



**STATE OF ARKANSAS**  
**OFFICE OF STATE PROCUREMENT**  
1509 West 7th Street, Room 300  
Little Rock, Arkansas 72201-4222  
**INVITATION FOR BID**  
**BID SOLICITATION DOCUMENT**

SOLICITATION INFORMATION			
Bid Number:	710-17-1007	Solicitation Issued:	03/01/2017
Description:	Asset Verification Services		
Agency:	Division of County Operations (DCO)		

SUBMISSION DEADLINE FOR RESPONSE			
Bid Opening Date:	03/29/2017	Bid Opening Time:	11:00 am CT
<p>Bids <b>shall not</b> 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 proposals at the designated location on or before the bid opening date and time. Bids received after the designated bid opening date and time <b>shall</b> be considered late and <b>shall</b> be returned to the vendor without further review. It is not necessary to return "no bids" to OP.</p>			

DELIVERY OF RESPONSE DOCUMENTS	
Delivery Address:	<p>Department of Human Services Office of Procurement 700 Main Street Little Rock, AR 72201</p> <p>Delivery providers, USPS, UPS, and FedEx deliver mail to OP's street address on a schedule determined by each individual provider. These providers will deliver to OP based solely on the street address.</p>
Bid's Outer Packaging:	<p>Outer packaging <b>must</b> be sealed and should be properly marked with the following information. If outer packaging of proposal submission is not properly marked, the package may be opened for bid identification purposes.</p> <ul style="list-style-type: none"><li>• Bid number</li><li>• Date and time of bid opening</li><li>• Vendor's name and return address</li></ul>

OFFICE OF STATE PROCUREMENT CONTACT INFORMATION			
Agency Buyer:	Warren Jensen	Buyer's Direct Phone Number:	501-537-1066
Email Address:	<a href="mailto:warren.jensen@dhs.arkansas.gov">mailto:warren.jensen@dhs.arkansas.gov</a>	OP's Main Number:	501-324-9316
DHS Website	<a href="http://humanservices.arkansas.gov/Pages/default.aspx">http://humanservices.arkansas.gov/Pages/default.aspx</a>		
OSP Website	<a href="http://www.arkansas.gov/dfa/procurement/bids/index.php">http://www.arkansas.gov/dfa/procurement/bids/index.php</a>		

## SECTION 1 - GENERAL INSTRUCTIONS AND INFORMATION

### **1.1 PURPOSE**

The Arkansas Department of Human Services (DHS), Division of County Services is seeking to contract with a responsible contractor that is experienced in working with Medicaid eligibility files or the equivalent; and have the capability to provide implementation and operation services of a Medicaid Asset Verification System (AVS) to identify assets held at various Financial Institutions (FI) by Medicaid applicants and beneficiaries.

Title VII, Section 7001(d) of P.L.110-252 (Supplemental Appropriations Act of 2008) added a new section, 1940, to the Social Security Act. Section 1940 now requires all states to implement an electronic system for verifying the assets of aged, blind or disabled applicants for and beneficiaries of Medicaid. This IFB is requesting offers from responsible vendors to implement and operate a web based Asset Verification System (AVS). The federal Centers for Medicare and Medicaid Services (CMS) and DHS will provide oversight of the AVS project.

Offerors should propose a solution that uses Web-based techniques to identify assets that might otherwise not be discovered through the eligibility-determination process. Qualified Contractors are to present the State with a proposal that includes the following:

1. Establishment of a robust network of Financial Institutions (FIs)
2. Implementation and operation of an electronic Asset Verification System
3. Tracking and reporting of verification activity

Offerors are encouraged to propose innovative solutions to meet or exceed the requirements of this IFB. All proposals must be consistent with current Arkansas Medicaid policies, and federal and state law.

### **1.2 TYPE OF CONTRACT**

- A. A Term contract will be awarded to a single vendor.
- B. The term of this contract **shall** be for one (1) year. The anticipated starting date for the contract is 07/01/2017.. Upon mutual agreement by the vendor and agency, the contract may be renewed by OP on a year-to-year basis, for up to six (6) additional one-year terms or a portion thereof.
- C. The total contract term **shall not** be more than seven (7) years.

### **1.3 ISSUING AGENCY**

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

### **1.4 BID OPENING LOCATION**

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

Department of Human Services  
Office of Procurement  
700 Main Street  
Little Rock, AR 72201

### **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 bid or in subsequent correspondence, **shall** cause the vendor's bid 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*. 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*.)

