



STATE OF ARKANSAS
OFFICE OF STATE PROCUREMENT
1509 West 7th Street, Room 300
Little Rock, Arkansas 72201-4222

FINAL REQUEST FOR QUALIFICATION
BID SOLICITATION DOCUMENT

NOTE: Updates to this final RFQ are designated by red font.

SOLICITATION INFORMATION			
Bid Number:	SP-16-0215	Solicitation Issued:	9/13/2016
Description:	Pay for Success		
Agency:	Arkansas Community Correction		

SUBMISSION DEADLINE FOR RESPONSE			
Bid Opening Date:	11/08/2016	Bid Opening Time:	2:00 p.m., Central Time
Responses shall not be accepted after the designated bid opening date and time. In accordance with Arkansas Procurement Law and Rules, it is the responsibility of vendors to submit responses at the designated location on or before the bid opening date and time. Responses received after the designated bid opening date and time shall be considered late and shall be returned to the vendor without further review. It is not necessary to return "no bids" to OSP.			

DELIVERY OF RESPONSE DOCUMENTS	
Delivery Address:	Office of State Procurement 1509 West 7 th Street, Room 300 Little Rock, AR 72201-4222 Delivery providers, USPS, UPS, and FedEx deliver mail to OSP's street address on a schedule determined by each individual provider. These providers will deliver to OSP based solely on the street address.
Response's Outer Packaging:	Outer packaging must be sealed and should be properly marked with the following information. If outer packaging of response submission is not properly marked, the package may be opened for bid identification purposes. <ul style="list-style-type: none">• Bid number• Date and time of bid opening• Vendor's name and return address

OFFICE OF STATE PROCUREMENT CONTACT INFORMATION			
OSP Buyer:	Tamara DeBord	Buyer's Direct Phone Number:	501-371-6059
Email Address:	tamara.debord@dfa.arkansas.gov	OSP's Main Number:	501-324-9316
OSP Website:	http://www.dfa.arkansas.gov/offices/procurement/Pages/default.aspx		

SECTION 1 - GENERAL INSTRUCTIONS AND INFORMATION

- **Do not provide responses to items in this section unless specifically and expressly required.**

1.1 PURPOSE

The Office of State Procurement (OSP) issues this Request for Qualification (RFQ) on behalf of Arkansas Community Correction (ACC) to obtain proposals resulting in separate contracts to fulfill three (3) separate service roles of: (1) a Service Provider(s), (2) a Fiscal Intermediary, and (3) a Project Manager to establish a Pay for Success program with the goal of reducing Arkansas's prison population. A vendor may submit a proposal for one, or up to all service roles, but responses for each role **must** be separate so they can be evaluated separately by service.

1.2 TYPE OF CONTRACT

- A. A Term contract will be awarded to one or more Service Provider vendors, a Fiscal Intermediary vendor, and a Project Manager vendor.
- B. It is anticipated that the initial term of each contract will be for at least four (4) years, and vendors **shall** submit proposals based on that assumption. ACC expects in-depth negotiations with the apparent successful vendors prior to award, and those negotiations will directly impact the start date of the contracts. The contracts' start date is anticipated to be immediately after negotiations are finalized and all approvals are obtained.
- C. Contract renewals and the term of each renewal will be negotiated for each contract.
- D. The total contract term **shall not** be more than seven (7) years for each contract.

1.3 ISSUING AGENCY

OSP, as the issuing office, is the sole point of contact throughout this solicitation.

1.4 BID OPENING LOCATION

Responses submitted by the opening time and date **shall** be opened at the following location:

Office of State Procurement
1509 West Seventh Street, Room 300
Little Rock, AR 72201-4222

1.5 DEFINITION OF REQUIREMENT

- A. The words "**must**" and "**shall**" signify a Requirement of this solicitation and that vendor's agreement to and compliance with that item is mandatory.
- B. Exceptions taken to any Requirement in this *Bid Solicitation*, whether submitted in the vendor's response(s) or in subsequent correspondence, **shall** cause the vendor's response(s) to be disqualified.
- C. Vendor may request exceptions to NON-mandatory items. Any such request **must** be declared on, or as an attachment to, the appropriate section's *Agreement and Compliance Page* in each *Response Packet*. Vendor **must** clearly explain the requested exception and should reference the specific solicitation item number to which the exception applies. (See *Agreement and Compliance Page*.)
- D. **Should a governmental entity submit a proposal and be selected for award of a contract those provisions in this solicitation which are not applicable by law will be void.**

1.6 DEFINITION OF TERMS

- A. The State Procurement Official has made every effort to use industry-accepted terminology in this *Bid Solicitation* and will attempt to further clarify any point of an item in question as indicated in *Clarification of Bid Solicitation*.
- B. The words "bidder" and "vendor" are used synonymously in this document.
- C. The terms "Request for Qualifications", "RFQ" and "Bid Solicitation" are used synonymously in this document.

1.7 RESPONSE DOCUMENTS**A. Original Response Packet**

1. Vendors **shall** submit a separate *Response Packet* and separately sealed "Financial Modeling Exercise" packet, as applicable, for each service role they wish to propose. A vendor may submit a response for one, two, or all three service roles.
2. A vendor submitting *Response Packets* for more than one service role should treat each *Response Packet* as a completely separate submission, with any Financial Modeling Exercise sealed separately from the general *Response Packet* for that service role. Submission guidelines and requirements **shall** apply to each *Response Packet* separately.
3. The original *Response Packet(s)* **must** be submitted on or before the bid opening date and time.
4. The *Response Packet(s)* should be clearly marked "Original – Service Provider" or "Original – Fiscal Intermediary" or "Original – Project Manager" and **must** include the following:
 - a. Original signed *Response Signature Page*. (See *Response Signature Page*.)
 - b. Original signed *Agreement and Compliance Pages* applicable to that particular service. (See *Agreement and Compliance Pages*.)
 - c. Original signed *Proposed Subcontractors Form*. (See *Subcontractors*.)
 - d. Response to the *Information for Evaluation* section included in each *Response Packet*.
 - e. Other documents and/or information as may be expressly required in this *Bid Solicitation*.
 - f. A separately sealed packet labeled "Service Provider - Financial Modeling Exercise (SP.10-SP.13)" or "Fiscal Intermediary – Financial Modeling Exercise (I.8)"
5. The following items should be submitted in each original *Response Packet(s)*.
 - a. EO 98-04 Disclosure Form. (See *Standard Terms and Conditions, #27. Disclosure*.)
 - b. Copy of Vendor's *Equal Opportunity Policy*. (See *Equal Opportunity Policy*.)
6. **DO NOT** include any other documents or ancillary information, such as a cover letter or promotional/marketing information.

- B. Pricing information, other than that specifically requested in the *Response Packet*, **must not** be submitted with the bidder's response. (See *Pricing*.)

