

ATTACHMENT C

ARKANSAS DEPARTMENT OF HUMAN SERVICES PERFORMANCE BASED CONTRACTING

RFP # 710-23-0037

NOTE: These Performance Based Standards are the base standards for the Contract and will only be changed as part of the Contract negotiations process.

Pursuant to Ark. Code Ann. 19-11-267 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 with regards to this Addendum and with which the contractor must comply for acceptable performance to occur under this Addendum.

- I. The contractor must comply with all statutes, regulations, codes, ordinances, licensure or certification requirements applicable to the contractor or to the contractor's agents and employees in regard to the subject matter of this Addendum.
- II. To the extent provided in the underlying agreement, 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 Addendum, which the contracting Division/Office may sustain as a result of the contractor's non- performance where contractor has been notified and given the opportunity to cure any such non-performance.
- III. During the term of this Addendum, the division/office will complete sufficient performance evaluation(s) to determine if the contractor's performance is acceptable in accordance with the standards defined herein.
- IV. The contract program deliverables and performance indicators to be performed by the contractor are:

The Project Management Office (PMO) Contractor shall perform and provide all services in a good and workmanlike manner in accordance with industry standards, including but not limited to the services listed below for all approved Department of Human Services (DHS) projects assigned to the PMO Contractor. The current projects being addressed by the current DHS PMO Contractor include projects performed by the Arkansas Medicaid Enterprise (AME) Business Operations Support (BOS) team as listed in Appendix 1 to the RFP, projects assigned to the Information Technology (IT) PMO team as listed in Appendix 2 to this document and the RFP, as well as the Arkansas Integrated Eligibility System (ARIES) and the Comprehensive Child Welfare Information System (CCWIS) projects. Other projects may be added during the term of the current Contract or during the term of the Contract resulting from this RFP.

A. Project Advisory Services (for new and ongoing projects)

Provide advisory consulting services in the following areas:

1. Defining the project
2. Discovering project information
3. Forming the project.
4. Planning the project
5. Determining project feasibility

6. Providing project management guidance to the DHS team responsible for the project
7. Participating in DHS scheduled meetings to discuss proposed project strategy and direction development.
8. Other activities that may be necessary to satisfy the requirements of the resulting Contract.

B. Project Management Support (new and ongoing projects).

1. Provide all services in the Project Advisory Support and Project Management Support service levels as needed for any project assigned to the PMO Contractor.
2. Co-lead the Project (as a PMO Manager) with the DHS Project Manager (PM), Business Manager and Project Sponsor.
3. Determine and implement the level of DHS PMO project management standards based on complexity, scale, duration, and project needs.
4. Provide training to project stakeholders (identified by the PMO Contractor) on Project Management processes after processes and training materials have been approved by the DHS Project Manager. Training modalities will include, at a minimum, instructor-led training, computer based training, and static presentations. All training courses will be stored in a central DHS SharePoint repository, or any other DHS specified tools.
5. Participate as an assessor or administrative support team member with business and technical assessments of Solution Vendor's processes, products, and services.
6. Co-manage with the DHS implementation team the implementation planning and execution of each assigned project.
7. Perform assigned scheduled activities pertaining to project evaluation and project close out.
8. Provide the Project Manager and necessary Project Support staff to meet the requirements of each assigned project.
9. Provide the PMO staff to manage any assigned ~~(O&B)~~ Project with DHS business participation.
10. Provide recommended project management controls needed to the DHS Project Manager for approval and assist with implementing approved project management controls.
11. Develop and submit for DHS approval, a DHS IT Project Plan.
12. Assist with executing the DHS approved IT Project Plan.

C. Project Oversight Services (new and ongoing projects)

1. Provide the PMO staff needed to centralize project management reporting and evaluation.
2. Participate in DHS scheduled meetings to discuss project strategy and direction.
3. Provide oversight reporting to DHS. The first report will be presented the month following the first full month of project initiation.
4. Provide monthly Project Status, Issues and Risks, and Performance Review. The monthly review and all processes related to this will be defined in a Project Plan that will be submitted to DHS for approval within sixty (60) business days of project start. The PMO Contractor must receive DHS approval before implementation of the Project Plan can begin. The Contractor will be responsible for maintaining and updating the approved Project Plan and must receive DHS' approval of any changes or updates to the Project Plan before implementation of the changes or updates
5. Escalate Project decisions needing DHS management involvement. The processes associated with

escalation must be defined in a Project Plan.