#### 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 “Invitation for Bid”, “IFB” and “Bid Solicitation” are used synonymously in this document.

#### 1.7 **RESPONSE DOCUMENTS**

##### A. *Bid Response Packet*

- 1. An official authorized to bind the vendor(s) to a resultant contract **must** sign the *Bid Signature Page*.
- 2. Vendor’s signature on this page **shall** signify vendor’s agreement that either of the following **shall** cause the vendor’s bid to be disqualified
  - a. Additional terms or conditions submitted intentionally or inadvertently.
  - b. Any exception that conflicts with a Requirement of this *Bid Solicitation*.
- 3. The following items should be submitted in the original *Bid Response Packet*.
  - a. EO 98-04 Disclosure Form. (Use Attachment H for this purpose.)
  - b. Copy of Vendor’s *Equal Opportunity Policy*. (See *Equal Opportunity Policy*.)
  - c. Copy of original Bid Response Packet in hard copy format.
- 4. **DO NOT** include any other documents or ancillary information, such as a cover letter or promotional/marketing information.

##### B. *Official Bid Price Sheet*. (See *Pricing*.)

- 1. Vendor’s original *Official Bid Price Sheet* **must** be submitted in hard copy format.
- 2. Vendor should also submit one (1) electronic copy of the *Official Bid Price Sheet*, on a flash drive.

#### 1.8 **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 the *Bid Response Packet*.
- B. Vendor’s signature on these pages **shall** signify agreement to and compliance with all Requirements within the designated section.

#### 1.9 **SUBCONTRACTORS**

- A. Vendor **must** complete, sign and submit the *Proposed Subcontractors Form* included in the *Bid Response Packet* to indicate vendor’s intent to utilize, or to not utilize, subcontractors.
- B. Additional subcontractor information may be required or requested in following sections of this *Bid Solicitation*. **Do not** attach any additional information to the *Proposed Subcontractors Form*.

**1.10 PRICING**

- A. Vendor(s) **must** include all pricing on the Official Price Bid Sheet(s) only. Any cost not identified by the successful vendor but subsequently incurred in order to achieve successful operation **shall** be borne by the vendor. The *Official Bid Price Sheet* is provided as a separate excel file posted with this *Bid Solicitation*.
- B. To allow time to evaluate proposals, prices **must** be valid for 120 days following the bid opening.
- C. Failure to complete and submit the *Official Bid Price Sheet* **shall** result in disqualification.
- D. All bid pricing **must** be in United States dollars and cents.
- E. The Official Bid Price Sheet may be reproduced as needed.

**1.11 PRIME CONTRACTOR RESPONSIBILITY**

- A. A joint bid submitted by two (2) or more vendors is acceptable. However, a single vendor **must** be identified as the prime contractor.
- B. The prime contractor **shall** be held responsible for the contract and **shall** be the sole point of contact.

**1.12 INDEPENDENT PRICE DETERMINATION**

- A. By submission of this bid, the vendor certifies, and in the case of a joint response, each party thereto certifies as to its own organization, that in connection with this bid:
  - The prices in the bid have been arrived at independently, without collusion.
  - No prior information concerning these prices has been received from, or given to, a competitive company.
- B. Evidence of collusion **shall** warrant consideration of this bid by the Office of the Attorney General. All vendors **shall** understand that this paragraph may be used as a basis for litigation.

**1.13 PROPRIETARY INFORMATION**

- A. Response 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. 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.
- D. The vendor **shall** be responsible for identifying all proprietary information and for ensuring the electronic copy is protected against restoration of redacted data.
- 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 (other than pricing), **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.

**1.14 CAUTION TO VENDORS**

- A. Prior to any contract award, all communication concerning this *Bid Solicitation* **must** be addressed through OP.
- B. Vendor **must not** alter any language in any solicitation document provided by the State.

- C. Vendor **must not** alter the Official Bid Price Sheet.
- D. All official documents and correspondence related to this solicitation **shall** be included as part of the resultant contract.
- E. Bids **must** be submitted only in the English language.
- F. The State **shall** have the right to award or not award a contract, if it is in the best interest of the State to do so.
- G. Vendor **must** provide clarification of any information in their response documents as requested by OP.
- H. Bids **must** meet or exceed all defined specifications as set forth in this *Bid Solicitation*.
- I. Bids **must** meet all terms and conditions of this Invitation for Bid and the laws of the State of Arkansas.
- J. Vendors may submit multiple bids.