C. Additional Copies and Redacted Copy of the Response Packet(s)

In addition to the original *Response Packet(s)*, the following items should be submitted:

1. Additional Copies of the *Response Packet(s)*
 - a. Three (3) complete hard copies (marked "COPY – Service Provider" or "COPY – Fiscal Intermediary" or "COPY – Project Manager") of each *Response Packet*.
 - b. Four (4) electronic copies (marked "COPY – Service Provider" or "COPY – Fiscal Intermediary" or "COPY – Project Manager") of each *Response Packet*, preferably on flash drives. CDs will also be acceptable.
 - c. All additional hard copies and electronic copies **must** be identical to the original hard copy for each service role. In case of a discrepancy, the original hard copy **shall** govern.

- d. If OSP requests additional copies of the response(s), the copies **must** be delivered within twenty-four (24) hours of request.
2. One (1) redacted copy (marked "REDACTED – Service Provider" or "REDACTED – Fiscal Intermediary" or "REDACTED – Project Manager") of each original *Response Packet*, preferably on a flash drive. A CD will also be acceptable. (See *Proprietary Information*.)

1.8 ORGANIZATION OF RESPONSE DOCUMENTS

- A. It is strongly recommended that vendors adhere to the following format and suggestions when preparing their Response(s).
- B. The original *Response Packet* and all copies should be arranged in the following order for each.
 - *Response Signature Page.*
 - *All Agreement and Compliance Pages.*
 - *Proposed Subcontractors Form.*
 - Signed Addenda, if applicable.
 - E.O. 98-04 – *Contract Grant and Disclosure Form.*
 - *Equal Opportunity Policy.*
 - *Voluntary Product Accessibility Template (VPAT).*
 - Other documents and/or information as may be expressly required in this *Bid Solicitation*. Label documents and/or information so as to reference the *Bid Solicitation's* item number.
 - Response to the *Information for Evaluation* section of the *Response Packet*.

1.9 CLARIFICATION OF BID SOLICITATION

- A. The initial deadline for vendors to submit written questions requesting clarification of information for this solicitation was September 28, 2016. Vendors also were given the opportunity to submit questions after the Vendor Conference requesting clarification of information for this solicitation by October 6, 2016.
 1. Vendors' written questions will be consolidated and responded to by the State. The State's consolidated written response is anticipated to be posted to the OSP website by the close of business on October 14, 2016.
 2. Official responses to Vendors' written questions will only be provided in writing by the State. Verbal answers should not be interpreted as a binding response.
- B. Vendors may contact the OSP buyer with procurement-related questions at any time prior to the bid opening.
- C. Answers to verbal questions may be given as a matter of courtesy and **must** be received and evaluated at vendor's risk.

1.10 RESPONSE SIGNATURE PAGE

- A. An official authorized to bind the vendor(s) to a resultant contract(s) **must** sign the *Response Signature Page* included in the *Response Packet* for that particular service role.
- B. Vendor's signature on this page **shall** signify vendor's agreement, for that particular service role, that either of the following **shall** cause the vendor's response to be disqualified:
 - Additional terms or conditions submitted intentionally or inadvertently.
 - Any exception that conflicts with a Requirement of this *Bid Solicitation*.

1.11 AGREEMENT AND COMPLIANCE PAGES

- A. Vendor **must** sign all *Agreement and Compliance Pages* relevant to each section of the *Bid Solicitation Document*. The *Agreement and Compliance Pages* are included in each *Response Packet*.
- B. Vendor's signature on these pages **shall** signify agreement to and compliance with all Requirements within the designated section for that particular service role.
- C. Governmental entities see Section 1.5.D.

1.12 **SUBCONTRACTORS**

- A. Vendor **must** complete, sign and submit the *Proposed Subcontractors Form* included in each *Response Packet* for that particular service role.
- B. Additional subcontractor information may be required or requested in following sections of this *Bid Solicitation* or in the *Information for Evaluation* section provided in each *Response Packet*. **Do not** attach any additional information to the *Proposed Subcontractors Form*.

1.13 **PRICING**

Pricing will be negotiated for each service role with the apparent successful vendor(s) for that service role after the evaluation of responses. Vendor **must not** include any actual costs in their response(s). Should the hard copies or electronic copies of their *Response Packet(s)* contain any actual costs, the response(s) **shall** be disqualified.

1.14 **PRIME CONTRACTOR RESPONSIBILITY**

- A. A joint response submitted by two or more vendors for a single service role is acceptable. However, a single vendor **must** be identified as the prime contractor.
- B. The prime contractor **shall** be held responsible for the contract(s) and **shall** be the sole point of contact.

1.15 **PROPRIETARY INFORMATION**

- A. Submission documents pertaining to this *Bid Solicitation* become the property of the State and are subject to the Arkansas Freedom of Information Act (FOIA).
- B. One (1) complete copy of the submission documents from which any proprietary information has been redacted should be submitted on a flash drive with each *Response Packet* the vendor submits. A CD is also acceptable.
- C. Except for the redacted information, the redacted copy **must** be identical to the original hard copy, reflecting the same pagination as the original and showing the space from which information was redacted for that proposal response.
- D. The vendor **shall** be responsible for identifying all proprietary information and for ensuring the electronic copy is protected against restoration of redacted data for each service role.
- E. The redacted copy **shall** be open to public inspection under the Freedom of Information Act (FOIA) without further notice to the vendor.
- F. If a redacted copy of the submission documents is not provided with vendor's response packet, a copy of the non-redacted documents, with the exception of financial data, **shall** be released in response to any request made under the Arkansas Freedom of Information Act (FOIA).
- G. If the State deems redacted information to be subject to FOIA, the vendor will be contacted prior to release of the documents.

1.16 **CAUTION TO VENDORS**

- A. Prior to any contract award(s), all communications concerning this *Bid Solicitation* **must** be addressed through OSP.
- B. Vendor **must not** alter any language in any solicitation document provided by the State.
- C. All official documents and correspondence related to this solicitation **shall** be included as part of the resultant contract(s).
- D. Responses **must** be submitted only in the English language.
- E. The State **shall** have the right to award or not award contract(s), if it is in the best interest of the State to do so.
- F. Vendor **must** provide clarification of any information in their response documents as requested by OSP.
- G. Qualifications **must** meet or exceed the required specifications as set forth in this *Bid Solicitation*.

1.17 REQUIREMENT OF ADDENDUM

- A. This *Bid Solicitation* **shall** be modified only by an addendum written and authorized by OSP.
- B. An addendum posted within three (3) calendar days prior to the bid opening **shall** extend the bid opening and may or may not include changes to the Bid Solicitation.
- C. The vendor **shall** be responsible for checking the OSP website, <http://www.arkansas.gov/dfa/procurement/bids/index.php>, for any and all addenda up to bid opening.

