of Interest Compliance Certificate in the manner required, if applicable.

b. If a Proposer submits a proposal that is conditional, materially incomplete or contains material defects, alterations or irregularities of any kind.

c. If a Proposer supplies false, inaccurate or misleading information or falsely certifies compliance on any RFP attachment.

d. The financial position of the Proposer is deemed less than adequate to support the contract for the term of the contract.

- e. If DHCS discovers, at any stage of the bid process or upon contract award, that the Proposer is unwilling or unable to comply with the contract terms, conditions and exhibits cited in this RFP or the resulting contract.
- f. If other irregularities occur in a proposal response that is not specifically addressed herein (i.e., the Proposer places any conditions on performance of the scope of work, submits a counter proposal, etc.).

2. Proposal mistakes

If prior to contract award, award confirmation, or contract signing, a proposer discovers a mistake in their proposal and/or cost offering that renders the proposer unable or unwilling to perform all scope of work services as described in its proposal response for the price/costs offered, the proposer must immediately notify DHCS and submit a written request to withdraw its proposal following the procedures set forth below.

3. Proposal modifications after submission

- a. All proposals are to be complete when submitted. However, an entire proposal may be withdrawn and the Proposer may resubmit a new proposal.
- b. To withdraw and/or resubmit a new proposal, follow the instructions appearing in the RFP section entitled, "Withdrawal and/or Resubmission of Proposals".

4. Withdrawal and/or Resubmission of Proposals

a. Withdrawal deadlines

A proposer may withdraw a proposal at any time before the issuance of the Notice of Intent to Award.

b. Submitting a withdrawal request

- 1) Submit a written withdrawal request, signed by an authorized representative of the Proposer.
- 2) Label and submit the withdrawal request using one of the following methods.

U.S. Mail, Hand Delivery or Overnight Express:	Fax:
Withdrawal - RFP 09-86193 Department of Health Care Services Office of Medi-Cal Procurement Maegan Jorgensen Nathan Greve MS 4200 1501 Capitol Ave Suite 71.3041 P.O. Box 997413 Sacramento, CA 95899-7413	Withdrawal - RFP 09-86193 Department of Health Care Services Office of Medi-Cal Procurement Maegan Jorgensen Nathan Greve Fax: (916) 440-7369

- 3) **[For faxed requests]** Proposers must call DHCS' OMCP at (916) 552-8006 to confirm receipt of a faxed withdrawal request. Follow-up the faxed request by

mailing or delivering the signed original withdrawal request within 24 hours after submitting a faxed request.

An originally signed withdrawal request is generally required before DHCS will return a proposal to a Proposer. DHCS may grant an exception if the Proposer informs DHCS that a new or replacement proposal will immediately follow the withdrawal.

c. Resubmitting a proposal

After withdrawing a proposal, Proposers may resubmit a new proposal according to the proposal submission instructions. Replacement proposals must be received at the stated place of delivery by the proposal due date and time.

5. Contract award and protests

a. Contract award

- 1) Award of the contract, if awarded, will be to the responsive and responsible Proposer, who earns the highest total score. The highest scored proposal will be determined after DHCS adjusts Proposer scores for applicable bidder preferences and/or incentives.
- 2) DHCS shall award the contract only after DHCS posts a Notice of Intent to Award for five (5) working days. DHCS expects to post the Notice of Intent to Award before the close of business on November 15, 2010 in a Contract Award Notices Binder which will be available for viewing by the public during normal business hours, at the following location:

Department of Health Care Services
Guard Desk
1501 Capitol Ave Lobby
P.O. Box 997413
Sacramento, CA 95814

- 3) DHCS will mail, email, or fax a written notification and/or a copy of the Notice of Intent to Award to all firms that submitted a proposal. DHCS will also post the Notice of Intent to Award on the OMCP website at the following address:
www.dhcs.ca.gov/ProvGovPart/rfa_rfp/Pages/OMCPHomePage.aspx.
- 4) DHCS will confirm the contract award to the winning Proposer after the protest deadline, if no protests are filed, or following the Department of General Service's resolution of all protests. DHCS staff may confirm an award verbally or in writing.

b. Settlement of ties

- 1) In the event of a precise total high score tie between a responsive proposal submitted by a certified small business or microbusiness and a responsive proposal submitted by a certified DVBE that is also a certified small business, the contract will be awarded to the DVBE firm per Government Code Section 14838(f) et seq.
- 2) In the event of a precise total high score tie between a responsive proposal submitted by a firm that was granted non-small business subcontractor preference

and a responsive proposal submitted by a certified small business or microbusiness, the contract will be awarded to the certified small business or microbusiness.

- 3) In the event of a precise total high score between a responsive proposal submitted by a nonprofit veteran service agency (NVSA) that is a certified small business and a responsive proposal submitted by a certified DVBE that is also a certified small business, the contract will be awarded to the certified DVBE.
- 4) In the absence of a California law or regulation governing a specific tie, DHCS will settle all other precise total high score ties by making an award to the Proposer who earns the highest narrative score. If narrative scores are also tied, DHCS will settle the tie in a manner that DHCS determines to be fair and equitable (e.g., coin toss, lot drawing, etc.). In no event will DHCS settle a tie by dividing the work among the tied Proposers.

c. Protests

1) Who can protest

Any proposer who submits a proposal may file a protest if the Proposer believes its proposal is responsive to all RFP requirements.

2) Grounds for protests

Protests are limited to the grounds described in Public Contract Code (PCC) Section 10345. DHCS will not make an award until all protests are withdrawn by the protestant, denied, or resolved to the satisfaction of the Department of General Services (DGS).

3) Protest time lines

- a. If an eligible Proposer wishes to protest the intended contract award, the Proposer must file a "Notice of Intent to Protest" with both DHCS and the Department of General Services within five working days after DHCS posts the Notice of Intent to Award. The Notice of Intent to Protest may be quite brief. Any Notice of Intent to Protest filed more than five working days after DHCS posts the Notice of Intent to Award shall be untimely and not accepted.
- b. Within five calendar days after filing a "Notice of Intent to Protest", the protestant must file with both DHCS and the Department of General Services a full and complete written protest statement identifying the specific grounds for the protest. The statement must contain, in detail, the reasons, law, rule, regulation, or practice that the protestant believes DHCS has improperly applied in awarding the contract.

4) Submitting a protest

Protests must be filed with **both** the Department of General Services and the Department of Health Care Services. One copy is to be filed with the Department of General Services and one copy is to be filed with each of the identified Department of Health Care Services offices identified below. Proposers may hand deliver, mail or fax their protest.

Label, address, and submit the initial protest notice and detailed protest statement using the addresses or faxes below.

U.S. Mail, Hand Delivery or Overnight Express:	Fax:
Protest to DHCS RFP 09-86193 Department of Health Care Services Office of Medi-Cal Procurement Mail Station 4200 P.O. 997413 1501 Capitol Avenue, Suite 71.3041 Sacramento, CA 95899-7413	Protest to DHCS RFP 09-86193 Department of Health Care Services Office of Medi-Cal Procurement Fax: (916) 440-7369
Protest to DHCS RFP 09-86193 Department of Health Care Services Contract Management Unit Mail Station 1403 P.O. Box 997413 1501 Capitol Avenue, Suite 71.5195 Sacramento, CA 95899-7413	Protest to DHCS RFP 09-86193 Department of Health Care Services Contract Management Unit Fax: (916) 650-0111
Protest to DHCS RFP 09-86193 Dept. of General Services Office of Legal Services Attention: Protest Coordinator 707 Third Street, 7 th Floor, Suite 7-330 P.O. Box 989052 West Sacramento, CA 95798-9052	Protest to DHCS RFP 09-86193 Dept. of General Services Office of Legal Services Fax: (916) 376-5088

For faxed protests

Faxed protests must be followed-up by sending an original signed protest, with all supporting material, within seven (7) calendar days of submitting the faxed protest.

Call the telephone numbers below to confirm receipt of a fax transmission:

Department of General Services-DGS	(916) 376-5080
Department of Health Care Services-CMU	(916) 650-0150
Department of Health Care Services-OMCP	(916) 552-8006

6. Disposition of Proposals

- All materials submitted in response to this RFP will become the property of the Department of Health Care Services and, as such, are subject to the Public Records Act (GC Section 6250, et seq.). DHCS will disregard any language purporting to render all or portions of any proposal confidential.
- Upon posting the Notice of Intent to Award, all documents submitted in response to this RFP and all documents used in the selection process (e.g., review checklists, scoring sheets, letters of intent, etc.) will be regarded as public records under the California Public Records Act (Government Code Section 6250 et seq.) and are available to the

public. However, these documents shall be held in the strictest confidence until the Notice of Intent to award is posted.

- c. DHCS may return a proposal to a Proposer at their request and expense after DHCS concludes the bid process.

7. Public Release of Proposal Material

- a. Any person or member of the public can inspect or obtain copies of any proposal materials. The following materials are made available to the public:
 - 1) After the Pre-Proposal Conference, the sign-in or attendance sheet is a public record and will be available as an Administrative Bulletin that will be posted on the OMCP website.
 - 2) On or after the date DHCS posts the Notice of Intent to Award, all proposals, Proposer Lists, conference sign-in/attendance sheet, letters of intent, checklists and/or scoring/evaluation sheets become public records and are part of the Bidder's Package. The Bidder's Package will be available on CD upon request.
- b. Obtaining CD copies of proposal materials

Persons wishing to obtain CD copies of Proposal materials may call DHCS or e-mail a written request to DHCS office identified below. The requestor must identify the items they wish to receive.

Persons requesting CD copies must provide replacement CD's.

Request for Copies - RFP 09-86193

Attn: Maegan Jorgensen or Nathan Greve
Department of Health Care Services
Office of Medi-Cal Procurement
Maegan Jorgensen or Nathan Greve
MS 4200
1501 Capitol Avenue, Suite 71.3041
P.O. Box 997413
Sacramento, CA 95899-7413

8. Verification of Proposer information

By submitting a proposal, Proposers agree to authorize DHCS to:

- a. Verify any and all claims made by the Proposer including, but not limited to verification of prior experience and the possession of other qualification requirements, and
- b. Check any reference identified by a Proposer or other resources known by DHCS to confirm the Proposer's business integrity and history of providing effective, efficient and timely services.

9. DHCS Rights

In addition to the rights discussed elsewhere in this RFP, DHCS reserves the following rights.

a. RFP corrections

- 1) DHCS reserves the right to do any of the following up to the proposal submission deadline:
 - a) Modify any date or deadline appearing in this RFP or the RFP Time Schedule.
 - b) Issue clarification notices, addenda, alternate RFP instructions, forms, etc.
 - c) Waive any RFP requirement or instruction for all proposers if DHCS determines that the requirement or instruction was unnecessary, erroneous or unreasonable.
 - d) Allow Proposers to submit questions about any RFP change, correction or addenda. If DHCS allows such questions, specific instructions will appear in the cover letter accompanying the document.
- 2) If deemed necessary by DHCS to remedy an RFP error or defect that is not detected in a timely manner, DHCS may also issue correction notices or waive any unnecessary, erroneous, or unreasonable RFP requirement or instruction after the proposal submission deadline.
- 3) If this RFP is clarified, corrected, or modified, OMCP will post the information on its website at the following location:
www.dhcs.ca.gov/ProvGovPart/rfa_rfp/Pages/OMCPHomePage.aspx. Email notifications shall be sent to all persons/firms to whom DHCS sent this RFP and to any persons that specifically make a request to receive materials that announce changes to the RFP including, but not limited to, clarification notices, Administrative Bulletins, and/or RFP addenda.

If DHCS decides, just before or on the proposal due date, to extend the submission deadline, DHCS will notify potential proposers of the extension by a website posting. DHCS will follow-up any notice given in writing by email.

b. Collecting information from Proposers

- 1) If deemed necessary, DHCS may request a Proposer to submit additional documentation during or after the proposal review and evaluation process. DHCS will advise the Proposers orally, by fax, email, or in writing of the documentation that is required and the time line for submitting the documentation. DHCS will follow-up oral instructions in writing by fax, email, or mail. Failure to submit the required documentation by the date and time indicated may cause DHCS to deem a proposal nonresponsive.
- 2) DHCS, at its sole discretion, reserves the right to collect, by mail, email, fax or other method; the following omitted documentation and/or additional information.
 - a) Signed copies of any form submitted without a signature.
 - b) Data or documentation omitted from any submitted RFP attachment/form.
 - c) Information/material needed to clarify or confirm certifications or claims made by a Proposer.

d) Information/material or form needed to correct or remedy an immaterial defect in a proposal.

- 3) The date for posting the Notice of Intent to Award is only an estimate and may be modified with or without notice. Any change to the estimated released date of the Notice of Intent to Award shall be made, at DHCS' sole discretion, on the OMCP website as identified throughout this RFP.

c. Immaterial proposal defects

- 1) DHCS may waive any immaterial defect in any proposal and allow the Proposer to remedy those defects. DHCS reserves the right to use its best judgment to determine what constitutes an immaterial deviation or defect.
- 2) DHCS' waiver of an immaterial defect in a proposal shall in no way modify this RFP or excuse a Proposer from full compliance with all bid requirements.

d. Correction of clerical or mathematical errors

- 1) DHCS reserves the right, at its sole discretion, to overlook, correct or require a Proposer to remedy any obvious clerical or mathematical errors occurring in the narrative portion of a proposal or on a Cost Proposal form.
- 2) If the correction of an error results in an increase or decrease in the total price, and a unit price pursuant to the RFP Section P.8.d 4) is not provided, DHCS shall give the Proposer the option to accept the corrected price or withdraw their proposal.
- 3) Proposers may be required to initial corrections to cost and dollar figures a Cost Proposal form if the correction results in an alteration of the annual costs or total cost offered.
- 4) If a mathematical error occurs in a total or extended price and a unit price is present, DHCS will use the unit price to settle the discrepancy.

e. Right to remedy errors

DHCS reserves the right to remedy errors caused by:

- 1) DHCS office equipment malfunctions or negligence by department staff,
2) Natural disasters (i.e., floods, fires, earthquakes, etc.).

f. No contract award or RFP cancellation

The issuance of this RFP does not constitute a commitment by DHCS to award a contract. DHCS reserves the right to reject all proposals and to cancel this RFP if it is in the best interests of DHCS to do so.

g. Contract amendments after award

As provided in the Public Contract Code governing contracts awarded by competitive bid, the DHCS reserves the right to amend the contract after DHCS makes a contract award.

h. Less than Full Funding

If full funding does not become available, is reduced, or DHCS determines that it does not need all of the services described in this RFP; DHCS reserves the right to offer an amended contract for reduced services.

i. Proposed use of subcontractors and/or independent consultants

Specific subcontract relationships proposed in response to this RFP (i.e., identification of pre-identified subcontractors and independent consultants) shall not be changed during the procurement process or prior to contract execution. The pre-identification of a subcontractor or independent consultant does not affect DHCS' right to approve personnel or staffing selections or changes made after the contract award.

j. Staffing changes after contract award

DHCS reserves the right to approve or disapprove changes in key personnel that occur after DHCS awards the contract.

Q. Bidding Certification Clauses**1. Certificate of Independent Price Determination**

a. The prospective proposer certifies that:

1) The prices in this bid or proposal have been arrived at independently without any consultation, communication or agreement with any other proposer or competitor for the purpose of restricting competition relating to:

- a) The prices or costs offered,
- b) The intention to submit a bid or proposal,
- c) The methods or factors used to calculate the costs or prices offered.

2) The prices in this bid or proposal have not been and will not be knowingly disclosed by the proposer, directly or indirectly, to any other proposer or competitor before the bid/cost proposal opening date or date of contract award posting, unless otherwise required by law.

3) No attempt has been made or will be made by the proposer to induce any other firm or entity to submit or not to submit a bid or proposal for the purpose of restricting competition.

b. Each signature appearing on the documents contained in this bid package/proposal is considered to be a certification by the signatory that the signatory:

Is the person in the Proposer's organization that is either responsible for determining the prices offered in this bid or proposal and/or is designated to complete the bid or proposal forms on behalf of the bidding firm, and the signatory has not participated and will not participate in any action contrary to all subsections of paragraph a.

2. Debarment and Suspension Certification

a. The Contractor certifies to the best of its knowledge and belief, that it and its principals:

- 1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal department or agency;
 - 2) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - 3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated Section Q.2.a.2) of this RFP; and
 - 4) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.
 - 5) It shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in such transaction, unless authorized by the State.
 - 6) It will include a clause entitled "Debarment and Suspension Certification" that essentially sets forth the provisions herein, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
- b. If the Contractor is unable to certify to any of the statements in this certification, the Contractor shall submit an explanation to the program funding this contract.

3. Lobbying Restrictions and Disclosure

(This certification only applies if the resulting contract total will equal or exceed \$100,000 and the contract will be federally funded in part or whole.)

- a. The Contractor certifies, to the best of its knowledge and belief, that:
- 1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the Contractor, to any person for influencing or attempting to influence an officer or employee of an 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 grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
 - 2) If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of 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, the Contractor shall complete and submit federal Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

- 3) The Contractor shall require that the contents of this certification be collected from the recipients of all subawards, exceeding \$100,000, at all tiers (including subcontracts, subgrants, etc.) and shall be maintained for three years following final payment/settlement of those agreements.
- b. This certification is a material representation of fact upon which reliance was placed when this contract was made and/or entered into. The making of the above certification is a prerequisite for making or entering into this contract pursuant to 31 U.S.C. 1352 (45 CFR 93). 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.
- c. The Standard Form-LLL may be obtained from various federal agencies, federally sponsored World Wide Web Internet sites, DHCS upon request or may be copied from Exhibit D(F) entitled, Special Terms and Conditions.

R. Preference and Incentive Programs

To confirm the identity of the highest scored responsive Proposer, DHCS will adjust the total point score for applicable claimed preference(s), if any are appropriate. Bidding preferences shall not be applied to proposals that fail to pass the Certification Checklist Review or are found nonresponsive. DHCS will apply preference adjustments to eligible Proposers according to State regulations following on-line or personal verification of eligibility.

1. Small Business / Microbusiness Preference

- a. A responsive California small business or microbusiness proposer claiming preference and verified as a certified small business or microbusiness in a relevant business category or type will be granted a preference of five percent (5%) of the total point score earned by the responsive/responsible proposer with highest combined score, if the highest scored proposal is submitted by a non-small business. Non-small business means a responsive/responsible proposer that is not certified by the California Department of General Services as a California small business or microbusiness in a relevant business category or type. The "service" category or business type will most likely apply to this procurement. Nonprofit Veteran Service Agencies (NVSA) are to view the instructions in provision 3 of this section (Preference Programs).
- b. To be certified as a California small business or microbusiness and eligible for a bidding preference the business concern must meet the State's eligibility requirements and must have submitted an application for small business status no later than 5:00 p.m. on the proposal submission deadline.
- c. Firms desiring small business or microbusiness certification must obtain the appropriate Small Business Certification Application (STD 812 or other form) from the appropriate office of the Department of General Services, fully complete the application, and submit it to the Department of General Services as instructed in the application. Prospective proposing firms desiring small business certification assistance, may contact the Department of General Services by the following means:
 - 1) (916) 322-5060 (24 hour recording and mail requests), or
 - 2) (916) 375-4940 (Small business assistance) or (800) 559-5529 (live operator Central receptionist), or
 - 3) Internet address: <http://www.pd.dgs.ca.gov/smbus/default.htm> or

- 4) Fax: (916) 375-4950, or
- 5) Email: osdchelp@dgs.ca.gov

2. Non-Small Business Subcontractor Preference

- a. Non-small business means a responsive/responsible proposer that is not certified by the California Department of General Services as a small business or microbusiness.
- b. If the responsive proposer earning the highest total score is not a certified small business/microbusiness, a bid preference up to five percent (5%) is available to a responsive non-small business proposer committing twenty-five percent (25%) small business subcontractor use of one or more small businesses. When applicable, the preference points will be calculated pursuant to the regulations in Title 2, California Code of Regulations (CCR) § 1896.8 and will be added to total score of an eligible non-small business. This preference is authorized pursuant to Title 2, CCR § 1896.2 and Government Code § 14835.
- c. If a proposer claims the non-small business subcontractor preference, the proposal response must identify each proposed small business subcontractor that will be used, the participation percentage and dollar amount committed to each identified small business subcontractor, and substantial proof to enable verification of each subcontractor's small business status. The total small business subcontractor use must equal no less than twenty-five percent (25%) of the total cost offered.
- d. To be granted preference, each proposed small business subcontractor must possess an active small business certification issued by the Department of General services, must perform a "commercially useful function" under the contract and the basic functions to be performed must be identified at the time of proposal submission.
- e. To request the non-small business subcontractor preference, complete **Attachment 12a (Non-Small Business Subcontractor Preference Request)** and **Attachment 12b (Small Business Subcontractor/Supplier Acknowledgement)**.
- f. Refer to the RFP section entitled, "Settlement of ties" to learn how tied costs will be resolved.

3. Nonprofit Veteran Service Agency (NVSA) Small Business Preference

- a. Pursuant to Military and Veteran Code Section 999.50 et seq., responsive/responsible nonprofit veteran service agencies (NVSAs) claiming small business/microbusiness preference and verified as such in the relevant category or business type prior to the proposal submission due date will be granted a preference up to five percent (5%) of the highest score, if the highest scored responsive proposal is submitted by a proposer not certified as a small business/microbusiness. The "service" category is the business type that will most likely apply to this procurement.
- b. To be eligible for the NVSA small business preference, the business concern must:
 - 1) Request small business preference at the time of proposal submission, and
 - 2) Become certified as a small business by the appropriate office of the California Department of General Services (DGS) prior to the proposal submission due date.

- c. Refer to the RFP section entitled, "Settlement of ties" to learn how tied proposals will be resolved.

4. DVBE Incentive

a. DVBE Participation / Incentive Requirement

This procurement is subject to a Disabled Veteran Business Enterprise (DVBE) participation goal of one percent (1%). Pursuant to California laws and regulations, a DVBE incentive in the form of points added to the sum of the narrative proposal score (non-cost score) of responsive/responsible proposers that provide for utilization of California certified DVBEs. The application of the DVBE incentive is for evaluation purposes only. The maximum DVBE incentive allowed is 5% of the total possible points. The DVBE Incentive Scale below illustrates the earnable incentive points based on the amount of DVBE participation in excess of 1.5% or greater.

b. Application of the DVBE Incentive

Points will be added to the narrative (non-cost) score of an eligible proposer by the applicable DVBE incentive percentage as computed on the total possible points earnable for both the narrative (non-cost) score and cost proposal score, when a proposer:

- 1) Commits participation or use of DVBEs in excess of 1.5% or greater to perform commercially useful functions under the resulting contract. To demonstrate DVBE participation, proposers are to:
 - d) Follow the DVBE participation form completion instructions in Attachment 9 and return the applicable DVBE forms, with the proposal response.
 - e) DVBE participation commitments must be acknowledged and confirmed via submission of a signed DVBE Subcontractor/Supplier Acknowledgement form (Attachment 9b) with the proposal response.
- 2) When responsive/responsible proposers claim and are deemed eligible for the small business preference and/or the DVBE incentive or both, the small business preference will be applied first.
- 3) The DVBE incentive adjustment for this procurement may not exceed 5% of the total possible points.
- 4) When responsive/responsible proposers are eligible for one or more incentives and/or preferences, the order of application shall be as follows:
 - a) Small business preference will be applied first (if applicable)
 - b) The DVBE incentive second (if applicable)
 - c) The non-small business subcontractor preference (if applicable)

c. DVBE Incentive Scale

Unless superseded and replaced by an alternate DVBE Incentive Scale issued by the DHCS prior to proposal due date, the following incentive scale will apply to this procurement.

Illustration of possible narrative proposal (non-cost) points = 600

Illustration of possible cost proposal points = 600

Illustration of total possible points = 1200

Percentage of DVBE Participation Achieved and Acknowledged	Allowable DVBE Incentive Added to a Narrative Proposal (Non-Cost) Score
Over 5%	5% of total possible points (5% X 1200) = 60
Over 4% and up to 5%	4% of total possible points (4% X 1200) = 48
Over 3% and up to 4%	3% of total possible points (3% X 1200) = 36
Over 2% and up to 3%	2% of total possible points (2% X 1200) = 24
Over 1.5% and up to 2%	1% of total possible points (1% X 1200) = 12
1% to 1.5%	0% of total possible points

5. Local Military Base Recovery Area (LAMBRA) Act

Work locations are fixed by the State and hence LAMBRA preference points are not available for this procurement.

6. Target Area Contract Preference Act and Enterprise Zone Act

Work locations are fixed by the State and hence Target Area Contract Preference Act and Enterprise Zone Act preference points are not available for this procurement.

S. Contract Terms and Conditions

1. Loss Lead Clause

It is unlawful for any person engaged in business within this state (California) to sell or use any article or product as a "loss leader" as defined in Section 17030 of the Business and Professions Code.

2. Other Terms and Conditions

The winning Proposer must enter a written contract that may contain portions of the Proposer's proposal (i.e., i.e., Bid Sheets, Cost Sheets, Narrative Staffing Levels, Work Plan), Scope of Work, Scope of Work Attachments, standard contract provisions, the contract form, and the exhibits identified below. Other exhibits, not identified herein, may also appear in the resulting contract.

The exhibits identified in this section contain contract terms that require strict adherence to various laws and contracting policies. A Proposer's unwillingness or inability to agree to the proposed terms and conditions shown below or contained in any exhibit identified in this RFP may cause DHCS to deem a Proposer non-responsible and ineligible for an award. DHCS reserves the right to use the latest version of any form or exhibit listed below in the resulting agreement if a newer version is available.

The exhibits identified below illustrate many of the terms and conditions that may appear in the final agreement between DHCS and the winning Proposer. Other terms and conditions,

not specified in the exhibits identified below, may also appear in the resulting agreement. Some terms and conditions are conditional and may only appear in an agreement if certain conditions exist (i.e., contract total exceeds a certain amount, federal funding is used, etc.).

In general, DHCS will not accept alterations to the General Terms and Conditions (GTC), DHCS' Special Terms and Conditions, the Scope of Work, other exhibit terms/conditions, or alternate language that is proposed or submitted by a prospective contractor. DHCS may consider a proposal containing such provisions "a counter proposal" and DHCS may reject such a proposal as nonresponsive.

3. Sample contract forms / exhibits

Exhibit Label	Exhibit Name
a. Exhibit A1	Standard Agreement
b. Exhibit A	Scope of Work
c. Exhibit B	Budget Detail and Payment Provisions
d. Exhibit C - View on-line.	General Terms and Conditions (GTC 610). View or download this exhibit at this Internet site:
e. Exhibit D(F)	Special Terms and Conditions
f. Exhibit E	Additional Provisions
g. Exhibit F	Contractor's Release
h. Exhibit G	HIPAA Business Associate Addendum
i. Exhibit H	Information Confidentiality and Security Requirements

4. Unanticipated tasks

In the event unanticipated or additional work must be performed that is not identified in this RFP, but in DHCS' opinion is necessary to successfully accomplish the scope of work, DHCS will initiate a contract amendment to add that work. All terms and conditions appearing in the final contract including the salary/wage rates, unit rates and/or other expenses appearing on the Proposer's Cost Sheets will apply to any additional work and extension options.

5. Resolution of language conflicts (RFP vs. final agreement)

If an inconsistency or conflict arises between the terms and conditions appearing in the final agreement and the proposed terms and conditions appearing in this RFP, any inconsistency or conflict will be resolved by giving precedence to the final agreement.

Attachment 1**Proposal Cover Page**

Name of Bidding Firm *(Legal name as it will appear on the contract)*

Mailing Address *(Street address, P.O. Box, City, State, Zip Code)*

Person authorized to act as the primary contact for matters regarding this proposal:

Printed Name *(First, Last)*:

Title:

Telephone number:

Fax number:

Email address, if applicable

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Person authorized to obligate this firm in matters regarding the resulting contract:

Printed Name *(First, Last)*:

Title:

Telephone number:

Fax number:

Email address, if applicable

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(CORPORATIONS) Name/Title of person authorized by the Board of Directors to sign all proposal documents on behalf of the Board:

Printed Name *(First, Last)*:

Title:

Signature of Proposer or Authorized Representative

Date:

Attachment 2
Page 1

Required Attachment / Certification Checklist

Qualification Requirements. I certify that my firm meets the following requirements:		Confirmed by the State
☐ Yes ☐ N/A	My firm possesses at least five consecutive years of experience of the various service types listed in Item 1 of the RFP section entitled, "Qualification Requirements". That experience occurred within the past ten years.	☐ Yes ☐ No
☐ Yes ☐ N/A	My firm has read and is willing to comply with the terms, conditions and contract exhibits addressed in the RFP section entitled, "Contract Terms and Conditions".	☐ Yes ☐ No
☐ Yes ☐ N/A	(Corporations, Limited Liability Company, Limited Partnership) My firm is in good or active standing and qualified to conduct business in California. [Check "N/A" if not applicable.]	☐ Yes ☐ No
☐ Yes ☐ N/A	(Nonprofit Organizations) My firm is qualified to claim nonprofit status. [Check "N/A" if not a nonprofit organization.]	☐ Yes ☐ No
☐ Yes ☐ N/A	My firm has a past record of sound business integrity and a history of being responsive to past contractual obligations. My firm authorizes the State to confirm this claim.	☐ Yes ☐ No
☐ Yes ☐ NA	My firm is financially stable and solvent and has adequate cash reserves to meet all financial obligations while awaiting reimbursement from the State.	☐ Yes ☐ No
☐ Yes ☐ N/A	My firm has certified via Attachment 8 that its proposal response is not in violation of Public Contract Code Section 10365.5 and has, if applicable, identified previous State consultant services contracts entered into that were related in any manner to the services, goods, or supplies being acquired in this procurement.	☐ Yes ☐ No
☐ Yes ☐ N/A	My firm has complied with the DVBE actual participation and/or good faith effort requirements as instructed in the DVBE Instructions / Forms (Attachment 9). [Check "N/A" if the total bid price is under \$10,000.]	☐ Yes ☐ No
☐ Yes ☐ N/A	My firm has certified its status as a "scrutinized" company via submission of Attachment 10 and further certifies it is eligible to submit a proposal in response to this RFP. When and if required, proof of written permission to submit a proposal accompanies the referenced attachment. See Attachment 10 for additional information.	☐ Yes ☐ No
☐ Yes ☐ N/A	My firm will supply, before contract execution, proof of self-insurance or copies of insurance certificates proving possession of general liability and/or automobile liability insurance as stipulated in Item 12 (K,12) of the RFP section entitled, "Qualification Requirements".	☐ Yes ☐ No
☐ Yes ☐ N/A	My firm has no conflict of interest and has submitted the required certification and documentation necessary to prove this claim. (See Attachment 15 for additional information).	☐ Yes ☐ No
Narrative Proposal format and content.		Confirmed by the State
☐ Yes ☐ N/A	My firm complied with the Narrative Proposal format requirements and my firm submitted one original Narrative Proposal and three (3) paper copies plus one CD set. My proposal is assembled in the following order:	☐ Yes ☐ No
☐ Yes ☐ N/A	Proposal Cover Page (Attachment 1)	☐ Yes ☐ No
☐ Yes ☐ N/A	Table of Contents	☐ Yes ☐ No
☐ Yes ☐ N/A	Executive Summary Section consisting of 6 or fewer pages.	☐ Yes ☐ No
☐ Yes ☐ N/A	Proposing Firm's Capability Section	☐ Yes ☐ No
☐ Yes ☐ N/A	Work Plan Section	☐ Yes ☐ No
☐ Yes ☐ N/A	Management Plan Section	☐ Yes ☐ No
☐ Yes ☐ N/A	Project Personnel Section	☐ Yes ☐ No
☐ Yes ☐ N/A	Facilities and Resources Section	☐ Yes ☐ No
☐ Yes ☐ N/A	Narrative Staffing Levels (Attachments 13.1 through 13.5)	☐ Yes ☐ No

(Continued on next page)

Attachment 2
Page 2

Required Attachment / Certification Checklist

Appendix Section with the following documentation:		Confirmed by the State
☐ Yes ☐ N/A	(Corporations, Limited Liability Company, Limited Partnership) Attach either a copy of the Certificate of Status issued by California's Office of the Secretary of State or submit a copy of the bidding firm's <u>active</u> on-line status information downloaded from the California Business Portal website. Attach an explanation if the required documentation cannot be supplied. [Check "N/A" if not applicable.]	☐ Yes ☐ No
☐ Yes ☐ N/A	(Nonprofit Organizations) A copy of an IRS determination letter proving eligibility to claim nonprofit and/or 501 (3) (c) tax exempt status. [Check "N/A" if not a nonprofit organization.]	☐ Yes ☐ No
☐ Yes ☐ N/A	An organization chart.	☐ Yes ☐ No
☐ Yes ☐ N/A	Copies of financial statements as required by the RFP.	☐ Yes ☐ No
☐ Yes ☐ N/A	Resumes of the Proposer's professional staff (i.e., managers, supervisors, technical experts) that will play a major administrative, policy or consulting role in carrying out the project work.	☐ Yes ☐ No
☐ Yes ☐ N/A	Resumes for each pre-identified subcontractor or independent consultant, if any, that will serve a major role in performing the services. [Check "N/A" if no subcontractors or consultants will be used or if none has been pre-identified.]	☐ Yes ☐ No
☐ Yes ☐ N/A	Letters of agreement, signed by each pre-identified subcontractor and independent consultant or applicable explanation. [Check "N/A" if no subcontractors or consultants will be used or if none has been pre-identified.]	☐ Yes ☐ No
☐ Yes ☐ N/A	Proof that no prohibited conflicts of interest exist via Attachment 15 with applicable documentation.	☐ Yes ☐ No

(Continued on next page)

Attachment 2
Page 3

Required Attachment / Certification Checklist

Form Section with the following attachments / forms:		Confirmed by the State
☐ Yes ☐ N/A	Attachment 2, Required Attachment / Certification Checklist	☐ Yes ☐ No
☐ Yes ☐ N/A	Attachment 2a, Cost Section Required Attachment / Certification Checklist	☐ Yes ☐ No
☐ Yes ☐ N/A	Attachment 3, Business Information Sheet	☐ Yes ☐ No
☐ Yes ☐ N/A	Attachment 4, Client References	☐ Yes ☐ No
☐ Yes ☐ N/A	Attachment 5, RFP Clause Certification	☐ Yes ☐ No
☐ Yes ☐ N/A	Attachment 6, CCC 307 – Certification	☐ Yes ☐ No
☐ Yes ☐ N/A	Attachment 7, Payee Data Record. [Check “N/A” if the Proposer has had a prior contract with DHCS.]	☐ Yes ☐ No
☐ Yes ☐ N/A	Attachment 8, Follow-on Consultant Contract Disclosure. Disclosure attachment is present when applicable.	☐ Yes ☐ No
☐ Yes ☐ N/A	Attachment 9a and 9b, Actual DVBE Participation, and DVBE certifications for each DVBE subcontractor or supplier listed. Complete this form according to the instructions in Attachment 9.	☐ Yes ☐ No
☐ Yes ☐ N/A	Attachment 10, Darfur Contracting Act Certification and attachment, if applicable.	☐ Yes ☐ No
☐ Yes ☐ N/A	Attachment 12a, Non-Small Business Subcontractor Preference Request and Attachment 12b, Small Business Subcontractor/Supplier Acknowledgement Check “N/A” if not applying for this subcontractor preference.	☐ Yes ☐ No
☐ Yes ☐ N/A	Attachment 13.1 through 13.5	☐ Yes ☐ No
Name of Bidding Firm:		
Printed Name/Title:		
Signature		Date:

CA-MMIS DDI Project Management Services Contract

RFP 09-86193

Attachment 2a**Required Attachment / Certification Checklist****Must be submitted in a sealed package separate from the Narrative Proposal.**

Cost Section with the following documentation:		Confirmed by the State
☐ Yes ☐ N/A	Cost Sheet Attachments 14.1 through 14.5	☐ Yes ☐ No
Name of Bidding Firm:		
Printed Name/Title:		
Signature		Date:

Attachment 3**Business Information Sheet**

A signature affixed hereon and dated certifies compliance with all bid requirements. The signature below authorizes the State to verify the claims made on this form.