#### 1.15 **REQUIREMENT OF ADDENDUM**

- A. This *Bid Solicitation* **shall** be modified only by an addendum written and authorized by OP.
- 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 websites,  
<http://humanservices.arkansas.gov/Pages/default.aspx>,  
<http://www.arkansas.gov/dfa/procurement/bids/index.php> for any and all addenda up to bid opening.

#### 1.16 **AWARD PROCESS**

##### A. Vendor Selection

- A. Award shall be made on an ALL or NONE basis to the lowest responsive bidder. Bidders must meet minimum qualifications. Bids must meet or exceed all defined specifications. Bids must meet all terms and conditions of this Invitation for Bid and the laws of the State of Arkansas.

##### B. Anticipation to Award

- 1. Once an anticipated successful vendor has been determined, the anticipated award will be posted on the websites at <http://www.arkansas.gov/dfa/procurement/bids/index.php>  
<http://humanservices.arkansas.gov/Pages/default.aspx>
- 2. The anticipated award will be posted for a period of fourteen (14) days prior to the issuance of a contract. 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 day posting period.
- 3. OP **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 Office of State Procurement (OSP) website for the posting of an anticipated award.

##### C. Issuance of Contract

- 1. Any resultant contract of this Bid Solicitation shall be subject to State approval processes which may include Legislative review.
- 2. A State Procurement Official will be responsible for award and administration of any resulting contract.

**1.17 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 *Bid Signature Page*.

**1.18 EQUAL EMPLOYMENT 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 a contract award.

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

**1.19 PROHIBITION OF EMPLOYMENT OF ILLEGAL IMMIGRANTS**

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

B. OSP will notify the selected vendor(s) prior to award 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.

**1.20 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". Proposals submitted by vendors determined to be non-responsible **shall** be disqualified.

**1.21 COMPLIANCE WITH THE STATE SHARED TECHNICAL ARCHITECTURE PROGRAM**

The respondent's solution must comply with the state's shared Technical Architecture Program which is a set of policies and standards that can be viewed at: <http://www.dis.arkansas.gov/policiesStandards/Pages/default.aspx>. Only those standards which are fully promulgated or have been approved by the Governor's Office apply to this solution.

**1.22 VISA ACCEPTANCE**

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

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

C. VISA is not the exclusive method of payment.

**1.23 PUBLICITY**

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

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

#### 1.24 **RESERVATION**

The State **shall not** pay costs incurred in the preparation of a bid.

#### 1.25 **Bidder's Questions**

It is DHS intent that this IFB have adequate information for any/all vendors to respond. However, should a potential bidder have questions, they may complete G and send to Buyer shown on page 1, per the instructions below. The question and answer period is as follows:

- All written question from potential vendors are due in our office by 03/08/2017.
- All written questions with their answers will be posted on the Office of State Procurement (OSP) website <http://www.arkansas.gov/dfa/procurement/bids/index.php> on or about 03/15/2017.

Verbal responses to questions are given as a courtesy; vendors are cautioned to use at their own discretion.

#### 1.26 **Schedule of Events**

Public Notice of IFB	March 1, 2017
Deadline for Receipt of Written Questions	March 8, 2017
Response to Written Questions On or About	March 15, 2017
Date and Time for Opening Bids	March 29, 2017 11:00 am CT
Announced On or About	April 5, 2017
Contract Start, (Subject to State Approval)	July 1, 2017

#### 1.27 **STATE HOLIDAYS**

Holidays are those days as declared legal state holidays by authority of Act 304 of 2001. Those days are as follows:

New Year's Day	January 1
Dr. Martin Luther King Birthday	Third Monday in January
George Washington Birthday	Third Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Veteran's Day	November 11
Thanksgiving Day	Fourth Thursday in November
Christmas Eve	December 24
Christmas Day	December 25

Additional days can be proclaimed as holidays by the Governor through executive proclamation. State offices are normally closed on holidays; however there are occasions (i.e. during legislative sessions) when it may become necessary to keep state offices open on holidays. The Contractor shall maintain adequate staff on such working holidays.

**SECTION 2 – MINIMUM REQUIREMENTS****2.0 General Information**

This Invitation for Bid (IFB) is issued by the Office of Procurement (OP) for the Department of Human Services (DHS), Division of County Operations (DCO), to obtain pricing and a contract for Asset Verification Services. Medicaid, by Law, is the payor of last resort and all other health care coverage must be exhausted before Medicaid is billed. For years, the State and local governments have successfully identified and recovered third party resources to reduce the financial burden to the tax payers for Medicaid recipient's health care and enforced appropriate payee obligations. Following is a brief description of the methods for identifying other payor sources as well as the use of this information in pre-payment claims processing and post payment review and recovery.

