STATE OF ARKANSAS

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

REQUEST FOR PROPOSAL

RFP SOLICITATION DOCUMENT

SOLICITATION INFORMATION			
Solicitation Number:	710-24-0013	Solicitation Issued:	August 8, 2023
Description:	Medicaid Enterprise Pharmacy System and Services		
Agency:	Department of Human Services – Division of Medical Services		

SUBMISSION DEADLINE			
Proposal Submission Date and Time	October 2, 2023 1:00 p.m. CST	Proposal Opening Date and Time:	October 2, 2023 2:00 p.m. CST

Proposals **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 Contractors to submit proposals at the designated location on or before the bid opening date and time. Proposals received after the designated bid opening date and time **shall** be considered late and **shall** be returned to the Contractor without further review. It is not necessary to return "no bids" to the Office of Procurement (OP).

DELIVERY OF RESPONSE DOCUMENTS	
Drop off Address:	Arkansas Department of Human Services Attn: Office of Procurement 700 Main Street Slot W345 Little Rock, AR 72201
United States mail (USPS):	Arkansas Department of Human Services Attn: Office of Procurement P.O. Box 1437 Slot W345 Little Rock, AR 72203-1437
Commercial Carrier (UPS, FedEx or USPS Exp):	Arkansas Department of Human Services Attn: Office of Procurement 112 West 8th Street, Slot W345 Little Rock, AR 72201 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. **Prospective Contractors assume all risk for timely, properly submitted deliveries.**
Proposal's Outer Packaging:	Seal outer packaging and properly mark with the following information. If outer packaging of proposal submission is not properly marked, the package may be opened for proposal identification purposes. ▪ Solicitation number ▪ Date and time of proposal opening ▪ Vendor's name and return address

OFFICE OF PROCUREMENT CONTACT INFORMATION			
OP Buyer:	Arnetia Dean	Buyer's Direct Phone Number:	501-683-5969
Email Address:	DHS.OP.Solicitations@dhs.arkansas.gov	OSP's Main Number:	501-396-6045
DHS Website: OSP Website:	https://humanservices.arkansas.gov/do-business-with-dhs http://www.arkansas.gov/dfa/procurement/bids/index.php		

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LIST OF EXHIBITS

1 GENERAL INFORMATION AND INSTRUCTIONS

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

1.1 INTRODUCTION

This Request for Proposal (RFP) is issued by the Office of Procurement (OP) for the Arkansas Department of Human Services (DHS) to obtain pricing and a contract for the Arkansas Medicaid Enterprise Pharmacy System and Services.

DHS is responsible for administering the Medicaid program in the State of Arkansas. The Division of Medical Services (DMS), a division of DHS, is conducting a procurement that will redefine systems and business processes for the Arkansas Medicaid Pharmacy Program.

1.2 INTERGOVERNMENTAL/COOPERATIVE USE OF PROPOSAL AND CONTRACT

In accordance with Arkansas Code §19-11-249, this proposal and resulting contract is available to any State Agency or Institution of Higher Education that wishes to utilize the services of the selected proposer, and the proposer agrees they may enter into an agreement as provided in this solicitation.

1.3 TYPE OF CONTRACT

A. As a result of this RFP, OP intends to award a contract to a single Contractor.

B. The term of this contract shall be for three (3) years. The anticipated start date for the contract is June 1, 2024. Upon mutual agreement by the Prospective Contractor and agency, the contract may be renewed by OP, on a year-to-year basis, for up to four (4) additional one-year terms or portions thereof.

C. The total contract term shall not be more than seven (7) years.

1.4 ISSUING AGENCY

The Office of Procurement (OP), as the issuing office, is the sole point of contact throughout this solicitation process. Vendor questions regarding this Bid Solicitation should be made through the Issuing Officer as shown on page one (1) of this document.

1.5 BID OPENING LOCATION

Bids submitted by the opening date and time will be opened via video conference. DHS will publish a link to the live bid opening on the DHS website for public access. Individuals will not be permitted to attend in-person. If the bid opening cannot be held as scheduled due to technical or other issues, DHS will publish an updated schedule and video conference link on the DHS website.

1.6 ACCEPTANCE OF REQUIREMENTS

The words "**must**" and "**shall**" signify a Requirement of this solicitation and that the Contractor's agreement to and compliance with that item is mandatory.

A Contractor's proposal will be disqualified if a Contractor takes exceptions to any Requirements named in this RFP.

Contractor 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. Contractor **must** clearly explain the requested exception and should reference the specific solicitation item number to which the exception applies. (See Agreement and Compliance Page.)

DHS **must** not be required to accept any requested exceptions. Only exceptions expressly accepted by DHS will become part of the resulting contract.

1.7 DEFINITION OF TERMS

A. Unless otherwise defined herein, all terms defined in Arkansas Procurement Law and used herein have the same definitions herein as specified therein.

B. "Prospective Contractor", means a responsible offeror who submits a proposal in response to this solicitation.

C. "Prospective Contractor," "Contractor," "bidder," "vendor," and "respondent" are used synonymously in this document.

D. The terms "buyer" and "Issuing Officer" are used synonymously in this document.

E. The terms "Request for Proposal," "RFP," "RFP Solicitation," "Bid Solicitation," and "Solicitation" are used synonymously in this document.

F. "Responsive proposal" means a proposal submitted in response to this solicitation that conforms in all material respects to this RFP.

G. "Proposal Submission Requirement" means a task a Prospective Contractor **shall** complete when submitting a proposal response. These requirements will be distinguished by using the term "shall" or "must" in the requirement.

H. "Requirement" means a specification that a Contractor's commodity and/or service **must** meet or exceed in the performance of its contractual duties under any contract awarded as a result of this RFP. These specifications will be distinguished by using the terms "shall" or "must" in the requirement.

I. "State" means the State of Arkansas. When the term "State" is used herein to reference any obligation of the State under a contract that results from this solicitation, that obligation is limited to the State Department using such a contract.

J. "Shall" and "Must" mean the imperative and are used to identify requirements.

K. "Calendar Day" means every day on the calendar, including weekends and holidays.

L. "Business Day" means Monday through Friday, 8:00 a.m. to 4:30 p.m. Central Time, excluding State Holidays.

1.8 RESPONSE DOCUMENTS

A. Original Technical Proposal Packet

The following items are Proposal Submission Requirements and **mus**t be submitted in the original Technical Proposal Response Packet.

1. A hard copy of the original *Technical Proposal Packet* **must** be received on or before the bid submittal date and time. Copy should not be two sided.
2. The Proposal Packet should be clearly marked "Original" and **must** include the following:
    a. Original signed *Proposal Signature Page*. (See Proposal Signature Page.)
    b. Original signed *Agreement and Compliance Pages.* (See Agreement and Compliance Pages.)
    c. Original signed *Proposed Subcontractors Form*. (See Subcontractors.)
    d. EO 98-04 Disclosure Form, Attachment P. (See *Standard Terms and Conditions, #27. Disclosure*.)

e. *Technical Proposal* response to the *Information for Evaluation* section included in the *Technical Proposal Packet.*

f. Other documents and/or information as may be expressly required in this *Bid Solicitation*.

3. The following items should be submitted in the original *Technical Proposal Packet*.

a. Copy of Contractor's *Equal Opportunity Policy*. (See Equal Opportunity Policy.)

b. Signed addenda to this RFP, if applicable. (See Requirement of Addendum.)

c. *Voluntary Product Accessibility Template* (VPAT), if applicable. (See Technology Access.)

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. Contractor's original *Official Bid Price Sheet* **must** be submitted in hard copy format.

2. Contractor should also submit one (1) electronic copy of the *Official Bid Price Sheet*, in PDF format, preferably on a flash drive. A CD will also be acceptable. All items on flash drive or CD should be in PDF format.

3. The *Official Bid Price Sheet*, including the hard copy and electronic copy, **must** be separately sealed from the *Technical Proposal Packet* and should be clearly marked as "Pricing". **Vendor shall not** include any pricing in the hard copies or electronic copies of their *Technical Proposal Packet*.

C. Additional Copies and Redacted Copy of the *Technical Proposal Packet*

In addition to the original *Technical Proposal Packet* and the *Official Bid Price Sheet*, the following items should be submitted:

1. Additional Copies of the *Technical Proposal Packet*

a. Four (4) complete hard copies (marked "COPY") of the *Technical Proposal Packet*.

b. Two (2) electronic copy of the *Technical Proposal Packet*, preferably on flash drives. A CD will also be acceptable. All items on flash drive or CD should be in PDF format.

c. All additional hard copies and electronic copies **must** be identical to the original hard copy. In case of a discrepancy, the original hard copy **shall** govern.

d. One (1) redacted copy, in PDF format, if applicable, (marked "REDACTED") of the original *Technical Packet*, preferably on a flash drive. A CD will also be acceptable. *(See Section 1.16 Proprietary Information.)*

e. If OP requests additional copies of the proposal, the copies **must** be delivered within twenty-four (24) hours of request.

2. Additional Copies of the Official Bid Price Sheet

a. Prospective Contractor should also submit one (1) electronic copy of the *Official Bid Price Sheet*, preferably on a flash drive and in PDF format. A CD will also be acceptable. Do not send electronic copies via email or fax.

b. *The Official Bid Price Sheet*, including the hard copy and electronic copy, **must** be separately sealed from the *Technical Proposal Packet* and should be clearly marked as "Pricing." Prospective Contractor **shall not** include any pricing in the hard copies or electronic copies of their *Technical Proposal Packet*.

3. One (1) redacted (marked "REDACTED") copy the original Technical Proposal Packet, preferably on a flash drive and in PDF format. A CD will also be acceptable. Do not send electronic copies via email or fax. (See Proprietary Information.)

1.9 ORGANIZATION OF RESPONSE DOCUMENTS

A. It is strongly recommended that Contractors adhere to the following format and suggestions when preparing their Technical Proposal response.

B. The original *Technical Proposal Packet* and all copies should be arranged in the following order:

1. Proposal Signature Page

2. All *Agreement and Compliance Pages*

3. Signed Addenda, if applicable

4. E.O. 98-04 – *Contract Grant and Disclosure Form*

5. Equal Opportunity Policy

6. Proposed Subcontractors Form

7. 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.