Name of Bidding Firm:		CA Corp. No. (If applicable)		Federal ID Number
Name of Principal (If not an individual):	Title:		Telephone Number	Fax Number
Street Address / P.O. Box		City	State	Zip Code

Type of Business Organization / Ownership (Check all that apply)

Ownership ☐ Sole Proprietor ☐ Partnership ☐ Joint venture ☐ Association	Corporation ☐ Nonprofit ☐ For Profit ☐ Private ☐ Public	Governmental ☐ City/County, California State Agency, Federal Agency, State (other than California) ☐ Other: _____	Other Type of Entity ☐ Public or Municipal Corporation, School or Water District, California State College, University of California, Joint Powers Agency ☐ Auxiliary College Foundation ☐ Other: _____
--	--	--	--

California Certified Small Business Status ☐ N/A ☐ Microbusiness ☐ Small business ☐ NVSA

☐ Certified By DGS Certification No: _____ Expiration Date: _____

If certified, attach a copy of certification letter. If an application is pending, date submitted to DGS: _____

Small Business Type (if applicable) ☐ N/A ☐ Services ☐ Non-Manufacturer ☐ Manufacturer

☐ Contractor (Construction Type): _____ ☐ Contractor's License Type: _____

Veteran Status of Business Owner ☐ N/A (not a veteran or not certified by DGS)

☐ Disabled Veteran Certified by DGS Certification No. _____ Expiration Date: _____

If certified, attach a copy of certification letter. If an application is pending, date submitted to DGS: _____

Disadvantaged Business Enterprise Status: ☐ N/A ☐ Approved by the Cal Trans, Office of Civil Rights.

Certification number issued by Cal Trans: _____ Expiration Date: _____

Race/Ethnicity of Primary Business Owner ☐ N/A (No single owner possess more the 50% ownership)

Owner's Ethnicity (check one) ☐ Asian-Indian ☐ Black ☐ Hispanic ☐ Native American ☐ Pacific-Asian ☐ Other _____	Owner's Race (check one) ☐ American Indian/Alaska Native ☐ Asian ☐ Black or African American ☐ Native Hawaiian or Other Pacific Islander ☐ White ☐ Other _____	If Asian, Native Hawaiian or Pacific Islander (check one): ☐ Asian-Indian ☐ Japanese ☐ Cambodian ☐ Korean ☐ Chinese ☐ Laotian ☐ Filipino ☐ Samoan ☐ Guamanian ☐ Vietnamese ☐ Hawaiian ☐ Other _____
--	---	--

Gender of Primary Business Owner ☐ N/A (Not independently owned) ☐ Male ☐ Female

Indicate possession of required licenses and/or certifications (if applicable): ☐ N/A (None required)

Contractor's State Licensing Board No.	PUC License Number CAL-T-	Required Licenses/Certifications (If applicable)
--	------------------------------	--

Signature	Date Signed
Printed/Typed Name	Title

Public Records Information

The above information is required for statistical reporting purposes. Completion of this form is mandatory. This information will be made public upon award of the contract and will be supplied to department contract staff, Department of General Services and possibly other public agencies. To access contract related records, contact the DHCS Contract Management Unit, 1501 Capitol Avenue, Suite 71-5195, MS 1403, P. O. Box 997413, Sacramento, CA 95899-7413 or call (916) 650-0150.

Attachment 4**Client References**

List 3 clients served in the past 5-years for which the bidding firm provided similar services. List the most recent first.

REFERENCE 1

Name of Firm

Street address

City

State

Zip Code

Contact Person

Telephone number
()

Dates of service

Value or cost of service

Brief description of service provided

REFERENCE 2

Name of Firm

Street address

City

State

Zip Code

Contact Person

Telephone number
()

Dates of service

Value or cost of service

Brief description of service provided

REFERENCE 3

Name of Firm

Street address

City

State

Zip Code

Contact Person

Telephone number
()

Dates of service

Value or cost of service

Brief description of service provided

If three references cannot be provided, explain why:

Attachment 5**RFP Clause Certification**

I, the official named below, Certify Under Penalty of Perjury that I am duly authorized to legally bind the prospective Contractor to the certification clauses located in the RFP section entitled, "Bidding Certification Clauses". This certification is made under the laws of the State of California.

Name of Bidding Firm (Printed)	Federal ID Number
By (<i>Authorized Signature</i>)	
Printed Name and Title of Person Signing	
Date Executed	Executed in the County of:

Attachment 6
Page 1

CCC 307 – CERTIFICATION

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective Contractor to the clause(s) listed below. This certification is made under the laws of the State of California.

<i>Contractor/Bidder Firm Name (Printed)</i>	<i>Federal ID Number</i>
By (Authorized Signature)	
<i>Printed Name and Title of Person Signing</i>	
<i>Date Executed</i>	<i>Executed in the County of</i>

CONTRACTOR CERTIFICATION CLAUSES

1. **STATEMENT OF COMPLIANCE:** Contractor has, unless exempted, complied with the nondiscrimination program requirements. (GC 12990 (a-f) and CCR, Title 2, Section 8103) (Not applicable to public entities.)
2. **DRUG-FREE WORKPLACE REQUIREMENTS:** Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:
 - a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.
 - b. Establish a Drug-Free Awareness Program to inform employees about:
 - 1) the dangers of drug abuse in the workplace;
 - 2) the person's or organization's policy of maintaining a drug-free workplace;
 - 3) any available counseling, rehabilitation and employee assistance programs; and,
 - 4) penalties that may be imposed upon employees for drug abuse violations.
 - c. Every employee who works on the proposed Agreement will:
 - 1) receive a copy of the company's drug-free workplace policy statement; and,
 - 2) agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and Contractor may be ineligible for award of any future State agreements if the department determines that any of the following has occurred: (1) the Contractor has made false certification, or violated the certification by failing to carry out the requirements as noted above. (GC 8350 et seq.)
3. **NATIONAL LABOR RELATIONS BOARD CERTIFICATION:** Contractor certifies that no more than one (1) final unappealable finding of contempt of court by a Federal court has been issued against Contractor within the immediately preceding two-year period because of Contractor's failure to comply with an order of a Federal court which orders Contractor to comply with an order of the National Labor Relations Board. (PCC 10296) (Not applicable to public entities.)
4. **CONTRACTS FOR LEGAL SERVICES \$50,000 OR MORE- PRO BONO REQUIREMENT:** Contractor hereby certifies that contractor will comply with the requirements of Section 6072 of the Business and Professions Code, effective January 1, 2003.

(Continued on next page)

**Attachment 6
Page 2****CCC 307 - CERTIFICATION**

Contractor agrees to make a good faith effort to provide a minimum number of hours of pro bono legal services during each year of the contract equal to the lesser of 30 multiplied by the number of full time attorneys in the firm's offices in the State, with the number of hours prorated on an actual day basis for any contract period of less than a full year or 10% of its contract with the State.

Failure to make a good faith effort may be cause for non-renewal of a state contract for legal services, and may be taken into account when determining the award of future contracts with the State for legal services.

5. EXPATRIATE CORPORATIONS: Contractor hereby declares that it is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of Public Contract Code Section 10286 and 10286.1, and is eligible to contract with State of California.

6. SWEATFREE CODE OF CONDUCT:

- a. All Contractors contracting for the procurement or laundering of apparel, garments or corresponding accessories, or the procurement of equipment, materials, or supplies, other than procurement related to a public works contract, declare under penalty of perjury that no apparel, garments or corresponding accessories, equipment, materials, or supplies furnished to the state pursuant to the contract have been laundered or produced in whole or in part by sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor, or with the benefit of sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor. The contractor further declares under penalty of perjury that they adhere to the Sweatfree Code of Conduct as set forth on the California Department of Industrial Relations website located at www.dir.ca.gov, and Public Contract Code Section 6108.
- b. The contractor agrees to cooperate fully in providing reasonable access to the contractor's records, documents, agents or employees, or premises if reasonably required by authorized officials of the contracting agency, the Department of Industrial Relations, or the Department of Justice to determine the contractor's compliance with the requirements under paragraph a.

7. DOMESTIC PARTNERS: For contracts over \$100,000 executed or amended after January 1, 2007, the contractor certifies that contractor is in compliance with Public Contract Code section 10295.3.

NOTE: This form represents only the certification portion of the Contractor Certification Clauses (CCC). Additional information about contracting with the State appears in the full text of the applicable CCC. Visit this web site to view the entire document: <http://www.ols.dgs.ca.gov/Standard+Language/default.htm>.

State of California—Department of Health Care Services

Attachment 7**PAYEE DATA RECORD**

Page 1 of 2

(Required when receiving payment from the State of California in lieu of IRS W-9)

STD. 204 (Rev. 5/06)_DHCS

1	INSTRUCTIONS: Complete all information on this form. Sign, date, and return to the State agency (department/office) address shown at the bottom of this page. Prompt return of this fully completed form will prevent delays when processing payments. Information provided in this form will be used by State agencies to prepare Information Returns (1099). See reverse side for more information and Privacy Statement. NOTE: Governmental entities, federal, state, and local (including school districts), are not required to submit this form.								
2	PAYEE'S LEGAL BUSINESS NAME (Type or Print) _____ <table style="width: 100%;"> <tr> <td style="width: 50%;">SOLE PROPRIETOR—ENTER NAME AS SHOWN ON SSN (Last, First, M.I.) _____</td> <td style="width: 50%;">E-MAIL ADDRESS _____</td> </tr> <tr> <td>MAILING ADDRESS _____</td> <td>BUSINESS ADDRESS _____</td> </tr> <tr> <td>CITY, STATE, ZIP CODE _____</td> <td>CITY, STATE, ZIP CODE _____</td> </tr> </table>			SOLE PROPRIETOR—ENTER NAME AS SHOWN ON SSN (Last, First, M.I.) _____	E-MAIL ADDRESS _____	MAILING ADDRESS _____	BUSINESS ADDRESS _____	CITY, STATE, ZIP CODE _____	CITY, STATE, ZIP CODE _____
SOLE PROPRIETOR—ENTER NAME AS SHOWN ON SSN (Last, First, M.I.) _____	E-MAIL ADDRESS _____								
MAILING ADDRESS _____	BUSINESS ADDRESS _____								
CITY, STATE, ZIP CODE _____	CITY, STATE, ZIP CODE _____								
3 PAYEE ENTITY TYPE CHECK ONE BOX ONLY	ENTER FEDERAL EMPLOYER IDENTIFICATION NUMBER (FEIN): — 		NOTE: Payment will not be processed without an accompanying taxpayer I.D. number.						
	<table style="width: 100%;"> <tr> <td style="width: 30%; vertical-align: top;"> ☐ PARTNERSHIP ☐ ESTATE OR TRUST ☐ INDIVIDUAL OR SOLE PROPRIETOR ENTER SOCIAL SECURITY NUMBER: </td> <td style="width: 70%; vertical-align: top;"> CORPORATION: ☐ MEDICAL (e.g., dentistry, psychotherapy, chiropractic, etc.) ☐ LEGAL (e.g., attorney services) ☐ EXEMPT (nonprofit) ☐ ALL OTHERS — — </td> </tr> </table>		☐ PARTNERSHIP ☐ ESTATE OR TRUST ☐ INDIVIDUAL OR SOLE PROPRIETOR ENTER SOCIAL SECURITY NUMBER:	CORPORATION: ☐ MEDICAL (e.g., dentistry, psychotherapy, chiropractic, etc.) ☐ LEGAL (e.g., attorney services) ☐ EXEMPT (nonprofit) ☐ ALL OTHERS — — 					
☐ PARTNERSHIP ☐ ESTATE OR TRUST ☐ INDIVIDUAL OR SOLE PROPRIETOR ENTER SOCIAL SECURITY NUMBER:	CORPORATION: ☐ MEDICAL (e.g., dentistry, psychotherapy, chiropractic, etc.) ☐ LEGAL (e.g., attorney services) ☐ EXEMPT (nonprofit) ☐ ALL OTHERS — — 								
	(SSN required by authority of California Revenue and Tax Code Section 18646)								
4 PAYEE RESIDENCY TYPE	☐ California resident—qualified to do business in California or maintains a permanent place of business in California. ☐ California nonresident (see reverse side)—Payments to nonresidents for services may be subject to State income tax withholding. ☐ No services performed in California. ☐ Copy of Franchise Tax Board waiver of State withholding attached.								
5	I hereby certify under penalty of perjury that the information provided on this document is true and correct. Should my residency status change, I will promptly notify the State agency below.								
	AUTHORIZED PAYEE REPRESENTATIVE'S NAME (Type or Print) _____		TITLE _____						
	SIGNATURE _____	DATE _____	TELEPHONE () _____						
6	Please return completed form to: Department/Office: <u>Department of Health Care Services</u> Unit/Section: _____ Mailing Address: _____ City/State/ZIP: _____ Telephone: () _____ FAX: () _____ E-Mail Address: _____								

PAYEE DATA RECORD**STD. 204 (Rev. 5/06)_DHCS**

1	Requirement to Complete Payee Data Record, STD. 204 A completed Payee Data Record, STD. 204, is required for payments to all non-governmental entities and will be kept on file at each State agency. Since each State agency with which you do business must have a separate STD. 204 on file, it is possible for a payee to receive this form from various State agencies. Payees who do not wish to complete the STD. 204 may elect to not do business with the State. If the payee does not complete the STD. 204 and the required payee data is not otherwise provided, payment may be reduced for federal backup withholding and nonresident State income tax withholding. Amounts reported on Information Returns (1099) are in accordance with the Internal Revenue Code and the California Revenue and Taxation Code.
2	Enter the payee's legal business name. Sole proprietorships must also include the owner's full name. An individual must list his/her full name. The mailing address should be the address at which the payee chooses to receive correspondence. Do not enter payment address or lock box information here.
3	Check the box that corresponds to the payee business type. Check only one box. Corporations must check the box that identifies the type of corporation. The State of California requires that all parties entering into business transactions that may lead to payment(s) from the State provide their Taxpayer Identification Number (TIN). The TIN is required by the California Revenue and Taxation Code Section 18646 to facilitate tax compliance enforcement activities and the preparation of Form 1099 and other information returns as required by the Internal Revenue Code Section 6109(a). The TIN for individuals and sole proprietorships is the Social Security Number (SSN). Only partnerships, estates, trusts, and corporations will enter their Federal Employer Identification Number (FEIN).
4	Are you a California resident or nonresident? A corporation will be defined as a "resident" if it has a permanent place of business in California or is qualified through the Secretary of State to do business in California. A partnership is considered a resident partnership if it has a permanent place of business in California. An estate is a resident if the decedent was a California resident at time of death. A trust is a resident if at least one trustee is a California resident. For individuals and sole proprietors, the term "resident" includes every individual who is in California for other than a temporary or transitory purpose and any individual domiciled in California who is absent for a temporary or transitory purpose. Generally, an individual who comes to California for a purpose that will extend over a long or indefinite period will be considered a resident. However, an individual who comes to perform a particular contract of short duration will be considered a nonresident. Payments to all nonresidents may be subject to withholding. Nonresident payees performing services in California or receiving rent, lease, or royalty payments from property (real or personal) located in California will have 7% of their total payments withheld for State income taxes. However, no withholding is required if total payments to the payee are \$1,500 or less for the calendar year. For information on Nonresident Withholding, contact the Franchise Tax Board at the numbers listed below: Withholding Services and Compliance Section: 1-888-792-4900 E-mail address: wscs.gen@ftb.ca.gov For hearing impaired with TDD, call: 1-800-822-6268 Website: www.ftb.ca.gov
5	Provide the name, title, signature, and telephone number of the individual completing this form. Provide the date the form was completed.
6	This section must be completed by the State agency requesting the STD. 204.

Privacy Statement

Section 7(b) of the Privacy Act of 1974 (Public Law 93-579) requires that any federal, State, or local governmental agency, which requests an individual to disclose their social security account number, shall inform that individual whether that disclosure is mandatory or voluntary, by which statutory or other authority such number is solicited, and what uses will be made of it.

It is mandatory to furnish the information requested. Federal law requires that payment for which the requested information is not provided is subject to federal backup withholding and State law imposes noncompliance penalties of up to \$20,000.

You have the right to access records containing your personal information, such as your SSN. To exercise that right, please contact the business services unit or the accounts payable unit of the State agency(ies) with which you transact that business.

All questions should be referred to the requesting State agency listed on the bottom front of this form.

Follow-on Consultant Contract Disclosure**Background Information:**

1. PCC Section 10365.5 generally prohibits a person, firm, or subsidiary thereof that has been awarded a consulting services contract from submitting a bid for and/or being awarded an agreement for, the provision of services, procurement of goods or supplies, or any other related action that is required, suggested, or otherwise deemed appropriate in the end product of a consulting services contract.
2. PCC Section 10365.5 does not apply to any person, firm, or subsidiary thereof that is awarded a subcontract of a consulting services agreement that totals no more than 10 percent of the total monetary value of the consulting services agreement.
3. Consultants/employees of a firm that provides consulting advice under an original consulting contract are not prohibited from providing services as employees of another firm on a follow-on contract, unless the persons are named contracting parties or named parties in a subcontract of the original contract.
4. PCC Section 10365.5 does not distinguish between intentional, negligent, and/or inadvertent violations. A violation could result in disqualification from bidding, a void contract, and/or imposition of criminal penalties.

Disclosure [Mark one (1) box]:

- ☐ I hereby certify that neither my firm nor any subcontractor that my firm intends to use under the contract resulting from this procurement, is currently providing consulting services to DHCS under a state contract (or as a subcontractor providing more than 10 percent of dollar value of a consulting service contract with DHCS) or has provided such services within five (5) years prior to the release of this RFP that are related in any manner to the services, goods, or supplies being acquired pursuant to this DHCS RFP. **[Sign below.] This option is likely to apply to bidding firms that do not currently and/or never have provided consultant services to DHCS.**
- ☐ Attached is a disclosure of current and/or prior consulting services provided by my firm or a proposed subcontractor to DHCS under a state contract within five (5) years prior to the release of this DHCS RFP that may be related in some manner to the services, goods, or supplies being acquired pursuant to this DHCS RFP. **[Sign below and attach to this document a detailed disclosure.]**

Name of Bidding Firm

Signature

Date Signed

Printed/Typed Name

Title

Attachment 9**DVBE Instructions / Forms****Disabled Veteran Business Enterprise Participation (DVBE) Information**

DVBE Definition (for this document only)	A California firm whose ownership, daily management, and operational controls meets all statutory DVBE certification requirements, as documented by the possession of a certification letter issued by the Department of General Services, Office of Small Business and DVBE Services [OSDS] (hereafter referred to as DGS).
California Requirements	- The State of California requires participation in state contracts to further disabled veteran business enterprise (DVBE) participation in California. - Only DVBEs, possessing a current DVBE certification issued by DGS, may be claimed for participation. - Effective January 1, 2004, legislation was enacted to require all small businesses, microbusinesses, and disabled veteran business enterprises to perform a “commercially useful function” in any contract they perform for the State. A business that is performing a commercially useful function is one that does all of the following: - Is responsible for the execution of a distinct element of the work of the contract. - Carries out its obligation by actually performing, managing or supervising the work involved. - Performs work that is normal for its business, services and function. - Is not further subcontracting a portion of the work that is greater than that expected to be subcontracted by normal industry practices.
DHCS Rights / Requirements	- Unless DVBE participation is waived by the Department of Health Care Services (DHCS) for this procurement, a minimum amount of DVBE participation is required for all service contracts that total \$10,000 or more. The applicable DVBE participation percentage or amount is specified in the solicitation (i.e., RFP or IFB). - DHCS reserves the right to exempt any contract or solicitation from DVBE participation when it is determined to be in the Department's best interest to do so.
For DVBE answers or help, dial: (916) 650-0205	- DHCS reserves the right to waive or alter DVBE participation requirements at any time prior to the bid/proposal submission deadline. Said waivers/alterations may be announced by way of verbal communication followed by written confirmation, by fax, email, written correction notice, administrative bulletin, or solicitation addendum. - DHCS reserves the right to contact bidders/proposers during the bidding/evaluation process to collect clarifying information or to request corrections, as necessary, to DVBE documentation. The instructions herein must be strictly followed. Failure to do so may be grounds for bid/proposal disqualification. Dial (916) 650-0205, if you have a question or need assistance.
DVBE Participation Requirements of this Solicitation	- Each prime contractor must achieve the percentage of DVBE participation specified in the solicitation (i.e., RFP or IFB). - Firms submitting bid responses with less than the required DVBE participation percentage will be deemed nonresponsive and ineligible to receive a contract award.

DVBE Instructions

How to Calculate Participation

Unless instructed otherwise in the solicitation, first determine the total dollar value/amount that will be bid, then multiply this figure by the specified DVBE participation percentage indicated in the solicitation to determine how much of the contract budget must be expended on DVBE supplied services, labor, supplies, materials, or equipment.

How to Meet Participation Requirements

1. ***If the prime contractor IS a DVBE***, it must commit to use its own workforce alone or in combination with other DVBEs to perform commercially useful functions equal to no less than the required percentage of the contract bid amount as specified in the solicitation. If this fits the bidding firm's situation, do the following:

Go to page 4. On the form entitled "**Actual DVBE Participation**", list the bidding firm's name, the name of other participating DVBEs, complete all items, and attach a copy of the DVBE certification issued by DGS for the bidding firm and all other participating DVBEs.

OR

2. ***If the prime contractor IS NOT a DVBE***, it must commit to use or subcontract out an amount equal to the required percentage of the total contract bid amount as specified in the solicitation to qualified DVBE service providers and/or DVBE suppliers that will perform a commercially useful function. If this fits the bidding firm's situation, do the following:

Go to page 4. On the form entitled "**Actual DVBE Participation**", list each DVBE subcontractor, complete all items, and attach a copy of the DGS issued DVBE certification for each listed DVBE subcontractor.

*Start right away,
do not delay.*

Requests to Modify the DVBE Participation Goal

Prospective bidding firms may inquire about a modification to the DVBE participation percentage stated in a DHCS solicitation or may inquire about DHCS granting a waiver from DVBE requirements in a solicitation by submitting a formal written request to the DHCS Program that issued the solicitation. DHCS contact information appears in the Questions section of the solicitation.

Submission of an inquiry seeking a modification to the DVBE participation percentage or a waiver of DVBE requirements for a DHCS solicitation does not ensure approval. DHCS will consider all timely inquiries received and may, in its sole discretion, opt to alter for all bidding firms the DVBE participation percentage or grant a waiver from DVBE requirements specified in a specific solicitation. A prospective bidding firm may not appeal or protest any DHCS decision related to the alteration or waiver of DVBE participation requirements.

1. Written inquiries seeking a modification or waiver to DVBE participation requirements must be received no later than twenty calendar days prior to the bid/proposal submission deadline. An alteration of this deadline may be announced to prospective bidding firms via an Administrative Bulletin, solicitation addendum or other method.
2. Written inquiries must identify the revised DVBE participation percentage sought or must indicate the inquiry is seeking a waiver from DVBE requirements for the procurement.
3. Written inquiries seeking a reduced DVBE participation percentage or waiver from DVBE requirements must be accompanied by adequate written substantiation supporting the request. Written substantiation may include, but not be limited to the following types of documentation:
 - a. Proof of unsuccessful search attempts of the Department of General Services' (DGS) DVBE database to identify certified DVBEs to perform any commercially useful functions of the services sought by DHCS;
 - b. Evidence of DVBE disinterest (i.e., DVBEs identified in DGS' database express in writing their disinterest in a subcontract offer or fail/refuse to respond to contacts regarding subcontract offers);

(Continued on next page)

DVBE Instructions**Requests to
modify the DVBE
Participation
Goal (Continued)**

- c. Evidence of DVBE inability to perform commercially useful functions of the contracted services (i.e., contacted DVBEs express in writing their inability to perform any contracted services);
- d. Evidence of DVBE unavailability (i.e., qualified DVBE firms express in writing their unavailability to perform subcontract work during the term of the agreement);
- e. Other significant written evidence supporting the request.

**Mandatory Use
of Identified
DVBEs**

If awarded the contract, the Contractor must faithfully use each DVBE identified for use and listed on the form entitled "Actual DVBE Participation". Exceptions are only allowed if the Contractor submits a Request for Substitution to the Contract Manager of the DHCS funding Program and the substitution request is subsequently approved by DHCS and DGS. An approved substitution is not an excuse for noncompliance with any provision of law.

Substitution instructions appear in either the "Special Terms and Conditions" or "Additional Provisions" exhibit clause entitled "Use of Disabled Veteran Business Enterprises". A copy of this exhibit is attached to the solicitation and may be incorporated by reference into the resulting contract.

**How to Locate
potential DVBEs**

This section is supplied as a guide to assist bids to locate certified DVBE service providers and/or suppliers.

Access the list of all certified DVBEs by using the Department of General Services, Procurement Division (DGS-PD), online certified firm database at www.eprocure.dgs.ca.gov.

To begin a search, click on "SB/DVBE Search". Search by "Keywords" or "United Nations Standard Products and Services Codes (UNSPSC)" that apply to the elements of work that is to be subcontracted to a DVBE. Consider contacting the Program that issued the solicitation to obtain suggestions for subcontractor search criteria.

As applicable, check for subcontractor ads that may have been placed on the California State Contracts Register (CSCR) for this solicitation prior to the closing date. Access the CSCR at: www.eprocure.dgs.ca.gov.

For questions about DGS' online certified firm database and the CSCR, contact the Department of General Services Office of Small Business and DVBE Services (OSDS) at (916) 375-4940 or send an email to: OSDCHelp@dgs.ca.gov.

Actual DVBE Participation

NAME OF DVBE FIRM IDENTIFIED FOR USE (Prime is to enter its own name, if the Prime is a certified DVBE)	FIRM THAT DVBE WILL CONTRACT WITH (Prime is to enter "Self", if the Prime is a certified DVBE)	COMMERCIALLY USEFUL FUNCTION TO BE PERFORMED OR PROVIDED BY THE IDENTIFIED DVBE	DVBE % Claimed	TIER (See legend below)

DVBE % Claimed:

Enter the percentage level of actual DVBE participation achieved. The percent of DVBE participation claimed cannot be less than the required percentage specified in the solicitation. Participation may be expressed as a partial/fractional decimal percentage. **Do not enter dollar figures in the "DVBE % Claimed" column.** Identification of a DVBE firm on this form imposes an obligation on the bidding firm to use each DVBE firm identified for the percentage value claimed. The budget/cost sheets, if required, that are submitted in bidding firm's proposal when responding to an IFB/RFP should include any DVBE service providers identified above, unless the bidding firm is uncertain of the budget period in which the DVBE will be used.

TIER = 0 = Prime Contractor

1 = Subcontractor/Supplier to the Prime Contractor

2 = Subcontractor/Supplier to a Level 1 Subcontractor/Supplier

3 = Subcontractor/Supplier to a Level 2 Subcontractor/Supplier, etc.

Attach to this form, a copy of the current DVBE certification issued by DGS for each DVBE listed in the first column. If a new or renewed certification request was recently approved by DGS, but confirmation of DVBE certification has not yet been received, place a footnote next to the DVBE's name and indicate on this form "DVBE Cert Pending" or "DVBE Cert to Follow".

This form may be photocopied or reproduced in a like form for inclusion in a bid response. Bidding firms that choose to render a like copy of this form by computer or other means are advised to omit Pages 1–3 that contain instructions.

Please do not return or include in the bid/proposal response, a copy of the DVBE instructions preceding this form.

Bidding/Proposing Firm's Name	Signature
Printed Name/Title of Person Signing Above	Date Signed

DVBE Subcontractor/Supplier Participation Acknowledgement

Name of Bidding Firm / Prime Contractor	DHCS RFP Number:
Total Percentage of DVBE Participation/Use (<i>Do not enter dollar amounts</i>)	

This document confirms and acknowledges that the DVBE firm named below agreed to be identified by a bidding firm as a DVBE subcontractor and/or supplier in response to a DHCS procurement.

DVBE Subcontractor acknowledgements:

- A. The DVBE subcontractor identified herein acknowledges its commitment to perform or provide services/labor or supplies equal to a percentage of the total bid/cost or proposal price submitted by the bidding firm identified above.
- B. The DVBE subcontractor identified named herein acknowledges the percentage value of claimed participation as identified above.
- C. The DVBE subcontractor identified herein agrees to provide the subcontracted services/labor or supplies identified herein under the resulting contract if the bidding firm named above receives the contract award:

Below and/or continued on an attachment is a brief description or list of the commercially useful function(s) that the DVBE subcontractor/supplier identified herein will provide or supply in support of the resulting contract award. The identification of commercially useful functions (CUF) herein does not limit the provision of alternate or additional services or supplies that also meet the definition of CUF as defined in state regulation. ***This form may be photocopied or reproduced in a like form for inclusion in a bid response.***

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The DVBE subcontractor identified herein understands that it is its sole responsibility to contact the bidding firm identified above to learn if the Bidder/Proposer was awarded the contract pursuant to the referenced DHCS bid number and to confirm its subcontract agreement. The bidding firm is obligated to use each DVBE subcontractor or supplier identified in its bid/proposal pursuant to Title 2 California Code of Regulations Section 1896.62. An approved substitution made pursuant to Title 2 California Code of Regulations Section 1896.64 is not an excuse for noncompliance with any other provision of law, including, but not limited to, the Subletting and Subcontracting Fair Practices Act (Sections 4100 et seq., Public Contract Code) or any other contract requirements relating to the substitution of subcontractors.

The person signing below certifies the information supplied on this form is true and accurate to the best of its knowledge and agrees to allow DHCS to confirm any and all claims herein, as deemed necessary.

Name of Proposed DVBE Subcontractor/Supplier		Date Signed
Signature of Authorized DVBE Representative	Telephone number ()	Email address (if applicable)
Printed/Typed Name	Title	

Darfur Contracting Act Certification

Pursuant to Public Contract Code (PCC) Section 10478, a firm that currently has or within the previous three years has had business activities or other operations outside of the United States, must certify that it is not a "scrutinized" company as defined in Public Contract Code section 10476. Scrutinized companies are ineligible to bid on or submit a proposal for a contract with a California state agency to supply goods or services.

A "scrutinized" company is one that does business in the African nation of Sudan (of which the Darfur region is a part). As defined in PCC Section 10476, a "scrutinized company" means a company in Sudan that is involved in power production activities, mineral extraction activities, oil-related activities, or the production of military equipment, but excludes a company that can demonstrate any of the conditions specified in PCC Section 10476 subsections (a) through (g).

Completion Instructions:

1. Mark/check one (1) box to describe the Bidding Firm's compliance with the Darfur Contracting Act.
2. Collect the signature of a person authorized to bind the Bidding Firm to the claim made below.
3. Return the completed/signed attachment with the bid/proposal response per bid instructions.

Bidding Firm's Claim (Check One):

☐	The Bidding Firm does not currently have, and our firm has not had within the previous three years, business activities or other operations outside of the United States.
OR	
☐	The Bidding Firm claims it is a "scrutinized" company as defined in Public Contract Code section 10476, but the bidding firm has received written permission from the Department of General Services (DGS) to submit a bid or proposal pursuant to Public Contract Code section 10477(b). Include a copy of the written permission issued by the Department of General Services with this attachment.
OR	
☐	The Bidding Firm currently has, or has had within the previous three years, business activities or other operations outside of the United States. However, the Bidding Firm claims it is not a "scrutinized" company as defined in Public Contract Code section 10476. I agree to supply additional data and/or information about the Bidding Firm's operations outside of the United States upon request.

Certification

I, the official named below, am duly authorized to legally bind the Bidding Firm to the claims made herein. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Name of Bidding Firm	
Signature	Date Signed
Printed/Typed Name	Title

Proposer Response Guide

Attachment 11

The Proposer Response Guide is a document which identifies where a Proposer has provided information that fully explains details or otherwise provides information that will enable evaluators to make an informed evaluation of the proposal for a specific evaluation question. Each narrative question is identified by the number corresponding to an evaluation question. Space is provided to identify the location of your response within your proposal. The Department is not dictating the format of your response, but your response should identify where the information may be found so that effective identification may be allowed. There is no limitation to the number of cites to which you direct an evaluator.

The Department recognizes that certain questions are more general to the overall information presented. It is appropriate to identify your response as a "General Response" or a "General Response of Section (i.e. L.2.a)..." as you deem appropriate.

Executive Summary

Question #

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Firm's Capability

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Work Plan

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Management Plan

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Project Personnel

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Attachment 12**Non-Small Business Subcontractor Preference Instructions**

Preference information	Non-small business proposers will be granted up to a five percent (5%) non-small business subcontractor preference on a cost proposal evaluation by an awarding department when a responsible non-small business has submitted the lowest priced responsive cost proposal and when a non-small business proposer: 1. Has included in its proposal a notification that it commits to subcontract at least twenty-five percent (25%) of its total cost proposal price with one or more small businesses; and 2. Has submitted a timely, responsive proposal; and 3. Is determined to be a responsible proposer; and 4. Lists the small businesses it commits to subcontract with for a commercially useful function in the performance of the resulting contract.
Commercially useful function	A subcontractor is deemed to perform a commercially useful function if the subcontractor does the following: 1. Is responsible for the execution of a distinct element of the contracted work; carrying out its obligation by actually performing, managing or supervising the work involved; and performing work that is normal for its business services and functions; and 2. Is not further subcontracting a greater portion of the work than would be expected by normal industry practices. 3. Is responsible, with respect to materials and supplies provided on the subcontract, for negotiating price, determining quality and quantity, ordering the material, installing (when applicable), and paying for the material itself. A subcontractor will not be considered as performing a commercially useful function if its role is limited to that of an extra participant in a transaction, contract, or project through which funds are passed in order to achieve the appearance of participation.
Use of proposed subcontractors / substitution	If awarded the contract, the selected contractor must faithfully use each small business subcontractor proposed for use and identified in its preference request. No substitutions or alterations are allowed after a proposal is submitted. Substitutions are only allowed after contract execution if the Contractor submits a Request for Substitution to the DHCS Program Contract Manager and that request is subsequently granted by DHCS. Small business subcontract substitution instructions will appear in the resulting agreement in a clause entitled "Use of Small Business Subcontractors".
Preference request instructions	If preference is claimed, indicate so on the Cost Proposal Form and complete Attachment 12a identifying each small business or microbusiness subcontractor that will be used. For each subcontractor identified on Attachment 12a, obtain a completed and signed Small Business Subcontractor/Supplier Acknowledgment (Attachment 12b). Affix each Attachment 12b to Attachment 12a for submission with the proposal response. If a signed Attachment 12b cannot be collected from each subcontractor in time for proposal submission, indicate why. Submission of a signed Attachment 12b for each subcontractor listed on Attachment 12a is a prerequisite for contract award confirmation. Identify only currently certified small business or microbusiness subcontractors, as active certification is required and certification possession will be verified. All proposed subcontracted services must appear in a Proposer's Work Plan.