**2.1 Minimum Qualifications**

The Contractor must meet the following requirements:

- a) The Contractor shall have an established network of Financial Institutions (FIs) who will participate in the AVS. Include listing in response packet.
- b) Response packet, see response packet contents.
- c) Bids shall include the methodology for securing additional Financial Institutions.
- d) Bidders must have a minimum of five (5) years' experience with similar programs.
- e) Bidders must include a Dun & Bradstreet SQR report with a minimum score of 4, report to be dated within 1 year of bid submittal (see Attachment I for instructions).

**BID PACKAGES MUST INCLUDE ALL REQUESTED QUALIFICATION ITEMS OR THE BID MAY BE REJECTED.**

**2.2 Introduction****DHS Department of Human Services (DCO):**

The Department of Human services is the largest state agency in Arkansas. DHS provides a wide range of assistance programs to help Arkansans in need including: food benefits (SNAP); temporary cash assistance (TANF); services for persons with developmental disabilities and persons who are aging; adult protective services; child welfare programs; child support services; and child care assistance, licensing and monitoring. DHS also handles applications and eligibility for ARKIDS, the state's Medicaid program offering health care to children.

**Definitions**

1. AVS means services provided by the awarded Contractor for verifying the assets of the population identified in the IFB Objectives
2. FI means any office or branch of a bank, brokerage firm, savings and loan, or credit union.
3. Look-back period means the period of time (currently 60 months) that the Medicaid Program is required to verify individual assets for potential members.

**2.3 Scope of Work**

1. Operate the program in accordance with the IFB objectives that functions on a 24/7/365 basis except during limited periods for maintenance and occurrences outside the control of the Contractor;
2. Establish a network of FIs within the State of Arkansas and the other 49 states, US possessions, and territories depending on the banking laws in those various locations;
3. Develop a process for recruiting FI to participate in this AVS;

4. Send electronic requests to FIs requesting verification of the assets for an Arkansas Medicaid recipient or applicant and the spouse of the recipient or applicant if applicable with an account or accounts at the FIs during the specified look-back period;
  - a. May be required to send electronic requests to multiple FIs depending on the information received during the application process; multiple FI locations may be required based on the geographic location to the Member or applicant's residence or other reasonable factors including DHS's designation of the FI;
  - b. Request shall allow for the specification of one or more variables within the same request such as:
    - Date range of account ownership and monthly statement balances;
    - Disclosed FIs and types of accounts;
    - Medicaid category of the applicant or recipient; and
    - Indicator of SNAP participation by applicant or recipient.
  - c. . Request shall include verification of assets contained in any of the following types of accounts;
    - a. Checking;
    - b. Savings;
    - c. Investment accounts,
    - d. Individual retirement accounts (IRAs);
    - e. Treasury notes;
    - f. Certificates of deposit;
    - g. Annuities;
    - h. Bonds, and
    - i. Other assets that may be held by the FI.
5. Receive electronic verifications from the various FIs regarding accounts/assets on which the recipient's or applicant's name or spouse's name appeared as either a single or joint owner during the specified look-back period which shows one of the following:
  - a. The assets held or managed by the FI or;
  - b. Documentation that the search was conducted but no assets are held or managed by the FI; and
6. Provide training and support to the staff of the DHS, and FIs.

Bidder should propose a solution that uses Web-based techniques to identify assets that might otherwise not be discovered through the eligibility-determination process. Contractors are to present the State with a work plan that includes the following:

1. Establishment of a robust network of Financial Institutions (FIs).
2. Implementation and operation of an electronic Asset Verification System (AVS).
3. Tracking and reporting of verification activity.
4. Manuals and training on system use.

## 2.4 DHS RESPONSIBILITIES

1. Create electronic records requesting verification of the assets for a DHS recipient or applicant (and spouse if applicable) with an account or accounts at the FIs during the specified look-back period;
2. Store the response from the electronic records regarding the verification of the assets for a DHS Medicaid Member or applicant; and
3. Perform necessary case actions based on the electronic records regarding the verification of the assets for a DHS Medicaid Member or applicant.

## 2.5 STAFFING REQUIREMENTS

The Contractor shall provide:

- a. A Project Director (PD) with day to day responsibility for the services required under this IFB;
- b. An Information Technology (IT)/Information Services (IS) Director; and
- c. All staff necessary to perform the services required under this IFB.