8. Technical Proposal response to the *Information for Evaluation* section of the *Technical Proposal Packet*

1.10 CLARIFICATION OF RFP SOLICITATION

A. Contractor may submit written questions requesting clarification of information contained in this Bid Solicitation. Written questions should be submitted via email by 4:00 p.m., Central Time on or before August 21, 2023. Submit questions to the OP buyer as shown on page one (1) of this Bid Solicitation. It is the contractor's responsibility to guarantee receipt of the questions by the specific time and date. DHS accepts no responsibility for accurate or timely receipt of email submission.

B. The attached response template (Attachment H) should be used for submission of all written questions. For each question submitted, Vendor should reference the specific solicitation item number to which the question refers. Written questions submitted in a different format may not be answered by DHS.

C. Contractor's written questions will be consolidated and responded to by the State. The State's consolidated written response is anticipated to be posted to the OP website by the close of business on September 4, 2023.

D. Answers to verbal questions may be given as a matter of courtesy and must be evaluated at contractor's risk.

E. Oral statements by OP **shall not** be part of any contract resulting from this solicitation and **may not reasonably be relied on by any vendor as an aid to interpretation unless it is reduced to writing and expressly adopted by DHS**.

1.11 PROPOSAL SIGNATURE PAGE

A. An official authorized to bind the Contractor(s) to a resultant contract **must** sign the *Proposal Signature Page* included in the *Technical Proposal Packet*.

B. Contractor's signature on this page **shall** signify contractor's agreement that either of the following **shall** cause the contractor's proposal to be disqualified:

1. Additional terms or conditions submitted intentionally or inadvertently.

2. Any exception that conflicts with a Requirement of this *Bid Solicitation*.

1.12 AGREEMENT AND COMPLIANCE PAGES

A. Contractor **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 Technical Proposal Packet.

B. Contractor's signature on these pages **shall** signify agreement to and compliance with all Requirements within the designated section.

1.13 SUBCONTRACTORS

A. Contractor **must** complete, sign and submit the *Proposed Subcontractors Form* included in the *Technical Proposal Packet* to indicate contractor'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 or in the Information for Evaluation section provided in the Technical Proposal Packet. **Do not** attach any additional information to the Proposed Subcontractors Form.

C. The utilization of any proposed subcontractor is subject to approval by the State agency.

1.14 PRICING

A. Contractor(s) shall include all pricing on the Attachment O *Official Price Bid Sheet* and Attachment E *Cost Proposal* only***.*** Any cost not identified by the successful contractor but subsequently incurred in order to achieve successful operation **shall** be borne by the Contractor. The *Official Bid Price Sheet* is provided as a separate PDF file posted with this *Bid Solicitation*.

B. To allow time to evaluate proposals, prices **must** be valid for 180 days following the bid opening.

C. The Attachment O *Official Price Bid Sheet* and Attachment E *Cost Proposal* including the hard copy and electronic copy, **must** be separately sealed from the *Technical Proposal Packet* and should be clearly marked as "Pricing." DO NOT submit any ancillary information not related to actual pricing in the sealed pricing package. The *Official Bid Price Sheet* is provided as a separate file posted with this *Bid Solicitation*.

D. Contractor **must not** include any pricing in the hard copies or electronic copies of their *Technical Proposal Packet*. Should hard copies or electronic copies of their *Response Packet* contain any pricing, the response **shall** be disqualified.

E. Failure to complete and submit the Attachment O *Official Price Bid Sheet* and Attachment E *Cost Proposal* **shall** result in disqualification.

F. All proposal pricing **must** be in United States dollars and cents.

G. The Official Bid Price Sheet may be reproduced as needed.

1.15 PRIME CONTRACTOR RESPONSIBILITY

A. A single contractor **must** be identified as the prime contractor and shall be the sole point of contact.

B. The prime Contractor **shall** be held responsible for the contract and jointly and severally liable with any of its subcontractors, affiliates, or agents to the State for the performance thereof.

1.16 INDEPENDENT PRICE DETERMINATION

A. By submission of this proposal, the Contractor certifies, and in the case of a joint proposal, each party thereto certifies as to its own organization, that in connection with this proposal:

- The prices in the proposal have been arrived at independently, without collusion; and
- 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 proposal by the Office of the Attorney General. All Contractors **shall** understand that this paragraph may be used as a basis for litigation.

1.17 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. In accordance with FOIA and to promote maximum competition in the State competitive bidding process, the State may maintain the confidentiality of certain types of information described in FOIA. Such information may include trade secrets defined by FOIA and other information exempted from the Public Records Act pursuant to FOIA.

C. Contractor may designate appropriate portions of its response as confidential, consistent with and to the extent permitted under the Statutes and Rules set forth above, by submitting a redacted copy of the response.

D. By so redacting any information contained in the response, the Contractor warrants that it has formed a good faith opinion having received such necessary or proper review by counsel and other knowledgeable advisors that the portions redacted meet the requirements of the Rules and Statutes set forth above.

E. Under no circumstances will pricing information be designated as confidential.

F. One (1) complete copy of the submission documents from which any proprietary information has been redacted should be submitted on a flash drive in the *Technical Proposal Packet*. A CD is also acceptable. Do not submit documents via e-mail or fax.

G. 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.

H. The Contractor is responsible for identifying all proprietary information and for ensuring the electronic copy is protected against restoration of redacted data.

I. The redacted copy **shall** be open to public inspection under the Freedom of Information Act (FOIA) without further notice to the Contractor.

J. If a redacted copy of the submission documents is not provided with Contractor's response packet, a copy of the non-redacted documents, with the exception of financial data (other than pricing), **will** be released in response to any request made under the Arkansas Freedom of Information Act (FOIA).

K. If the State deems redacted information to be subject to FOIA, the Contractor will be notified of the State's determination prior to release of the documents.

L. The State has no liability to a Contractor with respect to the disclosure of Contractor's confidential information ordered by a court of competent jurisdiction pursuant to FOIA or other applicable law.

1.18 CAUTION TO CONTRACTORS

A. Prior to any contract award, all communication concerning this *Bid Solicitation* **must** be addressed through the OP buyer.

B. Contractor **must not** alter any language in any solicitation document provided by the State.

C. Contractor **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. Proposals **must** be submitted only 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. Contractor **must** provide clarification of any information in their response documents as requested by OP.

H. Qualifications and proposed services **must** meet or exceed the required specifications as set forth in this *Bid Solicitation*.

I. Contractors may submit multiple proposals. Each proposal shall be submitted separately and must include all documents and information required under this RFP in order to advance to evaluation.

1.19 REQUIREMENT OF ADDENDUM

A. This *Bid Solicitation* **shall** be modified only by an addendum written and authorized by OP.

B. Contractors are cautioned to ensure that they have received or obtained, and have responded to, any and all addenda to the Bid Solicitation prior to submission of response.

C. 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.

D. The vendor **shall** be responsible for checking the websites listed on page one (1) for any and all addenda up to bid opening.

1.20 AWARD PROCESS

A. Award Determination

The Grand Total Score for each Contractor, which shall be the sum of the Technical Score and Cost Score, shall be used to determine the ranking of proposals. The State may move forward to negotiations pursuant to Arkansas Code Annotated § 19-11-230, with those responsible Contractors determined, based on the ranking of the proposals, to be reasonably susceptible of being selected for award.

B. Discussions and Negotiations

1. If the agency so chooses, it shall also have the right to enter into discussion with the qualifying vendor(s) to further define contractual details. All such discussions shall be conducted at the sole discretion of the State and may be conducted at any lawful time of the State's choosing. The State shall solely determine the items to be discussed or negotiated.

2. If discussions or negotiations fail to result in a contract, the negotiation process may be repeated until an anticipated successful vendor(s) has been determined or an award made, or until such time the State decides not to move forward with an award.

3. The State may elect to request best and final offers. Any best and final offer request made by the State will be conducted with the responsible Contractors that meet the minimum qualifications at section 2.3.

C. Anticipation to Award

1. Once the anticipated successful Contractor has been determined, the anticipated award will be posted on the websites listed on page one (1) of this RFP.

2. The anticipated award will be posted for a period of fourteen (14) days prior to the issuance of a contract. Contractors 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. DHS **shall** have the right to waive the fourteen (14) day anticipated award posting period when it is in the best interest of the State.
4. It is the Contractor's responsibility to check the OP website for the posting of an anticipated award.

D. 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.
3. DHS reserves the right to award multiple contracts.

1.21 MINORITY AND WOMEN-OWNED BUSINESS POLICY

A. A minority-owned business is defined by Arkansas Code Annotated § 15-4-303 as a business that is at least fifty-one percent (51%) owned by a lawful permanent resident of this State who is:

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

B. A woman-owned business is defined by Arkansas Code Annotated § 15-4-303(9) as a business that is at least fifty-one percent (51%) owned by one (1) or more women who are lawful permanent residents of this State.

C. The Arkansas Economic Development Commission conducts a certification process for minority-owned and women-owned businesses. If certified, the Prospective Contractor's Certification Number should be included on the *Proposal Signature Page*.

1.22 EQUAL OPPORTUNITY POLICY

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

B. *EO Policies* should be included as a hardcopy accompanying the solicitation response.

C. Contractors 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.

1.23 PROHIBITION OF EMPLOYMENT OF ILLEGAL IMMIGRANTS

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

B. OSP will notify the selected contractor(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 contractor(s) at that time.

1.24 RESTRICTION OF BOYCOTT OF ISRAEL

A. Pursuant to Arkansas Code Annotated § 25-1-503, a public entity **shall not** enter into a contract with a company unless the contract includes a written certification that the person or company is not currently engaged in and agrees for the duration of the contract not to engage in, a boycott of Israel.

B. This prohibition does not apply to a company which offers to provide the goods or services for at least twenty percent (20%) less than the lowest certifying business.

C. By checking the designated box on the Proposal Signature Page of the response packet, a Contractor agrees and certifies that they do not, and will not for the duration of the contract, boycott Israel.