Attachment 12a**Non-Small Business Subcontractor Preference Request**

List each certified small business or microbusiness that will be subcontracted with. To be granted a bidding preference, total small business or microbusiness subcontractor use must equal at least 25% of the total price or cost offered. Each named subcontractor must be actively certified as a small business or microbusiness by the proposal submission due date and must acknowledge their participation as claimed herein via a Small Business Subcontractor/Supplier Acknowledgement (Attachment 12b). **Attach to this form an acknowledgement (Attachment 12b) signed by an authorized representative of each named subcontractor acknowledging their proposed use as described herein.**

Name of certified small business (or microbusiness) Subcontractor

Name of Subcontractor

Street address	City	State	Zip Code
Contact Person	Telephone number ()		
Small Business Certification No.	Certification exp. date	Committed % of total bid %	

Brief description of the commercially useful function(s) to be performed and/or provided:

Name of certified small business (or microbusiness) Subcontractor

Name of Subcontractor

Street address	City	State	Zip Code
Contact Person	Telephone number ()		
Small Business Certification	Certification exp. date	Committed % of total bid %	

Brief description of the commercially useful function(s) to be performed and/or provided:

Name of Bidding Firm

Signature	Date Signed
Printed/Typed Name	Title

If necessary or desired, this form may be photocopied or reproduced in a like form for use in a bid response. If the bidding firm chooses to render a like copy by computer or other means, the instructions appearing on Attachment 10 may be omitted.

Attachment 12b**Small Business Subcontractor/Supplier Acknowledgement**

Name of Bidding Firm / Prime Contractor	Bid Number:
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This document confirms and acknowledges that the firm named below agreed to be identified by a bidding firm as a proposed small business or microbusiness subcontractor or supplier for a DHCS procurement.

Subcontractor acknowledgements:

- A. The subcontracting firm named herein has committed to perform or provide services/labor or supplies equal to a percentage of the total bid/cost proposal price submitted by the bidding firm named above.
- B. The subcontracting firm named herein acknowledges the total dollar value of claimed participation identified above.
- C. The subcontracting firm named herein agrees to provide the following subcontracted services/labor or supplies under the resulting contract if the bidding firm named above receives the contract award:

Below and/or continued on an attachment is a brief description of the commercially useful function(s) that the subcontractor/supplier identified herein will provide or supply:

The subcontracting firm named herein understands it is its sole responsibility to contact the bidding firm named above to learn if the Proposer was awarded the contract pursuant to the referenced bid number and to confirm its subcontract agreement. If the bidding firm named above receives an award based in part on non-small business subcontractor preference, the bidding firm/contractor is obligated to use each small and/or microbusiness subcontractor or supplier identified in its proposal unless a subcontractor substitution is requested after contract execution pursuant to Public Contract Code Section 4107 and Title 2 California Code of Regulations Section 1896.10.

The person signing below certifies the information supplied on this form is true and accurate to the best of its knowledge and agrees to allow the State to confirm this information, if deemed necessary.

Name of Proposed Subcontractor/Supplier		Date Signed
Signature of Subcontractor/Supplier Representative	Telephone number ()	Email address (if applicable)
Printed/Typed Name	Title	

Narrative Staffing Levels for Business Rules Extraction

Narrative Staff Level	Narrative Staff Level	Narrative Staff Level
Project Office Manager	Project Manager	Risk Lead
# Full Time Equivalent (FTE)	# Full Time Equivalent (FTE)	# Full Time Equivalent (FTE)

Narrative Staff Level	Narrative Staff Level	Narrative Staff Level
Quality Assurance Lead	Change Control Lead	Scheduling Lead
# Full Time Equivalent (FTE)	# Full Time Equivalent (FTE)	# Full Time Equivalent (FTE)

Narrative Staff Level	Narrative Staff Level	Narrative Staff Level
Communication Lead	Resource Lead	Senior Consultants
# Full Time Equivalent (FTE)	# Full Time Equivalent (FTE)	# Full Time Equivalent (FTE)

Narrative Staff Level	Narrative Staff Level	
Journey Consultants	Technical Expert	
# Full Time Equivalent (FTE)	# Full Time Equivalent (FTE)	

Note* FTE(s) reported at greater than two (2) decimal points are rounded down to two (2) decimal points.

**Narrative Staffing Levels for Pharmacy Online/Drug
Utilization Review (DUR) Design, Development &
Implementation (DDI)**

Narrative Staff Level	Narrative Staff Level	Narrative Staff Level
Project Office Manager	Project Manager	Risk Lead
# Full Time Equivalent (FTE)	# Full Time Equivalent (FTE)	# Full Time Equivalent (FTE)

Narrative Staff Level	Narrative Staff Level	Narrative Staff Level
Qualifty Assurance Lead	Change Control Lead	Scheduling Lead
# Full Time Equivalent (FTE)	# Full Time Equivalent (FTE)	# Full Time Equivalent (FTE)

Narrative Staff Level	Narrative Staff Level	Narrative Staff Level
Communication Lead	Resource Lead	Senior Consultants
# Full Time Equivalent (FTE)	# Full Time Equivalent (FTE)	# Full Time Equivalent (FTE)

Narrative Staff Level	Narrative Staff Level	
Journey Consultants	Technical Expert	
# Full Time Equivalent (FTE)	# Full Time Equivalent (FTE)	

Note* FTE(s) reported at greater than two (2) decimal points are rounded down to two (2) decimal points.

Narrative Staffing Levels for Treatment and Service Authorization Request Systems (TAR/SAR) DDI

Narrative Staff Level	Narrative Staff Level	Narrative Staff Level
Project Office Manager	Project Manager	Risk Lead
# Full Time Equivalent (FTE)	# Full Time Equivalent (FTE)	# Full Time Equivalent (FTE)

Narrative Staff Level	Narrative Staff Level	Narrative Staff Level
Qualify Assurance Lead	Change Control Lead	Scheduling Lead
# Full Time Equivalent (FTE)	# Full Time Equivalent (FTE)	# Full Time Equivalent (FTE)

Narrative Staff Level	Narrative Staff Level	Narrative Staff Level
Communication Lead	Resource Lead	Senior Consultants
# Full Time Equivalent (FTE)	# Full Time Equivalent (FTE)	# Full Time Equivalent (FTE)

Narrative Staff Level	Narrative Staff Level	
Journey Consultants	Technical Expert	
# Full Time Equivalent (FTE)	# Full Time Equivalent (FTE)	

Note* FTE(s) reported at greater than two (2) decimal points are rounded down to two (2) decimal points.

**Narrative Staffing Levels for Third Party
Liability/Automated Collection Management Systems
(TPL/ACMS) DDI**

Narrative Staff Level	Narrative Staff Level	Narrative Staff Level
Project Office Manager	Project Manager	Risk Lead
# Full Time Equivalent (FTE)	# Full Time Equivalent (FTE)	# Full Time Equivalent (FTE)

Narrative Staff Level	Narrative Staff Level	Narrative Staff Level
Qualify Assurance Lead	Change Control Lead	Scheduling Lead
# Full Time Equivalent (FTE)	# Full Time Equivalent (FTE)	# Full Time Equivalent (FTE)

Narrative Staff Level	Narrative Staff Level	Narrative Staff Level
Communication Lead	Resource Lead	Senior Consultants
# Full Time Equivalent (FTE)	# Full Time Equivalent (FTE)	# Full Time Equivalent (FTE)

Narrative Staff Level	Narrative Staff Level	
Journey Consultants	Technical Expert	
# Full Time Equivalent (FTE)	# Full Time Equivalent (FTE)	

Note* FTE(s) reported at greater than two (2) decimal points are rounded down to two (2) decimal points.

Narrative Staffing Levels for All Other CA-MMIS Replacement System DDI

Narrative Staff Level	Narrative Staff Level	Narrative Staff Level
Project Office Manager	Project Manager	Risk Lead
# Full Time Equivalent (FTE)	# Full Time Equivalent (FTE)	# Full Time Equivalent (FTE)

Narrative Staff Level	Narrative Staff Level	Narrative Staff Level
Quality Assurance Lead	Change Control Lead	Scheduling Lead
# Full Time Equivalent (FTE)	# Full Time Equivalent (FTE)	# Full Time Equivalent (FTE)

Narrative Staff Level	Narrative Staff Level	Narrative Staff Level
Communication Lead	Resource Lead	Senior Consultants
# Full Time Equivalent (FTE)	# Full Time Equivalent (FTE)	# Full Time Equivalent (FTE)

Narrative Staff Level	Narrative Staff Level	
Journey Consultants	Technical Expert	
# Full Time Equivalent (FTE)	# Full Time Equivalent (FTE)	

Note* FTE(s) reported at greater than two (2) decimal points are rounded down to two (2) decimal points.

Cost Sheet for Business Rules Extraction

Cost			Cost			Cost		
(PRICE/HOUR)			(PRICE/HOUR)			(PRICE/HOUR)		
Project Office Manager			Project Manager			Risk Lead		
Price/Hour	# Full Time Equivalent (FTE)	Extended Price	Price/Hour	# Full Time Equivalent (FTE)	Extended Price	Price/Hour	# Full Time Equivalent (FTE)	Extended Price

Cost			Cost			Cost		
(PRICE/HOUR)			(PRICE/HOUR)			(PRICE/HOUR)		
Qualify Assurance Lead			Change Control Lead			Scheduling Lead		
Price/Hour	# Full Time Equivalent (FTE)	Extended Price	Price/Hour	# Full Time Equivalent (FTE)	Extended Price	Price/Hour	# Full Time Equivalent (FTE)	Extended Price

Cost			Cost			Cost		
(PRICE/HOUR)			(PRICE/HOUR)			(PRICE/HOUR)		
Communication Lead			Resource Lead			Senior Consultants		
Price/Hour	# Full Time Equivalent (FTE)	Extended Price	Price/Hour	# Full Time Equivalent (FTE)	Extended Price	Price/Hour	# Full Time Equivalent (FTE)	Extended Price

Cost			Cost		
(PRICE/HOUR)			(PRICE/HOUR)		
Journey Consultants			Technical Expert		
Price/Hour	# Full Time Equivalent (FTE)	Extended Price	Price/Hour	# Full Time Equivalent (FTE)	Extended Price

Evaluated Cost Price

(Total of the eleven Extended Price)

Note* Price/ hour and FTE(s) reported at greater than two (2) decimal points are rounded down to two (2) decimal points.

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**Cost Sheet for Pharmacy Online/Drug Utilization Review (DUR)
Design, Development & Implementation (DDI)**

Cost			Cost			Cost		
(PRICE/HOUR)			(PRICE/HOUR)			(PRICE/HOUR)		
Project Office Manager			Project Manager			Risk Lead		
Price/Hour	# Full Time Equivalent (FTE)	Extended Price	Price/Hour	# Full Time Equivalent (FTE)	Extended Price	Price/Hour	# Full Time Equivalent (FTE)	Extended Price

Cost			Cost			Cost		
(PRICE/HOUR)			(PRICE/HOUR)			(PRICE/HOUR)		
Quality Assurance Lead			Change Control Lead			Scheduling Lead		
Price/Hour	# Full Time Equivalent (FTE)	Extended Price	Price/Hour	# Full Time Equivalent (FTE)	Extended Price	Price/Hour	# Full Time Equivalent (FTE)	Extended Price

Cost			Cost			Cost		
(PRICE/HOUR)			(PRICE/HOUR)			(PRICE/HOUR)		
Communication Lead			Resource Lead			Senior Consultants		
Price/Hour	# Full Time Equivalent (FTE)	Extended Price	Price/Hour	# Full Time Equivalent (FTE)	Extended Price	Price/Hour	# Full Time Equivalent (FTE)	Extended Price

Cost			Cost		
(PRICE/HOUR)			(PRICE/HOUR)		
Technical Expert			Technical Expert		
Price/Hour	# Full Time Equivalent (FTE)	Extended Price	Price/Hour	# Full Time Equivalent (FTE)	Extended Price

Evaluated Cost Price		
(Total of the eleven Extended Price)		

Note* Price/ hour and FTE(s) reported at greater than two (2) decimal points are rounded down to two (2) decimal points.

Cost Sheet for Treatment and Service Authorization Request Systems (TAR/SAR) DDI

Cost		
(PRICE/HOUR)		
Project Office Manager		
Price/Hour	# Full Time Equivalent (FTE)	Extended Price

Cost		
(PRICE/HOUR)		
Project Manager		
Price/Hour	# Full Time Equivalent (FTE)	Extended Price

Cost		
(PRICE/HOUR)		
Risk Lead		
Price/Hour	# Full Time Equivalent (FTE)	Extended Price

Cost		
(PRICE/HOUR)		
Quality Assurance Lead		
Price/Hour	# Full Time Equivalent (FTE)	Extended Price

Cost		
(PRICE/HOUR)		
Change Control Lead		
Price/Hour	# Full Time Equivalent (FTE)	Extended Price

Cost		
(PRICE/HOUR)		
Scheduling Lead		
Price/Hour	# Full Time Equivalent (FTE)	Extended Price

Cost		
(PRICE/HOUR)		
Communication Lead		
Price/Hour	# Full Time Equivalent (FTE)	Extended Price

Cost		
(PRICE/HOUR)		
Resource Lead		
Price/Hour	# Full Time Equivalent (FTE)	Extended Price

Cost		
(PRICE/HOUR)		
Senior Consultants		
Price/Hour	# Full Time Equivalent (FTE)	Extended Price

Cost		
(PRICE/HOUR)		
Technical Expert		
Price/Hour	# Full Time Equivalent (FTE)	Extended Price

Cost		
(PRICE/HOUR)		
Technical Expert		
Price/Hour	# Full Time Equivalent (FTE)	Extended Price

Evaluated Cost Price		
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(Total of the eleven Extended Price)

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Note* Price/ hour and FTE(s) reported at greater than two (2) decimal points are rounded down to two (2) decimal points.

**Cost Sheet for Third Party Liability/Automated Collection
Management Systems (TPL/ACMS) DDI**

Cost			Cost			Cost		
(PRICE/HOUR)			(PRICE/HOUR)			(PRICE/HOUR)		
Project Office Manager			Project Manager			Risk Lead		
Price/Hour	# Full Time Equivalent (FTE)	Extended Price	Price/Hour	# Full Time Equivalent (FTE)	Extended Price	Price/Hour	# Full Time Equivalent (FTE)	Extended Price

Cost			Cost			Cost		
(PRICE/HOUR)			(PRICE/HOUR)			(PRICE/HOUR)		
Quality Assurance Lead			Change Control Lead			Scheduling Lead		
Price/Hour	# Full Time Equivalent (FTE)	Extended Price	Price/Hour	# Full Time Equivalent (FTE)	Extended Price	Price/Hour	# Full Time Equivalent (FTE)	Extended Price

Cost			Cost			Cost		
(PRICE/HOUR)			(PRICE/HOUR)			(PRICE/HOUR)		
Communication Lead			Resource Lead			Senior Consultants		
Price/Hour	# Full Time Equivalent (FTE)	Extended Price	Price/Hour	# Full Time Equivalent (FTE)	Extended Price	Price/Hour	# Full Time Equivalent (FTE)	Extended Price

Cost			Cost		
(PRICE/HOUR)			(PRICE/HOUR)		
Technical Expert			Technical Expert		
Price/Hour	# Full Time Equivalent (FTE)	Extended Price	Price/Hour	# Full Time Equivalent (FTE)	Extended Price

Evaluated Cost Price		

(Total of the eleven Extended Price)

Note* Price/ hour and FTE(s) reported at greater than two (2) decimal points are rounded down to two (2) decimal points.

Cost Sheet for All Other CA-MMIS Replacement System DDI

Cost		
(PRICE/HOUR)		
Project Office Manager		
Price/Hour	# Full Time Equivalent (FTE)	Extended Price

Cost		
(PRICE/HOUR)		
Project Manager		
Price/Hour	# Full Time Equivalent (FTE)	Extended Price

Cost		
(PRICE/HOUR)		
Risk Lead		
Price/Hour	# Full Time Equivalent (FTE)	Extended Price

Cost		
(PRICE/HOUR)		
Quality Assurance Lead		
Price/Hour	# Full Time Equivalent (FTE)	Extended Price

Cost		
(PRICE/HOUR)		
Change Control Lead		
Price/Hour	# Full Time Equivalent (FTE)	Extended Price

Cost		
(PRICE/HOUR)		
Scheduling Lead		
Price/Hour	# Full Time Equivalent (FTE)	Extended Price

Cost		
(PRICE/HOUR)		
Communication Lead		
Price/Hour	# Full Time Equivalent (FTE)	Extended Price

Cost		
(PRICE/HOUR)		
Resource Lead		
Price/Hour	# Full Time Equivalent (FTE)	Extended Price

Cost		
(PRICE/HOUR)		
Senior Consultants		
Price/Hour	# Full Time Equivalent (FTE)	Extended Price

Cost		
(PRICE/HOUR)		
Technical Expert		
Price/Hour	# Full Time Equivalent (FTE)	Extended Price

Cost		
(PRICE/HOUR)		
Technical Expert		
Price/Hour	# Full Time Equivalent (FTE)	Extended Price

Evaluated Cost Price		
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(Total of the eleven Extended Price)

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Note* Price/ hour and FTE(s) reported at greater than two (2) decimal points are rounded down to two (2) decimal points.

Total Evaluated Cost

Total Evaluated Cost Attachments 14.1 -14.5 Combined	
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Total Evaluated Cost must be manually calculated

Attachment 15

Conflict of Interest Compliance Certificate

- A. The Department of Health Care Services (DHCS) intends to avoid conflicts of interest or the appearance of conflicts of interest on the part of the Contractor, subcontractors, or employees, officers and directors of the Contractor or subcontractors. Thus, DHCS reserves the right to determine, at its sole discretion, whether any information received from any source indicates the existence of a conflict of interest.
- B. Either of the following instances would be considered a “conflict of interest”, including, but not limited to:

1. An instance where the Contractor or any of its subcontractors, or any employee, officer, or director of the Contractor or any subcontractor has an interest, financial or otherwise, whereby the use or disclosure of information obtained while performing services under the contract would allow for private or personal benefit or for any purpose that is contrary to the goals and objectives of the contract.

2. An instance where the Contractor’s or any subcontractor’s employees, officers, or directors use their positions for purposes that are, or give the appearance of being, motivated by a desire for private gain for themselves or others, such as those with whom they have family, business or other ties.

3. Any other conflict of interest identified in federal or State statute or regulation.
- C. If the Proposer or any proposed subcontractor has a suspected or potential conflict of interest, the Proposer or proposed subcontractor shall attach to this form a description of the activity, a plan for ensuring that the activity will not adversely affect DHCS, and procedures to guard against the existence of an actual conflict of interest. Based on that information, and any other information DHCS may require, DHCS will determine whether a conflict of interest exists and whether it can be resolved to the satisfaction of DHCS.
- D. The Proposer shall place this Certificate in the Appendix Section of its proposal response. This Certificate shall bear the original signature of an official or employee of the Proposer who is authorized to bind the Proposer.
- E. This Certificate will be incorporated into the contract, if any, awarded from this RFP. It is understood that the requirements set forth in this Certificate shall be in effect for the entire term of the contract.
- F. The Contractor shall obtain a completed Certificate from any proposed subcontractor and submit it to DHCS prior to approval of the subcontractor by DHCS.

The Proposer or Contractor and each subcontractor shall notify DHCS, Administrative Services Unit, MS 4612, P.O. Box 997413, Sacramento, CA 95899-7413, within ten (10) working days of any change to the information provided on or attached to this Certificate.

- G. If DHCS becomes aware of a suspected or potential conflict of interest, the Proposer or Contractor or subcontractor will be given an opportunity to submit additional information as described in Paragraph C above or to resolve the conflict. The Proposer or Contractor or subcontractor will have five (5) working days from the date of notification of the conflict by DHCS to provide complete information regarding the conflict. If DHCS determines that a conflict of interest exists and it cannot be resolved to the satisfaction of DHCS, before or after the award of the contract, the conflict will be grounds for the proposal to be deemed non-responsive and/or termination of the contract or subcontract.

The undersigned hereby affirms that: (check one)

- ☐ The statements above have been read and that no conflict of interest exists that would jeopardize the ability of the Proposer/Contractor to perform independently from DHCS influence.
- ☐ A suspected or potential conflict of interest does exist, and additional information (as described B.3. above) is attached along with a plan to address the possible conflict of interest.

Signed: _____

Title: _____

Date: _____

Typed or Printed Name of Authorized Representative: _____

Attachment 16

Voluntary Non-Binding Letter of Intent

Purpose	This is a non-binding Letter of Intent whose purpose is to assist Department of Health Care Services (DHCS) in determining the staffing needs for the proposal evaluation process and to improve future procurements.
Information requested	DHCS is interested in knowing if your firm intends to submit a proposal or your reasons for not submitting a proposal. Completion of this form is voluntary.
Action to take	Indicate your intention to submit a proposal by checking items 1 or 2 below. Follow the instructions below your selection.

1. ☐ **My firm intends to submit a proposal.**

- A. Check box number 1 if the above statement reflects your intention.
- B. Complete the bottom portion of this form and return it to DHCS as instructed in the RFP section entitled, "Voluntary" Non-Binding Letter of Intent".

2. ☐ **My firm does not intend to submit a proposal for this project.**

- A. Check box number 2 if the statement in item 2 reflects your intention.
- B. Indicate the reason(s) for not submitting a proposal by checking each of the following statements that apply.
- ☐ My firm lacks sufficient staff expertise or personnel resources to meet all RFP requirements.
- ☐ My firm lacks sufficient experience (i.e., not enough or wrong type).
- ☐ My firm believes the qualification requirements are too restrictive.
- ☐ Insufficient time was allowed for proposal preparation.
- ☐ Too much paperwork is required to prepare a proposal response.
- ☐ Other commitments and projects have a greater priority.
- ☐ My firm did not learn about the contract opportunity soon enough.
- ☐ My firm does not provide the full range of services that DHCS is seeking.
- ☐ My firm is only interested in becoming a subcontractor, consultant, or supplier.
- ☐ Other reason: _____
- _____
- _____
- C. Complete the bottom portion of this form and return it to DHCS as instructed in the RFP section entitled, "Voluntary" Non-Binding Letter of Intent".
- D. By indicating there is no intention to submit a proposal, DHCS may elect not to send your firm RFP clarification notices, RFP addenda, proposer questions and answers, or other procurement notices.

Name of Firm: _____

Email Address: _____

Printed Name/Title: _____

Signature: _____

Date: _____

Attachment 17

Request for Inclusion on Mailing List

The Department of Health Care Services (DHCS) will continue to provide automatic updates about RFP 09-86062 **only** to prospective Proposers who complete and return this Request for Inclusion on Mailing List form. DHCS is in the process of building a mailing list for this project and asks prospective Proposers to complete this attachment with the appropriate information in order to become part of the permanent, active mailing list for this project. In order to continue to receive updated information relevant to this RFP, please return this form as soon as possible via mail, FAX or email using the information referenced below.

It is incumbent upon any Proposer who does not submit the Request for Inclusion on Mailing List form, but intends to bid on this contract, to monitor the website at http://www.dhcs.ca.gov/ProvGovPart/rfa_rfp/Pages/OMCPHomePage.aspx for any administrative bulletins and/or RFP addenda updates to the RFP.

Submit this Request for Inclusion on Mailing List form through one of the following methods:

U.S. Mail:	Hand Delivery or Overnight Express/Courier Service:
Mailing List for 09-86193 Department of Health Care Services Office of Medi-Cal Procurement Maegan Jorgensen P.O. Box 997413 Sacramento, CA 95899-7413	Mailing List for 09-86193 Department of Health Care Services Office of Medi-Cal Procurement Maegan Jorgensen MS 4200 1501 Capitol Ave Suite 71.3041 Sacramento, CA 95814
Fax:	Email:
Mailing List for 09-86193 Department of Health Care Services Office of Medi-Cal Procurement Maegan Jorgensen Fax: (916) 440-7369	Mailing List for 09-86193 Department of Health Care Services Office of Medi-Cal Procurement Omcprfp1@dhcs.ca.gov

Name of Proposer:

Mailing Address (*Street address, P.O. Box, City, State, Zip Code*):

Contact Name:	Title:
Telephone number: ()	Fax number: ()
Email Address:	

STANDARD AGREEMENT

Sample Exh A1

STD 213_DHCS (1/08)

REGISTRATION NUMBER

AGREEMENT NUMBER

1. This Agreement is entered into between the State Agency and the Contractor named below:

STATE AGENCY'S NAME

(Also known as DHCS, CDHS, DHS or the State)

Department of Health Care Services

CONTRACTOR'S NAME

(Also referred to as Contractor)

2. The term of this through
Agreement is:

3. The maximum amount \$
of this Agreement is:

4. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of this Agreement.

Exhibit A – Scope of Work	1 page
Exhibit A, Attachment 1 – Scope of Work	16 pages
Exhibit B – Budget Detail and Payment Provisions	3 pages
Exhibit C – General Terms and Conditions	5 pages
Exhibit D (F) – Special Terms and Conditions (Attached hereto as part of this agreement)	26 pages
Exhibit E – Additional Provisions	17 pages
Exhibit F – Contractor's Release	1 page
Exhibit G – HIPAA Business Associate Addendum	12 pages
Exhibit H – Information Confidentiality and Security Requirements	7 pages

Items shown above with an Asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto.
These documents can be viewed at <http://www.ols.dgs.ca.gov/Standard+Language>.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR

CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc.)

BY (Authorized Signature)

DATE SIGNED (Do not type)

PRINTED NAME AND TITLE OF PERSON SIGNING

ADDRESS

STATE OF CALIFORNIA

AGENCY NAME

Department of Health Care Services

BY (Authorized Signature)

DATE SIGNED (Do not type)

PRINTED NAME AND TITLE OF PERSON SIGNING

Jayna Querin, Chief, Contract Management Unit

ADDRESS

1501 Capitol Avenue, Suite 71.5195, MS 1403, P.O. Box 997413,
Sacramento, CA 95899-7413**California Department of
General Services Use Only**☐ Exempt per:

Exhibit A Scope of Work

1. Service Overview

The Contractor shall provide Project Management Services in directing State staff during the Design, Development and Implementation (DDI) of the California Medicaid Management Information System (CA-MMIS) Project. Proposals must address all of the services described in Exhibit A, Attachment 1 entitled, "Scope of Work".

2. Service Location

Contractor services shall be performed onsite at the FI Contractor's facility located within thirty-five (35) miles of the State Capitol, the DHCS Offices located at the East End Complex in Sacramento, CA, and/or other California destinations as necessary.

3. Service Hours

All on-site work and services provided at State or FI Contractor facilities shall be performed during State working days Monday through Friday, 8:00 a.m. to 5:00 p.m., excluding State and national holidays.

4. Project Representatives

A. The project representatives during the term of this Agreement will be:

Department of Health Care Services	Contractor's Name
Contract Manager: TBD Telephone: (916) 440-7400 Fax: (916) 440-7404	[Enter Name of Contract Manager] Telephone: (XXX) XXX-XXXX Fax: (XXX) XXX-XXXX Email: XXXXXXXX@XXXXXXX

B. Direct all inquiries to:

Department of Health Care Services	Contractor's Name
FI-MMIS Project Attention: TBD Mail Station Code 4727 1500 Capitol Avenue, Room 72.251 P.O. Box 997413 Sacramento, CA, 95899-7413 Telephone: (916) 440-7400 Fax: (916) 440-7404	Section or Unit Name (if applicable) Attention: [Enter name, if applicable] Street address & room number, if applicable P.O. Box Number (if applicable) City, State, Zip Code Telephone: (XXX) XXX-XXXX Fax: (XXX) XXX-XXXX Email: XXXXXXXX@XXXXXXX

C. Either party may make changes to the information above by giving written notice to the other party. Said changes shall not require an amendment to this Agreement.

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Exhibit A, Attachment 1
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A. General Responsibilities

The following description of services is not intended to be completely definitive or exhaustive. The purpose is to characterize the type of services that DHCS expects to be delivered under this contract. All tasks and activities shall be performed in accordance with the appropriate technical standards and State requirements as referenced in Exhibit E, of this Contract.

1. The Contractor shall provide project management services to the DHCS for five (5) major FI-MMIS project phases of the FI-MMIS Contract. Those phases are:
 - a. Business Rules Extraction;
 - b. Pharmacy Online/Drug Utilization Review (DUR) DDI;
 - c. Treatment and Service Authorization Request Systems (TAR/SAR) DDI;
 - d. Third Party Liability/Automated Collection Management Systems (TPL/ACMS) DDI;
 - e. All other CA-MMIS Replacement System DDI.
2. The Contractor shall foster commitment to the schedule, scope control and team environment; and encourage frequent, open, constructive and collaborative communication between all participants and stakeholders for each project phase.
3. The Contractor shall promote clearly defined requirements, project scope, roles and responsibilities throughout the project.
4. The Contractor shall report status and findings directly to the DHCS FI-MMIS Project Director or designee.
5. The Contractor shall provide an effective evaluation of the CA-MMIS Project's planning, design, development and implementation processes, agreed upon by DHCS and FI-Contractor, are functioning effectively throughout the project life cycle. These activities include but are not limited to:
 - a. Evaluation of the FIs conformance to industry standards;
 - b. Adherence to the Software Development Life Cycle;
 - c. Application of continuous quality improvement methodologies;

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- d. A clear definition of contract deliverables; and
 - e. Project management plans that are clear and effectively implemented.
6. The Contractor shall facilitate DHCS knowledge and awareness in order to avoid unanticipated changes in cost and/or schedule. The Contractor shall maintain communication on its performance observations to assure DHCS is proactively aware of items that should be managed, allowing for time to correct the situation. Finally, the Contractor shall establish and employ methods available to deal with urgent as well as routine information sharing to provide immediate notification and guidance where issues could significantly impact the project.

B. FI-MMIS Project Management Office (PMO)

The Contractor shall establish a Project Management Office (PMO). The Project Management Office will develop, maintain and execute the Master Project Plan (MPP), which is the highest-level management document for the project (see section G.1. below).

- 1. The Contractor shall describe in detail how they are going to manage, administer, control, oversee and direct with minimum use of State resources all the activities of the PMO for the duration of the Replacement System Planning and DDI phase of the project upon review of:
 - a. Exhibit A, Attachment VI, Section 1 through 5 and Exhibit E, Provision 52 of the FI contract;
 - b. FIs plans submitted;
 - c. Identify required DHCS/State/Stakeholders resources and their availability;
 - d. Risks and mitigation;
 - e. Overall milestones; and
 - f. Logical integration of DHCS objectives and requirements as identified in the FI Contract.

All tasks and milestones from the PMO shall be incorporated into the overall FIs Master Project Plan (MPP) so there is one view of all reporting through the Enterprise Project Management Office (EPMO) and overall oversight of State resources across all projects.

- 2. The PMO shall work with the DHCS's internal Project Planning and Management Branch (PPMB) as well as the Fiscal Intermediary's Enterprise Project

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Management Office to ensure that all duties and responsibilities are handled in a cohesive, seamless manner.

3. The Contractor must staff the PMO with staff as identified in Sections C through E below.

C. Project Office Manager (POM)

The Contractor shall designate a Project Office Manager that shall be responsible for planning, directing, managing and overseeing the overall FI-MMIS PMO and Project Management activities. The primary focus of the POM is on providing an integrated view of all project and related program activities. The POM shall be the contact for the DHCS FI-MMIS Project Plans and deliverables, all invoice issues and vendor staffing issues. The POM acts as the principle interface to the contractors, CA-MMIS Fiscal Intermediary's Enterprise Project Office and FI-MMIS Project Director.

The POM is responsible for:

1. Managing and Directing all Project Management Office activities and PM's in supporting the FI-MMIS Project Director and Assistant Project Director in the execution of project management tasks as needed;
2. Maintaining oversight of the FI MPP to ensure all functions and tasks assigned to State staff or external stakeholders are incorporated;
3. Recommending effective and efficient utilization of the assigned resources;
4. Confirming all FI project plans, processes, and procedures are appropriately executed to keep the project on-time, within budget, within scope and with high quality results;
5. Evaluating whether the FI work plans, including tools and resource allocations, are appropriate and reasonable in meeting project timeframes.
6. Monitoring FI compliance with project contract tasks and deliverables, or approved modifications;
7. Maintaining oversight of the over-all project resources, schedule, key milestones, deliverables and project status.
8. Participating in and preparing status reports and agendas for weekly, bi-weekly, monthly, and bi-monthly meetings to discuss work in progress and findings;
9. Maintaining oversight of the FI EPMO deliverables and the overall PMBOK management plans that have been submitted and any modifications proposed

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from the state for continuous improvement and approvals. This includes the Systems Group (SG) and all DDI plans for Replacement, Enhancement, and Optional Contractual Services;

10. Maintaining oversight for the ongoing deliverables to Centers for Medi-Cal and Medi-Care Services for Implementation Advanced Planning Document (IAPD) updates, project status reporting, and mitigation of certification risk as change management progresses. This may include authoring the IAPD changes/updates.
11. Ensuring the FI overall MPP incorporates all associated/related plans (including but not limited to the Transition Risk Management Plan, Communication Plan, Quality Management Plan)
12. Participating in quarterly project steering committee, policy advisory committee, and/or other stakeholder meetings, as directed by the FI-MMIS Project Director.
13. Providing monthly PMO status reports to the FI-MMIS Project Director that highlight tasks accomplished, issues, risks, and analysis results, anomalies, resolutions and/or corrective action and lessons learned. Detailed supporting documentation shall be made available as requested;
14. Providing governance of project and/or project phases providing input to executive sponsors or stakeholders for use in their governance activities;
15. Communicating the status of the FI-MMIS Replacement System Projects to the FI-MMIS Project Director and other key stakeholders as requested;
16. Monitoring changes to the Medi-Cal Program during Replacement DDI and ensure the changes are considered in meeting all deliverable requirements;
17. Facilitating alignment between DHCS and selected FI-MMIS business partner(s), both internal and external, on project management methods, processes, and standards; and,.
18. Assessing and communicating to the FI-MMIS Project Director the operational readiness of each project/phase.
19. Develop, maintain and track Business Rules and Technical Requirements to the Medicaid Information Technology Architecture (MITA) requirements. The contractor will provide expertise to the DHCS as well as the DHCS's Fiscal Intermediary Contractor regarding MITA needs,

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D. Project Manager(s) (PM)

The Contractor shall designate Project Managers (PMs) that shall be accountable for all the CA-MMIS PMO related activities, reviewing and ensuring that all CA-MMIS FI contractual terms and deliverables are met throughout the project and communicating project-level PM information to the enterprise level PMO staff. PMs are responsible for all project communication and have the authority to act on all aspects of the project management functions. They are also responsible for planning, guiding, scheduling, analyzing, reporting, overseeing, and supporting the day-to-day PM activities to support the CA-MMIS PMO, and assist in the development, coordination, collaboration, integration, and management of all project work plans and deliverables. The Project Managers are accountable for development, maintenance, and adherence to the CA-MMIS PMO infrastructure and supporting methodologies (e.g. processes, procedures, standards, and templates) that are in compliance with Office of Systems Integration Best Practices and policies. The PMs shall:

1. Develop, maintain, and execute the CA-MMIS Project Management Plan for each phase/project;
2. Evaluate whether the FI work plans, including tools and resource allocations, are appropriate and reasonable in meeting project timeframes;
3. Monitor vendor compliance with project contract tasks and deliverables, or approved modifications;
4. Maintain oversight of the over-all project resources, schedule, key milestones, deliverables and status of each project phase;
5. Communicate project status, risks and issues to the CA-MMIS PMO. Prepare and/or contribute to status reports and agendas for weekly, bi-weekly, monthly, and bi-monthly meetings;
6. Participate in quarterly project steering committee, policy advisory committee, and/or other stakeholder meetings, as directed by DHCS.
7. Participate in monthly project meetings with the DHCS FI-MMIS Project Director to discuss work in progress and findings;
8. Provide monthly PM status reports to DHCS that highlight task(s) accomplished, issues, risks, and analysis results, anomalies, resolutions and/or corrective action(s) and lessons learned. Detailed supporting documentation shall be made available as requested by DHCS;

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9. Participate in project activities and review and comment on essential project documents to ensure an effective project management process (including but not limited to transition management, risk management, schedule and cost management, change management and issue resolution) that is consistent with approved project plans and is effective throughout the project life cycle;
10. Provide internal consulting services, guidance, support and mentoring of knowledge transfer in project management processes, tools, and techniques to promote consistent application of project management best practices by State staff.
11. Provide training on selected PM topics to State staff to promote knowledge transfer and facilitate improvement of PM skills.
12. Establish post-implementation maintenance processes for State staff monitoring; and,
13. Create and implement an on-going process of knowledge transfer of project management methods, process, standards, and tools functionality across State staff for State staff to manage in the future all activities of FI-MMIS Project Management Office by mentoring and coaching them throughout the project.