## 2.6 SYSTEM REQUIREMENTS –DHS would prefer the following types of configurations for the different types of communication required

### 1. DHS to Vendor Asset Verification Requests:

- a. Implementation of web services capable of receiving electronic asset verification requests. The preferred format for these requests will be the cross-platform XML data exchange format;
- b. A single web service request will potentially contain multiple requests for verification for distinct individuals (bundling or batching);
- c. Transactions with the web service between DHS and the Vendor will be conducted using secure SSL encryption technology to ensure protection of sensitive data; and
- d. Upon receipt of a request, the web service will immediately return a response code or message indicating successful receipt of the request

### 2. Vendor to FI Communication - The technologies and processes selected for communication between the Vendor and the various FI's should be selected and implemented with the following factors in mind:

- a. Compliance with federal, state, and local regulations related to the financial industry and consumer information;
- b. Implementation of secure technologies and processes to protect the sensitive financial information being exchanged; and
- c. Implementation of technologies that encourage the broadest participation of FI's in the vendor network.

### 3. Vendor to DHS Asset Verification Responses:

- a. Upon aggregation of the asset information from the various FI's, the Vendor will send a response file to DHS containing the requested information. The format and method of delivery information. The format and method of delivery of that response file will be negotiated between DHS and the vendor; and
- b. Response transactions between the Vendor and DHS will be conducted using secure encryption technology to ensure protection of sensitive data.

## 2.7 REPORTING REQUIREMENTS

The Contractor shall submit:

1. Weekly Risk Reports during implementation
2. Monthly and annual summary of requests, responses, and assets (both disclosed and undisclosed) identified by recipient or applicant (or spouse if applicable) from all FIs. These reports shall include at a minimum the following:
  - a. Response rate analysis; and
  - b. Medicaid category of the applicant or recipient;
  - c. Indicator of SNAP participation by applicant or recipient; and
  - d. The above data aggregated as necessary

## 2.8 Disaster Recovery Plan

The Contractor shall submit plan to provide an emergency back-up asset verification system and a disaster recovery plan to maintain business functions. Bidder must submit the plan to DHS for approval by 30 days after contract award date. The Contractor may include resources outside Arkansas but within the United States as part of this plan.

## 2.9 TURNOVER PLAN

The Contractor shall submit:

1. Six months prior to the end of this Contract and at no charge to DHS, a written turnover plan which details the following:
  - a. Tasks and subtasks necessary for the turnover;
  - b. Schedule for the turnover;
  - c. List of all DHS documents in the Contractor's possession and the schedule for the delivery of these documents to DHS or its designated agent; and
  - d. All updated manuals, other documentation and records necessary for the continuity of the AVS.
2. Upon completion of the turnover submit to DHS a report detailing the results of the turnover including successful and unsuccessful portions of the turnover.

## 2.10 Risk Assessment

1. Non-Technical Risk Only: The Risk Plan includes major risk items that the Bidder does NOT control. Items within the Bidder's control, sometimes called "Technical Risk" should not be included in this (DHS assumes that expert bidders already know how to control technical risk, e.g. lack of trained staff, poor planning, etc.).
2. Purpose: The Bidder shall list and prioritize risk items from most important to least important that could cause the project to fail to meet DHS objectives, increase costs or impact the schedule. In each case, the Bidder should explain how this risk could impact the project and propose a solution to mitigate this risk.

## 2.11 CRIMINAL BACKGROUND CHECKS

Prior to the contract award and throughout the term of the contract the Vendor **must** provide the DHS with an Arkansas State Police (ASP) certified Criminal Background Check for each employee or subcontractor. This includes any employees or subcontractors that may be added at a later date.

**NOTE:** Per the following website link: <https://static.ark.org/asp/criminal/faqs.html>

The background check releases a person's Arkansas felony and misdemeanor conviction record, any pending Arkansas felony arrests (where a person has been arrested and has not gone to trial) within the last three (3) years, and whether the person is a registered sex offender (levels one through four) or is required to register as a sex offender.

Online background reports will be accepted through the Arkansas State Police website only.