1.25 PAST PERFORMANCE

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

1.26 TECHNOLOGY ACCESS

A. When procuring a technology product or when soliciting the development of such a product, the State of Arkansas is required to comply with the provisions of Arkansas Code Annotated § 25-26-201 et seq., as amended by Act 308 of 2013, which expresses the policy of the State to provide individuals who are blind or visually impaired with access to information technology purchased in whole or in part with state funds. The Contractor expressly acknowledges and agrees that state funds may not be expended in connection with the purchase of information technology unless that technology meets the statutory Requirements found in 36 C.F.R. § 1194.21, as it existed on January 1, 2013 (software applications and operating ICSs) and 36 C.F.R. § 1194.22, as it existed on January 1, 2013 (web-based intranet and internet information and applications), in accordance with the State of Arkansas technology policy standards relating to accessibility by persons with visual impairments.

B. ACCORDINGLY, THE CONTRACTOR EXPRESSLY REPRESENTS AND WARRANTS to the State of Arkansas through the procurement process by submission of a Voluntary Product Accessibility Template (VPAT) for 36 C.F.R. § 1194.21, as it existed on January 1, 2013 (software applications and operating ICSs) and 36 C.F.R. § 1194.22, that the technology provided to the State for purchase is capable, either by virtue of features included within the technology, or because it is readily adaptable by use with other technology, of:

1. Providing, to the extent required by Arkansas Code Annotated § 25-26-201 et seq., as amended by Act 308 of 2013, equivalent access for effective use by both visual and non-visual means.
2. Presenting information, including prompts used for interactive communications, in formats intended for non-visual use.
3. After being made accessible, integrating into networks for obtaining, retrieving, and disseminating information used by individuals who are not blind or visually impaired.
4. Providing effective, interactive control and use of the technology, including without limitation the operating system, software applications, and format of the data presented is readily achievable by nonvisual means.
5. Being compatible with information technology used by other individuals with whom the blind or visually impaired individuals interact.

6. Integrating into networks used to share communications among employees, program participants, and the public; and

7. Providing the capability of equivalent access by nonvisual means to telecommunications or other interconnected network services used by persons who are not blind or visually impaired.

C. State agencies cannot claim that a product as a whole is not reasonably available because no product in the marketplace meets all the standards. Agencies **must** evaluate products to determine which product best meets the standards. If an agency purchases a product that does not best meet the standards, the agency must provide written documentation supporting the selection of a different product, including any required reasonable accommodations.

D. For purposes of this section, the phrase "equivalent access" means a substantially similar ability to communicate with, or make use of, the technology, either directly, by features incorporated within the technology, or by other reasonable means such as assistive devices or services which would constitute reasonable accommodations under the Americans with Disabilities Act or similar state and federal laws. Examples of methods by which equivalent access may be provided include, but are not limited to, keyboard alternatives to mouse commands or other means of navigating graphical displays, and customizable display appearance. As provided in Arkansas Code Annotated § 25-26-201 et seq., as amended by Act 308 of 2013, if equivalent access is not reasonably available, then individuals who are blind or visually impaired shall be provided a reasonable accommodation as defined in 42 U.S.C. § 12111(9), as it existed on January 1, 2013.

E. If the information manipulated or presented by the product is inherently visual in nature, so that its meaning cannot be conveyed non-visually, these specifications do not prohibit the purchase or use of an information technology product that does not meet these standards.

1.27 COMPLIANCE WITH THE STATE SHARED TECHNICAL ARCHITECTURE PROGRAM

The Contractor'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: https://www.dfa.arkansas.gov/intergovernmental-services/state-technology-cost-analysis/architecture-compliance/. Only those standards which are fully promulgated or have been approved by the Governor's Office apply to this solution.

1.28 VISA ACCEPTANCE

A. Awarded Contractor 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.

1.29 PUBLICITY

A. Contractors **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 Contractor's proposal to be disqualified or for the contract to be terminated.

1.30 RESERVATION

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

1.31 DATA LOCATION

Contractor shall under no circumstances allow Arkansas data to be relocated, transmitted, hosted or stored outside the continental United States in connection with any services provided under any resulting contract entered into under this RFP, either directly by the Contractor or by its subcontractors.

1.32 SCHEDULE OF EVENTS

Exhibit 1: Solicitation Schedule

Activity	Date
Public Notice of RFP	August 8, 2023
Deadline for Receipt of Written Questions	August 21, 2023, 4:00 p.m. CST
Response to written Questions, On or About	September 4, 2023
Proposal Due Date and Time	October 2, 2023, 1:00 p.m. CST
Opening Proposal Date and Time	October 2, 2023, 2:00 p.m. CST
Intent to Award Announcement Posted, On or About	January 5, 2024
Contract Start Date (Subject to State and CMS Approval)	June 1, 2024

1.33 STATE HOLIDAYS

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

Exhibit 2: Holiday Schedule

Holiday	Date
New Year's Day	January 1
Dr. Martin Luther King's 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 or last business day before
Christmas Day	December 25 or business day following

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.

2 SPECIFICATIONS

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

2.1 INTRODUCTION

The Arkansas Medicaid Pharmacy Program (AMPP) serves Arkansas Medicaid clients needing prescription services from Medicaid-enrolled providers, both enrolled prescribers and enrolled pharmacies. AMPP develops clinical drug criteria and is staffed by clinical pharmacists who review cases needing prior authorization. The Pharmacy Vendor for the Arkansas Medicaid Pharmacy Department helps develop clinical criteria, provides rebate invoicing and collection, and has clinical pharmacy staff to review cases needing prior authorization and provides a staffed helpdesk/call center. The Pharmacy Vendor also provides Retro Drug Utilization Review services for the AMPP, including a review board that collaborates with the State to develop therapeutic algorithms, develop exception profiles for clients and providers, sends intervention letters and other educational materials, and provides detailed mandatory State and Federal reporting.

The Core/Medicaid Management Information System (MMIS) processes claims for both Fee for Service (FFS) and Managed Care Organizations (MCOs). The Core/MMIS system is the main hub for data for processing all Medicaid claims, except for Pharmacy claims, which are processed and adjudicated through the current Pharmacy Vendor. Nightly files are exchanged with the current Pharmacy Vendor and the Core/MMIS to ensure all provider, client, and financial data is kept in sync.

Under Arkansas procurement law, the State may secure contracts for up to seven years, but DHS intends to contract for an initial period of three (3) years with the option of annual renewals following for up to four (4) 1-year contract extensions. Magellan is the contracted Pharmacy Vendor. Currently, Magellan has five 1-year contract extensions available, with an end of contract renewal date of July 1, 2027. DHS intends to retain the current Contractor until the new systems and services solutions are implemented. One of the driving factors to begin the Pharmacy system re-procurement is to address the need to stagger the current contract re-procurements for the Arkansas Medicaid Enterprise (AME):

- Pharmacy
- Core/MMIS – Gainwell Technologies
- Decision Support System (DSS) – Optum Government Solutions

Current Pharmacy and DSS contract renewals are both scheduled to end on July 1, 2027, with the MMIS contract renewals ending on December 1, 2028. To help with resource constraints of system implementations, Arkansas has chosen to start the system re-procurement process to allow for staggered procurements between contract end dates.

The State has established the Arkansas Medicaid Enterprise (AME) Project Management Office (PMO), currently contracted with NTT DATA State Health Consulting, LLC (NTT DATA), that provides project management services to projects within DHS. The PMO will assign project management staff to the Pharmacy project to coordinate with the Vendor's project management team, collaborate on developing and managing the project, and drive State-specific tasks and activities.

The State completed its Medicaid Information Technology Architecture (MITA) State Self- Assessment (SS-A) in July 2019 with a SS-A Outcome Assessment performed. This assessment is based on the Arkansas Integrated Eligibility System (ARIES) system and MITA-related Eligibility and Enrollment (E&E) business processes only. The SS-A report maps the Arkansas business processes to the MITA Business Process Model Version 3.0. As part of the MITA SS-A engagement, executives from across DHS came together to develop the vision and goals for Arkansas' future. A significant component of that future vision is defined in this RFP. The Outcome Assessment results show that all assessed business processes have achieved a MITA Maturity Level (MML) of 3 compared to the 2019 MMLs, which ranged from a 1 or 2. With the implementation of ARIES replacing the older legacy eligibility systems that were assessed in the original

2019 MITA SS-A, the overall scores for the Information Architecture (IA) capabilities increased from a mix of Level 1 and Level 2 to a full Level 2 for all IA capabilities. The "To-Be" goal is to move the State's Medicaid business processes to Maturity level 3 for all areas over the next five to seven years. With ARIES replacing the older legacy eligibility systems, many of the MITA Technical Capabilities increased in MML. In the 2019 MITA SS-A, 11 Technical Capabilities were rated at MML 1, and four capabilities were rated at MML 2. With the implementation of ARIES, all 15 Technical Capabilities are now at minimum MML 2, with six capabilities rated at MML 3. As such, the State is seeking systems and services that comply with the latest MITA Framework and will facilitate the attainment of MITA Maturity levels 3 or 4 and higher through the implementation of a Respondent's proposed systems and services solution.

The State is a firm supporter of the Centers for Medicare & Medicaid Services (CMS) objective to maximize its investments in technology through the cataloging and sharing among states of software designed, developed, or installed with federal financial participation. To this end, the State and the successful Respondent will work together to support and contribute to the development of standards, both technological and business-process-oriented, that will be used to elevate the efficiency, maturity, and interoperability of the nation's health care enterprise.

2.2 OVERVIEW OF DHS ORGANIZATION AND OPERATIONS

DHS is the largest State agency in Arkansas with approximately 7,000 employees. Act 348 of 1985 allowed DHS to create a unified, comprehensive delivery system to improve the accessibility, availability, quality, and accountability of services delivered or purchased by DHS and to improve the administration and management of resources available to DHS.

The Division of Medical Services is one of 14 Divisions and Offices that comprise DHS. The Divisions provide services to the people of Arkansas, and the Offices provide necessary support to the Divisions and DHS. A DHS organizational chart is provided in the Bidders' Library.

The Division of Medical Services (DMS) is the administrative arm of Arkansas Medicaid, overseeing provider enrollment, billing, pharmacy, beneficiary support, fee-for-service and managed care programs funded by Medicaid. Arkansas Medicaid, which is jointly funded and operated by DHS and the CMS, provides medically necessary health care services for eligible Arkansans from birth through end-of-life.