1.18 QUALIFICATION AND AWARD PROCESS

- A. Successful Vendor(s) Selection
 - 1. The ranking of vendors **shall** be determined by the total score each *Response* receives in evaluation. The State will enter pricing negotiations with those responsible offerors determined, based on the ranking of the proposals, to be reasonably susceptible of being selected for award.
- B. Negotiations
 - 1. The agency **shall** have the right to conduct contractual and pricing negotiations with the highest ranking vendors for each service role. Because the Pay for Success program requires the integrated services of separate vendors, as well as a single conceptual approach to the function of the program as a whole, it is anticipated that negotiations will take place individually for each service role, as well as jointly, including the State and up to all apparent successful vendors. All negotiations **shall** be conducted at the sole discretion of the State. The State **shall** solely determine the course of negotiations. It is ACC's intention to select each vendor type and then work with one Project Manager, one Fiscal Intermediary, and one or more Service Providers to arrive at mutually agreeable contract terms.
 - 2. If negotiations fail to result in an agreement between the State and any single vendor, or jointly among all top vendors, the State **shall** have the right to begin the negotiation process with the next highest ranking Vendor for the service role(s) in question. The negotiation process may be repeated until all anticipated successful vendors have been determined, or until such time the State decides not to move forward with an award.
 - 3. Negotiations for Pay for Success contracts in other states have sometimes lasted over one (1) year. Apparent successful respondents to the RFQ **shall** enter into negotiations at their own cost and with no guarantee of contract finalization and/or payment.
- C. Anticipation to Award
 - 1. Once an anticipated successful vendor for each service role (with possible multiple vendors for the Service Provider role) has been determined, the anticipated awards will be posted on the OSP website at http://www.arkansas.gov/dfa/procurement/pro_intent.php.
 - 2. The anticipated awards will be posted for a period of fourteen (14) days prior to the issuance of contracts. Vendors and agencies are cautioned that these are preliminary results only, and a contract will not be issued prior to the end of the fourteen (14) day posting period.
 - 3. OSP **shall** have the right to waive the policy of Anticipation to Award when it is in the best interest of the State.
 - 4. It is the vendor's responsibility to check the OSP website for the posting of anticipated award(s).
- D. Issuance of a Contract
 - 1. Any resultant contract(s) of this *Bid Solicitation* **shall** be subject to State approval processes which may include Legislative review and approval.
 - 2. An Arkansas Community Correction official will be responsible for award and administration of any resulting contract(s).

1.19 MINORITY BUSINESS POLICY

A. Minority is defined by Arkansas Code Annotated § 15-4-303 as a lawful permanent resident of this State who is:

- African American
- American Indian
- Asian American
- Hispanic American
- Pacific Islander American
- A Service Disabled Veterans as designated by the United States Department of Veteran Affairs

B. The Arkansas Economic Development Commission conducts a certification process for minority businesses and disabled veterans. The vendor's Certification Number should be included on the vendor's *Response Signature Page* for each service role in which a proposal is being submitted.

1.20 EQUAL OPPORTUNITY POLICY

A. In compliance with Arkansas Code Annotated § 19-11-104, OSP is required to have a copy of the vendor's *Equal Opportunity (EO) Policy* prior to issuing contract awards.

B. *EO Policies* may be submitted in electronic format to the following email address: eeopolicy.osp@dfa.arkansas.gov, but should also be included as a hardcopy accompanying each solicitation response.

C. The submission of an *EO Policy* to OSP is a one-time Requirement. Vendors are responsible for providing updates or changes to their respective policies, and for supplying *EO Policies* upon request to other State agencies that **must** also comply with this statute.

D. Vendors who are not required by law by to have an *EO Policy* **must** submit a written statement to that effect.

1.21 PROHIBITION OF EMPLOYMENT OF ILLEGAL IMMIGRANTS

E. Pursuant to Arkansas Code Annotated § 19-11-105, prior to the award of contracts, selected vendor(s) **must** have a current certification on file with OSP stating that they do not employ or contract with illegal immigrants.

F. OSP will notify the selected vendor(s) prior to the awards if their certification has expired or is not on file. Instructions for completing the certification process will be provided to the vendor(s) at that time.

1.22 PAST PERFORMANCE

In accordance with provisions of State Procurement Law, specifically OSP Rule R5:19-11-230(b)(1), a vendor's past performance with the State may be used to determine if the vendor is "responsible". Responses submitted by vendors determined to be non-responsible **shall** be disqualified.

1.23 VISA ACCEPTANCE

G. Awarded vendor(s) should have the capability of accepting the State's authorized VISA Procurement Card (p-card) as a method of payment.

H. Price changes or additional fee(s) **shall not** be levied against the State when accepting the p-card as a form of payment.

I. VISA is not the exclusive method of payment.

1.24 PUBLICITY

A. Vendors **shall not** issue a news release pertaining to this *Bid Solicitation* or any portion of the project without OSP's prior written approval.

B. Failure to comply with this Requirement **shall** be cause for a vendor's response(s) to be disqualified.

1.25 RESERVATION

The State **shall not** pay costs incurred in the preparation of response(s).

1.26 VENDOR CONFERENCE PRESENTATION

A vendor conference was held on October 5, 2016 per the information that was provided in the Pay for Success RFQ draft that was previously posted. The vendor conference presentation is attached to this final RFQ as *Attachment 1 – Vendor Conference Presentation*.

SECTION 2 – MINIMUM REQUIREMENTS

- **Do not provide responses to items in this section unless specifically and expressly required.**

2.1 SCOPE OF WORK

- A. Arkansas Community Correction (ACC) is seeking to contract with one or more Service Provider vendors, a Fiscal Intermediary vendor, and a Project Manager vendor to establish a Pay for Success program with the goal of reducing Arkansas's prison population.

This RFQ provides specifications for all three service roles and will result in separate contracts:

1. A contract(s) with a Service Provider(s) vendor – the Service Provider is the organization that **shall** receive the capital raised from philanthropic and private funders and **shall** provide preventative intervention programming to the target population.
2. A contract with a Fiscal Intermediary vendor – the Fiscal Intermediary is the organization that **shall** raise operating capital from philanthropic and private funders and collaborate with the government, service provider, and other stakeholders to develop the Pay for Success plan. **In collaboration with the evaluator or validator, they shall** also determine the financial success of the program and provide the appropriate ROI to the funders.
3. A contract with a Project Manager vendor – the Project Manager **shall** provide day-to-day project management once the Pay for Success program launches and **shall** be a stakeholder in negotiations with the Service Provider(s) and the Fiscal Intermediary before launch.

Under the structure of this RFQ, these vendor types **must** be procured separately. ACC is interested in Fiscal Intermediaries' and Project Managers' views of what services would be most likely to work for the target population and would also like to hear from Services Providers about what kind of financial and program management would be most effective in combination with their services.

NOTE: Desired partnerships will not be considered in vendor selection. It is preferable that vendors not address desired partnerships in their response.

- B. Pay for Success programs are an innovative, public-private partnership that can save taxpayer dollars and improve the performance of social services. Under a Pay for Success program, philanthropic and private funders provide upfront capital to a high-quality service provider to deliver a preventative intervention program, and the government only pays the original funders once agreed-upon outcomes are met.

Pay for Success is used primarily for preventative social services that can save taxpayer dollars in the long run. Examples include:

- Creating education placement programs for re-entry populations, which have been shown to reduce the likelihood that former offenders return to prison.
- Providing transitional employment opportunities combined with support services for individuals immediately following release from prison.