6. Provide integration and coordination with other DHS Projects and IT Systems through the submission of standardized reporting of all projects included in the DHS PMO portfolio to all relevant stakeholders (as identified by the DHS Project Managers).
7. Provide the Project Manager and Project Support staff to provide services required in this service level. The number of staff necessary shall be determined by DHS and the PMO Contractor prior to the start of each project.

As additional DHS Projects not listed in Appendices 1 and 2 are identified, DHS and the PMO Contractor will review each project to determine the level of support needed and impact to the DHS PMO project. Once a service level is determined by DHS the list of Projects included under the DHS PMO portfolio will be modified and if needed, a Contract amendment will be produced for any additional staffing needs to support the added project(s).

State law requires that all contracts for services include Performance Standards for measuring the of services provided. Attachment C: 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.

DHS, at its discretion, may be open to negotiations of Performance Standards prior to the Contract award or prior to the commencement of services.

DHS **shall** have the right to modify, add, or delete Performance Standards throughout the term of the Contract, should DHS 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 PMO Contractor 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. Failure to meet the minimum Performance Standards as specified **shall** result in the assessment of damages.

In the event a Performance Standard is not met, the PMO Contractor will have the opportunity to defend or respond to the insufficiency. DHS **shall** have the right to waive damages if it determines there were extenuating factors beyond the control of the PMO Contractor that hindered the performance of services, or if DHS determines it is in the State's best interest to do so. In these instances, DHS **shall** have final determination of the performance acceptability.

The table below lists deliverables, along with acceptable performance measures and possible compensation for unacceptable performance. The terms in this table are not the exclusive terms or requirements to be met under the Contract, and nothing in the table is indicated to comprehensively define, or to limit the duties or liability of the Contractor for failure to perform in accordance with the terms of the Contract.

Service Criteria	Acceptable Performance	Compensation for Unacceptable Performance ^{1, 2}
Initial overall DHS PMO Project Plan	In a manner acceptable to DHS, the PMO Project Plan shall be submitted within sixty (60) calendar days after the Contract start date.	One thousand dollars (\$1000) if the PMO Project Plan deadline is missed; and One thousand dollars (\$1000) per each Business Day the Plan is not received, or is unacceptable to DHS.

Service Criteria	Acceptable Performance	Compensation for Unacceptable Performance^{1, 2}
Weekly Project Status Report	In a manner acceptable to DHS, report shall be submitted each Friday by close of business.	Five hundred dollars (\$500) if the Weekly Project Status Report deadline is missed; and Five hundred dollars (\$500) per Business Day the Report is not received, or is unacceptable to DHS.
Weekly Risks and Issues Report	In a manner acceptable to the State, report shall be submitted each Friday by close of business.	Five hundred dollars (\$500) if the Weekly Risks and Issues Report deadline is missed; and Five hundred dollars (\$500) per Business Day the Report is not received, or is unacceptable to DHS.
Monthly Performance Review Report	In a manner acceptable to DHS, the Monthly Performance Review Report shall be submitted within five (5) Business Days after the end of the calendar month.	Five hundred dollars (\$500) if the Monthly Performance Review Report deadline is missed; and Five hundred dollars (\$500) per Business Day the Report is not received or is unacceptable to DHS.
Quarterly Advisory Support Report	In a manner acceptable to DHS, the Quarterly Advisory Support Report shall be submitted within five (5) Business Days after the beginning of the of April, July, November, and January.	Five hundred dollars (\$500) if the Monthly Performance Review Report deadline is missed; and Five hundred dollars (\$500) per Business Day the Report is not received or is unacceptable to DHS.
Monthly Executive Summary Report	In a manner acceptable to DHS, the Monthly Executive Summary Report shall be submitted within five (5) Business Days after the end of the calendar month.	Five hundred dollars (\$500) if the Monthly Executive Summary Report deadline is missed; and Five hundred dollars (\$500) per Business Day the Report is not received or is unacceptable to DHS.
Weekly Project Plan Update	In a manner acceptable to DHS, the Weekly Project Plan Update shall be submitted each Friday by close of business.	Five hundred dollars (\$500) if the Weekly Project Plan Update deadline is missed; and Five hundred dollars (\$500) per Business Day the Update is not received or is unacceptable to DHS.
Replacement of Key Personnel	If an individual listed as Key Personnel in the PMO Contractor's proposal becomes unavailable during the Contract, DHS shall be notified immediately and a replacement of equal or greater qualifications (and approved by DHS) shall be in place within thirty (30) calendar days. Should DHS request removal of a key	Ten thousand dollars (\$10,000) if the Key Personnel position remains vacant by close of business on the thirtieth day; and One thousand dollars (\$1000) per Business Day following thirty (30) days that the Key Personnel position remains vacant.