2.3 MINIMUM QUALIFICATIONS

To be considered as a viable vendor to the State for this project, the Pharmacy Vendor or its Subcontractors or employees **must** meet all the following Minimum Qualifications.

1. The Contractor must be registered to do business in the State of Arkansas and in good standing by the initial start of any resulting contract. For verification purposes, Contractor must provide a Certificate of Good Standing, Certificate of Authority, other required Arkansas Secretary of State documentation such as non-filing or nonqualifying statements, upon DHS request.
2. The Vendor shall be bondable. As proof of meeting this requirement, the Vendor must submit a Letter of Bondability from an admitted Surety Insurer with its bid submission. The letter must unconditionally offer to guarantee to the extent of one hundred percent (100%) of the annual contract price the Vendor's performance in all respects of the terms and conditions of the RFP and the resultant contract. The Vendor shall be required to provide DHS with the Performance Bond described in this section upon Contract Award.
3. The Vendor shall have a minimum of three (3) years' consecutive experience with MITA concepts, such as the MITA process maturity model. The Vendor shall submit two (2) examples which support at least three years' experience of previous implementations using MITA concepts within the past ten (10) years.

4. The Vendor shall have experience processing pharmacy claims for at least two solutions similar to that required by the State of Arkansas within the last three (3) years.
   a. Number of clients in excess of 1 million potential
   b. Similar/exceeds number of claims processing volumes- Encounter processing and claims/ 4.5 million paid prescriptions, in excess of $400,000,000
5. The Vendor shall have a minimum of three (3) years' experience interfacing with providers with prescriptive authority, provider enrollment systems, Managed Care Organizations, DSS/EDW systems, and MMIS. This should also include providing a secure portal.
6. The Prospective Vendor must accurately complete and sign *Attachment N Client History Form.*

2.4 SCOPE OF WORK

The Arkansas Department of Human Services (DHS) requires that the systems and components procured through this RFP will comply fully with standards as required by statute, including:

1. Title II, subtitle F, sections 261 through 264 of the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Pub. L. 104-191
2. ASC X12 Version 5010/National Council for Prescription Drug Programs (NCPDP) Version D.0 and 3.0, and International Classification of Diseases Version 10 (ICD-10) standards, as required by Federal Register Vol. 74, No. 11/Friday, January 16, 2009/Rules, and Regulations
3. 42 CFR 433 Subpart C
4. Medicaid IT Supplement, Enhanced Funding Requirements: Final Rule CMS-2392-F Conditions and Standards defined under subsection (d)
5. Reporting on defined system metrics and outcomes required for Streamlined Modular Certification and CMS metrics reporting through continued operations. Metrics provide measurable evidence that the outcomes are achieved on an ongoing basis. States are required to report on the system's performance to CMS as a condition for receiving enhanced funding.

The purpose of this RFP is to solicit comprehensive systems and services solution proposals from qualified Respondents. Respondent's proposed solutions **must** be comprised of modern and user-friendly technology coupled with world-class professional services to support the State in its ongoing activities that are transforming the way the State procures health care services for its citizens. The technology **must** fulfill the requirements outlined in this RFP and be compliant with all applicable federal and State laws, regulations, and guidance.

The successful Respondent shall propose a systems and services solution that:

1. Has the ability to change and respond to changes in the health care industry
2. Has a verifiable record of accomplishment of successful implementations within a defined time
3. Has business plans that demonstrate a corporate commitment to product enhancement with routine releases
4. Is comprised of systems and processes that learn and adapt to new challenges and provide utilities or services that integrate with health care on an enterprise-wide level

The following Pharmacy Solution Functions must be provided by the Vendor:

1. Point-of-Sale
2. Prospective Drug Utilization Review (Pro-DUR)
3. Retrospective Drug Utilization Review (Retro-DUR)

4. Prior Authorization (PA)
5. Rate Setting according to current pricing methodologies
6. Drug Rebates
7. 340B Processing

Respondents, either directly or through their subcontractors, must be able to provide all necessary services and meet all the requirements requested in this RFP and Attachment G Requirements Traceability Matrix.

2.5 PRINCIPLES AND GUIDELINES

To ensure success for the Pharmacy system, the following principles and guidelines are required by DHS leadership:

- **Modular:** A modular design decreases operational costs and decreases the effort for Pharmacy changes.
- **Modern:** The Pharmacy system should have a modern look and feel and an improved user experience.
- **Adherence to Federal Requirements:** The Pharmacy system must adhere to all current and future Federal requirements.
- **Focus on User Needs:** Pharmacy system users will need to be able to use the system via multiple channels and task-appropriate devices aligned with the DHS' model of practice.
- **Enterprise Approach:** Integrate all systems support into an integrated solution reflecting the user's experience in using the system to support their work efforts
- **Integrated Access and Consistent Interface:** The Pharmacy system's user interface needs to provide users with integrated access to all modules, data, and services relevant to the user group. Each user should be provided a consistent, customizable, and easy to use interface.
- **Ease of Use:** The Pharmacy system will provide user-defined criteria for ease of learning, use, and support for State staff.
- **Agile:** The Pharmacy system should be able to readily adapt to changing business needs quickly and with minimal technical resources.
- **Scalable and Extensible:** The Pharmacy System needs to be scalable to accommodate additional users and extensible in expanding capabilities to meet future business needs and Federal and State mandates.
- **Secure and Manageable:** The target architecture for the Pharmacy System needs to be protected against the common Internet threats and will be manageable within the existing operational and financial constraints.
- **Location Independence:** Pharmacy System access should not be restricted based on the location of the user. Authorized users should have access based on their roles irrespective of their geographical location, including access on mobile devices**.**
- **Data Availability:** The most up-to-date version of data must be always available to Pharmacy system users.
- **Data Quality:** The Pharmacy system promotes the completeness, accuracy, consistency, and timeliness of data, including approaches to actively monitor and manage data quality.

- **Electronic Data Collection:** The Pharmacy system employs an electronic data exchange standard to improve efficiency, reduce duplicate data collection, and promote a common understanding of data elements.

2.6 PERFORMANCE STANDARDS

State law requires that all contracts for services include Performance Standards for measuring the overall quality of services provided. *Attachment C: Performance Standards* identifies expected deliverables, performance measures, or outcomes; and defines the acceptable standards the Contractor **must** meet to avoid assessment of damages.

1. The State may be open to negotiations of Performance Standards prior to the contract award, prior to the commencement of services, or at times throughout the contract duration.
2. The State shall have the right to modify, add, or delete Performance Standards throughout the contract term, should the State determine it is in its best interest. Any changes or additions to performance standards will be made in good faith following acceptable industry standards and may include the input of the Contractor to establish standards that are achievable.
3. All changes made to the Performance Standards **shall** become an official part of the contract.
4. Performance Standards shall continue throughout the contract term.
5. Failure to meet the minimum Performance Standards as specified may result in the assessment of damages.
6. In the event a Performance Standard is not met, the Contractor will have the opportunity to defend or respond to the insufficiency. The State may waive damages if it determines there were extenuating factors beyond the control of the Contractor that hindered the performance of services or if it is in the best interest of the State to do so. In these instances, the State **shall** have final determination of the performance acceptability.
7. Should any compensation be owed to the agency due to the assessment of damages, Contractor **shall** follow the direction of the agency regarding the required compensation process.

2.7 PROJECT GOVERNANCE AND MANAGEMENT

2.7.1 PROJECT STEERING COMMITTEE(S)

To manage the Contract and the engagement resulting from this RFP, the State will establish one or more Steering Committee(s). The Steering Committee(s) will be responsible for:

1. Providing strategic oversight, guidance, and direction
2. Reviewing and approving any changes to the Contract (including changes to the scope)
3. Reviewing and resolving issues and risks not resolved at lower levels and providing advice and insight into project management issues
4. Approving any changes to project scope, schedule, or budget and/or cancelling the project
5. Reviewing proposed solution designs/architecture against DHS' architecture standards and DHS business needs to ensure compliance and reuse of technology wherever possible

The Steering Committee(s) will be comprised of senior management personnel from the State, the AME PMO, and representation from the Vendor, facilitated by a chairperson appointed by State executive leadership. The committee(s) will convene regularly to provide direction or support required to the project and to support the State Project management team.

2.7.2 OVERSIGHT SUPPORT

The AME PMO will assign project management staff to the project to coordinate with the Vendor's project management team, collaborate on developing and managing the project, and drive State-specific tasks and activities. Additionally, the AME PMO has developed enterprise-wide project management processes, standards, and templates. The Vendor shall adhere to AME PMO integrated enterprise processes and methodologies adopted by the project. The Pharmacy Vendor shall ensure all standards are followed and/or exceptions are approved.

The various tasks associated with designing, developing, implementing, evolving, and supporting the Integrated Modules will be split across DMS and the following partners. The Contractor will be expected to work collaboratively with all partners to ensure the success of the project.

Exhibit 3: DMS and Partner Roles Table

Partner	Single or Multiple Contracts?	Role
DMS	N/A	• Project leadership and decision-making • Direct and oversee development of the governance framework and Integrated Modules • Serve as liaison to state agency principals and advisory committees, to defend/explain work output. • Advise on strategic vision
Project Management Office (PMO) Vendor	Single	• Develop, document, and oversee overall project plan • Collate and reconcile stakeholder activities, dependencies, and schedules • Identify project risks and guide potential resolutions • Maintain all project documents in a shared documentation library • Facilitate regular team meetings with the governance team (DMS, other State agencies, other vendors, and others as needed) to ensure that all are working together effectively to meet all project milestones and goals • Facilitate regular team meetings with the Integrated Module teams and others, as needed, to ensure that all are working together effectively to meet all project milestones and goals. • Support Federal and State reporting and compliance; support the preparation of documentation for Streamlined Modular Certification (SMC) • Facilitate strategic planning and ongoing learning sessions
Independent Validation & Verification (IV&V) Vendor	Single	• Lead and document all activities relating to the Outcomes Based Certification of the Integrated Platform • Conduct evaluations of the project's overall

Partner	Single or Multiple Contracts?	Role
		progress towards milestones and outcomes, identify gaps and risks, and provide recommendations
Integrated Module Vendor(s)	Can be single or multiple	• Design, develop, and implement the Integrated Module • Ingest, process, link, and provide access to accurate data via the portal and the presentation layer • Provide subject matter expertise on evolving the Integrated Module, its processes, and approach over time – advise on industry improvements, standards, etc. • Fulfill requirements specified in the RFP and any attachments • Collaborate with other contractors when more than one contractor is working concurrently on the module.
Security Vendor(s)	Can be multiple	• Evaluate the security compliance of the Integrated Module and its practices, policies, and procedures • Test and audit security effectiveness of the system (e.g., penetration testing, phishing assessment, etc.) • Make recommendations for remediation and/or improvement of the Integrated Platform's security • Document and report findings to DMS

2.7.3 PROJECT STAFFING

The State understands that staffing of this engagement will be critical to its success and will closely evaluate Proposals for the appropriate consideration and structure of the proposed staffing model, including the identified Attachment A Key Personnel and Attachment G Requirements Traceability Matrix. Consideration will be given to Proposals that can effectively use identified staff and do not require an unrealistic expectation of DMS staff.