Pay for Success programs produce budgetary savings, and in many cases the programs are entirely (or close to) cost neutral. After a Pay for Success program has been executed, if agreed-upon target outcomes are met, a share of the government's savings are returned to the funders to repay their principal and provide a small rate of return on their investment. **The expected returns for the investors will be determined during negotiations.** If target outcomes are not met, then the government does not pay back funders. In short, taxpayers do not pay for a project that fails to achieve its performance targets.

2.2 OVERVIEW AND BACKGROUND

- A. Criminal Justice Reform in Arkansas
The Arkansas General Assembly passed Act 895 of 2015, authorizing the State to enter into a Pay for Success program for cost-effective criminal justice programming that can improve public safety and reduce the State's prison population.

In 2013, Arkansas's prison rolls grew 17.7% because of an increase in both technical parole violators and new commitments. In 2014, the rate of growth slowed, but the population still increased 3.7%. For context, most states in the U.S. now have declining prison populations, including neighbors such as Mississippi and Texas. Thirty states have had both declining incarceration and crime rates at the same time. A report by JFA Associates from June 2015, projected that under then current conditions, Arkansas would have a prison population of over 23,000 in 2020, up from about 18,000. Under its best case scenario, JFA's model projected a prison population increase to almost 20,500 by 2020. **The average daily cost for incarceration for FY 2015 was \$62.90 and the average daily cost for community supervision in FY 2015 was \$2.24.**

The State has already taken action to reduce the prison population:

- Arkansas leaders including the Governor, Speaker of the House and Senate Pro Tempore, Legislative Judiciary Committee Co-Chairs, and Chief Justice of the Arkansas Supreme Court requested and received a technical assistance grant from the Council of State Governments (CSG) to provide nonpartisan advice and evidence-based, consensus-driven strategies to help achieve our goals. Arkansas committed to a collaborative effort with the CSG to develop and adopt innovative solutions and evidence-based practices to lower commitments to prison.
- The Governor gathered faith leaders from across Arkansas to his Restore Hope Summit to engage their parishioners in supporting prisoner reentry.
- The State funded a full-time position to support employer recruitment and job placement.
- ACC extended educational programming within its facilities to year-round calendar from the previous nine-month schedule.
- ACC rolled out the Good Grid, an electronic directory of services for people under community supervision that interfaces with the State's administrative databases.
- ACC is developing partnerships with the Department of Workforce Services (DWS) and multiple universities to provide reentry and in-facility programming.
- ACC is working with regional coalitions to build community support for reentry efforts.

In addition to its ongoing efforts, Arkansas seeks to contract with a Service Provider vendor to provide programming to decrease the rate of incarceration, improve prisoner reentry into society, and reduce recidivism rates in the ex-offender population. Service provider respondents should include best practices from the field of reentry and community supervision.

B. Target Population Information

Interventions should target moderate- and/or high-risk populations, **and ACC prefers target populations be served pre-adjudication or post-release. The target population should either be under the supervision of ACC or be at risk of ACC supervision (pre-adjudication). ACC serves adults 18 years of age and up.** Respondents may use the following information to inform the content of their responses.

The current statewide supervision population totals 54,724 individuals comprised of high, moderate, and low risk levels, **as determined by the Arkansas Offender Risk Assessment.** As stated previously, interventions should target moderate- and/or high-risk populations only. The State of Arkansas is divided into 13 parole areas, each of which serve multiple counties. The following list shows each area and the counties it serves. The data for total caseloads and risk level indicate the number of individuals in each category.

Area	Counties
1	Benton, Washington, Madison
2	Carroll, Boone, Newton, Marion, Searcy, Van Buren, Stone, Baxter, Izard, Fulton
3	Randolph, Sharp, Independence, Cleburne, Jackson, White, Prairie
4	Clay Green, Craighead, Mississippi, Poinsett

5	Crawford, Franklin, Johnson, Sebastian, Logan, Scott, Polk, Montgomery
6	Pope, Conway, Yell, Perry, Faulkner
7	Lonoke (Probation), Pulaski (Probation), Saline (Parole and Probation)
8	Lonoke (Parole), Pulaski (Parole)
9	Woodruff, Cross, Crittenden, St. Francis, Monroe, Lee, Phillips
10	Garland, Hot Spring, Grant, Clark
11	Jefferson, Arkansas, Lincoln, Desha, Drew, Bradley, Ashley, Chicot
12	Howard, Sevier, Pike, Little River, Hempstead, Nevada, Miller, Lafayette
13	Dallas, Cleveland, Ouachita, Calhoun, Colombia, Union

Total Caseloads and Risk Level by Area

Area	High Risk	Moderate Risk	Total Caseloads
1	279	2,668	7,259
2	109	761	2,407
3	104	1,117	3,703
4	130	1,470	4,615
5	106	1,213	3,871
6	152	860	3,441
7	299	1,746	6,242
8	434	2,194	6,242
9	211	771	2,534
10	104	742	2,503
11	242	1,806	3,871
12	220	1,281	4,446
13	134	1,036	2,312

*The Total Caseloads column will not equal the total of the previous columns due to the omission of low risk cases from this data. Low risk is not a part of the target population and therefore data was not included.

C. Types Of Service Provider Programs

The State is particularly interested in programming that can provide interventions targeting workforce development and job placement, education, behavioral health needs, and/or serves the target population pre-adjudication or during reentry. Programming that targets other areas of need for the target population will be considered as well **and the respondent may attempt to make a compelling case for other interventions.** Specifically, the State is interested in targeting individuals prior to placement in a State prison or immediately following release during the reentry phase.

D. Independent Program Success Evaluation/Validation

Whether outcomes are achieved by the program(s) is determined by a professional evaluator or validator. The evaluator uses rigorous methodologies that compare the outcomes of those referred to a Service Provider's intervention to a counterfactual group of individuals from the same target population who were not referred to the program. The monitoring of this counterfactual will allow the evaluator/validator to see what would have happened to the target population had it not received the Pay for Success intervention. Any positive outcomes and budgetary savings can thus be attributed to the intervention as opposed to other factors, such as a change in the local economy or the presence of another program.

The evaluation or validation of an intervention's outcomes is necessary because whether the government makes success payments depends on these measurements. Program Evaluation/Validation can also improve Arkansas's understanding of which interventions are most effective, allowing the State to spend taxpayer money efficiently and scale programs that work in the future. The State will be closely involved for tasks such as data collection and analysis.

ACC has not yet determined which form the evaluation will take, and vendors should include an illustrative evaluation cost where applicable. The timeline for evaluation is dependent on the program design and will be determined during negotiations.

2.3 SIZE OF PROJECT AND FUNDING

A. The final project size will likely be between \$8 and \$20 million.

1. It is anticipated that the bulk of funding will be allocated for direct service provision. However, this will be determined during negotiations.