E. Management Plan Lead Contact(s)

The Contractor shall designate a Management Plan Lead Contact or Contacts for each of the following Management Plans:

1. Risk/Issue Lead Contact

The Risk/Issue Lead shall:

- a) Develop, maintain and execute the DHCS Risk/Issue Management Plan
- b) Execute risk/issue management processes and standards in accordance with the Risk/Issue Management Plan including identification, quantification, analysis, mitigation plans, contingency plans and communication of risks/issues;
- c) Lead and facilitate risk/issue management throughout the project; and,
- d) Facilitate alignment between DHCS and selected FI-MMIS business partner(s), both internal and external, on risk and issue management methods, processes, and standards.

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2. Quality Assurance Lead Contact

The Quality Assurance Lead Contact shall:

- a) Develop, maintain and execute the DHCS Quality Management Plan;
- b) Execute quality management processes and standards in accordance with the Quality Management Plan including acceptance criteria, reviews/walkthroughs and approvals, and testing;
- c) Define quality processes for major project deliverables;
- d) Evaluate project control processes and procedures, as well as deliverables for traceability, organization, consistency, completeness, accuracy, readability, testability and other deliverable quality attributes;
- e) Lead and facilitate quality management throughout the project; and,
- f) Facilitate alignment between DHCS and FI-MMIS Project business partner(s), both internal and external, on quality management methods, processes, and standards.

3. Scheduling Lead Contact

The Scheduling Lead shall:

- a) Develop, maintain, and execute the DHCS Schedule Management Plan;
- b) Execute schedule management processes and standards in accordance with the Schedule Management Plan including work breakdown structure management, task interdependencies, resource loading by task, milestone tracking, deliverable tracking and schedule deviation "alerts";
- c) Maintain and update overall project schedules throughout the project; and,
- d) Facilitate alignment between DHCS and selected FI-MMIS Project business partner(s), both internal and external, on schedule management methods, processes, and standards.

4. Communications/Coordination Lead Contact

The Communications/Coordination Lead Contact shall:

- a) Develop, maintain, and execute the DHCS Communications Plan;

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- b) Execute communications management processes and standards in accordance with the Communications Plan including defining the audiences, messages, media, frequency and tools;
- c) Lead and assist in the development of the project communication mechanisms (e.g. communications center, website);
- d) Lead the development of methods and tools for knowledge transfer;
- e) Facilitate alignment between DHCS and selected FI-MMIS project business partner(s), both internal and external, on communication management methods, processes, and standards.

5. Resource Lead Contact

The Resource Lead Contact shall:

- a) Develop, maintain, and execute the DHCS Resource Management Plan;
- b) Execute resource management processes and standards in accordance with the Resource Management Plan including resource needs, resource deactivation, and resource loading by task;
- c) Lead and facilitate alignment between DHCS and selected FI-MMIS Project business partner(s), both internal and external, on resource management methods, processes, and standards.
- d) The Contractor shall analyze, assess, and provide recommendations and corrective action for any issues regarding the staffing of various activities by the FI. The Contractor shall assist in the development and verification of metrics that support accurate prediction of the time and resources required to accomplish various tasks and reach key milestones.

6. Change Control Lead Contact

The Change Lead Contact shall:

- a) Develop, maintain, and execute the DHCS Change Control Plan;
- b) Assist in establishing a Change Control Board;
- c) Execute change control processes and standards in accordance with the Change Control Management Plan including the Change Control Board, prioritization of changes, reviews and approvals;

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- d) Lead and facilitate change control management throughout the project; and,
- e) Facilitate alignment between DHCS and selected FI-MMIS Project business partner(s), both internal and external, on change control management methods, processes, and standards.

7. Technical Expert

The Technical Expert shall:

- a) Assist management plan lead contacts in addressing technical issues concerning the individual management plans;
- b) Work on a limited and temporary basis.

F. Deliverable Requirements

1. The Contractor shall perform all PMO/PM tasks and activities using an approved project management methodology such as Project Management Institute's (PMI) Project Management Body of Knowledge (PMBOK) 4th edition or latest version and California Project Management Methodology (CA-PMM) as published by the State Office of Chief Information Officer (OCIO) and in accordance with other applicable standards in Exhibit E, of this Contract and the standards in the CA-MMIS FI Contract when performing the following required tasks:
 - a) Management and Reporting; Management of the PMO;
 - b) Project Level PM Services;
 - c) Enterprise Level PM Services and Knowledge Transfer.
2. The Contractor shall fully utilize the California Office of Systems Integration (OSI) Project Life Cycle Framework website and adhere to and fully utilize all associated policies, methodologies, procedures, supporting tools and checklists. The contractor shall ensure all required deliverables as defined in the website are met within requisite standards, timeframes, cost and quality measures and that defined approvals are obtained as specified.
3. The Contractor shall adhere to and fully utilize all applicable California policies, standards, methodologies and procedures such as, but not limited to the OCIO Information Technology Project Oversight Framework, State Administrative Manual (SAM), and Statewide Information Management Manual (SIMM).

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4. All Contract deliverables shall:
- a) Be provided in any DHCS platform (i.e., Word, Excel, or PDF formats only), including all documents, spreadsheets, presentations and databases unless otherwise approved by the FI-MMIS Project Director;
 - b) Be in a media compatible with the FI-EPMO Portfolio Management Tool, DHCS document storage devices as well as the requirements of the Statewide Information Management Manual (SIMM) Section 45.

Where no applicable standard exists the Contractor must brief the State prior to the use of an alternative methodology or process applied in the analysis and creation of the deliverable. All deliverable standards, processes, plans and applicable reference material should be documented in the scope of work reports and available upon request of the State.

5. All deliverables must be submitted in written report format previously approved by the DHCS FI-MMIS Project Director or designee. Written reports/plans/deliverables shall be submitted in the following media to the FI-MMIS Project Director:
- a. Two (2) hardcopy documents
 - b. One (1) compact disc (CD)
 - c. The Contractor shall take into consideration when developing reports and deliverables that require color coding that not all divisions, branches, and offices have access to color printers
6. DHCS reserves the right to:
- a) Request a presentation of the findings and/or recommendations described in all reports and deliverables;
 - b) Request additional analyses and/or deliverables, as needed, within the completion of each deliverable
7. The Contractor may also suggest development of additional deliverables in specific areas within the completion of each deliverable.
8. DHCS requires the Contractor to conduct internal quality reviews for all deliverables before submission to DHCS for approval.

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G. Project Deliverables

All deliverables are based on a project schedule approved by the FI-MMIS Project Director, and must be updated monthly, or more frequently as needed throughout each project or project phase for the term of the contract.

Each of the plans below shall contain, at a minimum the same components as in Exhibit E, Provision 52 of the CA-MMIS Contract.

The Contractor shall prepare, at a minimum, the following major deliverables:

1. Master Project Plan (MPP)

The Contractor shall develop and submit a Master Project Plan (MPP) with well organized, comprehensive, and technically sound business solutions including step-by-step actions that will be carried out to fulfill all SOW Requirements for the project based on review of the CA-MMIS Contract Exhibit A, Attachment VI, Sections 1 through 5 and Exhibit E, Provision 52, and other applicable DHCS policies and guidelines.

a) The MPP shall include, at a minimum:

- 1) Identification of DHCS/State/Stakeholder (County Provider) resources and their availability;
- 2) Identified risks and mitigation;
- 3) Overall milestones;
- 4) Logical integration with DHCS objectives and requirements as identified in the CA-MMIS Contract;
- 5) Joint Application Design (JAD) sessions;
- 6) Traceability matrix;
- 7) Business Rules extraction (BRE);
- 8) Training rollout.

b) All tasks and milestones shall be incorporated into the overall FI MPP so there is one view of all reporting and overall oversight of both FI and State resources across all projects.

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- c) The plan should identify all dependencies and precedence relationships for all State activities and include a Work Breakdown Structure (WBS) format that clearly delineates milestones and key deliverables, and a critical path timeline.
 - d) The POM shall work closely with the FI-MMIS Project Team to ensure the MPP includes all reporting requirement elements and is formatted to meet DHCS needs.
 - e) The MPP must include time and effort to assess FI Contractor Workplans and Deliverables.
2. Project Management Plan (PMP) for each phase/project:
- a) All Project Management Plans shall:
 - 1) Conform to Institute of Electrical and Electronics Engineers (IEEE) Standards, Best Practices for Project Management Office of the State CIO State Integration Division (SID); and/or other standards acceptable to the State.
 - 2) Describe the activities, personnel, schedule, standards, methodology, and milestones for providing Project Management and Reporting services in support of the CA-MMIS DDI Project.
 - 3) Be based on and coincide with the CA-MMIS FI project schedule.
 - b) As changes are made to the FI Master Project Management Plan the Contractor shall review and update the corresponding Management and Reporting plan(s) as necessary, produce status, progress reports and/or produce final reports.
 - c) The Contractor shall prepare plan templates for DHCS.
 - d) The Contractor will work with DHCS to confirm the schedule and content for the respective plans.
 - e) All Contractor plans completed and approved will be implemented and used throughout ongoing operations. The Contractor must receive written approval for all plans from DHCS prior to beginning any activities.
3. Risk Management Plan
- The Risk Management Plan (RMP) shall be integrated into the FI MPP and describe the approaches that will be followed regarding on-going risk

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identification, risk response planning, risk monitoring and tracking, risk mitigation, and the roles and responsibilities related to the various risk management activities. The RMP, for example, establishes the process to identify and classify risks that arise throughout the project.

4. Quality Management Plan

The Quality Management Plan (QMP) shall be integrated into the FI MPP and describe the method for utilizing project plan reviews and performing quality checks on projects or project phases to determine if approved processes are being followed, change control is working effectively and project quality programs are in place and working. It should also describe how team and individual performance will be monitored.

5. Schedule/Time Management Plan

The Schedule/Time Management Plan (SMP) defines how changes to the project schedule will be managed during the course of the project. The SMP shall be integrated into the FI MPP and include a single master schedule combining the schedules from the individual projects or project phases. The schedules must include all project activities and identify dependencies and constraints between projects with conflicts resolved. The schedules shall be created utilizing the standards for work breakdown structures, scheduling practices, scheduling tools and time reporting established by the PMO.

6. Communications Plan

The Communications Plan is to be integrated into the FI MPP and define how project communications will be managed. The Communications Plan establishes the process for deliverable review, the types of regular and on-going communication methods, and the process for communication and evaluating issues.

7. Human Resource Management Plan

The Human Resource Management Plan will be integrated into the FI MPP and will define the process for resource assignment, resource utilization, resource sharing between projects and other external activities, recruiting for projects and back fill plans for loaned/borrowed State resources. The Plan will include tracking of skills and the process to ensure assimilation of State staff into the project/phase. This would include, but is not limited to, ensuring the FI staff loading chart and project management plans for the Replacement System, BRE, and other DDI Replacement work efforts are loaded correctly. The Contractor is responsible for reporting to the FI-MMIS PO any discrepancies, staff shortages, staff not obtaining the correct skill sets for assigned work efforts, and/or providing

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recommendations and corrective action plans for improving upon FI HR Management Plan. The Contractor shall also provide metrics supporting accurate prediction of human resource planning to support and accomplish all work efforts to achieve all key milestones and deliverables for the Contract and DHCS, including monitoring FI human resource planning.

8. Cost Management Plan

The Cost Management Plan will be integrated into the FI MPP. Contractor provides oversight, assesses, evaluates, and monitors FI Cost

Containment, which include recommendations for providing improvements to it throughout the life of this Contract.

For the overall DDI phase and each DDI life cycle phase, the Contractor shall determine the current estimated total cost for Project-authorized work efforts using Earned Value Methodology calculation Estimate at Completion (EAC), which equals actual cost to a point in time plus Estimate to Complete (ETC), which is the expected additional cost needed to complete the phase. EAC shall be calculated for the entire DDI phase and currently active DDI life cycle phases.

The Contractor shall compare this information with the performance measurement baseline approved by the FI-MMIS PO and/or designee to identify projected cost and schedule variances at completion that would adversely impact the Project and any applicable Stakeholders.

9. Integration Management/Change Control Plan

The Change Control Plan will be integrated into the FI MPP and will define how project scope will be managed after the baseline schedule and Master Project Management Plan have been established and how scope changes will be evaluated and, if approved, integrated into the project. The Change Control Plan spells out the FI Change Management methodology and processes for managing all CA-MMIS changes resulting in System Development Notices (SDNs), Problem Statements (PSS), Operating Information Letters (OILs), Change Orders (COs), and other change instruments for ensuring no changes are missed and all requirements and policies are accounted for in the Replacement System, Business Rule Extraction (BRE), and other DDI work efforts.

10. PM Transition Plan

The PM Transition Plan will be integrated into the FI MPP and will provide input to PM plans for the transfer and transition of specific PM responsibilities from consultants to state staff.

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Exhibit A, Attachment 1
Scope of Work

H. Reporting

The Contractor shall provide comprehensive project management, portfolio management, and reporting of all efforts and resources at the Enterprise Level, Project Level and Business Partner Project Level for Contractor's team members, the FI, State staff, and other contractors or consultants for the DDI projects through use of the FI Contractor's Project and Portfolio Management tool (PPM), via license(s) obtained by DHCS. The Contractor's use of the tool shall allow tracking, monitoring, overseeing and managing of project phases, and the specific stages, activities and all project artifacts enterprise-wide such as project task, action items, issues, problem reports, time reporting, automated approvals, change orders, and deliverables for DDI activities. This includes ongoing Maintenance and systems development activities of the Legacy system for an effective project and portfolio management and dashboard-type reporting for PM status and deliverables as well as coordinating, integrating and synchronizing its project plan schedules with the activities for both the FI and State.

I. Monthly Status Reports

Monthly Status reports are due no later than the 10th calendar day of the month following the reporting period (for example, the report covering June is due no later than July 10th) and shall be submitted to the FI-MMIS Project Director.

The Contractor shall deliver monthly reports based upon the reporting process described in standards for Project Management. Monthly reports shall include but not limited to:

1. A current detailed project schedule with a comparison to the approved baseline schedule and an explanation of any variances.
2. Status of the project with an evaluation of the project's adherence to scope, schedule, quality, resources and budget, with an explanation for any variances.
3. Discussions of issues and risks identified during the reporting period, including recommendations for resolving each issue and risk, and the potential impact to the project if the issues and risks are not resolved.
4. Project Management Office (PMO) activities performed and PMO objectives, services, activities and other deliverables completed during the associated reporting period.
5. Deliverables completed by the FI and other contractors during the reporting period and whether the deliverables were accepted and if not, why not.

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Exhibit A, Attachment 1
Scope of Work

6. Milestones/Deliverables expected to be met/completed in the next reporting period.
7. The Contractor shall report to the FI-MMIS PO at a minimum: Name (and identification numbers if applicable) of each deliverable, date deliverable due from and to FI and DHCS, assigned resource lead name deliverable assigned to, days late with explanation and revised baseline dates for expected completion dates, and deliverable due dates. The PM Contractor shall review the FI deliverable reports and provide recommendations to the FI-MMIS PO to ensure DHCS's deliverable business needs are included in reports.
8. The weekly status reporting shall be incorporated into a monthly dashboard, which shall include all the Monthly status reporting for a snap shot of the CA-MMIS Project's status. Dashboards shall include at a minimum, but not be limited to, all status on deliverables, assessments, and reports as specified in this Exhibit.
9. The Contractor may combine many like reports into one report.
10. Reports shall be non-technical and easy to understand.
11. All reports and deliverables shall be submitted by the required timeframes. Final due dates shall be agreed upon with the FI-MMIS PO and Contractor.
12. The Contractor and FI-MMIS PO shall work in concert for defining what details shall be included in reports and deliverables.
13. The DHCS may request additional reporting and deliverables as required through the progression of the CA-MMIS Project.

J. Lessons Learned and Final Project Report

Throughout the life of the contract the Contractor shall provide PMO and PM "Lessons Learned" documentation. "Lessons Learned" are compiled and reported in a timely manner to the DHCS FI-MMIS Project Director or their designee to allow for proactive changes or prompt corrective actions. Reports should identify project successes, areas with potential for improvement, and recommendations for changes to managerial processes and/or technical performance.

At the conclusion of each CA-MMIS Contract Phase, the Contractor shall prepare and deliver a comprehensive assessment of the DHCS and FI activities, schedules, budget variances, risk/issues and mitigation and progress toward meeting the goals and objectives of the CA-MMIS Replacement Project. The final report should include "Lessons Learned" during each Contract Phase.

Exhibit B
Budget Detail and Payment Provisions

A. Invoicing and Payment

1. For services satisfactorily rendered according to the scope of work, and the terms, conditions, and exhibits of this agreement, and upon receipt and approval of the deliverables and invoices, Department of Health Care Services (DHCS) agrees to compensate the Contractor on a time and materials basis in accordance with the payment/deliverable schedule herein.
2. Invoices shall include the Agreement Number and shall be submitted in triplicate (one (1) copy with original signature, one (1) paper copy, and one (1) electronic copy) not more frequently than monthly in arrears to:

(TBD), Assistant Project Director
Department of Health Care Services
Fiscal Intermediary Medicaid Management Information Systems Project
MS 4727
P.O. Box 997413
1500 Capitol Avenue, Room 72.251
Sacramento, CA 95899-7413

DHCS, at its discretion, may designate an alternate invoice submission address. A change in the invoice address shall be accomplished via a written notice to the Contractor by DHCS and shall not require an amendment to this Agreement.

3. Invoices shall:
 - a. Be prepared on Contractor letterhead. Invoices must be signed by an authorized official, employee or agent certifying that the expenditures claimed represent actual expenses for the service performed under this Agreement.
 - b. Bear the Contractor's name as shown on the Agreement.
 - c. Identify the billing and/or performance period covered by the invoice.
 - d. Itemize costs for the billing period in the same or greater level of detail as indicated in this Agreement. Subject to the terms of this Agreement, reimbursement may only be sought for those costs and/or cost categories expressly identified as allowable in this Agreement and approved by DHCS.
 - e. Report expenses attributed to Disabled Veteran Business Enterprise Participation (DVBE) subcontractors or DVBE suppliers at any tier (if any).
 - f. Report expenses attributed to certified small business subcontractors and/or suppliers at any tier (if any). This requirement only applies if the Contractor identified certified small business firms for participation during the contractor selection process.

Exhibit B
Budget Detail and Payment Provisions

B. Rates Payable

1. The Contractor will be reimbursed the hourly rate bid in Attachment 14.1 through 14.6, Cost Sheets as submitted in, bid by classification, by phase across the term of the Contract.
2. The basis for payment of the hourly rate will be actual utilization of hours. The number of available hours per FTE in each Contract year is 1,800.
3. Hourly rates are loaded and include costs for fringe benefits, travel, operating costs and indirect costs.

C. Budget Contingency Clause

1. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, DHCS shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.
2. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, DHCS shall have the option to either cancel this Agreement with no liability occurring to DHCS, or offer an agreement amendment to Contractor to reflect the reduced amount.

D. Prompt Payment Clause

Payment will be made in accordance with, and within the time specified in, Government Code Section 927.

E. Timely Submission of Final Invoice

1. A final undisputed invoice shall be submitted for payment no more than ninety (90) calendar days following the expiration or termination date of this Agreement, unless a later or alternate deadline is agreed to in writing by the Contracting Officer. Said invoice should be clearly marked "Final Invoice", thus indicating that all payment obligations of DHCS under this Agreement have ceased and that no further payments are due or outstanding.
2. The State may, at its discretion, choose not to honor any delinquent final invoice if the Contractor fails to obtain prior written State approval of an alternate final invoice submission deadline. Written State approval shall be sought from the Program Contract Manager prior to the expiration or termination date of this Agreement.
3. The Contractor is hereby advised of its obligation to submit, with the final invoice, a **"Contractor's Release (Exhibit F)"** acknowledging submission of the final invoice to DHCS and certifying the approximate percentage amount, if any, of recycled products used in performance of this Agreement.

F. Progress Payment Withholds

1. This provision replaces and supersedes Provision 22 of Exhibit D(F).

Exhibit B
Budget Detail and Payment Provisions

2. Progress payments may not be made more frequently than monthly in arrears for work performed and costs incurred in the performance of the Agreement. In the aggregate, progress payments may not exceed 90 percent of the total agreement amount, regardless of agreement length.
3. Ten percent (10%) may be withheld by DHCS from each invoice submitted for reimbursement, under the following conditions:
 - a. For services and costs associated with contractor and/or subcontractor performance that is considered to be of an ongoing nature or performed continuously throughout the term of the Agreement.
 - b. For individual services associated with a specific agreement deliverable that has not yet been received or completed in its entirety.
 - c. For individual and/or distinct tasks, work plans, or project activities that have not yet been completed in their entirety.

4. Release of Amounts Withheld

As individual and/or distinct tasks, services, work plans, or project activities are completed in their entirety by either the Contractor or Subcontractor and any scheduled/required deliverables or reports are delivered to DHCS; then any funds so withheld may be released to the Contractor upon acceptance and/or acknowledgement that all such items have been completed to the full satisfaction of DHCS.

5. Payment Requests Excluded from the 10 Percent (10%) Withhold

Ten percent (10%) payment withholds shall not be applied to reimbursements or periodic payment requests for direct costs associated with equipment purchases, media buys, operating expense items, and other procurements not directly associated with the Contractor's personal performance.

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EXHIBIT C

GENERAL TERMS AND CONDITIONS

1. APPROVAL: This Agreement is of no force or effect until signed by both parties and approved by the Department of General Services, if required. Contractor may not commence performance until such approval has been obtained.
2. AMENDMENT: No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.
3. ASSIGNMENT: This Agreement is not assignable by the Contractor, either in whole or in part, without the consent of the State in the form of a formal written amendment.
4. AUDIT: Contractor agrees that the awarding department, the Department of General Services, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Contractor agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Contractor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (Gov. Code §8546.7, Pub. Contract Code §10115 et seq., CCR Title 2, Section 1896).
5. INDEMNIFICATION: Contractor agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by Contractor in the performance of this Agreement.
6. DISPUTES: Contractor shall continue with the responsibilities under this Agreement during any dispute.
7. TERMINATION FOR CAUSE: The State may terminate this Agreement and be relieved of any payments should the Contractor fail to perform the requirements of this Agreement at the time and in the manner herein provided. In the event of such termination the State may proceed with the work in any manner deemed proper by the State. All costs to the State shall be deducted

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from any sum due the Contractor under this Agreement and the balance, if any, shall be paid to the Contractor upon demand.

8. INDEPENDENT CONTRACTOR: Contractor, and the agents and employees of Contractor, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State.

9. RECYCLING CERTIFICATION: The Contractor shall certify in writing under penalty of perjury, the minimum, if not exact, percentage of post consumer material as defined in the Public Contract Code Section 12200, in products, materials, goods, or supplies offered or sold to the State regardless of whether the product meets the requirements of Public Contract Code Section 12209. With respect to printer or duplication cartridges that comply with the requirements of Section 12156(e), the certification required by this subdivision shall specify that the cartridges so comply (Pub. Contract Code §12205).

10. NON-DISCRIMINATION CLAUSE: During the performance of this Agreement, Contractor and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (e.g., cancer), age (over 40), marital status, and denial of family care leave. Contractor and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement.

Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.

11. CERTIFICATION CLAUSES: The CONTRACTOR CERTIFICATION CLAUSES contained in the document CCC 307 are hereby incorporated by reference and made a part of this Agreement by this reference as if attached hereto.

12. TIMELINESS: Time is of the essence in this Agreement.

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13. COMPENSATION: The consideration to be paid Contractor, as provided herein, shall be in compensation for all of Contractor's expenses incurred in the performance hereof, including travel, per diem, and taxes, unless otherwise expressly so provided.

14. GOVERNING LAW: This contract is governed by and shall be interpreted in accordance with the laws of the State of California.

15. ANTITRUST CLAIMS: The Contractor by signing this agreement hereby certifies that if these services or goods are obtained by means of a competitive bid, the Contractor shall comply with the requirements of the Government Codes Sections set out below.

a. The Government Code Chapter on Antitrust claims contains the following definitions:

1) "Public purchase" means a purchase by means of competitive bids of goods, services, or materials by the State or any of its political subdivisions or public agencies on whose behalf the Attorney General may bring an action pursuant to subdivision (c) of Section 16750 of the Business and Professions Code.

2) "Public purchasing body" means the State or the subdivision or agency making a public purchase. Government Code Section 4550.

b. In submitting a bid to a public purchasing body, the bidder offers and agrees that if the bid is accepted, it will assign to the purchasing body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by the bidder for sale to the purchasing body pursuant to the bid. Such assignment shall be made and become effective at the time the purchasing body tenders final payment to the bidder. Government Code Section 4552.

c. If an awarding body or public purchasing body receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under this chapter, the assignor shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from the public body any portion of the recovery, including treble damages, attributable to overcharges that were paid by the assignor but were not paid by the public body as part of the bid price, less the expenses incurred in obtaining that portion of the recovery. Government Code Section 4553.

d. Upon demand in writing by the assignor, the assignee shall, within one year from such demand, reassign the cause of action assigned under this part if the assignor has been or may have been injured by the violation of law for which the cause of action arose and (a) the assignee has not been injured thereby, or (b) the assignee declines to file a court action for the cause of action. See Government Code Section 4554.

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16. CHILD SUPPORT COMPLIANCE ACT: For any Agreement in excess of \$100,000, the contractor acknowledges in accordance with Public Contract Code 7110, that:

a. The contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and

b. The contractor, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

17. UNENFORCEABLE PROVISION: In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

18. PRIORITY HIRING CONSIDERATIONS: If this Contract includes services in excess of \$200,000, the Contractor shall give priority consideration in filling vacancies in positions funded by the Contract to qualified recipients of aid under Welfare and Institutions Code Section 11200 in accordance with Pub. Contract Code §10353.

19. SMALL BUSINESS PARTICIPATION AND DVBE PARTICIPATION REPORTING REQUIREMENTS:

a. If for this Contract Contractor made a commitment to achieve small business participation, then Contractor must within 60 days of receiving final payment under this Contract (or within such other time period as may be specified elsewhere in this Contract) report to the awarding department the actual percentage of small business participation that was achieved. (Govt. Code § 14841.)

b. If for this Contract Contractor made a commitment to achieve disabled veteran business enterprise (DVBE) participation, then Contractor must within 60 days of receiving final payment under this Contract (or within such other time period as may be specified elsewhere in this Contract) certify in a report to the awarding department: (1) the total amount the prime Contractor received under the Contract; (2) the name and address of the DVBE(s) that participated in the performance of the Contract; (3) the amount each DVBE received from the prime Contractor; (4) that all payments under the Contract have been made to the DVBE; and (5) the actual percentage of DVBE participation that was achieved. A person or entity that knowingly provides false information shall be subject to a civil penalty for each violation. (Mil. & Vets. Code § 999.5(d); Govt. Code § 14841.)

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20. LOSS LEADER:

If this contract involves the furnishing of equipment, materials, or supplies then the following statement is incorporated: It is unlawful for any person engaged in business within this state to sell or use any article or product as a “loss leader” as defined in Section 17030 of the Business and Professions Code. (PCC 10344(e).)

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Special Terms and Conditions

(For federally funded service contracts or agreements and grant agreements)

The use of headings or titles throughout this exhibit is for convenience only and shall not be used to interpret or to govern the meaning of any specific term or condition.

The terms "contract", "Contractor" and "Subcontractor" shall also mean, "agreement", "grant", "grant agreement", "Grantee" and "Subgrantee" respectively.

The terms "California Department of Health Care Services", "California Department of Health Services", "Department of Health Care Services", "Department of Health Services", "CDHCS", "DHCS", "CDHS", and "DHS" shall all have the same meaning and refer to the California State agency that is a party to this Agreement.

This exhibit contains provisions that require strict adherence to various contracting laws and policies. Some provisions herein are conditional and only apply if specified conditions exist (i.e., agreement total exceeds a certain amount; agreement is federally funded, etc.). The provisions herein apply to this Agreement unless the provisions are removed by reference on the face of this Agreement, the provisions are superseded by an alternate provision appearing elsewhere in this Agreement, or the applicable conditions do not exist.

Index of Special Terms and Conditions

1. Federal Equal Employment Opportunity Requirements	17. Human Subjects Use Requirements
2. Travel and Per Diem Reimbursement	18. Novation Requirements
3. Procurement Rules	19. Debarment and Suspension Certification
4. Equipment Ownership / Inventory / Disposition	20. Smoke-Free Workplace Certification
5. Subcontract Requirements	21. Covenant Against Contingent Fees
6. Income Restrictions	22. Payment Withholds
7. Audit and Record Retention	23. Performance Evaluation
8. Site Inspection	24. Officials Not to Benefit
9. Federal Contract Funds	25. Four-Digit Date Compliance
10. Intellectual Property Rights	26. Prohibited Use of State Funds for Software
11. Air or Water Pollution Requirements	27. Use of Small, Minority Owned and Women's Businesses
12. Prior Approval of Training Seminars, Workshops or Conferences	28. Alien Ineligibility Certification
13. Confidentiality of Information	29. Union Organizing
14. Documents, Publications, and Written Reports	30. Contract Uniformity (Fringe Benefit Allowability)
15. Dispute Resolution Process	31. Suspension or Stop Work Notification
16. Financial and Compliance Audit Requirements	32. Lobbying Restrictions and Disclosure Certification

1. Federal Equal Opportunity Requirements

(Applicable to all federally funded agreements entered into by the Department of Health Care Services)

- a. The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era. The Contractor will take affirmative action to ensure that qualified applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, national origin, physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and career development opportunities and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Federal Government or DHCS, setting forth the provisions of the Equal Opportunity clause, Section 503 of the Rehabilitation Act of 1973 and the affirmative action clause required by the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (38 U.S.C. 4212). Such notices shall state the Contractor's obligation under the law to take affirmative action to employ and advance in employment qualified applicants without discrimination based on their race, color, religion, sex, national origin physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era and the rights of applicants and employees.
- b. The Contractor will, in all solicitations or advancements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era.
- c. The Contractor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding a notice, to be provided by the Federal Government or the State, advising the labor union or workers' representative of the Contractor's commitments under the provisions herein and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- d. The Contractor will comply with all provisions of and furnish all information and reports required by Section 503 of the Rehabilitation Act of 1973, as amended, the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (38 U.S.C. 4212) and of the Federal Executive Order No. 11246 as amended, including by Executive Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity,' and as supplemented by regulation at 41 CFR part 60, "Office of the Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," and of the rules, regulations, and relevant orders of the Secretary of Labor.
- e. The Contractor will furnish all information and reports required by Federal Executive Order No. 11246 as amended, including by Executive Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity,' and as supplemented by regulation at 41 CFR part 60, "Office of the Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," and the Rehabilitation Act of 1973, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the State and its designated representatives and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- f. In the event of the Contractor's noncompliance with the requirements of the provisions herein or with any federal rules, regulations, or orders which are referenced herein, this Agreement may be cancelled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for further federal and state contracts in accordance with procedures authorized in Federal Executive Order No. 11246 as amended and such other sanctions may be imposed and remedies invoked as provided in Federal Executive Order No. 11246 as amended, including by Executive Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity,' and as supplemented by regulation at 41 CFR part 60, "Office of the Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

- g. The Contractor will include the provisions of Paragraphs a through g in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Federal Executive Order No. 11246 as amended, including by Executive Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity,' and as supplemented by regulation at 41 CFR part 60, "Office of the Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," or Section 503 of the Rehabilitation Act of 1973 or (38 U.S.C. 4212) of the Vietnam Era Veteran's Readjustment Assistance Act, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the Director of the Office of Federal Contract Compliance Programs or DHCS may direct as a means of enforcing such provisions including sanctions for noncompliance provided, however, that in the event the Contractor becomes involved in, or is threatened with litigation by a subcontractor or vendor as a result of such direction by DHCS, the Contractor may request in writing to DHCS, who, in turn, may request the United States to enter into such litigation to protect the interests of the State and of the United States.

2. Travel and Per Diem Reimbursement

(Applicable if travel and/or per diem expenses are reimbursed with agreement funds.)

Reimbursement for travel and per diem expenses from DHCS under this Agreement shall, unless otherwise specified in this Agreement, be at the rates currently in effect, as established by the California Department of Personnel Administration (DPA), for nonrepresented state employees as stipulated in DHCS' Travel Reimbursement Information Exhibit. If the DPA rates change during the term of the Agreement, the new rates shall apply upon their effective date and no amendment to this Agreement shall be necessary. Exceptions to DPA rates may be approved by DHCS upon the submission of a statement by the Contractor indicating that such rates are not available to the Contractor. No travel outside the State of California shall be reimbursed without prior authorization from DHCS. Verbal authorization should be confirmed in writing. Written authorization may be in a form including fax or email confirmation.

3. Procurement Rules

(Applicable to agreements in which equipment/property, commodities and/or supplies are furnished by DHCS or expenses for said items are reimbursed by DHCS with state or federal funds provided under the Agreement.)

a. Equipment/Property definitions

Wherever the term equipment and/or property is used, the following definitions shall apply:

- (1) **Major equipment/property:** A tangible or intangible item having a base unit cost of \$5,000 or more with a life expectancy of one (1) year or more and is either furnished by DHCS or the cost is reimbursed through this Agreement. Software and videos are examples of intangible items that meet this definition.
 - (2) **Minor equipment/property:** A tangible item having a base unit cost of less than \$5,000 with a life expectancy of one (1) year or more and is either furnished by DHCS or the cost is reimbursed through this Agreement.
- b. **Government and public entities** (including state colleges/universities and auxiliary organizations), whether acting as a contractor and/or subcontractor, may secure all commodities, supplies, equipment and services related to such purchases that are required in performance of this Agreement. Said procurements are subject to Paragraphs d through h of Provision 3. Paragraph c of Provision 3 shall also apply, if equipment/property purchases are delegated to subcontractors that are nonprofit organizations or commercial businesses.
- c. **Nonprofit organizations and commercial businesses**, whether acting as a contractor and/or subcontractor, may secure commodities, supplies, equipment/property and services related to such purchases for performance under this Agreement.
- (1) Equipment/property purchases shall not exceed \$50,000 annually.

To secure equipment/property above the annual maximum limit of \$50,000, the Contractor shall make arrangements through the appropriate DHCS Program Contract Manager, to have all remaining equipment/property purchased through DHCS' Purchasing Unit. The cost of equipment/property purchased by or through DHCS shall be deducted from the funds available in this Agreement. Contractor shall submit to the DHCS Program Contract Manager a list of equipment/property specifications for those items that the State must procure. DHCS may pay the vendor directly for such arranged equipment/property purchases and title to the equipment/property will remain with DHCS. The equipment/property will be delivered to the Contractor's address, as stated on the face of the Agreement, unless the Contractor notifies the DHCS Program Contract Manager, in writing, of an alternate delivery address.