The Vendor will provide a team to complete all tasks and deliverables. The Vendor will lead these activities and deliver the related services and shall not expect direct State support resources to be available beyond what is described within this RFP. The Vendor will employ staff in sufficient number and with sufficient expertise and experience to meet the needs of the State.

The Vendor will perform criminal background checks on all proposed staff members. Pursuant to those background checks, no staff member **shall** be staffed on this project if they have committed an offense that would preclude State employment as a "designated information technology position" pursuant to Arkansas Code Annotated § 21- 15-111.

The Vendor will maintain responsibility for all costs related to providing all the staff necessary to meet the requirements in this RFP, including but not limited to staff, staff expenses, staff overhead, staff travel, or any related staff expenses, except as specifically provided in the Contract.

Projected State Staffing for the Pharmacy Project are as follows:

- AME DHS – DDI/Operations Team
    - Implementation Manager
    - Contract Administrator
    - Pharmacy Program Administrator
    - DUR/DRC Coordinator
    - Program Administrator
    - Registered Pharmacist
- AME PMO – AME DDI Team
    - DDI Project Manager
    - Implementation/Technical Manager
    - Business/Certification Manager
    - Business Analyst
    - Organizational Change Manager
    - Technical Manager
    - User Acceptance Testing (UAT) Lead

2.7.4 PROJECT CHANGE MANAGEMENT

This RFP captures the business narratives and requirements that, based on the State's current understanding, will deliver the business functionality required and optimize the benefits realized. However, the State expects the scope/requirements will need to be modified to deliver a system that better aligns with the State's needs. These potential changes can be uncovered by the project team during the detailed design or due to external forces such as legislative changes. This also includes changes to the baseline schedule. The State's goal is to establish an approach to ensure changes can be incorporated into the project; however, the State's goal is to offset any additional scope with the removal of low value scope (*i.e.,* no net cost change due to Project Changes). The cost of new requests will be tracked against the cost of requirements that are removed to achieve a net of no cost over the life of the project. Note that no Federally required Pharmacy requirements can be removed from the Scope.

When these changes are identified and the State agrees it is worth investigating, a formal change request must be submitted to the State Project Manager, who will manage the Project Change Control process. This Project Change Request must include the justification for the change, a detailed analysis of the scope change (increase and decrease), and the impact of the change, including at a minimum, cost, schedule impact, and anticipated hours required to implement the change (with justification). The Vendor will lead the development of the change request with the State's collaboration. The State will work with the Vendor to manage it through the process to ensure the correct approvals are received.

Formal approval will be required prior to integrating the Project Change Request into the project. During the project initiation activities, the State will define the decision authority of different management/governance bodies (e.g., Project Manager, Steering Committee). The Vendor's Change Management Plan will define how the project's Change Management Process will integrate with the AME PMO's process, including items such as the document template, process, roles, and decision authority.

Once the Project Change Request is approved, the Vendor will update all deliverables (approved or in process) with the changes. Additionally, the State expects approved deliverables will need to be updated as additional information is identified. The State expects these deliverables to be maintained throughout the project and not be closed out until all documents have been verified as current and updated.

2.7.5 PROJECT INFORMATION LIBRARY (PIL)

The Vendor will collaborate with the AME PMO to establish a project library using the State's enterprise tools hosted on the State's document repository that will be used by the entire project team for the entire duration of the Contract. All deliverables and documents will be provided in a format accessible by the

State's standard suite of software and designated versions. State-standard software includes, but is not limited to, the Microsoft family of products (Word, PowerPoint, Excel, Access, SharePoint) and Adobe Acrobat.

The project library will be the documentation repository and must serve as the primary access point for completed results for each task. All deliverables and documents will be managed in the PIL, including administrative information regarding budget, schedule, and project progress, as well as any other correspondence, reports, risk and issue logs, or project-related information. Documents will be accessible immediately and stored within the State's management and enterprise tracking tools. The Vendor will work with the State to ensure that the documentation repository is logically organized.

2.7.6 DELIVERABLES-BASED APPROACH

The State will use a deliverables-based approach to determine progress and completion. The State and the Vendor will establish specific expectations for deliverables using the process described below. All deliverables will be reviewed and approved using a structured and controlled process defined by and managed by the AME PMO. These processes, structures, and tools will govern any work done on the project. The Vendor shall agree to these processes, and any work done not in compliance with these is completely at risk by the Vendor. The Vendor will prepare project deliverables for DHS approval that, at a minimum, conform to industry project management standards and sufficiently address the challenges represented within a multi-Vendor, integrated systems solution.

The Vendor will develop a standard Deliverable Expectation Document (DED) template to be used for Vendor deliverables. The Vendor will not perform any work on any deliverable until the State approves the DED in writing.

All Vendor deliverables are subject to review by the State prior to final approval, acceptance, and payment. Where appropriate, the Vendor will perform a walkthrough of a draft version of the deliverable with all appropriate State staff (including the AME PMO) and solicit feedback prior to submission.

The State will have no less than ten (10) State business days to complete its initial review of the deliverable. The State will accept or reject deliverables in writing. In the event of the rejection of any deliverable, the Vendor will be notified of the reason(s) for rejection. Unless agreed by the State due to complexity of the deliverable, the Vendor will have five (5) State business days to correct the rejected deliverable and return it to the State. Failure by the State to complete activities within the timeframes noted does NOT constitute acceptance, approval, or completion unless otherwise agreed upon by the State and the Vendor. The State's acceptance or rejection of a deliverable or the delay of a due date will be made in writing by an authorized State representative.

All payment requests (e.g., invoices) must include copies of the approval signed by the State stakeholder authorized to approve the deliverable.

2.7.7 DELIVERABLES SUMMARY AND DUE DATES

The following table summarizes the required Vendor deliverables and due dates. The deliverables are described in section 2.8 of this RFP.

Due dates for Initial DDI deliverables are **calendar days from the Contract Start Date**, unless otherwise specified. Deliverables shall be updated during the M&O phase through the Contract End Date, as noted on a scheduled determined by DHS. **The Vendor will also update deliverables within 15 days of a change in content.**

Exhibit 4: Deliverables Summary Table

No	Deliverable Name	Initial Due Dates	M&O Due Dates
PHASE I – Project Planning			

No	Deliverable Name	Initial Due Dates	M&O Due Dates
1	Deliverables Expectation Document	15 days	N/A
2	Status Reporting	15 days, then weekly	Weekly
3	Project Management Plan	25 days	Annual
4	Project Schedule	25 days, then weekly	N/A
5	Schedule Management Plan	25 days	N/A
6	Communications Management Plan	30 days	Annual
7	Resource Management Plan	30 days	Annual
8	Requirements Management Plan	35 days	N/A
9	Assets Management Plan and Inventory	35 days	Annual
10	Facilities Management Plan	35 days	Annual
11	Configuration Management Plan	45 days	Annual
12	Performance Management Plan	50 days	Annual
13	Data Conversion Plan	50 days	N/A
14	Test Management Plan	50 days	Annual
15	System Security and Privacy Management Plan	55 days	Annual
16	Training Plan	55 days	Annual
17	Implementation Plan	60 days	N/A
18	Certification Management Plan	60 days	N/A
19	Disaster Recovery and Business Continuity and Contingency Plan (DR/BCCP)	60 days	Annual
PHASE II - Design, Development, and Implementation			
20	Project Initiation Checklist	45 days	N/A
21	Requirements Validation Document (RVD)	15 days after RV complete	N/A
22	Business Design Document	15 days after Design complete	N/A
23	Interfaces Control Document	45 days	Monthly
24	Data Conversion Testing Report and Results	15 days after Conversion complete	N/A
26	System Integration Test Readiness Checklist	30 days prior to SIT start	N/A
27	System Integration Testing (SIT) Report and Results	10 days after SIT complete	N/A
28	UAT Readiness Checklist	30 days prior to UAT start	N/A
29	UAT Report and Results	10 days after UAT complete	N/A
25	Training Materials	90 days before Go-Live	Quarterly
30	System Documentation	60 days prior to Go-Live	Quarterly
31	Operational Readiness Review	60 days prior to Go-Live	N/A
32	Project Close-out Checklist	15 days after Go-Live	N/A
PHASE III – Maintenance & Operations			
33	Maintenance and Operations Support Plan	30 days prior to Go-Live	Quarterly

No	Deliverable Name	Initial Due Dates	M&O Due Dates
34	CMS Certification Documentation	90 days prior to CMS Certification begins	N/A
35	Completion of All Warranty Activities Report	365 days after Go-Live	N/A
36	Turnover and Closeout Plan	365 days prior to Contract end	N/A

2.8 REQUIRED VENDOR ACTIVITIES AND DELIVERABLES

This section outlines the State's expectations for the required Vendor activities and deliverables for the Pharmacy System Design, Development, and Implementation (DDI) and Maintenance and Operations (M&O) processes. This RFP is intended to offer Respondents the leeway to propose their optimal path to implementing the proposed Pharmacy System, provided it adheres to certain State requirements.