B. The anticipated period of service delivery is between three and five years.

2.4 PAYMENT SCHEDULE

A payment schedule will be determined during negotiations. This will inform the amount of outcome payments that the government will make in relation to the level of success observed. Typically, excess savings beyond the “breakeven” point of the project (once funders have recovered their principal) are split between funders and government, up to a total project cap after which government retains all additional savings.

2.5 PERFORMANCE STANDARDS

- A. State law requires that all contracts for services include Performance Standards for measuring the overall quality of services provided. Performance Standards identifies expected deliverables, performance measures, or outcomes; and defines the acceptable standards a vendor **must** meet in order to avoid assessment of damages.
- B. The State may be open to negotiations of Performance Standards prior to contract award with each of the successful vendors, prior to the commencement of services, or at times throughout the contract duration.
- C. The State **shall** have the right to modify, add, or delete Performance Standards throughout the term of the contract, should the State determine it is in its best interest to do so. Any changes or additions to performance standards will be made in good faith following acceptable industry standards, and may include the input of the vendor so as to establish standards that are reasonably achievable.
- D. All changes made to the Performance Standards **shall** become an official part of the contract.
- E. Performance Standards **shall** continue throughout the term of the contract.
- F. Failure to meet the minimum Performance Standards as specified **shall** result in the assessment of damages.
- G. In the event a Performance Standard is not met, the vendor will have the opportunity to defend or respond to the insufficiency. The State **shall** have the right to waive damages if it determines there were extenuating factors beyond the control of the vendor that hindered the performance of services. In these instances, the State **shall** have final determination of the performance acceptability.
- H. Should any compensation be owed to the agency due to the assessment of damages, vendor **shall** follow the direction of the agency regarding the required compensation process.

SECTION 3 – VENDOR REQUIREMENTS FOR SERVICE PROVIDER

- **Do not provide responses to items in this section unless specifically and expressly required.**

3.1 SERVICE PROVIDER ROLE

- A. Pay for Success offers the Service Provider stable multi-year funding, allowing it to expand services in a deliberate way.
- B. In order to successfully recruit philanthropic and private funders, a Service Provider **must** have a strong track record of success. Often, successful Service Provider applicants for Pay for Success funding already have had independent evaluations, outcome studies, cost-benefit analyses, or other internal data tracking that demonstrates the efficacy of their programs.
- C. The total project cap is \$20 million, but that includes the cost of the Project Manager, the Fiscal Intermediary, and other deal construction/closing costs. A Service Provider may work within this budget for their proposal.
- D. Service Providers' can serve inmates being released from any or all ACC and/or ADC facilities. However, to ensure a rigorous evaluation, a minimum of 200 individuals should be served over the life of the project. Programming should not target individuals who are currently incarcerated at an ACC or ADC facility.
- E. The State **shall** reserve the right to select multiple Service Provider respondents to fulfill this vendor role in different capacities.

3.2 SERVICE PROVIDER REQUIREMENTS

- A. Vendor **must not** include brochures or business publications in their responses to this RFQ. One (1) copy of company brochures or business publications may be provided separately at a later date, but **shall** only be retained for possible future use, and **shall not** be included in or used for the evaluation process.
- B. All Service Provider vendors **must** complete the financial modeling exercise in the Technical Proposal Packet.

SECTION 4 – VENDOR REQUIREMENTS FOR FISCAL INTERMEDIARY

- **Do not provide responses to items in this section unless specifically and expressly required.**

4.1 FISCAL INTERMEDIARY ROLE

- A. A contracted, nongovernmental organization, referred to as a Fiscal Intermediary, **structures the finances of the project**, raises operating funds, **and manages the finances** for the Pay for Success program from philanthropic and private funders **for the duration of the initiative**.
- B. The Fiscal Intermediary uses the funds it raises from funders to provide operating funds to the Service Provider, and the Fiscal Intermediary is typically paid a percentage of total funds raised. The government makes success payments only upon meeting performance targets, incentivizing successful management of the Pay for Success program once it launches.

4.2 FISCAL INTERMEDIARY REQUIREMENTS

- A. Vendor **must not** include brochures or business publications in the body of their responses to this RFQ. One (1) copy of company brochures or business publications may be provided separately, but **shall** only be retained for possible future use, and **shall not** be included in or used for the evaluation process.

SECTION 5 – VENDOR REQUIREMENTS FOR PROJECT MANAGER

- **Do not provide responses to items in this section unless specifically and expressly required.**

5.1 PROJECT MANAGER ROLE

- A. A contracted, nongovernmental organization, referred to as a Project Manager, **shall** provide day-to-day project management once the Pay for Success program launches and **shall** be a stakeholder in contract negotiations with the Service Provider and Fiscal Intermediary before program launch.
- B. The Project Manager **shall** collect, monitor, analyze, and report outcome data and **shall** implement ongoing performance improvement for the duration of the Pay for Success contract. In order to do so, it **shall** collaborate both during contract negotiations and execution with other stakeholders including the service provider, the fiscal intermediary, the professional evaluator and government partners.
- C. The specific requirements of the Project Manager service role will be discussed and determined in negotiations with the State.

5.2 PROJECT MANAGER REQUIREMENTS

- A. Vendor **must not** include brochures or business publications in the body of their responses to this RFQ. One (1) copy of company brochures or business publications may be provided separately at a later date, but **shall** only be retained for possible future use, and **shall not** be included in or used for the evaluation process.

SECTION 6 – CRITERIA FOR SELECTION

- **Do not provide responses to items in this section.**

6.1 RESPONSE SCORE

- A. OSP will review each *Response Packet* to verify submission Requirements have been met. *Response Packets* that do not meet submission Requirements **shall** be disqualified and **shall not** be evaluated.
- B. An agency-appointed Evaluation Committee will evaluate and score qualifying responses for each service role:
 1. Service Provider
 2. Fiscal Intermediary
 3. Project Manager
- C. For Service Provider and Fiscal Intermediary responses, the General Information section will be evaluated first. Once that scoring is finalized, the Financial Modeling Exercise will be scored separately and the two scores will be added together for a final score for that proposal.
- D. Evaluation **shall** be based on vendor's response to the *Information for Evaluation* section included in the Response Packet(s) for each service role. Other agencies, consultants, and experts may also examine documents at the discretion of the Agency.
- E. The *Information for Evaluation* section for each service category has been divided into sub-sections.
 1. In each sub-section, items/questions have each been assigned a maximum point value of five (5) points. The total point value for each sub-section is reflected in the tables below as the Maximum Raw Score Possible for that category.
 2. The agency has assigned Weighted Percentages to each sub-section according to its significance. See Table 1 for Service Provider scoring. See Table 2 for Fiscal Intermediary scoring. See Table 3 for Project Manager scoring.