- (2) All equipment/property purchases are subject to Paragraphs d through h of Provision 3. Paragraph b of Provision 3 shall also apply, if equipment/property purchases are delegated to subcontractors that are either a government or public entity.
- (3) Nonprofit organizations and commercial businesses shall use a procurement system that meets the following standards:
 - (a) Maintain a code or standard of conduct that shall govern the performance of its officers, employees, or agents engaged in awarding procurement contracts. No employee, officer, or agent shall participate in the selection, award, or administration of a procurement, or bid contract in which, to his or her knowledge, he or she has a financial interest.
 - (b) Procurements shall be conducted in a manner that provides, to the maximum extent practical, open, and free competition.
 - (c) Procurements shall be conducted in a manner that provides for all of the following:
 - [1] Avoid purchasing unnecessary or duplicate items.
 - [2] Equipment/property solicitations shall be based upon a clear and accurate description of the technical requirements of the goods to be procured.
 - [3] Take positive steps to utilize small and veteran owned businesses.
- d. Unless waived or otherwise stipulated in writing by DHCS, prior written authorization from the appropriate DHCS Program Contract Manager will be required before the Contractor will be reimbursed for any purchase of \$5,000 or more for commodities, supplies, equipment/property, and services related to such purchases. The Contractor must provide in its request for authorization all particulars necessary, as specified by DHCS, for evaluating the necessity or desirability of incurring such costs. The term "purchase" excludes the purchase of services from a subcontractor and public utility services at rates established for uniform applicability to the general public.
- e. In special circumstances, determined by DHCS (e.g., when DHCS has a need to monitor certain purchases, etc.), DHCS may require prior written authorization and/or the submission of paid vendor receipts for any purchase, regardless of dollar amount. DHCS reserves the right to either deny claims for reimbursement or to request repayment for any Contractor and/or subcontractor purchase that DHCS determines to be unnecessary in carrying out performance under this Agreement.
- f. The Contractor and/or subcontractor must maintain a copy or narrative description of the procurement system, guidelines, rules, or regulations that will be used to make purchases under this Agreement. The State reserves the right to request a copy of these documents and to inspect the purchasing practices of the Contractor and/or subcontractor at any time.
- g. For all purchases, the Contractor and/or subcontractor must maintain copies of all paid vendor invoices, documents, bids and other information used in vendor selection, for inspection or audit. Justifications supporting the absence of bidding (i.e., sole source purchases) shall also be maintained on file by the Contractor and/or subcontractor for inspection or audit.
- h. DHCS may, with cause (e.g., with reasonable suspicion of unnecessary purchases or use of inappropriate purchase practices, etc.), withhold, cancel, modify, or retract the delegated purchase authority granted under Paragraphs b and/or c of Provision 3 by giving the Contractor no less than 30 calendar days written notice.

4. Equipment/Property Ownership / Inventory / Disposition

(Applicable to agreements in which equipment/property is furnished by DHCS and/or when said items are purchased or reimbursed by DHCS with state or federal funds provided under the Agreement.)

- a. Wherever the term equipment and/or property is used in Provision 4, the definitions in Paragraph a of Provision 3 shall apply.

Unless otherwise stipulated in this Agreement, all equipment and/or property that is purchased/reimbursed with agreement funds or furnished by DHCS under the terms of this Agreement shall be considered state equipment and the property of DHCS.

- (1) **Reporting of Equipment/Property Receipt** - DHCS requires the reporting, tagging and annual inventorying of all equipment and/or property that is furnished by DHCS or purchased/reimbursed with funds provided through this Agreement.

Upon receipt of equipment and/or property, the Contractor shall report the receipt to the DHCS Program Contract Manager. To report the receipt of said items and to receive property tags, Contractor shall use a form or format designated by DHCS' Asset Management Unit. If the appropriate form (i.e., Contractor Equipment Purchased with DHCS Funds) does not accompany this Agreement, Contractor shall request a copy from the DHCS Program Contract Manager.

- (2) **Annual Equipment/Property Inventory** - If the Contractor enters into an agreement with a term of more than twelve months, the Contractor shall submit an annual inventory of state equipment and/or property to the DHCS Program Contract Manager using a form or format designated by DHCS' Asset Management Unit. If an inventory report form (i.e., Inventory/Disposition of DHCS-Funded Equipment) does not accompany this Agreement, Contractor shall request a copy from the DHCS Program Contract Manager. Contractor shall:

- (a) Include in the inventory report, equipment and/or property in the Contractor's possession and/or in the possession of a subcontractor (including independent consultants).
 - (b) Submit the inventory report to DHCS according to the instructions appearing on the inventory form or issued by the DHCS Program Contract Manager.
 - (c) Contact the DHCS Program Contract Manager to learn how to remove, trade-in, sell, transfer or survey off, from the inventory report, expired equipment and/or property that is no longer wanted, usable or has passed its life expectancy. Instructions will be supplied by either the DHCS Program Contract Manager or DHCS' Asset Management Unit.
- b. Title to state equipment and/or property shall not be affected by its incorporation or attachment to any property not owned by the State.
 - c. Unless otherwise stipulated, DHCS shall be under no obligation to pay the cost of restoration, or rehabilitation of the Contractor's and/or Subcontractor's facility which may be affected by the removal of any state equipment and/or property.
 - d. The Contractor and/or Subcontractor shall maintain and administer a sound business program for ensuring the proper use, maintenance, repair, protection, insurance and preservation of state equipment and/or property.
- (1) In administering this provision, DHCS may require the Contractor and/or Subcontractor to repair or replace, to DHCS' satisfaction, any damaged, lost or stolen state equipment and/or property. In the event of state equipment and/or miscellaneous property theft, Contractor and/or Subcontractor shall immediately file a theft report with the appropriate police agency or the California Highway Patrol and Contractor shall promptly submit one copy of the theft report to the DHCS Program Contract Manager.

- e. Unless otherwise stipulated by the Program funding this Agreement, equipment and/or property purchased/reimbursed with agreement funds or furnished by DHCS under the terms of this Agreement, shall only be used for performance of this Agreement or another DHCS agreement.
- f. Within sixty (60) calendar days prior to the termination or end of this Agreement, the Contractor shall provide a final inventory report of equipment and/or property to the DHCS Program Contract Manager and shall, at that time, query DHCS as to the requirements, including the manner and method, of returning state equipment and/or property to DHCS. Final disposition of equipment and/or property shall be at DHCS expense and according to DHCS instructions. Equipment and/or property disposition instructions shall be issued by DHCS immediately after receipt of the final inventory report. At the termination or conclusion of this Agreement, DHCS may at its discretion, authorize the continued use of state equipment and/or property for performance of work under a different DHCS agreement.

g. Motor Vehicles

(Applicable only if motor vehicles are purchased/reimbursed with agreement funds or furnished by DHCS under this Agreement.)

- (1) If motor vehicles are purchased/reimbursed with agreement funds or furnished by DHCS under the terms of this Agreement, within thirty (30) calendar days prior to the termination or end of this Agreement, the Contractor and/or Subcontractor shall return such vehicles to DHCS and shall deliver all necessary documents of title or registration to enable the proper transfer of a marketable title to DHCS.
- (2) If motor vehicles are purchased/reimbursed with agreement funds or furnished by DHCS under the terms of this Agreement, the State of California shall be the legal owner of said motor vehicles and the Contractor shall be the registered owner. The Contractor and/or a subcontractor may only use said vehicles for performance and under the terms of this Agreement.
- (3) The Contractor and/or Subcontractor agree that all operators of motor vehicles, purchased/reimbursed with agreement funds or furnished by DHCS under the terms of this Agreement, shall hold a valid State of California driver's license. In the event that ten or more passengers are to be transported in any one vehicle, the operator shall also hold a State of California Class B driver's license.
- (4) If any motor vehicle is purchased/reimbursed with agreement funds or furnished by DHCS under the terms of this Agreement, the Contractor and/or Subcontractor, as applicable, shall provide, maintain, and certify that, at a minimum, the following type and amount of automobile liability insurance is in effect during the term of this Agreement or any extension period during which any vehicle remains in the Contractor's and/or Subcontractor's possession:

Automobile Liability Insurance

- (a) The Contractor, by signing this Agreement, hereby certifies that it possesses or will obtain automobile liability insurance in the amount of \$1,000,000 per occurrence for bodily injury and property damage combined. Said insurance must be obtained and made effective upon the delivery date of any motor vehicle, purchased/reimbursed with agreement funds or furnished by DHCS under the terms of this Agreement, to the Contractor and/or Subcontractor.
- (b) The Contractor and/or Subcontractor shall, as soon as practical, furnish a copy of the certificate of insurance to the DHCS Program Contract Manager. The certificate of insurance shall identify the DHCS contract or agreement number for which the insurance applies.
- (c) The Contractor and/or Subcontractor agree that bodily injury and property damage liability insurance, as required herein, shall remain in effect at all times during the term of this Agreement or until such time as the motor vehicle is returned to DHCS.
- (d) The Contractor and/or Subcontractor agree to provide, at least thirty (30) days prior to the expiration date of said insurance coverage, a copy of a new certificate of insurance evidencing continued coverage, as indicated herein, for not less than the remainder of the term of this Agreement, the term of any extension or continuation thereof, or for a period of not less than one (1) year.

- (e) The Contractor and/or Subcontractor, if not a self-insured government and/or public entity, must provide evidence, that any required certificates of insurance contain the following provisions:
- [1] The insurer will not cancel the insured's coverage without giving thirty (30) calendar days prior written notice to the State (California Department of Health Care Services).
 - [2] The State of California, its officers, agents, employees, and servants are included as additional insureds, but only with respect to work performed for the State under this Agreement and any extension or continuation of this Agreement.
 - [3] The insurance carrier shall notify the California Department of Health Care Services (DHCS), in writing, of the Contractor's failure to pay premiums; its cancellation of such policies; or any other substantial change, including, but not limited to, the status, coverage, or scope of the required insurance. Such notices shall contain a reference to each agreement number for which the insurance was obtained.
- (f) The Contractor and/or Subcontractor is hereby advised that copies of certificates of insurance may be subject to review and approval by the Department of General Services (DGS), Office of Risk and Insurance Management. The Contractor shall be notified by DHCS, in writing, if this provision is applicable to this Agreement. If DGS approval of the certificate of insurance is required, the Contractor agrees that no work or services shall be performed prior to obtaining said approval.
- (g) In the event the Contractor and/or Subcontractor fails to keep insurance coverage, as required herein, in effect at all times during vehicle possession, DHCS may, in addition to any other remedies it may have, terminate this Agreement upon the occurrence of such event.

5. Subcontract Requirements

(Applicable to agreements under which services are to be performed by subcontractors including independent consultants.)

- a. Prior written authorization will be required before the Contractor enters into or is reimbursed for any subcontract for services costing \$5,000 or more. Except as indicated in Paragraph a(3) herein, when securing subcontracts for services exceeding \$5,000, the Contractor shall obtain at least three bids or justify a sole source award.
- (1) The Contractor must provide in its request for authorization, all information necessary for evaluating the necessity or desirability of incurring such cost.
 - (2) DHCS may identify the information needed to fulfill this requirement.
 - (3) Subcontracts performed by the following entities or for the service types listed below are exempt from the bidding and sole source justification requirements:
 - (a) A local governmental entity or the federal government,
 - (b) A State college or State university from any State,
 - (c) A Joint Powers Authority,
 - (d) An auxiliary organization of a California State University or a California community college,
 - (e) A foundation organized to support the Board of Governors of the California Community Colleges,
 - (f) An auxiliary organization of the Student Aid Commission established under Education Code § 69522,
 - (g) Firms or individuals proposed for use and approved by DHCS' funding Program via acceptance of an application or proposal for funding or pre/post contract award negotiations,
 - (h) Entities and/or service types identified as exempt from advertising and competitive bidding in State Contracting Manual Chapter 5 Section 5.80 Subsection B.3. View this publication at the following Internet address: <http://www.ols.dgs.ca.gov/ContractManual/default.htm>.

- b. DHCS reserves the right to approve or disapprove the selection of subcontractors and with advance written notice, require the substitution of subcontractors and require the Contractor to terminate subcontracts entered into in support of this Agreement.
 - (1) Upon receipt of a written notice from DHCS requiring the substitution and/or termination of a subcontract, the Contractor shall take steps to ensure the completion of any work in progress and select a replacement, if applicable, within 30 calendar days, unless a longer period is agreed to by DHCS.
- c. Actual subcontracts (i.e., written agreement between the Contractor and a subcontractor) of \$5,000 or more are subject to the prior review and written approval of DHCS. DHCS may, at its discretion, elect to waive this right. All such waivers shall be confirmed in writing by DHCS.
- d. Contractor shall maintain a copy of each subcontract entered into in support of this Agreement and shall, upon request by DHCS, make copies available for approval, inspection, or audit.
- e. DHCS assumes no responsibility for the payment of subcontractors used in the performance of this Agreement. Contractor accepts sole responsibility for the payment of subcontractors used in the performance of this Agreement.
- f. The Contractor is responsible for all performance requirements under this Agreement even though performance may be carried out through a subcontract.
- g. The Contractor shall ensure that all subcontracts for services include provision(s) requiring compliance with applicable terms and conditions specified in this Agreement.
- h. The Contractor agrees to include the following clause, relevant to record retention, in all subcontracts for services:

"(Subcontractor Name) agrees to maintain and preserve, until three years after termination of (Agreement Number) and final payment from DHCS to the Contractor, to permit DHCS or any duly authorized representative, to have access to, examine or audit any pertinent books, documents, papers and records related to this subcontract and to allow interviews of any employees who might reasonably have information related to such records."
- i. Unless otherwise stipulated in writing by DHCS, the Contractor shall be the subcontractor's sole point of contact for all matters related to performance and payment under this Agreement.
- j. Contractor shall, as applicable, advise all subcontractors of their obligations pursuant to the following numbered provisions of this Exhibit: 1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 12, 13, 14, 17, 19, 20, 24, 32 and/or other numbered provisions herein that are deemed applicable.

6. Income Restrictions

Unless otherwise stipulated in this Agreement, the Contractor agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Contractor under this Agreement shall be paid by the Contractor to DHCS, to the extent that they are properly allocable to costs for which the Contractor has been reimbursed by DHCS under this Agreement.

7. Audit and Record Retention

(Applicable to agreements in excess of \$10,000.)

- a. The Contractor and/or Subcontractor shall maintain books, records, documents, and other evidence, accounting procedures and practices, sufficient to properly reflect all direct and indirect costs of whatever nature claimed to have been incurred in the performance of this Agreement, including any matching costs and expenses. The foregoing constitutes "records" for the purpose of this provision.
- b. The Contractor's and/or subcontractor's facility or office or such part thereof as may be engaged in the performance of this Agreement and his/her records shall be subject at all reasonable times to inspection, audit, and reproduction.

- c. Contractor agrees that DHCS, the Department of General Services, the Bureau of State Audits, or their designated representatives including the Comptroller General of the United States shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, the Contractor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (GC 8546.7, CCR Title 2, Section 1896).
- d. The Contractor and/or Subcontractor shall preserve and make available his/her records (1) for a period of three years from the date of final payment under this Agreement, and (2) for such longer period, if any, as is required by applicable statute, by any other provision of this Agreement, or by subparagraphs (1) or (2) below.
 - (1) If this Agreement is completely or partially terminated, the records relating to the work terminated shall be preserved and made available for a period of three years from the date of any resulting final settlement.
 - (2) If any litigation, claim, negotiation, audit, or other action involving the records has been started before the expiration of the three-year period, the records shall be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular three-year period, whichever is later.
- e. The Contractor and/or Subcontractor shall comply with the above requirements and be aware of the penalties for violations of fraud and for obstruction of investigation as set forth in Public Contract Code § 10115.10, if applicable.
- f. The Contractor and/or Subcontractor may, at its discretion, following receipt of final payment under this Agreement, reduce its accounts, books and records related to this Agreement to microfilm, computer disk, CD ROM, DVD, or other data storage medium. Upon request by an authorized representative to inspect, audit or obtain copies of said records, the Contractor and/or Subcontractor must supply or make available applicable devices, hardware, and/or software necessary to view, copy and/or print said records. Applicable devices may include, but are not limited to, microfilm readers and microfilm printers, etc.
- g. The Contractor shall, if applicable, comply with the Single Audit Act and the audit reporting requirements set forth in OMB Circular A-133.

8. Site Inspection

The State, through any authorized representatives, has the right at all reasonable times to inspect or otherwise evaluate the work performed or being performed hereunder including subcontract supported activities and the premises in which it is being performed. If any inspection or evaluation is made of the premises of the Contractor or Subcontractor, the Contractor shall provide and shall require Subcontractors to provide all reasonable facilities and assistance for the safety and convenience of the authorized representatives in the performance of their duties. All inspections and evaluations shall be performed in such a manner as will not unduly delay the work.

9. Federal Contract Funds

(Applicable only to that portion of an agreement funded in part or whole with federal funds.)

- a. It is mutually understood between the parties that this Agreement may have been written before ascertaining the availability of congressional appropriation of funds, for the mutual benefit of both parties, in order to avoid program and fiscal delays which would occur if the Agreement were executed after that determination was made.
- b. This agreement is valid and enforceable only if sufficient funds are made available to the State by the United States Government for the fiscal years covered by the term of this Agreement. In addition, this Agreement is subject to any additional restrictions, limitations, or conditions enacted by the Congress or

any statute enacted by the Congress which may affect the provisions, terms or funding of this Agreement in any manner.

- c. It is mutually agreed that if the Congress does not appropriate sufficient funds for the program, this Agreement shall be amended to reflect any reduction in funds.
- d. DHCS has the option to invalidate or cancel the Agreement with 30-days advance written notice or to amend the Agreement to reflect any reduction in funds.

10. Intellectual Property Rights

a. Ownership

- (1) Except where DHCS has agreed in a signed writing to accept a license, DHCS shall be and remain, without additional compensation, the sole owner of any and all rights, title and interest in all Intellectual Property, from the moment of creation, whether or not jointly conceived, that are made, conceived, derived from, or reduced to practice by Contractor or DHCS and which result directly or indirectly from this Agreement.
- (2) For the purposes of this Agreement, Intellectual Property means recognized protectable rights and interest such as: patents, (whether or not issued) copyrights, trademarks, service marks, applications for any of the foregoing, inventions, trade secrets, trade dress, logos, insignia, color combinations, slogans, moral rights, right of publicity, author's rights, contract and licensing rights, works, mask works, industrial design rights, rights of priority, know how, design flows, methodologies, devices, business processes, developments, innovations, good will and all other legal rights protecting intangible proprietary information as may exist now and/or here after come into existence, and all renewals and extensions, regardless of whether those rights arise under the laws of the United States, or any other state, country or jurisdiction.
 - (a) For the purposes of the definition of Intellectual Property, "works" means all literary works, writings and printed matter including the medium by which they are recorded or reproduced, photographs, art work, pictorial and graphic representations and works of a similar nature, film, motion pictures, digital images, animation cells, and other audiovisual works including positives and negatives thereof, sound recordings, tapes, educational materials, interactive videos and any other materials or products created, produced, conceptualized and fixed in a tangible medium of expression. It includes preliminary and final products and any materials and information developed for the purposes of producing those final products. Works does not include articles submitted to peer review or reference journals or independent research projects.
- (3) In the performance of this Agreement, Contractor will exercise and utilize certain of its Intellectual Property in existence prior to the effective date of this Agreement. In addition, under this Agreement, Contractor may access and utilize certain of DHCS' Intellectual Property in existence prior to the effective date of this Agreement. Except as otherwise set forth herein, Contractor shall not use any of DHCS' Intellectual Property now existing or hereafter existing for any purposes without the prior written permission of DHCS. **Except as otherwise set forth herein, neither the Contractor nor DHCS shall give any ownership interest in or rights to its Intellectual Property to the other Party.** If during the term of this Agreement, Contractor accesses any third-party Intellectual Property that is licensed to DHCS, Contractor agrees to abide by all license and confidentiality restrictions applicable to DHCS in the third-party's license agreement.
- (4) Contractor agrees to cooperate with DHCS in establishing or maintaining DHCS' exclusive rights in the Intellectual Property, and in assuring DHCS' sole rights against third parties with respect to the Intellectual Property. If the Contractor enters into any agreements or subcontracts with other parties in order to perform this Agreement, Contractor shall require the terms of the Agreement(s) to include all Intellectual Property provisions. Such terms must include, but are not limited to, the subcontractor assigning and agreeing to assign to DHCS all rights, title and interest in Intellectual Property made, conceived, derived from, or reduced to practice by the subcontractor, Contractor or DHCS and which result directly or indirectly from this Agreement or any subcontract.
- (5) Contractor further agrees to assist and cooperate with DHCS in all reasonable respects, and execute all documents and, subject to reasonable availability, give testimony and take all further acts

reasonably necessary to acquire, transfer, maintain, and enforce DHCS' Intellectual Property rights and interests.

b. Retained Rights / License Rights

- (1) Except for Intellectual Property made, conceived, derived from, or reduced to practice by Contractor or DHCS and which result directly or indirectly from this Agreement, Contractor shall retain title to all of its Intellectual Property to the extent such Intellectual Property is in existence prior to the effective date of this Agreement. Contractor hereby grants to DHCS, without additional compensation, a permanent, non-exclusive, royalty free, paid-up, worldwide, irrevocable, perpetual, non-terminable license to use, reproduce, manufacture, sell, offer to sell, import, export, modify, publicly and privately display/perform, distribute, and dispose Contractor's Intellectual Property with the right to sublicense through multiple layers, for any purpose whatsoever, to the extent it is incorporated in the Intellectual Property resulting from this Agreement, unless Contractor assigns all rights, title and interest in the Intellectual Property as set forth herein.
- (2) Nothing in this provision shall restrict, limit, or otherwise prevent Contractor from using any ideas, concepts, know-how, methodology or techniques related to its performance under this Agreement, provided that Contractor's use does not infringe the patent, copyright, trademark rights, license or other Intellectual Property rights of DHCS or third party, or result in a breach or default of any provisions of this Exhibit or result in a breach of any provisions of law relating to confidentiality.

c. Copyright

- (1) Contractor agrees that for purposes of copyright law, all works [as defined in Paragraph a, subparagraph (2)(a) of this provision] of authorship made by or on behalf of Contractor in connection with Contractor's performance of this Agreement shall be deemed "works made for hire". Contractor further agrees that the work of each person utilized by Contractor in connection with the performance of this Agreement will be a "work made for hire," whether that person is an employee of Contractor or that person has entered into an agreement with Contractor to perform the work. Contractor shall enter into a written agreement with any such person that: (i) all work performed for Contractor shall be deemed a "work made for hire" under the Copyright Act and (ii) that person shall assign all right, title, and interest to DHCS to any work product made, conceived, derived from, or reduced to practice by Contractor or DHCS and which result directly or indirectly from this Agreement.
- (2) All materials, including, but not limited to, visual works or text, reproduced or distributed pursuant to this Agreement that include Intellectual Property made, conceived, derived from, or reduced to practice by Contractor or DHCS and which result directly or indirectly from this Agreement, shall include DHCS' notice of copyright, which shall read in 3mm or larger typeface: "© [Enter Current Year e.g., 2010, etc.], California Department of Health Care Services. This material may not be reproduced or disseminated without prior written permission from the California Department of Health Care Services." This notice should be placed prominently on the materials and set apart from other matter on the page where it appears. Audio productions shall contain a similar audio notice of copyright.

d. Patent Rights

With respect to inventions made by Contractor in the performance of this Agreement, which did not result from research and development specifically included in the Agreement's scope of work, Contractor hereby grants to DHCS a license as described under Section b of this provision for devices or material incorporating, or made through the use of such inventions. If such inventions result from research and development work specifically included within the Agreement's scope of work, then Contractor agrees to assign to DHCS, without additional compensation, all its right, title and interest in and to such inventions and to assist DHCS in securing United States and foreign patents with respect thereto.

e. Third-Party Intellectual Property

Except as provided herein, Contractor agrees that its performance of this Agreement shall not be dependent upon or include any Intellectual Property of Contractor or third party without first: (i) obtaining DHCS' prior written approval; and (ii) granting to or obtaining for DHCS, without additional

compensation, a license, as described in Section b of this provision, for any of Contractor's or third-party's Intellectual Property in existence prior to the effective date of this Agreement. If such a license upon the these terms is unattainable, and DHCS determines that the Intellectual Property should be included in or is required for Contractor's performance of this Agreement, Contractor shall obtain a license under terms acceptable to DHCS.

f. Warranties

(1) Contractor represents and warrants that:

- (a) It is free to enter into and fully perform this Agreement.
- (b) It has secured and will secure all rights and licenses necessary for its performance of this Agreement.
- (c) Neither Contractor's performance of this Agreement, nor the exercise by either Party of the rights granted in this Agreement, nor any use, reproduction, manufacture, sale, offer to sell, import, export, modification, public and private display/performance, distribution, and disposition of the Intellectual Property made, conceived, derived from, or reduced to practice by Contractor or DHCS and which result directly or indirectly from this Agreement will infringe upon or violate any Intellectual Property right, non-disclosure obligation, or other proprietary right or interest of any third-party or entity now existing under the laws of, or hereafter existing or issued by, any state, the United States, or any foreign country. There is currently no actual or threatened claim by any such third party based on an alleged violation of any such right by Contractor.
- (d) Neither Contractor's performance nor any part of its performance will violate the right of privacy of, or constitute a libel or slander against any person or entity.
- (e) It has secured and will secure all rights and licenses necessary for Intellectual Property including, but not limited to, consents, waivers or releases from all authors of music or performances used, and talent (radio, television and motion picture talent), owners of any interest in and to real estate, sites, locations, property or props that may be used or shown.
- (f) It has not granted and shall not grant to any person or entity any right that would or might derogate, encumber, or interfere with any of the rights granted to DHCS in this Agreement.
- (g) It has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.
- (h) It has no knowledge of any outstanding claims, licenses or other charges, liens, or encumbrances of any kind or nature whatsoever that could affect in any way Contractor's performance of this Agreement.

(2) DHCS MAKES NO WARRANTY THAT THE INTELLECTUAL PROPERTY RESULTING FROM THIS AGREEMENT DOES NOT INFRINGE UPON ANY PATENT, TRADEMARK, COPYRIGHT OR THE LIKE, NOW EXISTING OR SUBSEQUENTLY ISSUED.

g. Intellectual Property Indemnity

- (1) Contractor shall indemnify, defend and hold harmless DHCS and its licensees and assignees, and its officers, directors, employees, agents, representatives, successors, and users of its products, ("Indemnitees") from and against all claims, actions, damages, losses, liabilities (or actions or proceedings with respect to any thereof), whether or not rightful, arising from any and all actions or claims by any third party or expenses related thereto (including, but not limited to, all legal expenses, court costs, and attorney's fees incurred in investigating, preparing, serving as a witness in, or defending against, any such claim, action, or proceeding, commenced or threatened) to which any of the Indemnitees may be subject, whether or not Contractor is a party to any pending or threatened litigation, which arise out of or are related to (i) the incorrectness or breach of any of the representations, warranties, covenants or agreements of Contractor pertaining to Intellectual Property; or (ii) any Intellectual Property infringement, or any other type of actual or alleged

infringement claim, arising out of DHCS' use, reproduction, manufacture, sale, offer to sell, distribution, import, export, modification, public and private performance/display, license, and disposition of the Intellectual Property made, conceived, derived from, or reduced to practice by Contractor or DHCS and which result directly or indirectly from this Agreement. This indemnity obligation shall apply irrespective of whether the infringement claim is based on a patent, trademark or copyright registration that issued after the effective date of this Agreement. DHCS reserves the right to participate in and/or control, at Contractor's expense, any such infringement action brought against DHCS.

- (2) Should any Intellectual Property licensed by the Contractor to DHCS under this Agreement become the subject of an Intellectual Property infringement claim, Contractor will exercise its authority reasonably and in good faith to preserve DHCS' right to use the licensed Intellectual Property in accordance with this Agreement at no expense to DHCS. DHCS shall have the right to monitor and appear through its own counsel (at Contractor's expense) in any such claim or action. In the defense or settlement of the claim, Contractor may obtain the right for DHCS to continue using the licensed Intellectual Property; or, replace or modify the licensed Intellectual Property so that the replaced or modified Intellectual Property becomes non-infringing provided that such replacement or modification is functionally equivalent to the original licensed Intellectual Property. If such remedies are not reasonably available, DHCS shall be entitled to a refund of all monies paid under this Agreement, without restriction or limitation of any other rights and remedies available at law or in equity.
- (3) Contractor agrees that damages alone would be inadequate to compensate DHCS for breach of any term of this Intellectual Property Exhibit by Contractor. Contractor acknowledges DHCS would suffer irreparable harm in the event of such breach and agrees DHCS shall be entitled to obtain equitable relief, including without limitation an injunction, from a court of competent jurisdiction, without restriction or limitation of any other rights and remedies available at law or in equity.

h. Federal Funding

In any agreement funded in whole or in part by the federal government, DHCS may acquire and maintain the Intellectual Property rights, title, and ownership, which results directly or indirectly from the Agreement; except as provided in 37 Code of Federal Regulations part 401.14; however, the federal government shall have a non-exclusive, nontransferable, irrevocable, paid-up license throughout the world to use, duplicate, or dispose of such Intellectual Property throughout the world in any manner for governmental purposes and to have and permit others to do so.

i. Survival

The provisions set forth herein shall survive any termination or expiration of this Agreement or any project schedule.

11. Air or Water Pollution Requirements

Any federally funded agreement and/or subcontract in excess of \$100,000 must comply with the following provisions unless said agreement is exempt under 40 CFR 15.5.

- a. Government contractors agree to comply with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act [42 U.S.C. 1857(h)], section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15).
- b. Institutions of higher education, hospitals, nonprofit organizations and commercial businesses agree to comply with all applicable standards, orders, or requirements issued under the Clean Air Act (42 U.S.C. 7401 et seq.), as amended, and the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), as amended.

12. Prior Approval of Training Seminars, Workshops or Conferences

Contractor shall obtain prior DHCS approval of the location, costs, dates, agenda, instructors, instructional materials, and attendees at any reimbursable training seminar, workshop, or conference conducted pursuant

to this Agreement and of any reimbursable publicity or educational materials to be made available for distribution. The Contractor shall acknowledge the support of the State whenever publicizing the work under this Agreement in any media. This provision does not apply to necessary staff meetings or training sessions held for the staff of the Contractor or Subcontractor to conduct routine business matters.

13. Confidentiality of Information

- a. The Contractor and its employees, agents, or subcontractors shall protect from unauthorized disclosure names and other identifying information concerning persons either receiving services pursuant to this Agreement or persons whose names or identifying information become available or are disclosed to the Contractor, its employees, agents, or subcontractors as a result of services performed under this Agreement, except for statistical information not identifying any such person.
- b. The Contractor and its employees, agents, or subcontractors shall not use such identifying information for any purpose other than carrying out the Contractor's obligations under this Agreement.
- c. The Contractor and its employees, agents, or subcontractors shall promptly transmit to the DHCS Program Contract Manager all requests for disclosure of such identifying information not emanating from the client or person.
- d. The Contractor shall not disclose, except as otherwise specifically permitted by this Agreement or authorized by the client, any such identifying information to anyone other than DHCS without prior written authorization from the DHCS Program Contract Manager, except if disclosure is required by State or Federal law.
- e. For purposes of this provision, identity shall include, but not be limited to name, identifying number, symbol, or other identifying particular assigned to the individual, such as finger or voice print or a photograph.
- f. As deemed applicable by DHCS, this provision may be supplemented by additional terms and conditions covering personal health information (PHI) or personal, sensitive, and/or confidential information (PSCI). Said terms and conditions will be outlined in one or more exhibits that will either be attached to this Agreement or incorporated into this Agreement by reference.

14. Documents, Publications and Written Reports

(Applicable to agreements over \$5,000 under which publications, written reports and documents are developed or produced. Government Code Section 7550.)

Any document, publication or written report (excluding progress reports, financial reports and normal contractual communications) prepared as a requirement of this Agreement shall contain, in a separate section preceding the main body of the document, the number and dollar amounts of all contracts or agreements and subcontracts relating to the preparation of such document or report, if the total cost for work by nonemployees of the State exceeds \$5,000.

15. Dispute Resolution Process

- a. A Contractor grievance exists whenever there is a dispute arising from DHCS' action in the administration of an agreement. If there is a dispute or grievance between the Contractor and DHCS, the Contractor must seek resolution using the procedure outlined below.
 - (1) The Contractor should first informally discuss the problem with the DHCS Program Contract Manager. If the problem cannot be resolved informally, the Contractor shall direct its grievance together with any evidence, in writing, to the program Branch Chief. The grievance shall state the issues in dispute, the legal authority or other basis for the Contractor's position and the remedy sought. The Branch Chief shall render a decision within ten (10) working days after receipt of the written grievance from the Contractor. The Branch Chief shall respond in writing to the Contractor indicating the decision and reasons therefore. If the Contractor disagrees with the Branch Chief's decision, the Contractor may appeal to the second level.

- (2) When appealing to the second level, the Contractor must prepare an appeal indicating the reasons for disagreement with Branch Chief's decision. The Contractor shall include with the appeal a copy of the Contractor's original statement of dispute along with any supporting evidence and a copy of the Branch Chief's decision. The appeal shall be addressed to the Deputy Director of the division in which the branch is organized within ten (10) working days from receipt of the Branch Chief's decision. The Deputy Director of the division in which the branch is organized or his/her designee shall meet with the Contractor to review the issues raised. A written decision signed by the Deputy Director of the division in which the branch is organized or his/her designee shall be directed to the Contractor within twenty (20) working days of receipt of the Contractor's second level appeal.
- b. If the Contractor wishes to appeal the decision of the Deputy Director of the division in which the branch is organized or his/her designee, the Contractor shall follow the procedures set forth in Division 25.1 (commencing with Section 38050) of the Health and Safety Code and the regulations adopted thereunder. (Title 1, Subchapter 2.5, commencing with Section 251, California Code of Regulations.)
- c. Disputes arising out of an audit, examination of an agreement or other action not covered by subdivision (a) of Section 20204, of Chapter 2.1, Title 22, of the California Code of Regulations, and for which no procedures for appeal are provided in statute, regulation or the Agreement, shall be handled in accordance with the procedures identified in Sections 51016 through 51047, Title 22, California Code of Regulations.
- d. Unless otherwise stipulated in writing by DHCS, all dispute, grievance and/or appeal correspondence shall be directed to the DHCS Program Contract Manager.
- e. There are organizational differences within DHCS' funding programs and the management levels identified in this dispute resolution provision may not apply in every contractual situation. When a grievance is received and organizational differences exist, the Contractor shall be notified in writing by the DHCS Program Contract Manager of the level, name, and/or title of the appropriate management official that is responsible for issuing a decision at a given level.