2.8.1 DELIVERABLE EXPECTATIONS DOCUMENT DELIVERABLE

The Vendor will develop a standard Deliverable Expectation Document (DED) template to be used for Vendor deliverables. The Vendor will not perform any work on any deliverable until the State approves the DED in writing. The DED standard template will include at a minimum the following:

1. The purpose and a description of the deliverable
2. An outline/table of contents for the deliverable
3. A description of the required content
4. A table with each requirement and the location of the content addressing the requirement within the document
5. Identification of the deliverable reviewers and approvers
6. Acceptance criteria

2.8.2 STATUS REPORTING DELIVERABLE

The Vendor will provide Status Reports weekly throughout all project phases and weekly for the duration of the contract. The Status Report must, at a minimum, include:

1. Graphical statuses of scope, schedule, and budget (red, yellow, or green and a definition of each color level)
2. Accomplishments of the last reporting period
3. Objectives for the next reporting period
4. Actual/projected Project Schedule dates versus baseline Project Schedule milestone dates
5. Projected completion dates compared to approved baseline key dates
6. Late start and late finish tasks
7. Recovery plan for all work activities not tracking to the approved schedule
8. Escalated risks, issues (including schedule and budget), and action items
9. Key dependencies with other State efforts and activities
10. Disposition of logged issues and risks
11. Important decisions made and/or upcoming decisions

12. SIT and UAT status
13. Staffing changes
14. Pending scope change requests
15. Status of specific activities, depending upon the stage of the project phase. For example, during design, report detailed status for design development, submission, and approval by functional area or other criteria, level to be agreed upon with the State
16. One-page graphical summary of the Project Schedule status of all major tasks and subtasks in the Project Plan

2.8.3 PROJECT MANAGEMENT PLAN DELIVERABLE

The Vendor will submit a Project Management Plan (PMP) that describes all the project management processes, roles and responsibilities, and templates to effectively manage and control the project. The PMP approach will be consistent with the Project Management Institute (PMI) Project Management Methodologies stated in the Project Management Body of Knowledge (PMBOK©) or equivalent and must align and integrate with the AME PMO processes, including integration with State enterprise management and tracking tools. The PMP will encompass the entire project life cycle from project initiation to handoff to M&O and will incorporate content for which the AME PMO is responsible. The Vendor shall agree to develop their PMP, to the extent necessary, in coordination with and to complement to the extent feasible, PMPs and project schedules of DHS and other DHS Contractors.

The PMP shall include, but not be limited to, the following information

1. Planned activities and key events
2. Overall System Design Life Cycle (SDLC) approach demonstrating the Vendor has a strong understanding of the State's requirements, as well as a well-defined vision for how the Pharmacy System will be designed, developed, and implemented
3. Staffing plan
4. Communication plan, including problem escalation process
5. Method and metrics for assuring performance, timeliness, and cost
6. Subcontractor management plan (if applicable)
7. Acknowledgement of, and plan to coordinate and achieve alignment on, any applicable dependencies DHS or other DHS Contractors may have upon the activities and deliverables
8. Mechanism for collaborating with DHS and other DHS Contractors as needed to complete collaborative activities, obtain and incorporate feedback, report on deliverables, or provide input as needed into the activities of DHS or other DHS Contractors, to ensure alignment of activities

2.8.4 PROJECT SCHEDULE DELIVERABLE

The Vendor will submit the Project Schedule weekly and upon request by the State. The Project Schedule will include a Work Breakdown Structure and Gantt chart presentation and shall be submitted in Microsoft Project and PDF. Initial baseline and all re-baselining of the Project Schedule must be approved by DHS.

2.8.5 SCHEDULE MANAGEMENT PLAN DELIVERABLE

The Vendor will submit a Schedule Management plan that describes how the Project Schedule will be maintained and monitored for variances, as well as what types of corrective actions will be taken to address schedule variances during the life of the project and the process, roles, and responsibilities involved in making changes to the Project Schedule. The Project Schedule will break down the project

into discrete increments documenting the estimated effort and will include major milestones, dependencies, task durations, responsibility assignments, checkpoints, go/no-go decision points, and other characteristics of a project schedule. The Project Schedule is expected to be managed using industry standards and best practices, including but not limited to baselines, critical path analysis, and recording actual start and finish dates. The Vendor shall baseline the Project Schedule throughout all phases of the contract period.

2.8.6 COMMUNICATION MANAGEMENT PLAN DELIVERABLE

The Vendor will submit a Communication Management Plan that defines the information and communications needs of the stakeholders, including those who need access to project information, what information is needed, when it will be needed, and how the information will be provided to them. The Vendor shall utilize the following for communication planning:

- Project organization
- Project stakeholders
- Responsibilities and relationships
- Program and policies
- Identification of individuals that will be involved in the communication process and their locations
- External information needs (press, governmental agencies, and other interested parties)
- Current communication technology
- Constraints and assumptions relating to communication methods or media

At a minimum, the communication management plan must include the following:

1. Recognition of the State Project Manager and designees as the authorized persons through whom all project related issues will pass, including all deliverables
2. A list of document types and the person responsible for providing the documents
3. The methodology for optimizing the Medicaid enterprise, stakeholder, and end user experience
4. Collection structure
5. Distribution structure
6. Description of information to be disseminated
7. Distribution media
8. A method for updating the communication plan
9. Schedules listing when information will be produced
10. Escalation procedures

2.8.7 RESOURCE MANAGEMENT PLAN DELIVERABLE

The Vendor will develop a Resource Management Plan that demonstrates an understanding of the services required and addresses the Vendor's resource plans during all phases of implementation, as well as the resource plans to support ongoing M&O. The Vendor must clearly describe the roles of each proposed staff in the phases they will be participating. At a minimum, the Resource Management Plan will include:

1. A list of all individuals associated with the project, including subcontractor staff. The contents of the list will provide the individual's name, position, business telephone number, business email address, physical location of work/residence, as well as the individual's position, responsibilities, hours allocated, rate, and percent of time dedicated to the project
2. Number, type, and categories of staff proposed

3. Staff qualifications
4. Staff work location, including expected on-site presence in Little Rock
5. Recruiting, transition, and training plans for new staff
6. Recruiting, transition, and training plans for reassigned staff
7. Methodology to replace vacant Key Personnel positions in a timely manner
8. Processes for identifying, qualifying, and onboarding new team members, as well as removing a team member
9. An Organizational Chart outlining all staff with names, positions, and hierarchy
10. How the Vendor will manage its sub-vendors, other suppliers, and other partners (e.g., software vendors or cloud service providers)

Upon request, the Vendor will provide staffing levels by role and number of years' experience for each staff member in their specific role at any time during DDI and M&O.

2.8.8 REQUIREMENTS MANAGEMENT PLAN DELIVERABLE

The Vendor will develop a Requirements Management Plan that describes the process and roles and responsibilities for documenting, baselining, validation, review, management, tracking, testing, and control of the project's technical and functional requirements, from the initial baseline set of requirements through project implementation. The plan must include how the Vendor will manage changes to the Requirements Traceability Matrix (RTM), using the State's enterprise tools, throughout the lifecycle of the project (including mapping requirements to design documents and test cases) to ensure all requirements have been developed and are met.

2.8.9 ASSETS MANGEMENT PLAN AND INVENTORY DELIVERABLE

The Vendor will provide the Assets Management Plan and Inventory, which describes the process the Vendor will use for the duration of the Project, including all project phases and activities. The plan must include hardware/software inventory (including location), contract Information, and license management.

2.8.10 FACILITIES MANAGEMENT PLAN DELIVERABLE

The Vendor shall provide a Facilities Management Plan containing but not limited to the following minimum requirements:

1. The location of Vendor facilities (e.g., clerical offices, central computer room, help desk), including those of any subcontractors or other entities that the Vendor may employ to fulfill its obligations
2. The times the facilities will be operational
3. A list of all equipment supplied by the Vendor (e.g., hardware, office supplies, desks, chairs cabinets, telephone)
4. A list of all conference and meeting rooms
5. The location and type of workstations available to State staff at Vendor sites and the procedures and limitations for accessing these workstations, as well as the procedures for securing the facility
6. Certified compliance with all Federal and State regulations (e.g., Occupational Safety and Health Administration (OSHA), State fire inspection) pertaining to facilities
7. Insurances including coverage for DHS and other agency staff while on site

2.8.11 CONFIGURATION MANAGEMENT PLAN DELIVERABLE

The Configuration Management Plan is inclusive of the Computing Environment List, Engineering Management Plan, and Network Design and Monitoring Plan. The Configuration Management Plan will describe the processes, configuration management tools, and procedures the Vendor will use for the duration of the Project, with the flexibility to adjust throughout the life cycle of all project phases and activities. It will represent the configurations of the current systems and/or proposed component software and hardware (technical infrastructure, platforms, and services). Plan requirements include:

1. Describe a configuration management with proven promotion and version control procedures, which must include:
    - System modules
    - Commercial Off-the-Shelf (COTS) products
    - System software and operating systems
    - Network
    - Service and Service Registry
    - Files (including documents)
    - Databases
    - Hardware
    - Interfaces with other systems

2. Include a list of Computing Environments (physical and virtual) necessary to permit discrete business operation functions, software and services development, and model office scenarios. The Pharmacy Vendor will provide sufficient computing environments to accommodate the implementation and any adopted Enhancement requirements, new Module integration, and system operational tasks, activities, deliverables, and objectives to incorporate the following, as needed:
    - Current ancillary and support system interfaces
    - Exchange data services with the State agencies and the external business partners
    - Data and interfaces for DHS's shared services
    - New computing environment builds will be scheduled and recognized as content within the Pharmacy Vendor's infrastructure plans' subsidiary plans

3. Include the project's Integrated Engineering Management Plan (IEMP) and reflect its span of control and responsibility with respect to the lines of demarcation of physical and logical network telecommunications assets and unified communications assets
4. Include a Network Design and Monitoring Plan for an optimally performing computing and data transport environment
5. Include any diagrams and descriptions for engineering the project components within the data center computing environments (applicable options only)
6. Illustrate the different types of computing environments, including:
    - Technical Architecture (TA)/data models and Meta Data Repository/Dictionary
    - Information Architecture (IA)/data models
    - Network/Communications Architecture
    - Exchange data services (enterprise shared services)
    - Interfaces
    - Performance management system monitoring operations

7. Include the problem solving and decision-making approach for resolving technical, operational, data or informational, and support objectives (software and services, help desk, call center, data center) while engineering for both Enhancements projects and for Operations