Table 1: Service Provider Scoring

Information for Evaluation Sub-Sections for Service Provider	Maximum Raw Points Possible	Sub-Section's Weighted Percentage	* Maximum Weighted Score Possible
SP.1 General Experience	15	22%	220
SP.2 Outcomes	5	4%	40
SP.3 Target Population	5	4%	40
SP.4 Intervention Model	15	3%	30
SP.5 Operational Plan	5	17%	170
SP.6 Strength Of Evidence Base Supporting Program Impact	5	13%	130
SP.7 Scaling The Program	10	17%	170
SP.8 Safeguards	5	4%	40
SP.9 Contingency Plan	5	4%	40
Financial Modeling Exercise Sealed Separately			
SP.10 Financial Modeling Exercise – Benefits vs. Costs	5	7.5%	75
SP.11 Financial Modeling Exercise – Illustrative Costs And Assumptions	5	1.5%	15
SP.12 Financial Modeling Exercise – Sources For Cost Estimates	5	1.5%	15
SP.13 Financial Modeling Exercise – Maximum Project Costs	5	1.5%	15
Totals	95	100.0%	1,000

*Sub-Section's Percentage Weight x Total Weighted Score = Maximum Weighted Score Possible for the sub-section.

Table 2: Fiscal Intermediary Scoring

Information for Evaluation Sub-Sections for Fiscal Intermediary	Maximum Raw Points Possible	Sub-Section's Weighted Percentage	* Maximum Weighted Score Possible
I.1 General Experience	5	13%	130
I.2 Organizational Capacity	5	8%	80
I.3 Staff Capacity	5	8%	80
I.4 Ability To Raise Operating Capital	10	35%	350
I.5 Partnership Management And Capacity To Develop Pay For Success Program	5	10%	100
I.6 Past Work With Arkansas	5	10%	100
I.7 Negotiation Experience	5	8%	80
Financial Modeling Exercise Sealed Separately			
I.8 Financial Modeling Exercise	5	8%	80
Totals	45	100.0%	1,000

*Sub-Section's Percentage Weight x Total Weighted Score = Maximum Weighted Score Possible for the sub-section.

Table 3: Project Manager Scoring

Information for Evaluation Sub-Sections for Project Manager	Maximum Raw Points Possible	Sub-Section's Weighted Percentage	* Maximum Weighted Score Possible
PM.1 Organizational Capacity	10	20%	200
PM.2 Capacity for Managing a Performance- Based Program	10	50%	500
PM.3 Partnership Management And Capacity To Develop Pay For Success Program	5	15%	150
PM.4 Past Work With Arkansas	5	7.5%	75
PM.5 Negotiation Experience	5	7.5%	75
Totals	35	100.0%	1,000

*Sub-Section's Percentage Weight x Total Weighted Score = Maximum Weighted Score Possible for the sub-section.

F. The vendor's weighted score for each sub-section will be determined using the following formula:

$$(A/B)*C = D$$

A = Actual Raw Points received for sub-section in evaluation

B = Maximum Raw Points possible for sub-section

C = Maximum Weighted Score possible for sub-section

D = Weighted Score received for sub-section

G. Vendor's weighted scores for sub-sections will be added to determine the Total Score for the Response.

6.2 VENDOR ACCEPTANCE OF EVALUATION TECHNIQUE

A. Vendor **must** agree to all evaluation processes and procedures as defined in this solicitation.

B. The submission of a *Response Packet* **shall** signify the vendor's understanding and agreement that subjective judgments **shall** be made during the evaluation and scoring of the Technical Proposals.

SECTION 7 – GENERAL CONTRACTUAL REQUIREMENTS

- **Do not provide responses to items in this section.**

7.1 PAYMENT AND INVOICE PROVISIONS

- A. It is not anticipated that any invoicing will take place for this contract in its initial stages. Further into the life of the contract, should any invoicing be negotiated, the following **shall** apply. All invoices **shall** be forwarded to:
- Arkansas Community Correction
Two Union National Plaza
105 W. Capitol Avenue
Little Rock, AR 72201
- B. Payment will be made in accordance with applicable State of Arkansas accounting procedures upon acceptance of goods and services by the agency.
- C. The State **shall not** be invoiced in advance of delivery and acceptance of any goods or services.
- D. The Service Provider will receive the capital raised from the project in advance of delivering programming.
- E. The timeline of paying the Fiscal Intermediary and the Project Manager has not yet been determined and will be established during negotiations, but it is possible that each vendor may be paid upon producing specific deliverables, upon the independent evaluator finding the PFS program has met contractually specified outcomes, or based on other terms.
- F. The vendor should invoice the agency by an itemized list of charges. The agency's Purchase Order Number and/or the Contract Number should be referenced on each invoice.
- G. Other sections of this *Bid Solicitation* may contain additional Requirements for invoicing.
- H. Selected vendor **must** be registered with the State in order to receive payment and future *Bid Solicitation* notifications. Vendors may register on-line at <https://www.ark.org/vendor/index.html>

7.2 GENERAL INFORMATION

- A. The State **shall not** lease any equipment or software for a period of time which continues past the end of a fiscal year unless the contract allows for cancellation by the State Procurement Official upon a 30 day written notice to the vendor/lessor in the event funds are not appropriated.
- B. The State **shall not** contract with another party to indemnify and defend that party for any liability and damages.
- C. The State **shall not** pay damages, legal expenses, or other costs and expenses of any other party.
- D. The State **shall not** continue a contract once any equipment has been repossessed.
- E. Any litigation involving the State **must** take place in Pulaski County, Arkansas.
- F. The State **shall not** agree to any provision of a contract which violates the laws or constitution of the State of Arkansas.
- G. The State **shall not** enter a contract which grants to another party any remedies other than the following:
- The right to possession.
 - The right to accrued payments.
 - The right to expenses of deinstallation.
 - The right to expenses of repair to return the equipment to normal working order, normal wear and tear excluded.
 - The right to recover only amounts due at the time of repossession and any unamortized nonrecurring cost as allowed by Arkansas Law.

- H. The laws of the State of Arkansas **shall** govern this contract.
- I. A contract **shall not** be effective prior to award being made by a State Procurement Official.
- J. In a contract with another party, the State will accept the risk of loss of the equipment or software and pay for any destruction, loss or damage of the equipment or software while the State has such risk, when:
 - The extent of liability for such risk is based upon the purchase price of the equipment or software at the time of any loss, and
 - The contract has required the State to carry insurance for such risk.

7.3 CONDITIONS OF CONTRACT

- A. The vendor **shall** at all times observe and comply with federal and State of Arkansas laws, local laws, ordinances, orders, and regulations existing at the time of, or enacted subsequent to the execution of a resulting contract which in any manner affect the completion of the work.
- B. The vendor **shall** indemnify and save harmless the agency and all its officers, representatives, agents, and employees against any claim or liability arising from or based upon the violation of any such law, ordinance, regulation, order or decree by an employee, representative, or subcontractor of the vendor.