Service Criteria	Acceptable Performance	Compensation for Unacceptable Performance ^{1, 2}
	resource, the Contractor shall replace the staff with a DHS approved replacement within thirty (30) calendar days.	
Personnel Offboarding	<p>In a manner acceptable to DHS, immediately after a personnel resource has been removed from the project for any reason, including but not limited to resignation, termination, or retirement, Contractor shall complete an offboarding process for that resource.</p> <p>Contractor's personnel offboarding refers to the systematic and consistent way of managing the exit of personnel without affecting the normal running of the project and following DHS and State policies and regulation.</p> <p>Offboarding includes, but is not limited to:</p> <ul style="list-style-type: none"> • Transfer of responsibilities • Deactivating system access rights and passwords • Turning in equipment 	<p>Five hundred dollars (\$500) for missing the deadline; and</p> <p>Five hundred dollars (\$500) per Business Day the Personnel Offboarding process is not completed, or is unacceptable to DHS.</p>
Transition and Turnover Plan	<p>In a manner acceptable to DHS, the PMO Contractor shall submit a Transition Plan six (6) months prior to the Contract end date. The PMO Contractor shall make resources available during a thirty (30) day transition overlap with the incoming vendor to facilitate execution of Transition Plan and Turnover activities.</p> <p>The PMO Contractor shall not take any actions to impede the transition of services upon the termination or completion of the Contract.</p>	<p>One thousand dollars (\$1000) if the Transition Plan deadline is missed; and</p> <p>One thousand dollars (\$1000) per Business Day the Transition Plan is not received or is unacceptable to the State; and</p> <p>Ten thousand dollars (\$10,000) for every instance where the PMO Contractor does not make resources available or otherwise impedes the transition of services upon the termination or completion of the Contract.</p>
Mandated Reporting Pursuant to Ark. Code Ann. §12-18-402 (b)(10) and Ark. Code Ann. §§ 12-12-1708(a)(1)(AA), Contractor and all of its employees, agents, and all Subcontractors and Subcontractor's employees and agents shall immediately make a	Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.	<p>For each failure to report, DHS may impose:</p> <ol style="list-style-type: none"> 1. A ten percent (10%) penalty, assessed in the following months' payment for each failure to report. The penalty will be calculated from the total payment for the identified

Service Criteria	Acceptable Performance	Compensation for Unacceptable Performance ^{1, 2}
<p>report to the Child Abuse Hotline or the Adult Maltreatment Hotline (based on type of maltreatment) if Contractor or any of its employees, agents, or Subcontractors' employees and agents, while performing duties under this contract, have reasonable cause to suspect that:</p> <ul style="list-style-type: none"> a. A child has been subjected to child maltreatment; b. A child died as a result of child maltreatment; c. A child died suddenly and unexpectedly; or d. Observe a child being subjected to conditions or circumstances that would reasonably result in child maltreatment. <p>or</p> <ul style="list-style-type: none"> e. An endangered person or an impaired person has been subjected to conditions or circumstances that constitute adult maltreatment or long-term care facility resident maltreatment. <p>A privilege or contract shall not prevent a person from reporting maltreatment when he or she is a mandated reporter and required to report under this section.</p> <p>An employer or supervisor of a mandated reporter shall not prohibit an employee or a volunteer from directly reporting maltreatment to the Hotline.</p> <p>An employer or supervisor of a mandated reporter shall not require an employee or a volunteer to obtain permission or notify any person, including an employee or a supervisor, before reporting maltreatment to the Hotline.</p> <p>Pursuant to Act 531 of 2019, Ark. Code Ann. §12-18-402 (b)(10) and Ark. Code Ann. §§ 12-12-</p>		<p>month in which the deficiency took place; or</p> <ul style="list-style-type: none"> 2. A one percent (1%) penalty, assessed in the next payment for each failure to report. The penalty will be calculated from the projected total yearly contract amount for the contract, as determined by DHS. DHS may elect to calculate penalties/damages differently per occurrence. <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, requiring a Corrective Action Plan (CAP), withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p>