16. Financial and Compliance Audit Requirements

- a. The definitions used in this provision are contained in Section 38040 of the Health and Safety Code, which by this reference is made a part hereof.
- b. Direct service contract means a contract or agreement for services contained in local assistance or subvention programs or both (see Health and Safety [H&S] Code Section 38020). Direct service contracts shall not include contracts, agreements, grants, or subventions to other governmental agencies or units of government nor contracts or agreements with regional centers or area agencies on aging (H&S Code Section 38030).
- c. The Contractor, as indicated below, agrees to obtain one of the following audits:
- (1) ***If the Contractor is a nonprofit organization (as defined in H&S Code Section 38040) and receives \$25,000 or more from any State agency under a direct service contract or agreement;*** the Contractor agrees to obtain an annual single, organization wide, financial and compliance audit. Said audit shall be conducted according to Generally Accepted Auditing Standards. This audit does not fulfill the audit requirements of Paragraph c(3) below. The audit shall be completed by the 15th day of the fifth month following the end of the Contractor's fiscal year, **and/or**
- (2) ***If the Contractor is a nonprofit organization (as defined in H&S Code Section 38040) and receives less than \$25,000 per year from any State agency under a direct service contract or agreement,*** the Contractor agrees to obtain a biennial single, organization wide financial and compliance audit, unless there is evidence of fraud or other violation of state law in connection with this Agreement. This audit does not fulfill the audit requirements of Paragraph c(3) below. The audit shall be completed by the 15th day of the fifth month following the end of the Contractor's fiscal year, **and/or**
- (3) ***If the Contractor is a State or Local Government entity or Nonprofit organization (as defined by the Federal Office of Management and Budget [OMB] Circular A-133) and expends \$500,000 or more in Federal awards,*** the Contractor agrees to obtain an annual single, organization wide,

financial and compliance audit according to the requirements specified in OMB Circular A-133 entitled "Audits of States, Local Governments, and Non-Profit Organizations". An audit conducted pursuant to this provision will fulfill the audit requirements outlined in Paragraphs c(1) and c(2) above. The audit shall be completed by the end of the ninth month following the end of the audit period. The requirements of this provision apply if:

- (a) The Contractor is a recipient expending Federal awards received directly from Federal awarding agencies, or
 - (b) The Contractor is a subrecipient expending Federal awards received from a pass-through entity such as the State, County or community based organization.
- (4) If the Contractor submits to DHCS a report of an audit other than an OMB A-133 audit, the Contractor must also submit a certification indicating the Contractor has not expended \$500,000 or more in federal funds for the year covered by the audit report.
- d. Two copies of the audit report shall be delivered to the DHCS program funding this Agreement. The audit report must identify the Contractor's legal name and the number assigned to this Agreement. The audit report shall be due within 30 days after the completion of the audit. Upon receipt of said audit report, the DHCS Program Contract Manager shall forward the audit report to DHCS' Audits and Investigations Unit if the audit report was submitted under Section 16.c(3), unless the audit report is from a City, County, or Special District within the State of California whereby the report will be retained by the funding program.
 - e. The cost of the audits described herein may be included in the funding for this Agreement up to the proportionate amount this Agreement represents of the Contractor's total revenue. The DHCS program funding this Agreement must provide advance written approval of the specific amount allowed for said audit expenses.
 - f. The State or its authorized designee, including the Bureau of State Audits, is responsible for conducting agreement performance audits which are not financial and compliance audits. Performance audits are defined by Generally Accepted Government Auditing Standards.
 - g. Nothing in this Agreement limits the State's responsibility or authority to enforce State law or regulations, procedures, or reporting requirements arising thereto.
 - h. Nothing in this provision limits the authority of the State to make audits of this Agreement, provided however, that if independent audits arranged for by the Contractor meet Generally Accepted Governmental Auditing Standards, the State shall rely on those audits and any additional audit work and shall build upon the work already done.
 - i. The State may, at its option, direct its own auditors to perform either of the audits described above. The Contractor will be given advance written notification, if the State chooses to exercise its option to perform said audits.
 - j. The Contractor shall include a clause in any agreement the Contractor enters into with the audit firm doing the single organization wide audit to provide access by the State or Federal Government to the working papers of the independent auditor who prepares the single organization wide audit for the Contractor.
 - k. Federal or state auditors shall have "expanded scope auditing" authority to conduct specific program audits during the same period in which a single organization wide audit is being performed, but the audit report has not been issued. The federal or state auditors shall review and have access to the current audit work being conducted and will not apply any testing or review procedures which have not been satisfied by previous audit work that has been completed.

The term "expanded scope auditing" is applied and defined in the U.S. General Accounting Office (GAO) issued Standards for *Audit of Government Organizations, Programs, Activities and Functions*, better known as the "yellow book".

17. Human Subjects Use Requirements

(Applicable only to federally funded agreements/grants in which performance, directly or through a subcontract/subaward, includes any tests or examination of materials derived from the human body.)

By signing this Agreement, Contractor agrees that if any performance under this Agreement or any subcontract or subagreement includes any tests or examination of materials derived from the human body for the purpose of providing information, diagnosis, prevention, treatment or assessment of disease, impairment, or health of a human being, all locations at which such examinations are performed shall meet the requirements of 42 U.S.C. Section 263a (CLIA) and the regulations thereunder.

18. Novation Requirements

If the Contractor proposes any novation agreement, DHCS shall act upon the proposal within 60 days after receipt of the written proposal. DHCS may review and consider the proposal, consult and negotiate with the Contractor, and accept or reject all or part of the proposal. Acceptance or rejection of the proposal may be made orally within the 60-day period and confirmed in writing within five days of said decision. Upon written acceptance of the proposal, DHCS will initiate an amendment to this Agreement to formally implement the approved proposal.

19. Debarment and Suspension Certification

(Applicable to all agreements funded in part or whole with federal funds.)

- a. By signing this Agreement, the Contractor/Grantee agrees to comply with applicable federal suspension and debarment regulations including, but not limited to 7 CFR Part 3017, 45 CFR 76, 40 CFR 32 or 34 CFR 85.
- b. By signing this Agreement, the Contractor certifies to the best of its knowledge and belief, that it and its principals:
 - (1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal department or agency;
 - (2) Have not within a three-year period preceding this application/proposal/agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - (3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in Paragraph b(2) herein; and
 - (4) Have not within a three-year period preceding this application/proposal/agreement had one or more public transactions (Federal, State or local) terminated for cause or default.
 - (5) Shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under federal regulations (i.e., 48 CFR part 9, subpart 9.4), debarred, suspended, declared ineligible, or voluntarily excluded from participation in such transaction, unless authorized by the State.
 - (6) Will include a clause entitled, "Debarment and Suspension Certification" that essentially sets forth the provisions herein, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
- c. If the Contractor is unable to certify to any of the statements in this certification, the Contractor shall submit an explanation to the DHCS Program Contract Manager.
- d. The terms and definitions herein have the meanings set out in the Definitions and Coverage sections of the rules implementing Federal Executive Order 12549.

- e. If the Contractor knowingly violates this certification, in addition to other remedies available to the Federal Government, the DHCS may terminate this Agreement for cause or default.

20. Smoke-Free Workplace Certification

(Applicable to federally funded agreements/grants and subcontracts/subawards, that provide health, day care, early childhood development services, education or library services to children under 18 directly or through local governments.)

- a. Public Law 103-227, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by federal programs either directly or through state or local governments, by federal grant, contract, loan, or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment; service providers whose sole source of applicable federal funds is Medicare or Medicaid; or facilities where WIC coupons are redeemed.
- b. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible party.
- c. By signing this Agreement, Contractor or Grantee certifies that it will comply with the requirements of the Act and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Act. The prohibitions herein are effective December 26, 1994.
- d. Contractor or Grantee further agrees that it will insert this certification into any subawards (subcontracts or subgrants) entered into that provide for children's services as described in the Act.

21. Covenant Against Contingent Fees

(Applicable only to federally funded agreements.)

The Contractor warrants that no person or selling agency has been employed or retained to solicit/secure this Agreement upon an agreement of understanding for a commission, percentage, brokerage, or contingent fee, except *bona fide* employees or *bona fide* established commercial or selling agencies retained by the Contractor for the purpose of securing business. For breach or violation of this warranty, DHCS shall have the right to annul this Agreement without liability or in its discretion to deduct from the Agreement price or consideration, or otherwise recover, the full amount of such commission, percentage, and brokerage or contingent fee.

22. Payment Withholds

(Applicable only if a final report is required by this Agreement. Not applicable to government entities.)

Unless waived or otherwise stipulated in this Agreement, DHCS may, at its discretion, withhold 10 percent (10%) of the face amount of the Agreement, 50 percent (50%) of the final invoice, or \$3,000 whichever is greater, until DHCS receives a final report that meets the terms, conditions and/or scope of work requirements of this Agreement.

23. Performance Evaluation

(Not applicable to grant agreements.)

DHCS may, at its discretion, evaluate the performance of the Contractor at the conclusion of this Agreement. If performance is evaluated, the evaluation shall not be a public record and shall remain on file with DHCS. Negative performance evaluations may be considered by DHCS prior to making future contract awards.

24. Officials Not to Benefit

No members of or delegate of Congress or the State Legislature shall be admitted to any share or part of this Agreement, or to any benefit that may arise therefrom. This provision shall not be construed to extend to this Agreement if made with a corporation for its general benefits.

25. Four-Digit Date Compliance

(Applicable to agreements in which Information Technology (IT) services are provided to DHCS or if IT equipment is procured.)

Contractor warrants that it will provide only Four-Digit Date Compliant (as defined below) Deliverables and/or services to the State. "Four Digit Date compliant" Deliverables and services can accurately process, calculate, compare, and sequence date data, including without limitation date data arising out of or relating to leap years and changes in centuries. This warranty and representation is subject to the warranty terms and conditions of this Contract and does not limit the generality of warranty obligations set forth elsewhere herein.

26. Prohibited Use of State Funds for Software

(Applicable to agreements in which computer software is used in performance of the work.)

Contractor certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.

27. Use of Small, Minority Owned and Women's Businesses

(Applicable to that portion of an agreement that is federally funded and entered into with institutions of higher education, hospitals, nonprofit organizations or commercial businesses.)

Positive efforts shall be made to use small businesses, minority-owned firms and women's business enterprises, whenever possible (i.e., procurement of goods and/or services). Contractors shall take all of the following steps to further this goal.

- (1) Ensure that small businesses, minority-owned firms, and women's business enterprises are used to the fullest extent practicable.
- (2) Make information on forthcoming purchasing and contracting opportunities available and arrange time frames for purchases and contracts to encourage and facilitate participation by small businesses, minority-owned firms, and women's business enterprises.
- (3) Consider in the contract process whether firms competing for larger contracts intend to subcontract with small businesses, minority-owned firms, and women's business enterprises.
- (4) Encourage contracting with consortiums of small businesses, minority-owned firms and women's business enterprises when a contract is too large for one of these firms to handle individually.
- (5) Use the services and assistance, as appropriate, of such organizations as the Federal Small Business Administration and the U.S. Department of Commerce's Minority Business Development Agency in the solicitation and utilization of small businesses, minority-owned firms and women's business enterprises.

28. Alien Ineligibility Certification

(Applicable to sole proprietors entering federally funded agreements.)

By signing this Agreement, the Contractor certifies that he/she is not an alien that is ineligible for state and local benefits, as defined in Subtitle B of the Personal Responsibility and Work Opportunity Act. (8 U.S.C. 1601, et seq.)

29. Union Organizing

(Applicable only to grant agreements.)

Grantee, by signing this Agreement, hereby acknowledges the applicability of Government Code Sections 16645 through 16649 to this Agreement. Furthermore, Grantee, by signing this Agreement, hereby certifies that:

- a. No state funds disbursed by this grant will be used to assist, promote or deter union organizing.
- b. Grantee shall account for state funds disbursed for a specific expenditure by this grant, to show those funds were allocated to that expenditure.
- c. Grantee shall, where state funds are not designated as described in b herein, allocate, on a pro-rata basis, all disbursements that support the grant program.
- d. If Grantee makes expenditures to assist, promote or deter union organizing, Grantee will maintain records sufficient to show that no state funds were used for those expenditures, and that Grantee shall provide those records to the Attorney General upon request.

30. Contract Uniformity (Fringe Benefit Allowability)

(Applicable only to nonprofit organizations.)

Pursuant to the provisions of Article 7 (commencing with Section 100525) of Chapter 3 of Part 1 of Division 101 of the Health and Safety Code, DHCS sets forth the following policies, procedures, and guidelines regarding the reimbursement of fringe benefits.

- a. As used herein fringe benefits shall mean an employment benefit given by one's employer to an employee in addition to one's regular or normal wages or salary.
- b. As used herein, fringe benefits do not include:
 - (1) Compensation for personal services paid currently or accrued by the Contractor for services of employees rendered during the term of this Agreement, which is identified as regular or normal salaries and wages, annual leave, vacation, sick leave, holidays, jury duty and/or military leave/training.
 - (2) Director's and executive committee member's fees.
 - (3) Incentive awards and/or bonus incentive pay.
 - (4) Allowances for off-site pay.
 - (5) Location allowances.
 - (6) Hardship pay.
 - (7) Cost-of-living differentials
- c. Specific allowable fringe benefits include:
 - (1) Fringe benefits in the form of employer contributions for the employer's portion of payroll taxes (i.e., FICA, SUI, SDI), employee health plans (i.e., health, dental and vision), unemployment insurance, worker's compensation insurance, and the employer's share of pension/retirement plans, provided they are granted in accordance with established written organization policies and meet all legal and Internal Revenue Service requirements.
- d. To be an allowable fringe benefit, the cost must meet the following criteria:
 - (1) Be necessary and reasonable for the performance of the Agreement.
 - (2) Be determined in accordance with generally accepted accounting principles.
 - (3) Be consistent with policies that apply uniformly to all activities of the Contractor.
- e. Contractor agrees that all fringe benefits shall be at actual cost.

f. Earned/Accrued Compensation

- (1) Compensation for vacation, sick leave and holidays is limited to that amount earned/accrued within the agreement term. Unused vacation, sick leave and holidays earned from periods prior to the agreement term cannot be claimed as allowable costs. See Provision f (3)(a) for an example.
- (2) For multiple year agreements, vacation and sick leave compensation, which is earned/accrued but not paid, due to employee(s) not taking time off may be carried over and claimed within the overall term of the multiple years of the Agreement. Holidays cannot be carried over from one agreement year to the next. See Provision f (3)(b) for an example.
- (3) For single year agreements, vacation, sick leave and holiday compensation that is earned/accrued but not paid, due to employee(s) not taking time off within the term of the Agreement, cannot be claimed as an allowable cost. See Provision f (3)(c) for an example.

(a) **Example No. 1:**

If an employee, John Doe, earns/accrues three weeks of vacation and twelve days of sick leave each year, then that is the maximum amount that may be claimed during a one year agreement. If John Doe has five weeks of vacation and eighteen days of sick leave at the beginning of an agreement, the Contractor during a one-year budget period may only claim up to three weeks of vacation and twelve days of sick leave as actually used by the employee. Amounts earned/accrued in periods prior to the beginning of the Agreement are not an allowable cost.

(b) **Example No. 2:**

If during a three-year (multiple year) agreement, John Doe does not use his three weeks of vacation in year one, or his three weeks in year two, but he does actually use nine weeks in year three; the Contractor would be allowed to claim all nine weeks paid for in year three. The total compensation over the three-year period cannot exceed 156 weeks (3 x 52 weeks).

(c) **Example No. 3:**

If during a single year agreement, John Doe works fifty weeks and used one week of vacation and one week of sick leave and all fifty-two weeks have been billed to DHCS, the remaining unused two weeks of vacation and seven days of sick leave may not be claimed as an allowable cost.

31. Suspension or Stop Work Notification

- a. DHCS may, at any time, issue a notice to suspend performance or stop work under this Agreement. The initial notification may be a verbal or written directive issued by the funding Program's Contract Manager. Upon receipt of said notice, the Contractor is to suspend and/or stop all, or any part, of the work called for by this Agreement.
- b. Written confirmation of the suspension or stop work notification with directions as to what work (if not all) is to be suspended and how to proceed will be provided within 30 working days of the verbal notification. The suspension or stop work notification shall remain in effect until further written notice is received from DHCS. The resumption of work (in whole or part) will be at DHCS' discretion and upon receipt of written confirmation.
 - (1) Upon receipt of a suspension or stop work notification, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize or halt the incurrence of costs allocable to the performance covered by the notification during the period of work suspension or stoppage.
 - (2) Within 90 days of the issuance of a suspension or stop work notification, DHCS shall either:
 - (a) Cancel, extend, or modify the suspension or stop work notification; or
 - (b) Terminate the Agreement as provided for in the Cancellation / Termination clause of the Agreement.

- c. If a suspension or stop work notification issued under this clause is canceled or the period of suspension or any extension thereof is modified or expires, the Contractor may resume work only upon written concurrence of funding Program's Contract Manager.
- d. If the suspension or stop work notification is cancelled and the Agreement resumes, changes to the services, deliverables, performance dates, and/or contract terms resulting from the suspension or stop work notification shall require an amendment to the Agreement.
- e. If a suspension or stop work notification is not canceled and the Agreement is cancelled or terminated pursuant to the provision entitled Cancellation / Termination, DHCS shall allow reasonable costs resulting from the suspension or stop work notification in arriving at the settlement costs.
- f. DHCS shall not be liable to the Contractor for loss of profits because of any suspension or stop work notification issued under this clause.

32. Lobbying Restrictions and Disclosure Certification

(Applicable to federally funded agreements in excess of \$100,000 per Section 1352 of the 31, U.S.C.)

a. Certification and Disclosure Requirements

- (1) Each person (or recipient) who requests or receives a contract or agreement, subcontract, grant, or subgrant, which is subject to Section 1352 of the 31, U.S.C., and which exceeds \$100,000 at any tier, shall file a certification (in the form set forth in Attachment 1, consisting of one page, entitled "Certification Regarding Lobbying") that the recipient has not made, and will not make, any payment prohibited by Paragraph b of this provision.
- (2) Each recipient shall file a disclosure (in the form set forth in Attachment 2, entitled "Standard Form-LLL 'disclosure of Lobbying Activities'") if such recipient has made or has agreed to make any payment using nonappropriated funds (to include profits from any covered federal action) in connection with a contract, or grant or any extension or amendment of that contract, or grant, which would be prohibited under Paragraph b of this provision if paid for with appropriated funds.
- (3) Each recipient shall file a disclosure form at the end of each calendar quarter in which there occurs any event that requires disclosure or that materially affect the accuracy of the information contained in any disclosure form previously filed by such person under Paragraph a(2) herein. An event that materially affects the accuracy of the information reported includes:
 - (a) A cumulative increase of \$25,000 or more in the amount paid or expected to be paid for influencing or attempting to influence a covered federal action;
 - (b) A change in the person(s) or individuals(s) influencing or attempting to influence a covered federal action; or
 - (c) A change in the officer(s), employee(s), or member(s) contacted for the purpose of influencing or attempting to influence a covered federal action.
- (4) Each person (or recipient) who requests or receives from a person referred to in Paragraph a(1) of this provision a contract or agreement, subcontract, grant or subgrant exceeding \$100,000 at any tier under a contract or agreement, or grant shall file a certification, and a disclosure form, if required, to the next tier above.
- (5) All disclosure forms (but not certifications) shall be forwarded from tier to tier until received by the person referred to in Paragraph a(1) of this provision. That person shall forward all disclosure forms to DHCS Program Contract Manager.

b. Prohibition

Section 1352 of Title 31, U.S.C., provides in part that no appropriated funds may be expended by the recipient of a federal contract or agreement, grant, loan, or cooperative agreement to pay 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 any of the following covered federal actions: the awarding of any federal contract or agreement, the making of any federal grant, the making of any federal loan, entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract or agreement, grant, loan, or cooperative agreement.

Attachment 1
State of California
Department of Health Care Services

CERTIFICATION REGARDING LOBBYING

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

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making, awarding or entering into of this Federal contract, Federal grant, or cooperative agreement, and the extension, continuation, renewal, amendment, or modification of this Federal contract, grant, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency of the United States Government, 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, or cooperative agreement, the undersigned shall complete and submit Standard Form LLL, "Disclosure of Lobbying Activities" in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontractors, subgrants, and contracts under grants and cooperative agreements) of \$100,000 or more, and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S.C., 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.

_____ Name of Contractor	_____ Printed Name of Person Signing for Contractor
_____ Contract / Grant Number	_____ Signature of Person Signing for Contractor
_____ Date	_____ Title

After execution by or on behalf of Contractor, please return to:

California Department of Health Care Services

DHCS reserves the right to notify the contractor in writing of an alternate submission address.

Attachment 2

CERTIFICATION REGARDING LOBBYING

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352
(See reverse for public burden disclosure)

Approved by OMB
0348-0046

1. Type of Federal Action: ☐ a. contract ☐ b. grant ☐ c. cooperative agreement ☐ d. loan ☐ e. loan guarantee ☐ f. loan insurance		2. Status of Federal Action: ☐ a. bid/offer/application ☐ b. initial award ☐ c. post-award		3. Report Type: ☐ a. initial filing ☐ b. material change For Material Change Only: Year _____ quarter _____ date of last report _____.	
4. Name and Address of Reporting Entity: ☐ Prime ☐ Subawardee Tier ____, if known: Congressional District, If known:			5. If Reporting Entity in No. 4 is Subawardee, Enter Name and Address of Prime: Congressional District, If known:		
6. Federal Department/Agency			7. Federal Program Name/Description: CDFA Number, if applicable: _____		
8. Federal Action Number, if known:			9. Award Amount, if known: \$		
10.a. Name and Address of Lobbying Registrant (If individual, last name, first name, MI):			b. Individuals Performing Services (including address if different from 10a. (Last name, First name, MI):		
11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. required disclosure shall be subject to a not more than \$100,000 for each such failure.			Signature: _____		
			Print Name: _____		
			Title: _____		
			Telephone No.: _____ Date: _____		
Federal Use Only					Authorized for Local Reproduction Standard Form-LLL (Rev. 7-97)

INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity 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 a covered Federal action. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a followup report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, State and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
5. If the organization filing the report in item 4 checks "Subawardee," then enter the full name, address, city, State and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitation for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001".
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.
10. (a) Enter the full name, address, city, State and zip code of the lobbying registrant under the Lobbying Disclosure Act of 1995 engaged by the reporting entity identified in item 4 to influence the covered Federal action.
(b) Enter the full names of the individual(s) performing services, and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial (MI).
11. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is OMB No. 0348-0046. Public reporting burden for this collection of information is estimated to average 10 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, DC 20503.

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In the event a conflict between the provisions of Exhibit C or Exhibit D(F) and Exhibit E, additional Provisions, the provisions of Exhibit E, additional Provisions, shall govern.

1. Additional Incorporated Exhibits

The Narrative and the Cost Proposals are not attached, but are incorporated herein and made a part hereof by this reference.

2. Amendment Process

Should either party, during the term of this Agreement, desire a change or amendment to the terms of this Agreement, such changes or amendments shall be proposed in writing to the other party, who will respond in writing as to whether the proposed changes/amendments are accepted or rejected. If accepted and after negotiations are concluded, the agreed upon changes shall be made through the State's official agreement amendment process. No amendment will be considered binding on either party until it is formally approved by the State.

3. Avoidance of Conflicts of Interest by Contractor

A. DHCS intends to avoid any real or apparent conflict of interest on the part of the Contractor, subcontractors, or employees, officers and directors of the Contractor or subcontractors. Thus, DHCS reserves the right to determine, at its sole discretion, whether any information, assertion or claim received from any source indicates the existence of a real or apparent conflict of interest; and, if a conflict is found to exist, to require the Contractor to submit additional information or a plan for resolving the conflict, subject to DHCS review and prior approval.

B. Conflicts of interest include, but are not limited to:

1. An instance where the Contractor or any of its subcontractors, or any employee, officer, or director of the Contractor or any subcontractor has an interest, financial or otherwise, whereby the use or disclosure of information obtained while performing services under the Contract would allow for private or personal benefit or for any purpose that is contrary to the goals and objectives of the Contract.
2. An instance where the Contractor's or any subcontractor's employees, officers, or directors use their positions for purposes that are, or give the appearance of being, motivated by a desire for private gain for themselves or others, such as those with whom they have family, business or other ties.

C. If DHCS is or becomes aware of a known or suspected conflict of interest, the Contractor will be given an opportunity to submit additional information or to resolve the conflict. A Contractor with a suspected conflict of interest will have five (5)

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working days from the date of notification of the conflict by DHCS to provide complete information regarding the suspected conflict. If a conflict of interest is determined to exist by DHCS and cannot be resolved to the satisfaction of DHCS, the conflict will be grounds for terminating the contract. DHCS may, at its discretion upon receipt of a written request from the Contractor, authorize an extension of the timeline indicated herein.

4. Cancellation / Termination

- A. This agreement may be cancelled by DHCS without cause upon thirty (30) calendar days advance written notice to Contractor.
- B. DHCS reserves the right to cancel or terminate this agreement immediately for cause. The Contractor may submit a written request to terminate this agreement only if DHCS substantially fails to perform its responsibilities as provided herein.
- C. The term "for cause" shall mean that the Contractor fail to meet the terms, conditions, and/or responsibilities of this agreement.
- D. Agreement termination or cancellation shall be effective as of the date indicated in DHCS' notification to the Contractor. The notice shall stipulate any final performance, invoicing or payment requirements.
- E. Upon receipt of a notice of termination or cancellation from DHCS, Contractor shall take immediate steps to stop performance and to cancel or reduce subsequent contract costs.
- F. In the event of early termination or cancellation, the Contractor shall be entitled to compensation for services performed satisfactorily under this agreement and expenses incurred up to the date of cancellation and any non-cancelable obligations incurred in support of this agreement.

5. Conformance with State and Federal Statutes and Regulations

The Contractor shall comply with the requirements of State of California and federal law, to include related regulations and published guidelines, to the extent that these authorities contain requirements applicable to Contractor's performance under the contract. These authorities include, without limitation, the California W&I Code, the California Government Code, the California Public Contract Code, the Code of Federal Regulations, Title 2 and Title 22 of the California Code of Regulations, and the Health Insurance Portability and Accountability Act (HIPAA) of 1996 (Public Law 104-191, dated August 21, 1996). (See Exhibit H, HIPAA Business Associate Addendum.)

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6. Consultant Conduct and Filing Requirements

- A. When a Consultant or representative of a DHCS Contractor performs work on DHCS premises, the Consultant or representative of a DHCS Contractor shall follow and adhere to all DHCS policies and procedures including, but not limited to, those governing health and safety, nondiscrimination, appropriate vehicle use, travel reimbursement, security and confidentiality of information, incompatible activities, acceptable employee conduct, information technology protocols and requirements, workplace violence prevention, and conflict of interest filing instructions (if applicable). Consultants may not access DHCS confidential, personal, or sensitive information until they have been trained on the DHCS policies and procedures for information privacy and security and sign a Confidentiality Statement. This training may be accomplished through the on-line Privacy/Security Training on the DHCS Intranet.
- B. Certain consultants designated by the DHCS' Conflict of Interest Code are required to complete and file a Statement of Economic Interest, Form 700. The Contractor agrees that if the Director of DHCS or his/her designee (i.e., Program Contract Manager, etc.) determines that a Statement of Economic Interests, Form 700, is required based upon the nature of the services that are to be performed, the Consultant shall be so notified by DHCS and the Consultant shall obtain a Form 700 and filing instructions from DHCS' Personnel Office or the Fair Political Practices Commission and fully complete the Form 700. The Consultant shall file the completed Form 700 in a timely manner with the DHCS Personnel Office and submit a copy to the DHCS Program Contract Manager. Failure to obtain, complete, or file a Form 700 in a timely manner as instructed by DHCS, may result in immediate contract termination or Consultant substitution/replacement.

7. Contract Communication

- A. Any notice required by the contract shall be written and sent by registered or certified mail, return receipt requested, or shall be delivered in hand and a receipt given by the recipient, and shall be effective upon receipt by the Contracting Officer or the Contractor, whichever is the addressee; and
- B. Notwithstanding any other provision of the contract, any Contracting Officer's approvals must be received in writing by the Contractor prior to the Contractor taking any action requiring such approval, unless the Contracting Officer specifically exempts, in writing, the Contractor from this requirement.

8. Contractor Certifications

With respect to any report, invoice, record, papers, documents, books of account, or other contract-required data submitted to the Contracting Officer in support of an invoice or document submitted to meet contract requirements, including, but not limited to, proof

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of insurance, Lobbying Certifications and Disclosures, Conflict of Interest Disclosure Statements and/or Conflict of Interest Avoidance Plans, pursuant to the requirements of the contract, the Contractor Representative or his/her designee shall certify that the report, invoice, record, papers, documents, books of account or other contract-required data is current, accurate, complete and in full compliance with legal and contractual requirements to the best of that individual's knowledge and belief, unless the requirement for such certification is expressly waived by DHCS in writing.

Where in this contract there is a requirement that the Contractor "certify" or submit a "certification," such certification shall be in the form of an affidavit or declaration under penalty of perjury, dated and signed by the Contractor Representative or his/her designee.

9. Contractor's Duties to Maintain Confidentiality

In addition to the requirements of Exhibit D(F), any identifiable information concerning current or former Medi-Cal (managed care and/or fee-for-service) beneficiaries that is obtained by the Contractor or its subcontractor(s) under the Scope of Work of this Contract shall, at the termination of this Contract, (1) be returned to DHCS or maintained according to written procedures sent to the Contractor by DHCS for this purpose; and (2) protected from all other employees of the Contractor not assigned to the Scope of Work under the terms of this Contract.

10. Copyrights

Notwithstanding Exhibit D (F), products and materials as defined in Section 10 of Exhibit D(F) shall not be securable for copyrights by the Contractor or subcontractors. As specified in Section 14: Inspection Rights and Access Requirements, any products or materials produced as part of this Contract are the property of the State, and such copyrights and the right to copyright products and materials shall belong to the State and no further action shall be necessary to perfect the State's rights in them.

11. Delegation of Authority

- A. The Department intends to implement the contract through a single administrator, herein called the "Contracting Officer." The Director of DHCS shall appoint the Contracting Officer. The Contracting Officer may delegate his/her authority to act to an authorized representative through written notice to the Contractor.
- B. The Contractor shall designate a single administrator, herein called the Contractor Representative. The Contractor Representative shall be the Contractor's Official responsible for managing the Contractor's operation. The Contractor Representative shall be empowered to legally bind the Contractor to all agreements reached with DHCS.

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- C. The Contractor must designate the Contractor Representative in writing prior to contract execution. Such designation shall be submitted to the Contracting Officer in accordance with Exhibit E, Section 8, Contract Communication

12. Dispute Resolution Process

- A. This provision replaces and supersedes Provision 15 of Exhibit D(F).
- B. If a dispute arises between the Contractor and DHCS, the Contractor must seek resolution using the process outlined below.
- 1) The Contractor should first informally discuss the problem with the DHCS Contracting Officer. If the problem cannot be resolved informally, the Contractor must direct the grievance together with any evidence, in writing, to the FI-MMIS Project Director. The grievance must state the issues in dispute, the legal authority or other basis for the Contractor's position and remedy sought. The FI-MMIS Project Director must render a decision within ten (10) working days after receipt of the written grievance from the Contractor. The Branch Chief shall respond in writing to the Contractor indicating the decision and reasons therefore. Should the Contractor disagree with the FI-MMIS Project Director's decision, the Contractor may appeal to the second level.
 - 2) When appealing to the second level the Contractor must prepare an appeal indicating the reasons for disagreement with the FI-MMIS Project Director's decision. The Contractor shall include with the appeal a copy of the Contractor's original statement of dispute along with any supporting evidence and a copy of the FI-MMIS Project Director's decision. The appeal shall be addressed to the Chief Deputy Director, Policy and Program Support within ten (10) working days from receipt of the FI-MMIS Project Director's decision. The Chief Deputy Director, Policy and Program Support or his/her designee shall meet with the Contractor to review the issues raised. A written decision signed by the Chief Deputy Director, Policy and Program Support or his/her designee shall be directed to the Contractor within twenty (20) working days of receipt of the Contractor's second level appeal. The decision rendered by the Deputy Director, Policy and Program Support or his/her designee shall be the final administrative determination of the Department.
 - 3) Unless otherwise stipulated in writing by DHCS, all dispute, grievance and/or appeal correspondence shall be directed to the DHCS program contract manager.
 - 4) There are organizational differences within DHCS' funding programs and the management levels identified in this dispute resolution provision may not apply in every contractual situation. When a grievance is received and organizational differences exist, the Contractor shall be notified in writing by the DHCS program

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contract manager of the level, name and/or title of the appropriate management official that is responsible for issuing a decision at a given level.

13. Drug Free Requirements

Every person or organization awarded a contract or a grant for the procurement of any property or services from any state agency shall certify to the contracting or granting agency that it will provide a drug-free workplace by doing all of the following:

- A. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited in the person's or organization's workplace and specifying the actions that will be taken against employees for violations of the prohibition.
- B. Establishing a drug-free awareness program to inform employees about all of the following:
 - 1) The dangers of drug abuse in the workplace.
 - 2) The person's or organization's policy of maintaining a drug-free workplace.
 - 3) Any available drug counseling, rehabilitation, and employee assistance programs.
 - 4) The penalties that may be imposed upon employees for drug abuse violations.
- C. Requiring that each employee engaged in the performance of the contract or grant be given a copy of the statement required by subdivision A and that, as a condition of employment on the contract or grant, the employee agrees to abide by the terms of the statement.

14. Inspection Rights and Access Requirements

- A. The Contractor shall allow DHCS, the Department of Health and Human Services (DHHS), the Comptroller General of the United States, the State Auditor and other authorized federal and State agencies or their duly authorized representatives, to inspect, monitor or otherwise evaluate the quality, appropriateness, and timeliness of services performed under this Contract. Such activities shall include, but not be limited to interviewing employees; obtaining, reviewing, copying and auditing any and all books, records, management systems, and facilities maintained by the Contractor and subcontractors, pertaining to such services, at any time during normal business hours.

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- B. As used in this Section, books and records shall include, but are not limited to, all physical records originated or prepared pursuant to the performance under this Contract including working papers; reports in development; reports submitted to DHCS; financial records and books of account; study designs, tools, software, and databases; management information system files; plan data; all medical records, medical charts and prescription files; other documentation pertaining to clinical outcomes, medical, and non-medical services rendered to plan Members; and any related information, regardless of (1) the medium in which these books and records are recorded or reproduced; and (2) the location where compiled and/or stored. All electronic files must be available in a format requested by DHCS.
- C. Upon request, at any time during the period of this Contract, the Contractor shall furnish any relevant information, record, or copy of it, to DHCS, DHHS, the Comptroller General of the United States, the State Auditor and other authorized Federal and State agencies, or their duly authorized representatives (hereafter known as "Authorized Representatives".) If a copy is provided, the Authorized Representatives shall have the right to view the original documentation upon request.
- D. Notwithstanding any shorter period provided in Exhibit D(F), this Contract is subject to the examination and audit of the State Auditor for a period of five (5) years after final payment under this Contract.
- E. To assure compliance with the provisions of this Contract, applicable Federal and State laws and regulations and for any other reasonable purpose, Authorized Representatives shall have the right to access the Contractor's premises, with or without notice. This shall include the Contractor's and subcontractor's management facilities or other places where Contract duties are being performed.
- F. Staff designated by Authorized Representatives shall have access to all security areas and the Contractor shall provide, and shall require any and all of its subcontractors to provide, reasonable facilities to such Authorized Representatives in the performance of their duties. Access shall be undertaken in such a manner as not to unduly delay the work of the Contractor and/or subcontractor(s).
- G. The right of access herein shall include on-site visits by Authorized Representatives and by the successor Contractor when accompanied by a DHCS representative(s). Any security device or system which the Contractor implements to identify and monitor persons seeking access to secured areas shall be supplied by the Contractor to the Authorized Representatives.