8. Describe the technical, operational, and performance risks and challenges when engineering to interface with DHS's existing infrastructure and assets
9. Describe the business areas' technical interfaces and interoperability (to be engineered) for use in future project components and any specialized configurations and their purpose (physical or logical).
10. Include the approach to sequencing the order of interfaces and the plans for interacting with DHS's Trading Partners under the following scenarios:
    - HIPAA and ANSI X12 transaction partners
    - Switch Contractors
    - Clearinghouses
    - Web portal services and enterprise (shared) services (including enterprise service bus (ESB)
    - National Plan and Provider Enumeration System (NPPES)
    - Credentialing organizations
    - Medicare
    - CMS
    - DHS and other State and local systems/agencies
    - Legacy applications
    - Managed Care Organizations (MCOs)
    - Any other interfaces identified
11. Include the engineering approach for optimal data services or data management. This approach must include providing assumptions for legacy interfaces, applications, or Trading Partner exchanges and local, State, and Federal registries, in addition to providing expectations of the data cleansing, conversions rules, and migration procedures required to populate or initialize the data center computing environments or the peripherals in the operations (business services) facilities
12. Include the project's inventory of newly introduced information architecture data (data dictionary with data definitions) and the logical and physical data models as readable diagrams

2.8.12 PERFORMANCE MANAGEMENT PLAN DELIVERABLE

The Vendor will develop a Performance Management Plan that provides the comprehensive, methodical approach and detailed steps on how the Vendor intends to identify, capture, measure, monitor, and report the technical and operational performance to be used as Key Performance Indicator (KPI) measures against the Vendor's Service Level Agreement (SLA) criteria to produce meaningful analytics (real-time/on-demand). The Vendor shall conduct regularly scheduled reviews with the State to assess performance and modify the KPIs and SLAs as advancements are made. The Vendor shall adhere to the project's change order process for any modifications to the KPIs or SLAs. All KPIS and SLAs must be monitored in a Real-time Operations dashboard accessible to the State.

2.8.13 DATA CONVERSION PLAN DELIVERABLE

The Vendor will develop and submit the Data Conversion Plan. The Vendor will update this plan as needed thereafter. The Vendor will be responsible for understanding the data requirements during detailed design and gaining an understanding of the data available in legacy systems that shall need to be converted.

The Vendor will lead data conversion activities, including building a data conversion schedule, tracking each data element being converted, validating that the number of all records/images converted equals number of records/images written to the new database, reporting progress, and ensuring adequate staff is assigned to the effort.

The Vendor will collaborate with the State to define specifications for the data to be extracted from the legacy systems.

The purpose of the Data Conversion Plan is to define the approach and plan for converting data from legacy systems into the Pharmacy System, managing data to ensure that converted data is provided for testing, performing ongoing data quality testing, and ensuring that confidential data is managed effectively. This includes, at a minimum:

1. Identifying the data elements that need to be converted and the source systems and mapping all the data conversion activities to each phase, wave, or iteration to ensure that conversion is completed prior to the associated UAT period
2. Determining the amount of historical data that needs to be converted
3. Mapping the relationships between the legacy data that needs to be converted and the data model for the Pharmacy System
4. Identifying the approach to conversion (e.g., what is automated)
5. Identifying and mitigating risks related to the timely and accurate completion of data migration activities
6. Defining the approach to validating the converted data against legacy data and addressing any data discrepancies
7. Specifying the approach to managing confidential data
8. Describing interim deliverables
9. Defining roles and responsibilities
10. Identifying tools used to perform the transformation
11. Outlining tools/approach to track status/progress
12. If required due to the release strategy, describing the approach and details regarding integrating with legacy systems and data synchronization
13. Testing converted data, including System Integration Testing (SIT) within the system prior to UAT
14. Defining the approach for ongoing automated data quality testing

2.8.14 TEST MANAGEMENT PLAN DELIVERABLE

The Vendor will develop and submit the Test Evaluation Management Plan. This plan will include, at a minimum:

1. Approach to testing for all required testing outlined in this RFP
2. Types of testing to be performed, to include at a minimum
    a. Test data and database
    b. Testing environments
    c. Testing tools
    d. Test case development
3. Documentation of test results, including an evaluation that includes a summary of any outstanding issues/defects with the system and any other pertinent readiness issues
4. A contingency plan component that identifies alternative strategies that shall be used if specific risk events occur, such as a failure of test results to support a decision to proceed to the next phase of the project

5. The testing schedule and how the testing schedule will be managed
6. Specifics regarding the processes leveraged to track testing progress and defect resolution, including items such as the definition of different test script status and defect status
7. The organization of the test team and associated responsibilities (definition of roles and named resources who will perform each role)
8. Propose entrance and exit criteria for all types of testing and each testing cycle (the decision criteria shall be specific and measurable)
9. Criteria for passing scripts (the decision criteria must be specific and measurable)
10. Definition of the Platform Readiness Test (this test must be passed prior to promotion to the pre-production environment)
11. A UAT Test Plan that defines how the Vendor will support all aspects of UAT

2.8.15 SYSTEM SECURITY AND PRIVACY MANAGEMENT PLAN DELIVERABLE

The Vendor will develop and submit the System Security and Privacy Management Plan. The purpose of the System Security Management Plan is to capture and establish the approach to the Pharmacy System's adherence to privacy, confidentiality, and security standards. The State expects the Vendor to use the Minimum Acceptable Risk Standards for Exchanges (MARS-E) SSP template and follow the quarterly Plan of Action & Milestones (POAM) process. The plan will also include an overview of the risk scenarios and the approach to known risk threats and known vulnerabilities. It will provide the security architecture, processes, and controls to meet State and Federal standards (including but not limited to firewalls, zoning, encryptions, intrusion prevention, hardening, remote access, logging). DHS expects for all data to be encrypted using the latest/supported technology protocols, whether at rest/stored, in flight/transit, or communicated and/or accessed in any way. In addition, it will include the Vendor's plan to ensure confidentiality and privacy standards are met. The plan shall include, at a minimum:

1. The technical approach to address and satisfy the following:
    a. Network security controls
    b. Perimeter security
    c. System security and data sensitivity classification
    d. Penetration testing
    e. Intrusion management
    f. Monitoring and reporting
    g. Host hardening
    h. Remote access
    i. Encryption
    j. Integration with Statewide active directory services
    k. Interface security
    l. Security test procedures
    m. Managing network security devices
    n. Security patch management and remediation
    o. Secure communications over the Internet
    p. Logging
2. Detailed diagrams depicting all security-related devices, subsystems, and their relationships
3. All programmatic privacy and security controls
4. The details of Security, Privacy and Consent Management

5. Approach to maximizing sharing of data (provided from any external source) while complying with all appropriate rules, regulations, and policies
6. User roles, security permissions, and administrative functions
7. Confirmation that the Security Plan aligns with the most current version of MARS-E (2.2)
8. Plan to maintain all confidentiality safeguards
9. Plan to adhere to all privacy requirements for different data elements
10. Any other relevant protocols or details to ensure privacy, confidentiality, and security standards are met
11. Roles and responsibilities to be performed by the Vendor and by the State

2.8.16 TRAINING PLAN DELIVERABLE

A methodical approach to planning training activities is required. The Vendor will produce a detailed Training Plan, curricula, and syllabi that address the Vendor's solution to initial and ongoing training, including how ongoing training will be managed, for both Vendor and State staff. The Plan will be developed collaboratively with DHS to ensure the materials align with DHS' culture.

The Training Plan will include the following, at a minimum:

1. Overview stating the purpose and scope of the Training Plan that meets the requirements of this RFP
2. A process to conduct a needs and skills analysis, identifying specific roles and staff titles to be trained
3. Planned evaluation of the training content and delivery
4. Training resources required, including facilities and staff
5. Registration process, tools, and tracking
6. Course Administration, including communication to participants of available training and registration/completion by staff. Communication includes posting on a web portal as well as generating correspondence for users who do not have access to the web portal.
7. Training schedules identifying when specific staff roles will be provided training prior to an implementation
8. Details of the Vendor's planned instructional methods including:
    a. Individual one-on-one training sessions
    b. Solution demonstrations
    c. Instructor-led classroom teaching
    d. Instructor-led virtual training
    e. Computer (CBT) and Web-based (WBT) training
        - CBT and WBT applications will be accessible via a secured internet log-on environment, 24 hoursper day, 365 days per year, except for DHS-approved system downtime periods
        - CBT and WBT applications and modules will incorporate training cases for users to learn orenhance hands-on practice of skills, information processing, and system change control information dissemination
        - CBT and WBT training module will include an electronic proficiency test. Specific course tracking for each trainee shall also be included within the applications. For incorrect answers, the proficiency test shall provide the correct answer, include

narrative explaining why it is correct, andfurther direct the user to additional contextual and reinforcement information.

f. On-the-Job training
g. User Guides
h. Informal training with super users

9. Knowledge Transfer approach for identified personnel who require additional Solution knowledge than end-users (e.g., super users, support staff, trainers)
10. Approach to prototyping and testing training materials with end-users
11. Training roles and responsibilities
12. Approach to ensure training goes beyond Solution navigation to training that supports end users in integrating the Solution into DHS processes as a decision support tool; this includes integration of To-be process maps and differences between As-is and To-be processes
13. Plan for establishing and managing the training environment
14. Plan for establishing and managing a “sand-box” environment for staff to practice following training
15. Plans for providing the training equipment, software, telecommunications, facilities, and training data to support the development, maintenance, and presentation of training programs and materials
16. Plan for documentation of participation in training, including training course name, trainer’s name, date and location of the training, DHS’ identified training invitees, persons participating in the training, persons completing or not completing training, and proficiency test results for each trainee
17. Plans for training Providers who will access part of the system

2.8.17 IMPLEMENTATION PLAN DELIVERABLE

The Implementation Plan will ensure the Vendor has a plan to smoothly migrate the Pharmacy System from testing to production. This plan, a draft of which will be subject to State review and approval, will include, at a minimum:

1. Detailed, step-by-step plan to deploy the Pharmacy System into the production environment, including key checkpoints for the Vendor’s proposed implementation approach, whether a multiphase approach or light switch implementation
2. Site planning requirements, including roles and responsibilities and Vendor staff necessary to provide sufficient on-site support at county offices for a sufficient duration (at least 60 days) to ensure proper support to the State
3. Implementation Work Breakdown Structure (WBS) or checklist with roles and responsibilities by activity
4. Plan and activities for testing (during migration to the pre-production environment), including regression testing prior to go-live and scripts for migrating the Pharmacy System to production