Service Criteria	Acceptable Performance	Compensation for Unacceptable Performance ^{1, 2}
1708(a)(1)(AA), Contractor and all of its employees, agents, and all Subcontractors and Subcontractor's employees and agents are mandated reporters.		
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) business 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.	The contractor must maintain one hundred percent (100%) compliance with this item at all times throughout the term of the contract.	The contractor will be fined five thousand dollars (\$5,000) per day for each day past five (5) business days for each actual, apparent, or potential conflict of interest it fails to disclose. The Vendor shall be fined one hundred thousand dollars (\$100,000) 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.
Performance Bonding The Contractor shall be required to obtain performance bonds to protect the State's interest as follows: <ol style="list-style-type: none"> 1. The amount of the performance bonds shall be one hundred percent (100%) of the annual contract price, unless the State determines that a lesser amount would be adequate for the protection of the State. 2. The State shall require additional performance bond protection when a contract price is increased or modified. 3. The additional performance bond must be delivered to the Arkansas Department of Human Services Chief Procurement Officer within fourteen (14) calendar days of request. 4. The contractor shall notify the State of any changes, 	Acceptable performance is defined as one hundred percent (100%) compliance with Service Criteria at all times throughout the contract term as determined by DHS.	Damages shall be one percent (1%) per day, calculated using the annual contract amount, for each day Vendor fails to meet the Performance Bonding Requirements specified in Service Criteria. <p>In addition, Vendor's continued failure to meet Service Criteria, may result in a below standard Vendor Performance Report (VPR) maintained in the vendor file and contract termination.</p> <p>Failure to provide is a breach of contract and may result in immediate contract termination.</p>

Service Criteria	Acceptable Performance	Compensation for Unacceptable Performance ^{1, 2}
modification, or renewals for the performance bond during the term of the contract. The performance bond documentation must be provided to the State with each required notice.		
<p>Arkansas Freedom of Information Act (Ark. Code Ann. §25-19-101 et seq.):</p> <ol style="list-style-type: none"> Contractor shall cooperate with DHS requests for information and documents that DHS requires to fulfil an Arkansas Freedom of Information Act (FOIA) request. Contractor shall timely provide all documents in its possession or control to DHS that match the request made by DHS. Contractor is subject to Arkansas FOIA law pursuant to Ark. Code Ann. §25-19-103(7)(A). Contractor shall timely and accurately respond to FOIA requests made directly to Contractor. See Ark. Code Ann. §25-19-101 et seq. for specific requirements. 	<p>Contractor shall respond to FOIA requests timely and accurately one hundred percent (100%) of the time.</p> <p>Contractor shall provide information and documents to DHS upon request in the timeframe specified in the request one hundred percent (100%) of the time. DHS shall have sole determination as to the sufficiency of Contractor's response and provision of documents.</p>	<p>For each failure to meet performance standard, DHS may impose:</p> <ol style="list-style-type: none"> A ten percent (10%) penalty, assessed in the following months' payment for each failure to report. The penalty will be calculated from the total payment for the identified month in which the deficiency took place; or A one percent (1%) penalty, assessed in the next payment for each failure to report. The penalty will be calculated from the projected total yearly contract amount for the contract, as determined by DHS. DHS may elect to calculate penalties/damages differently per occurrence. <p>In addition to the above, Contractor shall be responsible for any penalties, fees, and costs imposed on DHS associated with vendor's failure to timely and accurately provide the requested information and documents. In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, requiring a Corrective Action Plan (CAP), withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p>

¹ The damages set forth do not in any way limit the damages available to DHS and shall be in addition to any and all other damages or remedies available to DHS at law or in equity.

² DHS, at its sole discretion, may increase the amount of damages imposed for any subsequent nonperformance and take such other action as it

deems necessary to ensure compliance with this Performance Indicator

REMEDIES FOR UNACCEPTABLE PERFORMANCE

Acceptable performance of all provisions and performance indicators in the Contract shall be determined in the sole discretion of DHS. In addition to the other remedies identified herein, one or more of the following remedies may be imposed for unacceptable performance of a provision of performance indicator:

1. The PMO Contractor may be required to submit and implement an acceptable corrective action plan (CAP).
Payment may be delayed pending satisfactory implementation of the CAP.
2. Payment may be withheld or reduced.
3. The contract may be terminated.
4. DHS may submit a negative Vendor Report.

The remedies listed above are in addition to all others available at law or in equity.