15. Insurance Requirements

Contractor shall comply with the following insurance requirements:

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A. Commercial General Liability

The Contractor must furnish the DHCS a certificate of insurance stating that commercial general liability insurance of not less than \$1,000,000 per occurrence for bodily injury and property damage liability combined is presently in effect for the Contractor. The commercial general liability insurance policy shall include coverage for liabilities arising out of premises, operations, independent contractors, products, completed operations, personal and advertising injury, and liability assumed under an insured agreement. The commercial general liability insurance shall apply separately to each insured against whom claim is made or suit is brought subject to the Contractor's limit of liability.

B. The certificate of insurance must be issued by an insurance company acceptable to the Department of General Services (DGS) office of Risk Management or be provided through partial or total self-insurance acceptable to DGS.

C. The certificate of insurance must include the following provisions:

- 1) The insurer will not cancel the insured's coverage without giving 30 days prior written notice to the California Department of Health Care Services, and
- 2) The State of California, its officers, agents, employees, and servants are included as additional insured, but only with respect to work performed for the State of California under this agreement.

D. The contractor agrees that the insurance required herein will remain in effect at all times during the term of the agreement. In the event said insurance coverage expires at any time or times during the term of this agreement, the Contractor agrees to provide, at least thirty (30) calendar days before said expiration date, a new certificate of insurance evidencing insurance coverage as provided for herein for not less than the remainder of the term of the agreement or for a period of not less than one year. DHCS may, in addition to any other remedies it may have, terminate this agreement on the occurrence of such event. New certificates of insurance are subject to the approval of DGS, and the Contractor agrees that no work or services shall be performed prior to such approval.

E. DHCS will not be responsible for any premiums, deductibles, or assessments on the insurance policy.

16. Patent or Copyright Trademark and Trade Secret Infringement

The Contractor represents and warrants that no program, process, composition, writing, equipment, appliance or device, or any trademark, service mark, logo, idea, or any other work or invention of any nature or any other tangible or intangible property whatsoever developed, provided, or used by the Contractor (other than provided or used by DHCS or another Contractor at DHCS' request) in connection with its performance under this

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contract, infringes or will infringe any patent, copyright, trademark or other service mark of any other person, or is or will be a trade secret of any other person.

In the event a claim of infringement is brought against DHCS because of the work performed by the Contractor, this Exhibit E, Additional Provision 18, Patent or Copyright Trademark and Trade Secret Infringement, will apply. DHCS will inform the Contractor as soon as practicable of the claim or action alleging such infringement and shall give the Contractor the full opportunity to participate in the response thereto and the defense thereof, including without limitation, any agreement relating to the settlement thereof pertaining only to the rights of the Contractor.

17. Performance Evaluation

- A. This provision replaces and supersedes Provision 23 of Exhibit D (F).
- B. The Contractor's performance under this agreement shall be evaluated at the conclusion of the term of this agreement. The evaluation shall include, but not be limited to:
 - 1) Whether the contracted work or services were completed as specified in the agreement and reasons for and amount of any cost overruns.
 - 2) Whether the contracted work or services met the quality standards specified in the agreement.
 - 3) Whether the Contractor fulfilled all requirements of the agreement.
 - 4) Factors outside the control of the Contractor, which caused difficulties in contractor performance. Factors outside the control of the Contractor shall not include a Subcontractor's poor performance.
- C. The evaluation of the Contractor shall not be a public record.

18. Progress Reports or Meetings

- A. Contractor shall submit progress reports or attend meetings with state personnel at intervals determined by DHCS to determine if the Contractor is on the right track, whether the project is on schedule, provide communication of interim findings, and afford occasions for airing difficulties or special problems encountered so that remedies can be developed quickly.
- B. At the conclusion of this agreement and if applicable, Contractor shall hold a final meeting at which Contractor shall present any findings, conclusions, and recommendations. If required by this agreement, Contractor shall submit a comprehensive final report.

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19. Prohibited Follow-on Contracts

- A. No person, firm, or subsidiary thereof who has been awarded a consulting services agreement may submit a bid for, nor be awarded an agreement for, the provision of services, procurement of goods or supplies, or any other related action which is required, suggested, or otherwise deemed appropriate in the end product of the consulting services agreement.
- B. Paragraph A does not apply to any person, firm, or subsidiary thereof who is awarded a subcontract of a consulting services agreement which totals no more than ten percent (10%) of the total monetary value of the consulting services agreement.
- C. Paragraphs A and B do not apply to consulting services agreements subject to Chapter 10 (commencing with Section 4525) of Division 5 of Title 1 of the Government Code.

20. Protection from Unauthorized Disclosure

Notwithstanding any other provision of this Contract, names of persons receiving public social services are confidential and are to be protected from unauthorized disclosure in accordance with Title 42, Code of Federal Regulations, Section 431.300 et seq. and Section 14100.2, W&I Code and regulations adopted there under. For the purpose of this Contract, all information, records, data, and data elements collected and maintained shall be protected by the Contractor from unauthorized disclosure.

21. Publications

Notwithstanding Exhibit D(F), books and records as defined in Section 14, Inspection Rights and Access Requirements shall not be published, disseminated or otherwise released in any manner without the express written consent of DHCS. This restriction shall also apply to the publication of any activities relevant to the obligations or Scope of Work under this Contract, and to articles and papers proposed for publication in any newspapers, bulletins or journals.

22. Record Keeping, Audit/Inspection of Records

The Contractor shall maintain books and records as defined in Section 15, Inspection Rights and Access Requirements, compiled and/or stored at the Contractor's defined storage location. The records shall be of sufficient information to disclose how the Contractor discharged its obligations under this Contract. These books and records shall disclose the quantity of services provided under this Contract and the manner in which the Contractor administered its daily business. The cost, manner and amount of payment made to any vendors and subcontractors for those services shall be maintained and disclosed, as needed, under the terms and conditions of the Escrow Documentation

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of this contract.

23. Separation of Books and Records

The Contractor shall keep all books and records or other similar materials pertaining to this Contract, as defined in Section 15, Inspection Rights and Access Requirements, separate from the books and records of other activities not related to this Contract. Contractor related records shall be maintained at the Contractor's defined storage location.

24. Special Provisions

All work is subject to monitoring and inspection. Upon completion of work, contractor shall request a final inspection for acceptance and approval by the DHCS or CA-MMIS project Director or Designee. All deliverables and work products developed as a result of this contract will be the property of the State.

25. Staffing

- A. The Contractor shall demonstrate its ability to recruit and retain skilled and highly qualified staff and to provide adequate staffing in every phase and/or time period of the Contract
- B. The Contractor shall have described in its plan and commitment for fully staffing each phase and/or time period of the Contract as part of its Narrative Technical Proposal (NTP) response. The Contractor shall assure that all staff meet the minimum qualification requirements, and shall assure that all staff will perform the duties required under the contract as bid.
- C. The Department retains the right to reject any staff scheduling or staff assignments proposed by the Contractor that are inconsistent with the requirements set forth in the Contract.

26. Subcontract Requirements

- A. This provision replaces and supersedes Provision 5 of Exhibit D(F).
- B. Prior written authorization will be required before the Contractor enters into or is reimbursed for any subcontract for services costing \$5,000 or more. Except as indicated in paragraph B3) herein, when securing subcontracts for services exceeding \$5,000, the Contractor shall obtain at least three bids or justify a sole source award.
 - 1) The Contractor must provide in its request for authorization, all information necessary for evaluating the necessity or desirability of incurring such cost.

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- 2) DHCS may identify the information needed to fulfill this requirement.
- 3) Subcontracts performed by the entities or for the service types listed below are exempt from the bidding and sole source justification requirements:
 - a. A local governmental entity or the federal government.
 - b. A state college or state university from any state.
 - c. A Joint Powers Authority.
 - d. An auxiliary organization of a California State University or a California Community College.
 - e. A foundation organized to support the Board of Governors of the California Community Colleges.
 - f. An auxiliary organization of the Student Aid Commission established under Education Code § 69522.
 - g. Entities of any type that will provide subvention aid or direct services to the public.
 - h. Entities and/or service types identified as exempt from advertising and competitive bidding are listed in the State Contracting Manual Chapter 5, Section 5.80, Subsection B.3. The State Contracting Manual can be viewed at the following Internet address:
<http://www.ols.dgs.ca.gov/Contract%20Manual/default.htm>.

- C. DHCS reserves the right to approve or disapprove the selection of subcontractors and with advance written notice, require the substitution of subcontractors and require the Contractor to terminate subcontracts entered into in support of this Agreement.

Upon receipt of a written notice from DHCS requiring the substitution and/or termination of a subcontract, the Contractor shall take steps to ensure the completion of any work in progress and select a replacement, if applicable, within 30 calendar days, unless a longer period is agreed to by DHCS.

- D. Actual Contractor (and a subcontractor) of \$5,000 or more are subject to the prior review and written approval of DHCS. DHCS may, at its discretion, elect to waive this right. All such waivers shall be confirmed in writing by DHCS
- E. Contractor shall maintain a copy of each subcontract entered into in support of this Agreement and shall, upon request by DHCS, make said copies available for approval, inspection, or audit.
- F. DHCS assumes no responsibility for the payment of subcontractors used in performance of this contract. Contractor accepts sole responsibility for the payment of subcontractor used in performance of this contract.

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- G. The Contractor is responsible for all performance requirements under this Contract even though performance may be carried out through a subcontract.
- H. When entering into a consulting service agreement with DHCS, the Contractor will be required to supply budget detail for each subcontractor and/or each major subcontracted activity under this contract.
- 1) Budget detail format and submission requirements will be determined by DHCS.
 - 2) Methods of including budget detail in this contract, if applicable, will be determined by DHCS.
 - 3) Any subcontractor budget detail displayed in this contract, or incorporated by reference, is included for information purposes only. Changes to a subcontractor's identity or budget detail shall not require the processing of a formal amendment to this contract.
- I. The Contractor shall ensure that all subcontracts for services include provision(s) requiring compliance with applicable terms and conditions specified in this contract.
- J. The Contractor agrees to include the following clause, relevant to record retention, in all subcontracts for services:
- “(Subcontractor Name) agrees to maintain and preserve, until four (4) years after termination of (Agreement Number) and final payment from DHCS, to equal a total of seven (7) years, to permit DHCS or any duly authorized representative, to have access to, examine or audit any pertinent books, documents, papers and records related to this subcontract and to allow interviews of any employees who might reasonably have information related to such records.
- K. Unless otherwise stipulated in writing by DHCS, the Contractor shall be the subcontractor's sole point of contact for all matters related to performance and payment under this Contract.
- L. Contractor shall, as applicable, advise all subcontractors of their obligations pursuant to the applicable numbered provisions of this exhibit.

27. Technical Standards and/or Guidelines

The Contractor shall conform to or exceed the technical standards and/or guidelines in documents referenced below throughout the life of contract for the applicable tasks and activities, where appropriate. This applies to all updates, revisions or superseding standards and/or guidelines subsequently available. An equivalent standard or standards may be substituted with the approval of the DHCS Chief Deputy Director of Medical Programs or their designee. When using an equivalent standard or standards

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the Contractor will be expected to cross-reference or otherwise map how their own standards meet the same level of detail and scope of review as the industry standards for IV&V and Oversight cited herein (e.g., CMMI, PMBOX and IEEE).

Acronym	Definition & Source Documentation
CMMI	Capability Maturity Model Integration http://www.sei.cmu.edu/cmmi/general/index.html
FI-MMIS	California Department of Health Care Services Fiscal Intermediary—Medicaid Management Information System Replacement Project RFP # 08-85022 http://www.dhcs.ca.gov/provgovpart/rfa_rfp/Pages/OMCPcammis-fiDNLD.aspx
IEEE 1012	Standard for Software Verification and Validation http://standards.ieee.org/reading/ieee/std_public/description/se/1012-1998_desc.html
IEEE 1059	Guide for Software Verification and Validation Plans http://standards.ieee.org/reading/ieee/std_public/description/se/1059-1993_desc.html
IEEE 12207	Standard for Software Life Cycle Process http://standards.ieee.org/reading/ieee/std_public/description/se/12207_desc.html
ITIL	Information Technology Infrastructure Library http://www.itil-officialsite.com/home/home.asp
MITA	Medicaid Information Technology Architecture http://www.cms.hhs.gov/MedicaidInfoTechArch/
OCIO	State Office of Chief Information Officer Information Technology Project Oversight Framework http://www.cio.ca.gov/Government/IT_Policy/pdf/IT_OvrsghtFrmwr

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Acronym	Definition & Source Documentation
	kR2-25-04s.pdf Statewide Information Management Manual (SIMM) Section 45 http://www.cio.ca.gov/ITpolicy/SIMM.html
PMI-PMBOK	Project Management Institute's Project Management Body of Knowledge http://www.pmi.ro/publication.php?id=54

28. Term of the Contract

The Contractor will provide DDI Project Management Services for sixty nine (69) months commencing on the contract effective date.

29. Use of Disabled Veteran Business Enterprises (DVBE)

- A. The State Legislature has declared that a fair portion of the total purchases and contracts or subcontracts for property and services for the State be placed with disabled veteran business enterprises.
- B. All DVBE participation attachments, however labeled, completed as a condition of bidding, contracting, or amending a subject agreement, are incorporated herein and made a part of this agreement by this reference.
- C. Contractor agrees to use the proposed DVBEs as identified in previously submitted DVBE participation attachments, unless the Contractor submits a written request for substitution of a like or alternate subcontractor. All requests for substitution must be approved by DHCS, in writing, prior to using a substituted subcontractor.
- D. Requests for substitution approved by the program funding this agreement and must include:
 - 1) A written explanation of the reason for the substitution.
 - 2) A written description of the business enterprise that will be substituted, including its DVBE certification status.
 - 3) If applicable, the reason a non-DVBE subcontractor is proposed for use.
 - 4) A written description of the work to be performed by the substituted subcontractor and an identification of the percentage share/dollar amount of the overall contract that the substituted subcontractor will perform.
- E. If requested by DHCS, Contractor agrees to provide verification, in a form agreed to by DHCS, that DVBE subcontractor participation under this agreement is in

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compliance with the goals specified at the time of contract award or with any subsequent amendment.

30. Use of Small Business Subcontractors

- A. All Non-Small Business Subcontractors Preference Request attachments and Small Business Subcontractor/Supplier Acknowledgement attachments, however labeled, completed as a condition of bidding, are incorporated herein and made a part of this agreement by this reference.
- B. Contractor agrees to use each small business subcontractor/supplier, as identified in previously submitted Non-Small Business Subcontractor Preference Request attachments, unless the Contractor submits a written request for substitution of a like or alternate subcontractor. All requests for substitution must be approved by DHCS, in writing (including email or fax), prior to using a proposed substitute subcontractor.
- C. Requests for substitution must be approved by the funding program and must include, at a minimum:
 - 1) An explanation of the reason for the substitution.
 - 2) A written description of the business enterprise that will be substituted, including its small business certification status.
 - 3) If substitution of an alternate small business does not occur, include a written justification and description of the steps taken to try to acquire a new small business and how that portion of the contract will be fulfilled.
 - 4) A written description of the work to be performed by the substituted subcontractors identified by both task (if applicable) and dollar amount or percentage of the overall contract that a commercially useful function in the contract pursuant to Title 2, California Code of Regulations §1896.6.
- D. DHCS may consent to the substitution set forth in Public Contract Code Section 4107 of the Subcontracting Fair Practices Act.
- E. Prior to the approval of the prime contractor's request for the substitution, the funding program shall give notice in writing to the listed subcontractor of the prime contractor's request to substitute and the reason for the request to substitute. The notice shall be served by certified or registered mail to the last known address of the subcontractor. The listed subcontractor that has been notified shall have five (5) working days after the receipt of the notice to submit written objections to the substitution to the funding program. Failure to file these written objections shall constitute the listed subcontractor's consent to the substitution. If written objections are filed, DHCS shall give notice in writing of at least five (5) working days to the listed subcontractor of a hearing by DHCS on the prime contractor's request for substitution.

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- F. Failure of the contractor to subcontract with the small businesses listed in its bid or proposal to DHCS, or failure to follow applicable substitution rules and regulations may be grounds for the Department of General Services to impose sanctions Pursuant to Government Code Section 14842.5 and Title 2, California Code of Regulations §1896.18 and §1896.20.

If requested by DHCS, Contractor agrees to provide documentation/ verification, in a form agreed to by DHCS, that small business subcontractor usage under this agreement complies with the commitments specified during the contractor selection process.

Exhibit F

Contractor's Release

Instructions to Contractor:

With final invoice(s) submit one (1) original and one (1) copy. The original must bear the original signature of a person authorized to bind the Contractor. The additional copy may bear photocopied signatures.

Submission of Final Invoice

Pursuant to **contract number** _____ entered into between the Department of Health Care Services (DHCS) and the Contractor (identified below), the Contractor does acknowledge that final payment has been requested via **invoice number(s)** _____, in the **amount(s) of \$** _____ and **dated** _____.
If necessary, enter "See Attached" in the appropriate blocks and attach a list of invoice numbers, dollar amounts and invoice dates.

Release of all Obligations

By signing this form, and upon receipt of the amount specified in the invoice number(s) referenced above, the Contractor does hereby release and discharge the State, its officers, agents and employees of and from any and all liabilities, obligations, claims, and demands whatsoever arising from the above referenced contract.

Repayments Due to Audit Exceptions / Record Retention

By signing this form, Contractor acknowledges that expenses authorized for reimbursement does not guarantee final allowability of said expenses. Contractor agrees that the amount of any sustained audit exceptions resulting from any subsequent audit made after final payment will be refunded to the State.

All expense and accounting records related to the above referenced contract must be maintained for audit purposes for no less than three years beyond the date of final payment, unless a longer term is stated in said contract.

Recycled Product Use Certification

By signing this form, Contractor certifies under penalty of perjury that a minimum of 0% unless otherwise specified in writing of post consumer material, as defined in the Public Contract Code Section 12200, in products, materials, goods, or supplies offered or sold to the State regardless of whether it meets the requirements of Public Contract Code Section 12209. Contractor specifies that printer or duplication cartridges offered or sold to the State comply with the requirements of Section 12156(e).

Reminder to Return State Equipment/Property (If Applicable)

(Applies only if equipment was provided by DHCS or purchased with or reimbursed by contract funds)

Unless DHCS has approved the continued use and possession of State equipment (as defined in the above referenced contract) for use in connection with another DHCS agreement, Contractor agrees to promptly initiate arrangements to account for and return said equipment to DHCS, at DHCS' expense, if said equipment has not passed its useful life expectancy as defined in the above referenced contract.

Patents / Other Issues

By signing this form, Contractor further agrees, in connection with patent matters and with any claims that are not specifically released as set forth above, that it will comply with all of the provisions contained in the above referenced contract, including, but not limited to, those provisions relating to notification to the State and related to the defense or prosecution of litigation.

ONLY SIGN AND DATE THIS DOCUMENT WHEN ATTACHING IT TO THE FINAL INVOICE

Contractor's Legal Name (as on contract): _____

Signature of Contractor or Official Designee: _____ Date: _____

Printed Name/Title of Person Signing: _____

Distribution: Accounting (Original) Program

Exhibit G
HIPAA Business Associate Addendum

I. Recitals

- A. This Contract (Agreement) has been determined to constitute a business associate relationship under the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("HIPAA"), the Health Information Technology for Economic and Clinical Health Act, Public Law 111-005 ("the HITECH Act"), 42 U.S.C. section 17921 et seq., and their implementing privacy and security regulations at 45 CFR Parts 160 and 164 ("the HIPAA regulations").
- B. The Department of Health Care Services ("DHCS") wishes to disclose to Business Associate certain information pursuant to the terms of this Agreement, some of which may constitute Protected Health Information ("PHI"), including protected health information in electronic media ("ePHI"), under federal law, and personal information ("PI") under state law.
- C. As set forth in this Agreement, Contractor, here and after, is the Business Associate of DHCS acting on DHCS' behalf and provides services, arranges, performs or assists in the performance of functions or activities on behalf of DHCS and creates, receives, maintains, transmits, uses or discloses PHI and PI. DHCS and Business Associate are each a party to this Agreement and are collectively referred to as the "parties."
- D. The purpose of this Addendum is to protect the privacy and security of the PHI and PI that may be created, received, maintained, transmitted, used or disclosed pursuant to this Agreement, and to comply with certain standards and requirements of HIPAA, the HITECH Act and the HIPAA regulations, including, but not limited to, the requirement that DHCS must enter into a contract containing specific requirements with Contractor prior to the disclosure of PHI to Contractor, as set forth in 45 CFR Sections 160 and 164 and the HITECH Act.
- E. The terms used in this Addendum, but not otherwise defined, shall have the same meanings as those terms have in the HIPAA regulations. Any reference to statutory or regulatory language shall be to such language as in effect or as amended.

II. Definitions

- A. Breach shall have the meaning given to such term under HIPAA, the HITECH Act, and the HIPAA regulations.
- B. Electronic Health Record shall have the meaning given to such term in the HITECH Act, including, but not limited to, 42 U.S.C Section 17921 and implementing regulations.
- C. Electronic Protected Health Information (ePHI) means individually identifiable health information transmitted by electronic media or maintained in electronic media, as set forth under 45 CFR section 160.103.
- D. Individually Identifiable Health Information means health information, including demographic information collected from an individual, that is created or received by a health care provider, health plan, employer or health care clearinghouse, and relates to the past, present or future physical or mental health or condition of an individual, the provision of health care to an individual, or the past, present, or future payment for the provision of health care to an individual, that identifies the individual or where there is a reasonable basis to believe the information can be used to identify the individual, as set forth under 45 CFR section 160.103.

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- E. Privacy Rule shall mean the HIPAA Regulation that is found at 45 CFR Parts 160 and 164.
- F. Personal Information shall have the meaning given to such term in California Civil Code section 1798.29.
- G. Protected Health Information means individually identifiable health information that is transmitted by electronic media, maintained in electronic media, or is transmitted or maintained in any other form or medium, as set forth under 45 CFR section 160.103.
- H. Required by law, as set forth under 45 CFR section 164.103, means a mandate contained in law that compels an entity to make a use or disclosure of PHI that is enforceable in a court of law. This includes, but is not limited to, court orders and court-ordered warrants, subpoenas or summons issued by a court, grand jury, a governmental or tribal inspector general, or an administrative body authorized to require the production of information, and a civil or an authorized investigative demand. It also includes Medicare conditions of participation with respect to health care providers participating in the program, and statutes or regulations that require the production of information, including statutes or regulations that require such information if payment is sought under a government program providing public benefits.
- I. Security Incident means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of PHI or PI, or confidential data that is essential to the ongoing operation of the Business Associate's organization and intended for internal use; or interference with system operations in an information system.
- J. Secretary means the Secretary of the U.S. Department of Health and Human Services ("HHS") or the Secretary's designee.
- K. Security Rule shall mean the HIPAA regulation that is found at 45 CFR section 164.
- L. Unsecured PHI shall have the meaning given to such term under the HITECH Act, 42 U.S.C. section 17932(h), any guidance issued pursuant to such Act and the HIPAA regulations.

III. Terms of Agreement

A. Permitted Uses and Disclosures of PHI by Business Associate

Permitted Uses and Disclosures. Except as otherwise indicated in this Addendum, Business Associate may use or disclose PHI only to perform functions, activities or services specified in this Agreement, for, or on behalf of DHCS, provided that such use or disclosure would not violate the HIPAA regulations, if done by DHCS. Any such use or disclosure must, to the extent practicable, be limited to the limited data set, as defined in 45 CFR section 164.514(e)(2), or, if needed, to the minimum necessary to accomplish the intended purpose of such use or disclosure, in compliance with the HITECH Act and any guidance issued pursuant to such Act, and the HIPAA regulations.

1. ***Specific Use and Disclosure Provisions.*** Except as otherwise indicated in this Addendum, Business Associate may:

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- a. ***Use and disclose for management and administration.*** Use and disclose PHI for the proper management and administration of the Business Associate provided that such disclosures are required by law, or the Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and will be used or further disclosed only as required by law or for the purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware that the confidentiality of the information has been breached.
- b. ***Provision of Data Aggregation Services.*** Use PHI to provide data aggregation services to DHCS. Data aggregation means the combining of PHI created or received by the Business Associate on behalf of DHCS with PHI received by the Business Associate in its capacity as the Business Associate of another covered entity, to permit data analyses that relate to the health care operations of DHCS.

B. Prohibited Uses and Disclosures

1. Business Associate shall not disclose PHI about an individual to a health plan for payment or health care operations purposes if the PHI pertains solely to a health care item or service for which the health care provider involved has been paid out of pocket in full and the individual requests such restriction, in accordance with 42 U.S.C. section 17935(a) and 45 CFR section 164.522(a).
2. Business Associate shall not directly or indirectly receive remuneration in exchange for PHI, except with the prior written consent of DHCS and as permitted by 42 U.S.C. section 17935(d)(2).

C. Responsibilities of Business Associate

Business Associate agrees:

1. ***Nondisclosure.*** Not to use or disclose Protected Health Information (PHI) other than as permitted or required by this Agreement or as required by law.
2. ***Safeguards.*** To implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the PHI, including electronic PHI, that it creates, receives, maintains, uses or transmits on behalf of DHCS, in compliance with 45 CFR sections 308, 310 and 312, and to prevent use or disclosure of PHI other than as provided for by this Agreement. Business Associate shall implement reasonable and appropriate policies and procedures to comply with the standards, implementation specifications and other requirements of 45 CFR section 164, subpart C, in compliance with 45 CFR section 164.316. Business Associate shall develop and maintain a written information privacy and security program that includes administrative, technical and physical safeguards appropriate to the size and complexity of the Business Associate's operations and the nature and scope of its activities, and which incorporates the requirements of section 3., Security, below. Business Associate will provide DHCS with its current and updated policies.

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3. **Security.** To take any and all steps necessary to ensure the continuous security of all computerized data systems containing PHI and/or PI. These steps shall include, at a minimum:
- a. Complying with all of the data system security precautions listed in Attachment A, the Business Associate Data Security Requirements;
 - b. Achieving and maintaining compliance with the HIPAA Security Rule (45 CFR Parts 160 and 164), as necessary in conducting operations on behalf of DHCS under this Agreement;
 - c. Providing a level and scope of security that is at least comparable to the level and scope of security established by the Office of Management and Budget in OMB Circular No. A-130, Appendix III- Security of Federal Automated Information Systems, which sets forth guidelines for automated information systems in Federal agencies; and
 - d. In case of a conflict between any of the security standards contained in any of these enumerated sources of security standards, the most stringent shall apply. The most stringent means that safeguard which provides the highest level of protection to PHI from unauthorized disclosure. Further, Business Associate must comply with changes to these standards that occur after the effective date of this Agreement.

Business Associate shall designate a Security Officer to oversee its data security program who shall be responsible for carrying out the requirements of this section and for communicating on security matters with DHCS.

- D. **Mitigation of Harmful Effects.** To mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate or its subcontractors in violation of the requirements of this Addendum.
- E. **Business Associate's Agents.** To ensure that any agents, including subcontractors and vendors, to whom Business Associate provides PHI or PI received from or created or received by Business Associate on behalf of DHCS, agree to the same restrictions and conditions that apply to Business Associate with respect to such PHI and PI, including implementation of reasonable and appropriate administrative, physical, and technical safeguards to protect such PHI and PI; and to incorporate, when applicable, the relevant provisions of this Addendum into each subcontract or subaward to such agents, subcontractors and vendors.
- F. **Availability of Information to DHCS and Individuals.** To provide access and information:
- 1. To provide access as DHCS may require, and in the time and manner designated by DHCS (upon reasonable notice and during Business Associate's normal business hours) to PHI in a Designated Record Set, to DHCS (or, as directed by DHCS), to an Individual, in accordance with 45 CFR section 164.524. Designated Record Set means the group of records maintained for DHCS that includes medical, dental and billing records about individuals; enrollment, payment, claims adjudication, and case or medical management systems maintained for DHCS health plans; or those records used to make decisions

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about individuals on behalf of DHCS. Business Associate shall use the forms and processes developed by DHCS for this purpose and shall respond to requests for access to records transmitted by DHCS within fifteen (15) calendar days of receipt of the request by producing the records or verifying that there are none.

2. If Business Associate maintains an Electronic Health Record with PHI, and an individual requests a copy of such information in an electronic format, Business Associate shall provide such information in an electronic format to enable DHCS to fulfill its obligations under the HITECH Act, including but not limited to, 42 U.S.C. section 17935(e).
 3. If Business Associate receives data from DHCS that was provided to DHCS by the Social Security Administration, upon request by DHCS, Business Associate shall provide DHCS with a list of all employees, contractors and agents who have access to the Social Security data, including employees, contractors and agents of its subcontractors and agents.
- G. **Amendment of PHI.** To make any amendment(s) to PHI that DHCS directs or agrees to pursuant to 45 CFR section 164.526, in the time and manner designated by DHCS.
- H. **Internal Practices.** To make Business Associate's internal practices, books and records relating to the use and disclosure of PHI received from DHCS, or created or received by Business Associate on behalf of DHCS, available to DHCS or to the Secretary of the U.S. Department of Health and Human Services in a time and manner designated by DHCS or by the Secretary, for purposes of determining DHCS' compliance with the HIPAA regulations.
- I. **Documentation of Disclosures.** To document and make available to DHCS or (at the direction of DHCS) to an Individual such disclosures of PHI, and information related to such disclosures, necessary to respond to a proper request by the subject Individual for an accounting of disclosures of PHI, in accordance with 45 CFR section 164.528 and the HITECH Act, including but not limited to 42 U.S.C. section 17935(c). If Business Associate maintains electronic health records for DHCS as of January 1, 2009, Business Associate must provide an accounting of disclosures, including those disclosures for treatment, payment or health care operations, effective with disclosures on or after January 1, 2014. If Business Associate acquires electronic health records for DHCS after January 1, 2009, Business Associate must provide an accounting of disclosures, including those disclosures for treatment, payment or health care operations, effective with disclosures on or after the date the electronic health record is acquired, or on or after January 1, 2011, whichever date is later. The electronic accounting of disclosures shall be for disclosures during the three years prior to the request for an accounting.
- J. **Breaches and Security Incidents.** During the term of this Agreement, Business Associate agrees to implement reasonable systems for the discovery and prompt reporting of any breach or security incident, and to take the following steps:
1. **Notice to DHCS.** (1) To notify DHCS **immediately by telephone call plus email or fax** upon the discovery of a breach of unsecured PHI or PI in electronic media or in any other media if the PHI or PI was, or is reasonably believed to have been, accessed or acquired by an unauthorized person, or upon the discovery of a suspected security incident that involves data provided to DHCS by the Social Security Administration. (2) To notify DHCS **within 24 hours by email or fax** of the discovery of any suspected

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HIPAA Business Associate Addendum

security incident, intrusion or unauthorized access, use or disclosure of PHI or PI in violation of this Agreement and this Addendum, or potential loss of confidential data affecting this Agreement. A breach shall be treated as discovered by Business Associate as of the first day on which the breach is known, or by exercising reasonable diligence would have been known, to any person (other than the person committing the breach) who is an employee, officer or other agent of Business Associate.

Notice shall be provided to the DHCS Program Contract Manager, the DHCS Privacy Officer and the DHCS Information Security Officer. If the incident occurs after business hours or on a weekend or holiday and involves electronic PHI, notice shall be provided by calling the DHCS ITSD Service Desk. Notice shall be made using the "DHCS Breach/Incident Report" form, Attachment A, including all information known at the time. Business Associate shall use the most current version of this form, which is posted on the DHCS Privacy Office website at: www.dhcs.ca.gov/formsandpubs.

Upon discovery of a breach or suspected security incident, intrusion or unauthorized access, use or disclosure of PHI or PI, Business Associate shall take:

- a. Prompt corrective action to mitigate any risks or damages involved with the breach and to protect the operating environment; and
 - b. Any action pertaining to such unauthorized disclosure required by applicable Federal and State laws and regulations.
2. **Investigation and Investigation Report.** To immediately investigate such security incident, breach, or unauthorized access, use or disclosure of PHI or PI. Within 72 hours of the discovery, Business Associate shall submit an updated "DHCS Breach/Incident Report" containing the information marked with an asterisk and all other applicable information listed on the form, to the extent known at that time, to the DHCS Program Contract Manager, the DHCS Privacy Officer, and the DHCS Information Security Officer:
3. **Complete Report.** To provide a complete report of the investigation to the DHCS Program Contract Manager, the DHCS Privacy Officer, and the DHCS Information Security Officer within ten (10) working days of the discovery of the breach or unauthorized use or disclosure. The report shall be submitted on the "DHCS Breach/Incident Report" form and shall include a full, detailed corrective action plan, including information on measures that were taken to halt and/or contain the improper use or disclosure. If DHCS requests information in addition to that listed on the "DHCS Breach/Incident Report" form, Business Associate shall make reasonable efforts to provide DHCS with such information. If necessary, a Supplemental Report may be used to submit revised or additional information after the completed report is submitted, by submitting the revised or additional information on an updated "DHCS Breach/Incident Report" form.
4. **Notification of Individuals.** If the cause of a breach of PHI or PI is attributable to Business Associate or its subcontractors, agents or vendors, Business Associate shall notify individuals of the breach or unauthorized use or disclosure when notification is required under state or federal law and shall pay any costs of such notifications, as well as any costs associated with the breach. The notifications shall comply with the

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requirements set forth in 42 U.S.C. section 17932 and its implementing regulations, including, but not limited to, the requirement that the notifications be made without unreasonable delay and in no event later than 60 calendar days. The DHCS Program Contract Manager, the DHCS Privacy Officer, and the DHCS Information Security Officer shall approve the time, manner and content of any such notifications and their review and approval must be obtained before the notifications are made.

5. ***Responsibility for Reporting of Breaches.*** If the cause of a breach of PHI or PI is attributable to Business Associate or its agents, subcontractors or vendors, and Business Associate is a Covered Entity as defined under HIPAA and the HIPAA regulations, Business Associate is responsible for all required reporting of the breach as specified in 42 U.S.C. section 17932 and its implementing regulations, including notification to media outlets and to the Secretary. If a breach of unsecured PHI involves more than 500 residents of the State of California or jurisdiction, Business Associate shall notify the Secretary of the breach immediately upon discovery of the breach. If Business Associate has reason to believe that duplicate reporting of the same breach or incident may occur because its subcontractors, agents or vendors may report the breach or incident to DHCS in addition to Business Associate, Business Associate shall notify DHCS, and DHCS and Business Associate may take appropriate action to prevent duplicate reporting. The breach reporting requirements of this paragraph are in addition to the reporting requirements set forth in subsection 1, above.

6. ***DHCS Contact Information.*** To direct communications to the above referenced DHCS staff, the Contractor shall initiate contact as indicated herein. DHCS reserves the right to make changes to the contact information below by giving written notice to the Contractor. Said changes shall not require an amendment to this Addendum or the Agreement to which it is incorporated.