7.4 STATEMENT OF LIABILITY

- A. The State will demonstrate reasonable care but will not be liable in the event of loss, destruction or theft of vendor-owned equipment or software and technical and business or operations literature to be delivered or to be used in the installation of deliverables and services. The vendor **shall** retain total liability for equipment, software and technical and business or operations literature. The State **shall** not at any time be responsible for or accept liability for any vendor-owned items.
- B. The vendor's liability for damages to the State **shall** be limited to the value of the Contract or \$5,000,000, whichever is higher. The foregoing limitation of liability **shall not** apply to claims for infringement of United States patent, copyright, trademarks or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the vendor; to claims covered by other specific provisions of the Contract calling for damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on the Contract. The vendor and the State **shall not** be liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages. This limitation of liability **shall not** apply to claims for infringement of United States patent, copyright, trademark or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the vendor; to claims covered by other specific provisions of the Contract calling for damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on the Contract.
- C. Language in these terms and conditions **shall not** be construed or deemed as the State's waiver of its right of sovereign immunity. The vendor agrees that any claims against the State, whether sounding in tort or in contract, **shall** be brought before the Arkansas Claims Commission as provided by Arkansas law, and **shall** be governed accordingly.

7.5 RECORD RETENTION

- A. The vendor **shall** maintain all pertinent financial and accounting records and evidence pertaining to the contract in accordance with generally accepted principles of accounting and as specified by the State of Arkansas Law. Upon request, access **shall** be granted to State or Federal Government entities or any of their duly authorized representatives.
- B. Financial and accounting records **shall** be made available, upon request, to the State of Arkansas's designee(s) at any time during the contract period and any extension thereof, and for five (5) years from expiration date and final payment on the contract or extension thereof.
- C. Other sections of this *Bid Solicitation* may contain additional Requirements regarding record retention.

7.6 CONFIDENTIALITY

- A. The vendor, vendor's subsidiaries, and vendor's employees **shall** be bound to all laws and to all Requirements set forth in this *Bid Solicitation* concerning the confidentiality and secure handling of information of which they may become aware during the course of providing services under a resulting contract.
- B. Consistent and/or uncorrected breaches of confidentiality may constitute grounds for cancellation of a resulting contract, and the State **shall** have the right to cancel the contract on these grounds.
- C. Previous sections of this *Bid Solicitation* may contain additional confidentiality Requirements.

7.7 CONTRACT INTERPRETATION

Should the State and vendor interpret specifications differently, either party may request clarification. However if an agreement cannot be reached, the determination of the State **shall** be final and controlling.

7.8 NON-PERFORMANCE

- A. In the event of non-performance of any project partner, it will likely be the responsibility of the executive committee (which will consist of representatives of key project partners) to decide if a project partner should be removed. They will also decide if and how that role should be replaced, and may choose to consider all options allowable under Arkansas procurement law. The specifics of such a contingency and the triggering events that could cause a replacement will be determined during contract negotiations and included in the final contract.
- B. Remedies for early termination or non-performance of various project partners will be determined during the course of contract negotiation. It is not typical for government to guarantee a minimum repayment to funders.

7.9 CANCELLATION

- A. In the event the State no longer needs the service or commodity specified in the contract or purchase order due to program changes, changes in laws, rules, or regulations, relocation of offices, or lack of appropriated funding. The State **shall** give the vendor written notice of cancellation, specifying the terms and the effective date of contract termination. The effective date of termination **shall** be 30 days from the date of notification, unless a longer timeframe is specified in the notification.
- B. Upon default of a vendor, the State **shall** agree to pay only sums due for goods and services received and accepted up to cancellation of the contract.

7.10 SEVERABILITY

If any provision of the contract, including items incorporated by reference, is declared or found to be illegal, unenforceable, or void, then both the agency and the vendor **shall** be relieved of all obligations arising under such provision. If the remainder of the contract is capable of performance, it **shall not** be affected by such declaration or finding and **shall** be fully performed.

SECTION 8 – STANDARD TERMS AND CONDITIONS

- **Do not provide responses to items in this section.**

1. **GENERAL:** Any special terms and conditions included in this solicitation **shall** override these Standard Terms and Conditions. The Standard Terms and Conditions and any special terms and conditions **shall** become part of any contract entered into if any or all parts of the bid are accepted by the State of Arkansas.
2. **ACCEPTANCE AND REJECTION:** The State **shall** have the right to accept or reject all or any part of a bid or any and all bids, to waive minor technicalities, and to award the bid to best serve the interest of the State.
3. **BID SUBMISSION:** Original Response Packets **must** be submitted to the Office of State Procurement on or before the date and time specified for bid opening. The Response Packet **must** contain all documents, information, and attachments as specifically and expressly required in the *Bid Solicitation*. The bid **must** be typed or printed in ink. The signature **must** be in ink. Unsigned bids **shall** be disqualified. The person signing the bid should show title or authority to bind his firm in a contract. Multiple responses **must** be placed in separate packages and should be completely and properly identified. Late bids **shall not** be considered under any circumstances.
4. **PRICES:** Bid unit price F.O.B. destination. In case of errors in extension, unit prices **shall** govern. Prices **shall** be firm and **shall not** be subject to escalation unless otherwise specified in the *Bid Solicitation*. Unless otherwise specified, the bid **must** be firm for acceptance for thirty days from the bid opening date. "Discount from list" bids are not acceptable unless requested in the *Bid Solicitation*.
5. **QUANTITIES:** Quantities stated in a *Bid Solicitation* for term contracts are estimates only, and are not guaranteed. Vendor **must** bid unit price on the estimated quantity and unit of measure specified. The State may order more or less than the estimated quantity on term contracts. Quantities stated on firm contracts are actual Requirements of the ordering agency.
6. **BRAND NAME REFERENCES:** Unless otherwise specified in the *Bid Solicitation*, any catalog brand name or manufacturer reference used in the *Bid Solicitation* is descriptive only, not restrictive, and used to indicate the type and quality desired. Bids on brands of like nature and quality will be considered. If bidding on other than referenced specifications, the bid **must** show the manufacturer, brand or trade name, and other descriptions, and should include the manufacturer's illustrations and complete descriptions of the product offered. The State **shall** have the right to determine whether a substitute offered is equivalent to and meets the standards of the item specified, and the State may require the vendor to supply additional descriptive material. The vendor **shall** guarantee that the product offered will meet or exceed specifications identified in this *Bid Solicitation*. Vendors not bidding an alternate to the referenced brand name or manufacturer **shall** be required to furnish the product according to brand names, numbers, etc., as specified in the solicitation.
7. **GUARANTY:** All items bid **shall** be newly manufactured, in first-class condition, latest model and design, including, where applicable, containers suitable for shipment and storage, unless otherwise indicated in the *Bid Solicitation*. The vendor hereby guarantees that everything furnished hereunder **shall** be free from defects in design, workmanship and material, that if sold by drawing, sample or specification, it **shall** conform thereto and **shall** serve the function for which it was furnished. The vendor **shall** further guarantee that if the items furnished hereunder are to be installed by the vendor, such items **shall** function properly when installed. The vendor **shall** guarantee that all applicable laws have been complied with relating to construction, packaging, labeling and registration. The vendor's obligations under this paragraph **shall** survive for a period of one year from the date of delivery, unless otherwise specified herein.
8. **SAMPLES:** Samples or demonstrators, when requested, **must** be furnished free of expense to the State. Each sample should be marked with the vendor's name and address, bid or contract number and item number. If requested, samples that are not destroyed during reasonable examination will be returned at vendor's expense. After reasonable examination, all demonstrators will be returned at vendor's expense.
9. **TESTING PROCEDURES FOR SPECIFICATIONS COMPLIANCE:** Tests may be performed on samples or demonstrators submitted with the bid or on samples taken from the regular shipment. In the event products tested fail to meet or exceed all conditions and Requirements of the specifications, the cost of the sample used and the reasonable cost of the testing **shall** be borne by the vendor.
10. **AMENDMENTS:** Vendor's responses cannot be altered or amended after the bid opening except as permitted by regulation.
11. **TAXES AND TRADE DISCOUNTS:** Do not include State or local sales taxes in the bid price. Trade discounts should be deducted from the unit price and the net price should be shown in the bid.
12. **AWARD:** Term Contract: A contract award will be issued to the successful vendor. It results in a binding obligation without further action by either party. This award does not authorize shipment. Shipment is authorized by the receipt of a purchase order from the ordering agency. Firm Contract: A written State purchase order authorizing shipment will be furnished to the successful vendor.
13. **DELIVERY ON FIRM CONTRACTS:** This solicitation shows the number of days to place a commodity in the ordering agency's designated location under normal conditions. If the vendor cannot meet the stated delivery, alternate delivery schedules may become a factor in an award. The Office of State Procurement **shall** have the right to extend delivery if reasons appear valid. If the date is not acceptable, the agency may buy elsewhere and any additional cost **shall** be borne by the vendor.

