

ARKANSAS DEPARTMENT OF HUMAN SERVICES
PERFORMANCE BASED CONTRACTING

Pursuant to Ark. Code Ann. 19-11-1010 et. seq., the selected contractor shall comply with performance based standards. Following are the performance based standards that will be a part of the contract and with which the contractor must comply for acceptable performance to occur under the contract.

- I. The contractor must comply with all statutes, regulations, codes, ordinances, and licensure or certification requirements applicable to the contractor or to the contractor's agents and employees and to the subject matter of the contract. Failure to comply shall be deemed unacceptable performance.
- II. Except as otherwise required by law, the contractor agrees to hold the contracting Division/Office harmless and to indemnify the contracting Division/Office for any additional costs of alternatively accomplishing the goals of the contract, as well as any liability, including liability for costs or fees, which the contracting Division/Office may sustain as a result of the contractor's performance or lack of performance.
- III. During the term of the contract, the division/office will complete sufficient performance evaluation(s) to determine if the contractor's performance is acceptable.
- IV. 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
- V. The contract program deliverables and performance indicators to be performed by the contractor are:

Service Criteria ⁱ	Acceptable Performance	Damages for Insufficient Performance ⁱⁱ
<p>A. Machine Specifications Vendor must provide a Flight-Type Energy Recovery Dishwasher MOF# 04036 that is compliant with the specifications listed in Invitation for Bid (IFB) #710-18-1007 Section 2.3(A) to the Conway Human Development Center (CHDC) within thirty (30) days of receipt of order.</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with the service criteria throughout the contract term as determined by the Arkansas Department of Human Services (DHS)</p>	<p>1st incident: A three percent (3%) penalty will be assessed in the following months' payment to the provider for each day the Vendor is not in full compliance with all requirements of the contract. The three percent (3%) per day penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>3rd incident: DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, a below standard Vendor Performance Report (VPR) maintained in Vendor's file, and contract termination.</p>
<p>B. Installation On-site assembly of all machine components and sections must be provided by factory-direct service technicians. Once final utility and ventilation connections are completed by CDHC, a factory-direct service technician must provide start-up/check-out and warranty verification for new machine.</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with the service criteria throughout the contract term as determined by the Arkansas Department of Human Services (DHS).</p>	<p>1st incident: A fifty percent (50%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The fifty percent (50%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>3rd incident: DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, a below standard Vendor Performance Report (VPR) maintained in Vendor's file, and contract termination.</p>
<p>C. Warranty Vendor must provide a one (1)-year warranty on all vendor work including</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance</p>	<p>DHS reserves the right to impose penalties including without limitation,</p>

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machine installation.	with the service criteria throughout the contract term as determined by the Arkansas Department of Human Services (DHS).	withholding payment on future invoices until Vendor is in full compliance, a below standard Vendor Performance Report (VPR) maintained in Vendor's file, and contract termination.
<p>D. Conflict of Interest Mitigation During the term of this contract, the Vendor shall comply with the terms of the DHS Organizational or Personal Conflict of Interest provisions. The Vendor shall disclose all actual, apparent, or potential conflicts of interest to the Department of Human Services (DHS) within five (5) days of having knowledge of them. The Vendor shall develop a mitigation plan as requested by DHS which must be approved and accepted by DHS. Any changes to the approved mitigation plan must be approved in advance by DHS.</p>	The Vendor must maintain one hundred percent (100%) compliance with this item at all times throughout the term of the contract.	The Vendor will be fined one thousand dollars (\$1,000) per day for each day past five (5) days for each actual, apparent, or potential conflict of interest it fails to disclose. The Vendor shall be fined ten thousand dollars (\$10,000) for the first failure to comply with the mitigation plan developed by the Vendor and approved by DHS. Each subsequent violation of the mitigation plan shall be twice the amount of the immediately preceding violation fine.
<p>E. Transition Planning Ninety (90) days prior to the contract end date, the vendor shall submit to DHS a detailed plan for transitioning all contracted services to DHS, or to another vendor selected by DHS to provide the contracted services.</p> <p>The transition plan shall include provisions for the delivery of all proprietary data collected and/or created during the life of the contract to DHS thirty (30) days prior to the contract end date. All proprietary data collected and/or created during the final thirty (30) days of the contract, or any proprietary data not captured in the initial delivery, shall be delivered to DHS no more than fifteen (15) days following the contract end date.</p>	The Vendor must maintain one hundred percent (100%) compliance with this item at all times throughout the term of the contract.	If the Vendor fails to meet the acceptable performance standard, DHS may issue a below standard Vendor Performance Report (VPR) maintained in the vendor file. Final payment may be withheld from the vendor until the all elements of the transition are satisfied as determined by DHS.

Failure to meet the minimum Performance Standards as specified **may** result in the assessment of damages.

In the event a Performance Standard is not met, the vendor will have the opportunity to defend or respond to, or cure to the satisfaction of the State, the insufficiency. The State **may** waive damages if it determines there were extenuating factors beyond the control of the vendor that hindered the

performance of services of it is in the best interest of the State. In these instances, the State **shall** have final determination of the performance acceptability.

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.

ⁱ Nothing in this table is intended to set forth all obligations of the Contractor under the contract. These obligations are in addition to any others imposed by the contract and applicable law.

ⁱⁱ The damages set forth are not exclusive and shall in no way exclude or limit any remedies available at law or in equity.