DHCS Program Contract Manager	DHCS Privacy Officer	DHCS Information Security Officer
See the Scope of Work exhibit for Program Contract Manager information	Privacy Officer c/o: Office of HIPAA Compliance Department of Health Care Services P.O. Box 997413, MS 4722 Sacramento, CA 95899-7413 Email: privacyofficer@dhcs.ca.gov Telephone: (916) 445-4646 Fax: (916) 440-7680	Information Security Officer DHCS Information Security Office P.O. Box 997413, MS 6400 Sacramento, CA 95899-7413 Email: iso@dhcs.ca.gov Fax: (916) 440-5537 Telephone: ITSD Service Desk (916) 440-7000 or (800) 579-0874

- K. ***Employee Training and Discipline.*** To train and use reasonable measures to ensure compliance with the requirements of this Addendum by its workforce members who assist in the performance of functions or activities on behalf of DHCS under this Agreement and use or disclose PHI; and apply appropriate sanctions against workforce members who fail to comply with its privacy policies and procedures or any provisions of this Addendum, including by termination of employment. In complying with the provisions of this Section K, Business Associate shall observe the following requirements:

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1. Business Associate shall provide information privacy and security training, at least annually, at its own expense, to its workforce members who assist in the performance of functions or activities on behalf of DHCS under this Agreement and use or disclose PHI;
 2. Business Associate shall require each workforce member who receives information privacy and security training to sign a certification, indicating the member's name and the date on which the training was completed;
 3. Business Associate shall retain each workforce member's written certifications for DHCS inspection for a period of three years following contract termination.
- L. ***Due Diligence.*** Business Associate shall exercise due diligence and shall take reasonable steps to ensure that it remains in compliance with this Addendum and is in compliance with applicable provisions of HIPAA, the HITECH Act and the HIPAA regulations, and that its agents, subcontractors and vendors are in compliance with their obligations as required by this Addendum.

IV. Obligations of DHCS

DHCS agrees to:

- A. ***Notice of Privacy Practices.*** Provide Business Associate with the Notice of Privacy Practices that DHCS produces in accordance with 45 CFR section 164.520, as well as any changes to such notice. Visit the DHCS Privacy Office at this Internet address to view the most current Notice of Privacy Practices: <http://www.dhcs.ca.gov>.
- B. ***Permission by Individuals for Use and Disclosure of PHI.*** Provide the Business Associate with any changes in, or revocation of, permission by an Individual to use or disclose PHI, if such changes affect the Business Associate's permitted or required uses and disclosures.
- C. ***Notification of Restrictions.*** Notify the Business Associate of any restriction to the use or disclosure of PHI that DHCS has agreed to in accordance with 45 CFR section 164.522, to the extent that such restriction may affect the Business Associate's use or disclosure of PHI.
- D. ***Requests Conflicting with HIPAA Rules.*** Not request the Business Associate to use or disclose PHI in any manner that would not be permissible under the HIPAA regulations if done by DHCS.

V. Audits, Inspection and Enforcement

- A. From time to time, DHCS may inspect the facilities, systems, books and records of Business Associate to monitor compliance with this Agreement and this Addendum. Business Associate shall promptly remedy any violation of any provision of this Addendum and shall certify the same to the DHCS Privacy Officer in writing. The fact that DHCS inspects, or fails to inspect, or has the right to inspect, Business Associate's facilities, systems and procedures does not relieve Business Associate of its responsibility to comply with this Addendum, nor does DHCS':
 1. Failure to detect or

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2. Detection, but failure to notify Business Associate or require Business Associate's remediation of any unsatisfactory practices constitute acceptance of such practice or a waiver of DHCS' enforcement rights under this Agreement and this Addendum.
- B. If Business Associate is the subject of an audit, compliance review, or complaint investigation by the Office of Civil Rights, U.S. Department of Health and Human Services, that is related to the performance of its obligations pursuant to this HIPAA Business Associate Addendum, Business Associate shall notify DHCS and provide DHCS with a copy of any PHI or PI that Business Associate provides to the Secretary concurrently with providing such PHI or PI to the Secretary. Business Associate is responsible for any civil penalties assessed due to an audit or investigation of Business Associate, in accordance with 42 U.S.C. section 17934(c).

VI. Termination

- A. **Term.** The Term of this Addendum shall commence as of the effective date of this Addendum and shall extend beyond the termination of the contract and shall terminate when all the PHI provided by DHCS to Business Associate, or created or received by Business Associate on behalf of DHCS, is destroyed or returned to DHCS.
- B. **Termination for Cause.** In accordance with 45 CFR section 164.504(e)(1)(ii), upon DHCS' knowledge of a material breach of this Addendum by Business Associate, DHCS shall:
 1. Provide an opportunity for Business Associate to cure the breach or end the violation and terminate this Agreement if Business Associate does not cure the breach or end the violation within the time specified by DHCS;
 2. Immediately terminate this Agreement if Business Associate has breached a material term of this Addendum and cure is not possible; or
 3. If neither cure nor termination is feasible, report the violation to the Secretary of the U.S. Department of Health and Human Services.

Upon Business Associate's knowledge of a material breach by DHCS of its obligations under this Agreement, Business Associate shall provide DHCS an opportunity to cure the breach or end the violation and shall take the steps set out above, if necessary, in relation to DHCS, in compliance with 42 U.S.C. section 17934(b).

- C. **Judicial or Administrative Proceedings.** Business Associate will notify DHCS if it is named as a defendant in a criminal proceeding for a violation of HIPAA. DHCS may terminate this Agreement if Business Associate is found guilty of a criminal violation of HIPAA. DHCS may terminate this Agreement if a finding or stipulation that the Business Associate has violated any standard or requirement of HIPAA, or other security or privacy laws is made in any administrative or civil proceeding in which the Business Associate is a party or has been joined.
- D. **Effect of Termination.** Upon termination or expiration of this Agreement for any reason, Business Associate shall return or destroy all PHI received from DHCS (or created or received by Business Associate on behalf of DHCS) that Business Associate still maintains in any form, and shall retain no copies of such PHI. If return or destruction is not feasible, Business Associate shall notify DHCS of the conditions that make the return or destruction infeasible, and DHCS and Business Associate shall determine the terms and conditions under which Business

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HIPAA Business Associate Addendum

Associate may retain the PHI. Business Associate shall continue to extend the protections of this Addendum to such PHI, and shall limit further use of such PHI to those purposes that make the return or destruction of such PHI infeasible. This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate.

VII. Miscellaneous Provisions

- A. **Disclaimer.** DHCS makes no warranty or representation that compliance by Business Associate with this Addendum, HIPAA or the HIPAA regulations will be adequate or satisfactory for Business Associate's own purposes or that any information in Business Associate's possession or control, or transmitted or received by Business Associate, is or will be secure from unauthorized use or disclosure. Business Associate is solely responsible for all decisions made by Business Associate regarding the safeguarding of PHI.
- B. **Amendment.** The parties acknowledge that federal and state laws relating to electronic data security and privacy are rapidly evolving and that amendment of this Addendum may be required to provide for procedures to ensure compliance with such developments. The parties specifically agree to take such action as is necessary to implement the standards and requirements of HIPAA, the HITECH Act, the HIPAA regulations and other applicable laws relating to the security or privacy of PHI. Upon DHCS' request, Business Associate agrees to promptly enter into negotiations with DHCS concerning an amendment to this Addendum embodying written assurances consistent with the standards and requirements of HIPAA, the HITECH Act, the HIPAA regulations or other applicable laws. DHCS may terminate this Agreement upon thirty (30) days written notice in the event:
1. Business Associate does not promptly enter into negotiations to amend this Addendum when requested by DHCS pursuant to this Section or
 2. Business Associate does not enter into an amendment providing assurances regarding the safeguarding of PHI that DHCS in its sole discretion, deems sufficient to satisfy the standards and requirements of HIPAA and the HIPAA regulations.
- C. **Assistance in Litigation or Administrative Proceedings.** Business Associate shall make itself and any subcontractors, employees or agents assisting Business Associate in the performance of its obligations under this Agreement, available to DHCS at no cost to DHCS to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against DHCS, its directors, officers or employees based upon claimed violation of HIPAA, the HIPAA regulations or other laws relating to security and privacy, which involves inactions or actions by the Business Associate, except where Business Associate or its subcontractor, employee or agent is a named adverse party.
- D. **No Third-Party Beneficiaries.** Nothing express or implied in the terms and conditions of this Addendum is intended to confer, nor shall anything herein confer, upon any person other than DHCS or Business Associate and their respective successors or assignees, any rights, remedies, obligations or liabilities whatsoever.
- E. **Interpretation.** The terms and conditions in this Addendum shall be interpreted as broadly as necessary to implement and comply with HIPAA, the HITECH Act, the HIPAA regulations and applicable state laws. The parties agree that any ambiguity in the terms and conditions of this

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Addendum shall be resolved in favor of a meaning that complies and is consistent with HIPAA, the HITECH Act and the HIPAA regulations.

- F. **Regulatory References.** A reference in the terms and conditions of this Addendum to a section in the HIPAA regulations means the section as in effect or as amended.
- G. **Survival.** The respective rights and obligations of Business Associate under Section VI.D of this Addendum shall survive the termination or expiration of this Agreement.
- H. **No Waiver of Obligations.** No change, waiver or discharge of any liability or obligation hereunder on any one or more occasions shall be deemed a waiver of performance of any continuing or other obligation, or shall prohibit enforcement of any obligation, on any other occasion.

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HIPAA Business Associate Addendum

Attachment A
Business Associate Data Security Requirements

I. General Security Controls

- A. **Confidentiality Statement.** All persons that will be working with DHCS PHI or PI must sign a confidentiality statement. The statement must include at a minimum, General Use, Security and Privacy safeguards, Unacceptable Use, and Enforcement Policies. The statement must be signed by the workforce member prior to access to DHCS PHI or PI. The statement must be renewed annually. The Contractor shall retain each person's written confidentiality statement for DHCS inspection for a period of three (3) years following contract termination.
- B. **Background check.** Before a member of the Contractor's workforce may access DHCS PHI or PI, Contractor must conduct a thorough background check of that worker and evaluate the results to assure that there is no indication that the worker may present a risk for theft of confidential data. The Contractor shall retain each workforce member's background check documentation for a period of three (3) years following contract termination.
- C. **Workstation/Laptop encryption.** All workstations and laptops that process and/or store DHCS PHI or PI must be encrypted using a FIPS 140-2 compliant algorithm which is 128bit or higher, such as Advanced Encryption Standard (AES). The encryption solution must be full disk unless approved by the DHCS Information Security Office.
- D. **Server Security.** Servers containing unencrypted DHCS PHI or PI must have sufficient administrative, physical, and technical controls in place to protect that data, based upon a risk assessment/system security review.
- E. **Minimum Necessary.** Only the minimum necessary amount of DHCS PHI or PI required to perform necessary business functions may be copied, downloaded, or exported.
- F. **Removable media devices.** All electronic files that contain DHCS PHI or PI data must be encrypted when stored on any removable media or portable device (i.e. USB thumb drives, floppies, CD/DVD, Blackberry, backup tapes etc.). Encryption must be a FIPS 140-2 compliant algorithm which is 128bit or higher, such as AES.
- G. **Antivirus software.** All workstations, laptops and other systems that process and/or store DHCS PHI or PI must install and actively use comprehensive anti-virus software solution with automatic updates scheduled at least daily.
- H. **Patch Management.** All workstations, laptops and other systems that process and/or store DHCS PHI or PI must have critical security patches applied, with system reboot if necessary. There must be a documented patch management process which determines installation timeframe based on risk assessment and vendor recommendations. At a maximum, all applicable patches must be installed within 30 days of vendor release.
- I. **User IDs and Password Controls.** All users must be issued a unique user name for accessing DHCS PHI or PI. Username must be promptly disabled, deleted, or the password

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HIPAA Business Associate Addendum

changed upon the transfer or termination of an employee with knowledge of the password, at maximum within 24 hours. Passwords are not to be shared. Must be at least eight characters. Must be a non-dictionary word. Must not be stored in readable format on the computer. Must be changed every 90 days, preferably 60 days. Must be changed if revealed or compromised. Must be composed of characters from at least three of the following four groups from the standard keyboard:

- Upper case letters (A-Z)
- Lower case letters (a-z)
- Arabic numerals (0-9)
- Non-alphanumeric characters (punctuation symbols)

- J. **Data Destruction.** All DHCS PHI or PI must be destroyed using US Department of Defense (DoD) 5220.22-M standard methods for data destruction when the DHCS data is no longer needed. Equivalent or better destruction methods may be used upon approval of the DHCS Information Security Office.

II. System Security Controls

- A. **System Timeout.** The system providing access to DHCS PHI or PI must provide an automatic timeout, requiring re-authentication of the user session after no more than 20 minutes of inactivity.
- B. **Warning Banners.** All systems providing access to DHCS PHI or PI must display a warning banner stating that data is confidential, systems are logged, and system use is for business purposes only. User must be directed to log off the system if they do not agree with these requirements.
- C. **System Logging.** The system must maintain an automated audit trail which can identify the user or system process which initiates a request for DHCS PHI or PI, or which alters DHCS PHI or PI. The audit trail must be date and time stamped, must log both successful and failed accesses, must be read only, and must be restricted to authorized users. If DHCS PHI or PI is stored in a database, database logging functionality must be enabled. Audit trail data must be archived for at least 3 years after occurrence.
- D. **Access Controls.** The system providing access to DHCS PHI or PI must use role based access controls for all user authentications, enforcing the principle of least privilege.
- E. **Transmission encryption.** All data transmissions of DHCS PHI or PI outside the secure internal network must be encrypted using a FIPS 140-2 compliant algorithm which is 128bit or higher. Encryption can be end to end at the network level, or the data files containing PHI can be encrypted. This requirement pertains to any type of PHI or PI in motion such as website access, file transfer, and E-Mail.
- F. **Intrusion Detection.** All systems involved in accessing, holding, transporting, and protecting DHCS PHI or PI that are accessible via the Internet must be protected by a comprehensive intrusion detection and prevention solution.

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III. Audit Controls

- A. **System Security Review.** All systems processing and/or storing DHCS PHI or PI must have at least an annual system risk assessment/security review which provides assurance that administrative, physical, and technical controls are functioning effectively and providing adequate levels of protection. Reviews should include vulnerability scanning tools.
- B. **Log Reviews.** All systems processing and/or storing DHCS PHI or PI must have a routine procedure in place to review system logs for unauthorized access.
- C. **Change Control.** All systems processing and/or storing DHCS PHI or PI must have a documented change control procedure that ensures separation of duties and protects the confidentiality, integrity and availability of data.

IV. Business Continuity / Disaster Recovery Controls

- A. **Emergency Mode Operation Plan.** Contractor must establish a documented plan to enable continuation of critical business processes and protection of the security of electronic DHCS PHI or PI in the event of an emergency. Emergency means any circumstance or situation that causes normal computer operations to become unavailable for use in performing the work required under this Agreement for more than 24 hours.
- B. **Data Backup Plan.** Contractor must have established documented procedures to backup DHCS PHI to maintain retrievable exact copies of DHCS PHI or PI. The plan must include a regular schedule for making backups, storing backups offsite, an inventory of backup media, and the amount of time to restore DHCS PHI or PI should it be lost. At a minimum, the schedule must be a weekly full backup and monthly offsite storage of DHCS data.

V. Paper Document Controls

- A. **Supervision of Data.** DHCS PHI or PI in paper form shall not be left unattended at any time, unless it is locked in a file cabinet, file room, desk or office. Unattended means that information is not being observed by an employee authorized to access the information. DHCS PHI or PI in paper form shall not be left unattended at any time in vehicles or planes and shall not be checked in baggage on commercial airplanes.
- B. **Escorting Visitors.** Visitors to areas where DHCS PHI or PI is contained shall be escorted and DHCS PHI or PI shall be kept out of sight while visitors are in the area.
- C. **Confidential Destruction.** DHCS PHI or PI must be disposed of through confidential means, such as cross cut shredding and pulverizing.
- D. **Removal of Data.** DHCS PHI or PI must not be removed from the premises of the Contractor except with express written permission of DHCS.
- E. **Faxing.** Faxes containing DHCS PHI or PI shall not be left unattended and fax machines shall be in secure areas. Faxes shall contain a confidentiality statement notifying persons receiving faxes in error to destroy them. Fax numbers shall be verified with the intended recipient before sending.

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- F. ***Mailing.*** DHCS PHI or PI shall only be mailed using secure methods. Large volume mailings of DHCS PHI shall be by a secure, bonded courier with signature required on receipt. Disks and other transportable media sent through the mail must be encrypted with a DHCS approved method. Procedures must be implemented to ensure PHI or PI is not externally visible on the mailing.

Exhibit H
Information Confidentiality and Security Requirements

1. **Definitions.** For purposes of this Exhibit, the following definitions shall apply:

- A. **Public Information:** Information that is not exempt from disclosure under the provisions of the California Public Records Act (Government Code sections 6250-6265) or other applicable state or federal laws.
- B. **Confidential Information:** Information that is exempt from disclosure under the provisions of the California Public Records Act (Government Code sections 6250-6265) or other applicable state or federal laws.
- C. **Sensitive Information:** Information that requires special precautions to protect from unauthorized use, access, disclosure, modification, loss, or deletion. Sensitive Information may be either Public Information or Confidential Information. It is information that requires a higher than normal assurance of accuracy and completeness. Thus, the key factor for Sensitive Information is that of integrity. Typically, Sensitive Information includes records of agency financial transactions and regulatory actions.
- D. **Personal Information:** Information that identifies or describes an individual, including, but not limited to, their name, social security number, physical description, home address, home telephone number, education, financial matters, and medical or employment history. It includes statements made by, or attributed to, the individual. **It is DHCS' policy to consider all information about individuals private unless such information is determined to be a public record.** This information must be protected from inappropriate access, use, or disclosure and must be made accessible to data subjects upon request. Personal Information includes the following:

Notice-triggering Personal Information: Specific items of personal information (name or first initial and last name plus Social Security number, driver license/California identification card number, financial account number, medical information or health insurance information) that may trigger a requirement to notify individuals if it is acquired by an unauthorized person. For purposes of this provision, identity shall include, but not be limited to name, identifying number, symbol, or other identifying particular assigned to the individual, such as finger or voice print or a photograph. See Civil Code sections 1798.29 and 1798.82.

- 2. **Nondisclosure.** The Contractor and its employees, agents, or subcontractors shall protect from unauthorized disclosure any Personal Information, Sensitive Information, or Confidential Information (hereinafter identified as PSCI).
- 3. **Limit to Agreement purposes.** The Contractor and its employees, agents, or subcontractors shall not use any PSCI for any purpose other than carrying out the Contractor's obligations under this Agreement.
- 4. **Requests for disclosure.** The Contractor and its employees, agents, or subcontractors shall promptly transmit to the DHCS Program Contract Manager all requests for disclosure of any PSCI not emanating from the person who is the subject of PSCI.
- 5. **Authorization for disclosure.** The Contractor shall not disclose, except as otherwise specifically permitted by this Agreement or authorized by the person who is the subject of PSCI, any PSCI to

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Information Confidentiality and Security Requirements

anyone other than DHCS without prior written authorization from the DHCS Program Contract Manager, except if disclosure is required by State or Federal law.

6. Requirements. The Contractor shall observe the following requirements:

Safeguards. The Contractor shall implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the PSCI, including electronic PSCI that it creates, receives, maintains, uses, or transmits on behalf of DHCS. Contractor shall develop and maintain a written information privacy and security program that includes administrative, technical and physical safeguards appropriate to the size and complexity of the Contractor's operations and the nature and scope of its activities. Where applicable, Contractor shall provide a level and scope of security that is at least comparable to the level and scope of security established by the Office of Management and Budget in OMB Circular No. A-130, Appendix III- Security of Federal Automated Information Systems, which sets forth guidelines for automated information systems in Federal agencies.

A. Contractor shall include at a minimum the following safeguards:

1) General Security Controls

Confidentiality Statement. All persons that will be working with DHCS PHI or PI must sign a confidentiality statement. The statement must include at a minimum, General Use, Security and Privacy safeguards, Unacceptable Use, and Enforcement Policies. The statement must be signed by the workforce member prior to access to DHCS PHI or PI. The statement must be renewed annually. The Contractor shall retain each person's written confidentiality statement for DHCS inspection for a period of three (3) years following contract termination.

Background check. Before a member of the Contractor's workforce may access DHCS PHI or PI, Contractor must conduct a thorough background check of that worker and evaluate the results to assure that there is no indication that the worker may present a risk for theft of confidential data. The Contractor shall retain each workforce member's background check documentation for a period of three (3) years following contract termination.

Workstation/Laptop encryption. All workstations and laptops that process and/or store DHCS PHI or PI must be encrypted using a FIPS 140-2 compliant algorithm which is 128bit or higher, such as Advanced Encryption Standard (AES). The encryption solution must be full disk unless approved by the DHCS Information Security Office.

Server Security. Servers containing unencrypted DHCS PHI or PI must have sufficient administrative, physical, and technical controls in place to protect that data, based upon a risk assessment/system security review.

Minimum Necessary. Only the minimum necessary amount of DHCS PHI or PI required to perform necessary business functions may be copied, downloaded, or exported.

Removable media devices. All electronic files that contain DHCS PHI or PI data must be encrypted when stored on any removable media or portable device (i.e. USB thumb drives,

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floppies, CD/DVD, Blackberry, backup tapes etc.). Encryption must be a FIPS 140-2 compliant algorithm which is 128bit or higher, such as AES.

Antivirus software. All workstations, laptops and other systems that process and/or store DHCS PHI or PI must install and actively use comprehensive anti-virus software solution with automatic updates scheduled at least daily.

Patch Management. All workstations, laptops and other systems that process and/or store DHCS PHI or PI must have critical security patches applied, with system reboot if necessary. There must be a documented patch management process which determines installation timeframe based on risk assessment and vendor recommendations. At a maximum, all applicable patches must be installed within 30 days of vendor release.

User IDs and Password Controls. All users must be issued a unique user name for accessing DHCS PHI or PI. Username must be promptly disabled, deleted, or the password changed upon the transfer or termination of an employee with knowledge of the password, at maximum within 24 hours. Passwords are not to be shared. Must be at least eight characters. Must be a non-dictionary word. Must not be stored in readable format on the computer. Must be changed every 90 days, preferably 60 days. Must be changed if revealed or compromised. Must be composed of characters from at least three of the following four groups from the standard keyboard:

- Upper case letters (A-Z)
- Lower case letters (a-z)
- Arabic numerals (0-9)
- Non-alphanumeric characters (punctuation symbols)

Data Destruction. All DHCS PHI or PI must be destroyed using US Department of Defense (DoD) 5220.22-M standard methods for data destruction when the DHCS data is no longer needed. Equivalent or better destruction methods may be used upon approval of the DHCS Information Security Office.

2) System Security Controls

System Timeout. The system providing access to DHCS PHI or PI must provide an automatic timeout, requiring re-authentication of the user session after no more than 20 minutes of inactivity.

Warning Banners. All systems providing access to DHCS PHI or PI must display a warning banner stating that data is confidential, systems are logged, and system use is for business purposes only. User must be directed to log off the system if they do not agree with these requirements.

System Logging. The system must maintain an automated audit trail which can identify the user or system process which initiates a request for DHCS PHI or PI, or which alters DHCS PHI or PI. The audit trail must be date and time stamped, must log both successful and failed accesses, must be read only, and must be restricted to authorized users. If

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DHCS PHI or PI is stored in a database, database logging functionality must be enabled. Audit trail data must be archived for at least 3 years after occurrence.

Access Controls. The system providing access to DHCS PHI or PI must use role based access controls for all user authentications, enforcing the principle of least privilege.

Transmission encryption. All data transmissions of DHCS PHI or PI outside the secure internal network must be encrypted using a FIPS 140-2 compliant algorithm which is 128bit or higher. Encryption can be end to end at the network level, or the data files containing PHI can be encrypted. This requirement pertains to any type of PHI or PI in motion such as website access, file transfer, and E-Mail.

Intrusion Detection. All systems involved in accessing, holding, transporting, and protecting DHCS PHI or PI that are accessible via the Internet must be protected by a comprehensive intrusion detection and prevention solution.

3) Audit Controls

System Security Review. All systems processing and/or storing DHCS PHI or PI must have at least an annual system risk assessment/security review which provides assurance that administrative, physical, and technical controls are functioning effectively and providing adequate levels of protection. Reviews should include vulnerability scanning tools.

Log Reviews. All systems processing and/or storing DHCS PHI or PI must have a routine procedure in place to review system logs for unauthorized access.

Change Control. All systems processing and/or storing DHCS PHI or PI must have a documented change control procedure that ensures separation of duties and protects the confidentiality, integrity and availability of data.

4) Business Continuity / Disaster Recovery Controls

Emergency Mode Operation Plan. Contractor must establish a documented plan to enable continuation of critical business processes and protection of the security of electronic DHCS PHI or PI in the event of an emergency. Emergency means any circumstance or situation that causes normal computer operations to become unavailable for use in performing the work required under this Agreement for more than 24 hours.

Data Backup Plan. Contractor must have established documented procedures to backup DHCS PHI to maintain retrievable exact copies of DHCS PHI or PI. The plan must include a regular schedule for making backups, storing backups offsite, an inventory of backup media, and the amount of time to restore DHCS PHI or PI should it be lost. At a minimum, the schedule must be a weekly full backup and monthly offsite storage of DHCS data.

5) Paper Document Controls

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Supervision of Data. DHCS PHI or PI in paper form shall not be left unattended at any time, unless it is locked in a file cabinet, file room, desk or office. Unattended means that information is not being observed by an employee authorized to access the information. DHCS PHI or PI in paper form shall not be left unattended at any time in vehicles or planes and shall not be checked in baggage on commercial airplanes.

Escorting Visitors. Visitors to areas where DHCS PHI or PI is contained shall be escorted and DHCS PHI or PI shall be kept out of sight while visitors are in the area.

Confidential Destruction. DHCS PHI or PI must be disposed of through confidential means, such as cross cut shredding and pulverizing.

Removal of Data. DHCS PHI or PI must not be removed from the premises of the Contractor except with express written permission of DHCS.

Faxing. Faxes containing DHCS PHI or PI shall not be left unattended and fax machines shall be in secure areas. Faxes shall contain a confidentiality statement notifying persons receiving faxes in error to destroy them. Fax numbers shall be verified with the intended recipient before sending.

Mailing. DHCS PHI or PI shall only be mailed using secure methods. Large volume mailings of DHCS PHI shall be by a secure, bonded courier with signature required on receipt. Disks and other transportable media sent through the mail must be encrypted with a DHCS approved method. Procedures must be implemented to ensure PHI or PI is not externally visible on the mailing.

- B. **Security Officer.** The Contractor shall designate a Security Officer to oversee its data security program who will be responsible for carrying out its privacy and security programs and for communicating on security matters with DHCS.
- C. **Training.** The Contractor shall provide training on its data privacy and security policies, at least annually, at its own expense, to all its employees and volunteers who assist in the performance of functions or activities on behalf of DHCS under this Agreement and use or disclose PSCI.
- 1) The Contractor shall require each employee and volunteer who receives data privacy and security training to sign a certification, indicating the employee's/volunteer's name and the date on which the training was completed.
 - 2) The Contractor shall retain each employee's/volunteer's written certifications for DHCS inspection for a period of three years following contract termination.
- D. **Discovery and Notification of Breaches and Security Incidents.** The Contractor shall notify DHCS **immediately by telephone call plus email or fax** upon the discovery of breach of security of PSCI in electronic media or in any other media if the PSCI was, or is reasonably believed to have been, acquired by an unauthorized person, or upon the discovery of a suspected security incident that involves data provided to DHCS by the Social Security Administration. The contractor shall notify DHCS **within twenty-four (24) hours by email or fax** of the discovery of any other suspected security incident, intrusion or unauthorized use or disclosure of PSCI in

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violation of this Agreement, this provision, the law, or potential loss of confidential data affecting this Agreement. Notification shall be provided to the DHCS Program Contract Manager, the DHCS Privacy Officer and the DHCS Information Security Officer. If the incident occurs after business hours or on a weekend or holiday and involves electronic PSCI, notification shall be provided by calling the DHCS Information Technology Services Division (ITSD) Help Desk. Contractor shall take:

- 1) Prompt corrective action to mitigate any risks or damages involved with the breach and to protect the operating environment and
- 2) Any action pertaining to such unauthorized disclosure required by applicable Federal and State laws and regulations.

E. Investigation of Breach. The Contractor shall immediately investigate such security incident, breach, or unauthorized use or disclosure of PSCI and within seventy-two (72) hours of the discovery, shall notify the DHCS Program Contract Manager, the DHCS Privacy Officer, and the DHCS Information Security Officer of:

- 1) What data elements were involved and the extent of the data involved in the breach,
- 2) A description of the unauthorized persons known or reasonably believed to have improperly used or disclosed PSCI,
- 3) A description of where the PSCI is believed to have been improperly transmitted, sent, or utilized,
- 4) A description of the probable causes of the improper use or disclosure; and
- 5) Whether Civil Code sections 1798.29 or 1798.82 or any other federal or state laws requiring individual notifications of breaches are triggered.

F. Written Report. The Contractor shall provide a written report of the investigation to the DHCS Program Contract Manager, the DHCS Privacy Officer, and the DHCS Information Security Officer within ten (10) working days of the discovery of the breach or unauthorized use or disclosure. The report shall include, but not be limited to, the information specified above, as well as a full, detailed corrective action plan, including information on measures that were taken to halt and/or contain the improper use or disclosure.

G. Notification of Individuals. The Contractor shall notify individuals of the breach or unauthorized use or disclosure when notification is required under state or federal law and shall pay any costs of such notifications, as well as any costs associated with the breach. The DHCS Program Contract Manager, the DHCS Privacy Officer, and the DHCS Information Security Officer shall approve the time, manner and content of any such notifications and their review and approval must be obtained before the notifications are made.

H. Affect on lower tier transactions. The terms of this Exhibit shall apply to all contracts, subcontracts, and subawards, regardless of whether they are for the acquisition of services, goods, or commodities. The Contractor shall incorporate the contents of this Exhibit into each subcontract or subaward to its agents, subcontractors, or independent consultants.

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Information Confidentiality and Security Requirements

7. **Contact Information.** To direct communications to the above referenced DHCS staff, the Contractor shall initiate contact as indicated herein. DHCS reserves the right to make changes to the contact information below by giving written notice to the Contractor. Said changes shall not require an amendment to this Exhibit or the Agreement to which it is incorporated.

DHCS Program Contract Manager	DHCS Privacy Officer	DHCS Information Security Officer
See the Scope of Work exhibit for Program Contract Manager information	Privacy Officer c/o Office of Legal Services Department of Health Care Services P.O. Box 997413, MS 0011 Sacramento, CA 95899-7413 Email: privacyofficer@dhcs.ca.gov Telephone: (916) 445-4646	Information Security Officer DHCS Information Security Office P.O. Box 997413, MS 6400 Sacramento, CA 95899-7413 Email: iso@dhcs.ca.gov Telephone: ITSD Help Desk (916) 440-7000 or (800) 579-0874

8. **Audits and Inspections.** From time to time, DHCS may inspect the facilities, systems, books and records of the Contractor to monitor compliance with the safeguards required in the Information Confidentiality and Security Requirements (ICSR) exhibit. Contractor shall promptly remedy any violation of any provision of this ICSR exhibit. The fact that DHCS inspects, or fails to inspect, or has the right to inspect, Contractor's facilities, systems and procedures does not relieve Contractor of its responsibility to co comply with this ICSR exhibit.

Appendix 1

Driving / Parking Instructions to the East End Complex Department of Health Care Services, Sacramento CA

The Department of Health Care Services (DHCS) is located in Downtown Sacramento in the area known as the East End Complex (EEC). The EEC is east of the State Capitol building and Capitol Park.

The Office of Medi-Cal Procurement (OMCP) is located in the DHCS building at 1501 Capitol Avenue, on the northwest corner of 15th Street and Capitol Avenue. OMCP is located on the third floor in Suite 3041. Proposers must enter the building through the main lobby, which is on Capitol Avenue.

The Bidder's Conference will be in the DHCS building at 1500 Capitol Avenue, on the southwest corner of 15th Street and Capitol Avenue.

Proposers are encouraged to allow time to park and walk to the buildings when visiting OMCP and/or attending the Bidder's Conference. Proposers must stop at the Security Desk to sign-in and receive a Visitor badge in all DHCS buildings.

Parking Information and Suggestions

- On-street parking around Capitol Park and the East End Complex is limited and metered (mostly two hour limit).
- The public parking garage located on K Street, between 15th / 16th Streets, typically has parking available for most of the day. The K Street garage entrance is located next to the Capitol Garage Café, which is at the corner of 15th / K Streets.
- There is a public parking lot on the corner of 16th / L Streets.

Driving Instructions to EEC (1500 Capitol Avenue)

From Los Angeles:

- Take I-5 N.
- Take the J STREET exit toward DOWNTOWN SACRAMENTO.
- Turn Slight Right onto J STREET.
- Turn Right onto 15th Street / CA-160 S.
- Turn Left onto CAPITOL AVENUE.
- End at 1500 CAPITOL AVENUE.

Total Est. Time: 5 hours, 47 minutes Total Est. Distance: 385.26 miles

Appendix 1Driving / Parking Instructions to the East End Complex
Department of Health Care Services, Sacramento CA**From San Francisco:**

- Take I-80 E toward BAY BRIDGE / OAKLAND / SEVENTH ST / US-101 N (Portions toll).
- Take CAPITOL CITY FWY / US-50 E toward SACRAMENTO / SOUTH LAKE TAHOE.
- Take the CA-160 / 15th STREET exit.
- Turn Slight Left onto X STREET.
- Turn Left onto 16th STREET / CA-160 N.
- Turn Left onto CAPITOL AVENUE.
- Make a Left onto 15th STREET at the stop sign.
- Make a U-Turn around the median strip at 15th STREET onto CAPITOL AVENUE.
- End at 1500 CAPITOL AVENUE.

Total Est. Time: 1 hour, 35 minutes Total Est. Distance: 91.29 miles

From Sacramento International Airport:

- Start out going SOUTH on AIRPORT BLVD toward the AIRPORT EXIT.
- Merge onto I-5 S toward SACRAMENTO / YUBA CITY.
- Take the J STREET exit toward DOWNTOWN.
- Stay STRAIGHT to go onto J STREET.
- Turn RIGHT onto 15th STREET / CA-160 S.
- Turn Left onto CAPITOL AVENUE.
- End at 1500 CAPITOL AVENUE.

Total Est. Time: 17 minutes Total Est. Distance: 12.19 miles

From South Lake Tahoe:

- Take US-50 / CA-89 / EMERALD BAY ROAD.
- Continue to follow US-50 W.
- Take the CA-160 / 16th STREET exit.
- Turn Slight Right onto 16th STREET / CA-160 N.
- Turn Left onto CAPITOL AVENUE.
- Make a Left onto 15th STREET at the stop sign.
- Make a U-Turn around the median strip at 15th STREET onto CAPITOL AVENUE.
- End at 1500 CAPITOL AVENUE.

Total Est. Time: 2 hour, 2 minutes Total Est. Distance: 102.87 miles



State of California—Health and Human Services Agency
Department of Health Care Services



ARNOLD SCHWARZENEGGER
Governor

August 26, 2010

Dear Interested Parties:

**CA-MMIS PROJECT OFFICE/PROJECT MANAGEMENT SERVICES CONTRACT
RFP 09-86193 ADMINISTRATIVE BULLETIN 1**

The purpose of Administrative Bulletin 1 is to announce a delay in the bidder's conference and all other Request for Proposal related due dates. At this time we have no anticipated replacement dates, but will post the changes to the website when available.

If you should have further questions, please contact Maegan Jorgensen or Nathan Greve, lead analysts assigned to this procurement, at (916) 552-8006.

Sincerely,

Original Signed by *Kevin Morrill*

Kevin Morrill, Chief
Office of Medi-Cal Procurement

Office of Medi-Cal Procurement
MS 4200, P.O. Box Number 997413
Sacramento, CA 95814
(916) 552-8006

Internet Address: http://www.dhcs.ca.gov/provgovpart/rfa_rfp/Pages/OMCPHomePage.aspx

Question and Answers for Bid #09-86193 - CA-MMIS DDI Project Management Services Project

OVERALL BID QUESTIONS

There are no questions associated with this bid.

Question Deadline: Aug 18, 2010 2:30:00 PM PDT