14. **DELIVERY REQUIREMENTS:** No substitutions or cancellations are permitted without written approval of the Office of State Procurement. Delivery **shall** be made during agency work hours only 8:00 a.m. to 4:30 p.m. Central Time, unless prior approval for other delivery has been obtained from the agency. Packing memoranda **shall** be enclosed with each shipment.
15. **STORAGE:** The ordering agency is responsible for storage if the contractor delivers within the time required and the agency cannot accept delivery.
16. **DEFAULT:** All commodities furnished **shall** be subject to inspection and acceptance of the ordering agency after delivery. Back orders, default in promised delivery, or failure to meet specifications **shall** authorize the Office of State Procurement to cancel this contract or any portion of it and reasonably purchase commodities elsewhere and charge full increase, if any, in cost and handling to the defaulting contractor. The contractor **must** give written notice to the Office of State Procurement and ordering agency of the reason and the expected delivery date. Consistent failure to meet delivery without a valid reason may cause removal from the vendors list or suspension of eligibility for award.
17. **VARIATION IN QUANTITY:** The State assumes no liability for commodities produced, processed or shipped in excess of the amount specified on the agency's purchase order.
18. **INVOICING:** The contractor **shall** be paid upon the completion of all of the following: (1) submission of an original and the specified number of copies of a properly itemized invoice showing the bid and purchase order numbers, where itemized in the *Bid Solicitation*, (2) delivery and acceptance of the commodities and (3) proper and legal processing of the invoice by all necessary State agencies. Invoices **must** be sent to the "Invoice To" point shown on the purchase order.
19. **STATE PROPERTY:** Any specifications, drawings, technical information, dies, cuts, negatives, positives, data or any other commodity furnished to the contractor hereunder or in contemplation hereof or developed by the contractor for use hereunder **shall** remain property of the State, **shall** be kept confidential, **shall** be used only as expressly authorized, and **shall** be returned at the contractor's expense to the F.O.B. point provided by the agency or by OSP. Vendor **shall** properly identify items being returned.
20. **PATENTS OR COPYRIGHTS:** The contractor **must** agree to indemnify and hold the State harmless from all claims, damages and costs including attorneys' fees, arising from infringement of patents or copyrights.
21. **ASSIGNMENT:** Any contract entered into pursuant to this solicitation **shall not** be assignable nor the duties thereunder delegable by either party without the written consent of the other party of the contract.
22. **CLAIMS:** Any claims the Contractor may assert under this Agreement **shall** be brought before the Arkansas State Claims Commission ("Commission"), which **shall** have exclusive jurisdiction over any and all claims that the Contractor may have arising from or in connection with this Agreement. Unless the Contractor's obligations to perform are terminated by the State, the Contractor **shall** continue to provide the Services under this Agreement even in the event that the Contractor has a claim pending before the Commission.
23. **CANCELLATION:** In the event, the State no longer needs the commodities or services specified for any reason, (e.g., program changes; changes in laws, rules or regulations; relocation of offices; lack of appropriated funding, etc.), the State **shall** have the right to cancel the contract or purchase order by giving the vendor written notice of such cancellation thirty (30) days prior to the date of cancellation.

Any delivered but unpaid for goods will be returned in normal condition to the contractor by the State. If the State is unable to return the commodities in normal condition and there are no funds legally available to pay for the goods, the contractor may file a claim with the Arkansas Claims Commission under the laws and regulations governing the filing of such claims. If upon cancellation the contractor has provided services which the State has accepted, the contractor may file a claim. **NOTHING IN THIS CONTRACT SHALL BE DEEMED A WAIVER OF THE STATE'S RIGHT TO SOVEREIGN IMMUNITY.**
24. **DISCRIMINATION:** In order to comply with the provision of Act 954 of 1977, relating to unfair employment practices, the vendor agrees that: (a) the vendor **shall not** discriminate against any employee or applicant for employment because of race, sex, color, age, religion, handicap, or national origin; (b) in all solicitations or advertisements for employees, the vendor **shall** state that all qualified applicants **shall** receive consideration without regard to race, color, sex, age, religion, handicap, or national origin; (c) the vendor will furnish such relevant information and reports as requested by the Human Resources Commission for the purpose of determining compliance with the statute; (d) failure of the vendor to comply with the statute, the rules and regulations promulgated thereunder and this nondiscrimination clause **shall** be deemed a breach of contract and it may be cancelled, terminated or suspended in whole or in part; (e) the vendor **shall** include the provisions of above items (a) through (d) in every subcontract so that such provisions **shall** be binding upon such subcontractor or vendor.
25. **CONTINGENT FEE:** The vendor guarantees that he has not retained a person to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, except for retention of bona fide employees or bona fide established commercial selling agencies maintained by the vendor for the purpose of securing business.
26. **ANTITRUST ASSIGNMENT:** As part of the consideration for entering into any contract pursuant to this solicitation, the vendor named on the *Response Signature Page* for this solicitation, acting herein by the authorized individual or its duly authorized agent, hereby assigns, sells and transfers to the State of Arkansas all rights, title and interest in and to all causes of action it may have under the antitrust laws of the United States or this State for price fixing, which causes of action have accrued prior to the date of this assignment and which relate solely to the particular goods or services purchased or produced by this State pursuant to this contract.
27. **DISCLOSURE:** Failure to make any disclosure required by Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that order, **shall** be a material breach of the terms of this contract. Any contractor,

whether an individual or entity, who fails to make the required disclosure or who violates any rule, regulation, or policy **shall** be subject to all legal remedies available to the agency.