<http://asp.arkansas.gov/services-and-programs/detail/criminal-background-checks>

1. The Vendor shall provide background checks to DHS at no cost to the State.
2. Background reports **must** be current. Current is defined as background reports which are dated and received by DHS within (72) hours of being sent by the Arkansas State Police (ASP). Background reports which are not current shall not be considered.
3. Should ASP be delayed in sending the Criminal Background Reports to DHS, DHS will accept proof of payment and application from Vendor to receive the reports as compliant with this requirement.
4. DHS reserves the right to terminate any resultant contract resulting from this contract should evidence show tampering of any background reports.
5. The Vendor shall utilize the Arkansas State Police for all background reports.
6. Vendor shall immediately notify DHS of any changes or substitution of any employee or subcontractor assigned to a review.
7. Background Reports shall be sent by ASP directly to DHS for review.

8. All background checks **must** be provided to DHS for review and approval prior to an employee performing any work at any of the facilities. No employee shall be scheduled to commence work until and unless they have passed a criminal background check.
9. DHS reserves the right to determine if a company employee passes or fails the criminal background check based on the results of the report. If the individual fails they shall not be allowed to provide services under any resultant contract resulting from this IFB.
10. DHS shall have the right to require the Vendor to remove and replace an employee based on any findings in the background checks.
11. DHS reserves the right to require, at no cost to the State, additional background checks of any employee at any time during the initial or any subsequent terms of the contract should good cause exist and is provided to the vendor. DHS shall have sole authority to determine good cause. Vendor shall complete the form and send it directly to the ASP after written notification has been provided

**NOTE:** Any employee with five (5) years residency in Arkansas is required to obtain the state's Criminal background check. Employees with less than five (5) years residency must obtain both state and federal criminal background checks.

## **2.12 INSURANCE REQUIREMENTS**

Prior to contract awarding, the Vendor **must** furnish an approved "Certificate of Insurance" and **must** maintain the insurance requirements throughout the contract and any/all extensions.

The Insurance shall not be modified without DHS approval.

The Vendor shall maintain insurance for the contract period and any resultant renewals in the minimum amount:

- \$1,000,000 per occurrence,
- \$3,000,000 aggregate, for professional liability, negligence, errors and omissions and public liability.

The insurance **must** have limits sufficient to cover losses resulting from, or arising out of:

- Vendor's action or inaction in the performance of the contract by the Vendor, its agents, servants, employees, or subcontractors.

The insurance shall cover and continue to cover all occurrences during the term of this contract and any extensions thereof.

All insurance policies shall be with a company licensed by the State of Arkansas to do business and to provide such policies.

DHS is to be notified, not less than 45 days in advance of any non-renewal, cancellation, or expiration of the Vendor's insurance policy. In the event DHS receives a notice of non-renewal, the Vendor shall provide DHS with an insurance policy from another carrier at least 30 days prior to the expiration of the insurance policy then in effect.

DHS shall have the right to inspect the original insurance policies held by the Vendor.

**PERFORMANCE STANDARDS**

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.

The State may be open to negotiations of Performance Standards prior to contract award, prior to the commencement of services, or at times throughout the contract duration.

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.

All changes made to the Performance Standards shall become an official part of the contract.

Performance Standards shall continue throughout the term of the contract.

See attachment "D" for the performance Indicators for this IFB.

<b>Response Packet Contents</b>
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Response packet shall contain, in preferred order:

1. Complete Response Packet (to include a flash drive and a hard copy)
2. Attachment A
3. Copy of Vendor's *Equal Opportunity Policy*.
4. EO 98-04 Disclosure Form (attachment H)
5. Dun & Bradstreet (D&B) Supplier Qualifier Report (SQR)

**SECTION 3 – GENERAL CONTRACTUAL REQUIREMENTS**

### 3.1 **PAYMENT AND INVOICE PROVISIONS**

Payment will be made in accordance with applicable State of Arkansas accounting procedures upon acceptance by the Agency. The State may not be invoiced in advance of delivery and acceptance of any service. Payment will be made only after the Contractor has successfully delivered and invoiced the required services/materials.

Contractor will submit invoices in a format prescribed by DHS. An itemized invoice shall be sent to support the invoiced amount. Payment of invoice will normally be 30-45 days after receipt of invoice(s).

Selected vendor(s) must be registered to receive payment and future bid notifications. If you are not a registered vendor you may register on-line at <https://www.ark.org/vendor/index.html>

### 3.2 **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.

### 3.3 **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.
- C. The vendor agrees to pro forma contract as presented in Attachment C, DHS Standard Terms and Conditions as presented in Attachment A, the Business Associate Agreement as presented in Attachment E, and the Performance Based Contracting standards as presented in Attachment D.

### 3.4 **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.

### 3.5 **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.

### 3.6 **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 of 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.

**3.7 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.

**3.8 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.

**3.9 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.