The Implementation Plan will contain a Roll-Out Plan. The Roll-Out Plan will ensure the Vendor has a plan to smoothly migrate internal and external users (including external users who only use functions of applicable portals) onto the Pharmacy System. The plan will include, at a minimum:

1. Plan for supporting the State’s provision of Tier 1 Technical Support (while the State will ultimately assume Tier 1 support responsibilities during M&O, the State lacks sufficient resources to provide what it expects will be increased demand for these services during initial Roll-out)

2. Plan for the Pharmacy System to establish objectives, metrics, success criteria, and other key planning information
3. Schedule for deploying the Pharmacy System, Vendor-led training of end users, and processes for managing the successful activation of all users, including authentication and authorization processes
4. A comprehensive list of all known (and State approved) workarounds or areas in the Pharmacy System where end users are likely to experience limitations (data, processes, flows, features, interfaces) that require specialized communications and instructions
5. Go/no-go decision points
6. Contingency plans, including an Implementation Business Contingency Plan, that describes the steps necessary to keep business going when unexpected problems occur that interrupt DHS services during implementation. The Plan will describe critical success factors and explain how problems will be addressed if circumstances occur whereby one or more critical success factors cannot be achieved. The Plan will address any cut-over risks, rollback/back-out, and recovery plans.
7. An Operations Support Transition Plan to smoothly migrate the Pharmacy System to M&O (from the point of release that has been validated and approved by the State to go into production

2.8.18 CERTIFICATION MANAGEMENT PLAN DELIVERABLE

The Vendor will develop and submit a Certification Management Plan that describes the process the Vendor will use to plan, manage, and execute CMS certification. The Vendor will remain current with changes made to the certification requirements and update its plan accordingly. The Certification Management Plan will include and comply with all Federal certification requirements outlined in the State Medicaid Manual (SMM) and all CMS Certification review and required documentation.

2.8.19 DISASTER RECOVERY AND BUSINESS CONTINUITY AND CONTINGENCY PLAN (DR-BCCP) DELIVERABLE

The Vendor will submit a Disaster Recovery and Business Continuity and Contingency Plan (DR-BCCP) for the technology and infrastructure components, as well as for the business area operations continuity and contingency plan. The Vendor, together with State, must affirm the DR-BCCP plan, the essential roles, responsibilities, and coordination efforts for those portions of the technical infrastructure and operations as deemed appropriate.

The Vendor shall address a wide range of infrastructure and services recovery responsibility associated with, and/or arising from, partial loss of a function or of data for a brief amount of time to a worst-case scenario in which a man-made or natural disaster, data center equipment or infrastructure failure, or total system failure may result. The plan must include a procedure to allow facility access in support of restoration of lost data and to support emergency mode operations in the event of an emergency. Additionally, access control will include procedures for emergency access to electronic information. The Pharmacy system must be protected against hardware and software failures, human error, natural disasters, and other emergencies that could interrupt services. The plan must address recovery of business functions, business units, business processes, human resources, and the technology infrastructure.

The DR-BCCP must include:

1. Identification of the core business processes involved
2. Documentation of “who” shall declare a “disaster or failover” and begin the DR-BCCP
3. Distribution lists with email and telephone numbers for immediate contact

4. Pre-approved language to notify stakeholders and the method of notification (e.g., DHS website, Provider web portal, helpdesks)
5. For each core business process:
    a. Identification of potential system failures for the process
    b. Risk analysis
    c. Impact analysis
    d. Definition of minimum acceptable levels of outputs
6. Documentation of contingency plans
7. Definition of triggers for activating contingency plans
8. Process to establish a war room and business resumption team
9. Maintenance of updated Disaster Recovery Plans and procedures
10. Plan for replacement of personnel to include the following as a minimum:
    a. Replacement in the event of loss of personnel before or after signing this contract
    b. Replacement in the event of inability by personnel to meet performance standards
    c. Allocation of additional resources in the event of the Contractor's inability to meet performance standards
    d. Replacement/addition of personnel with specific qualifications
    e. Timeframes necessary for replacement
    f. Contractor's capability of providing replacements/additions with comparable experience
    g. Methods for ensuring timely productivity from replacements/additions

The Disaster Recovery Plan must address:

1. Retention and storage of backup files and software
2. Hardware backup for critical system components
3. Facility backup
4. Backup for telecommunications links and networks
5. Staffing plan
6. Backup procedures and support to accommodate the loss of online communications
7. Process for fall back to the primary system
8. A detailed file backup plan and procedures, including the offsite storage of crucial transaction and master files; the plan and procedures must include a detailed frequency schedule for backing up critical files and (if appropriate to the backup media) their rotation to an offsite storage facility. The offsite storage facility must provide security of the data stored there, including protections against unauthorized access or disclosure of the information, fire, sabotage, and environmental considerations
9. The maintenance of current system documentation and source program libraries at an offsite location

The Disaster Recovery Plan and results of periodic disaster readiness simulations must be available for review by State or Federal officials on request.

2.8.20 PROJECT KICK-OFF

The Vendor will perform the activities required to manage and lead the project and its team through the entire project life cycle. During the beginning of the project, the Vendor will work with the State and the

AME PMO to establish the processes and tools required to manage and control the project. This includes facilitating a Kick-Off Presentation, preparing on-boarding materials for team members (State and Vendor), establishing the tools required to control the project (e.g., document repository), and producing the Project Management Plan (PMP) and a Project Schedule.

As part of the Project Management activities, the Vendor will provide a detailed overview and walkthrough of the proposed system to selected project and DMS staff, sometimes referred to as training, on any tools, best practices, and outlining expectations and time commitments for key State staff, including Subject Matter Experts (SMEs). The State expects the solution overview to span multiple days to ensure key State personnel can be in attendance. The Vendor's Project Management team will collaborate with DHS AME PMO to align their standards, templates, and processes with the AME PMO or ensure the AME PMO agrees to any exceptions.

The Vendor will then, in collaboration with the State, execute the processes outlined in the PMP and track and report project progress (e.g., activities completed, risks, issues, status) for the duration of the project.

2.8.21 PROJECT INITIATION CHECKLIST DELIVERABLE

The Vendor will develop and submit a checklist confirming that the following key project establishment activities have been completed:

1. Vendor signed a lease for the facility
2. All Vendor DDI Key Staff provided State credentials and "Welcome Package"
3. Connectivity to all required project systems for Vendor and State staff has been established
4. Vendor staff directory, containing all contact information and project titles, has been provided to the State Project Manager
5. The Project Kick-Off occurred. The Kick-Off is a presentation to the entire project team and key stakeholders to familiarize them with the project and includes:
    a. Project Overview
    b. Project Schedule (high level)
    c. Objectives and Definitions
    d. Processes (including high level change management, change control, and issue/risk management)
    e. Roles and Responsibilities and expectations for the time commitments of key State staff
    f. Keys to Success
6. The State resources are trained on the processes and methods that will be used during requirements validation sessions.

2.8.22 REQUIREMENTS VALIDATION

The Vendor will confirm the design will capture the entire functional scope required. The Vendor will finalize, validate, and update the Requirements Traceability Matrix (to capture any agreed upon changes) and the Requirements (based on any agreed upon changes) to clarify the scope and map these updates to technical components, test cases, or equivalent using the State's enterprise requirements tool. If Agile methodologies are used, the Vendor will lead the development of User Stories, Epics, and Product Backlogs to ensure the RTM includes these outputs.

Due to the critical importance of requirements validation and gap analysis activities, the State expects the Vendor to allow sufficient time for State resources and SMEs to attend and participate in the necessary sessions. For this reason, the State recommends the Vendor work with the State when finalizing the approach, plan, and schedule to ensure all necessary State participants are available and prepared to participate.

2.8.23 REQUIREMENTS VALIDATION DOCUMENT DELIVERABLE

The Requirements Validation Document (RVD) will describe how the Vendor system meets the RFP requirements and CMS requirements, as well as how the RVD serves as the medium used for transforming the business-oriented Business Design Document into the technical-oriented Detailed System Design (DSD). At minimum, the RVD must include:

1. A crosswalk or map of each requirement to a module/area; this shall include an application, a COTS application, and business process
2. An overview of the system architecture and how components are integrated to meet RFP requirements
3. An identification of system files and processing architecture
4. A general narrative description of the modular system, the flow of data through the modular system (including functions, features, and processes), and a functionally based graphic representation of the entire MMIS, including administrative, business, and system processes
5. A flow diagram of each module identifying all major inputs, processes, and outputs of the module
6. Business process flow diagrams for each functional area
7. Draft layouts for all inputs, including forms, screens, tapes, and any other inputs for each functional area
8. Draft layouts for all outputs, including reports, screens, tapes, special forms, and any other outputs for each functional area
9. A crosswalk and description of all technical and administrative requirements

To ensure that the Vendor fully understands the Pharmacy System requirements, the Vendor will lead and facilitate the process for finalizing, reviewing, and validating the detailed requirements documentation. The Vendor will update the Requirements Validation documents with any agreed upon changes and load updates into the State's enterprise Requirements Management tool.

2.8.24 DESIGN AND DEVELOPMENT

This RFP does not prescribe a particular design and development methodology for Respondents. The Vendor **shall** follow industry best practices as mutually agreed upon by the State and Vendor following a review of proposals and negotiation of the Contract.

2.8.25 BUSINESS DESIGN DOCUMENT

The Vendor will submit a Business Design Document for each module/area or as a whole. The deliverable must include at minimum:

1. An analysis describing the current business processes and the proposed business processes covered by the modular shared service.
2. An analysis identifying and describing all interfaces and data acquisitions with other systems or entities, other applications, and other paper document sources
3. A gap analysis describing a system design that will support the requirements necessary to complete the development of the Pharmacy project
4. The following materials:
    a. Business information models
    b. Process Flow Diagrams
    c. Batch Reports

d. Screen layouts
e. List of inputs and outputs
f. Use cases
g. Edit and audit rules
h. A listing of each requirement met by the deliverable

The document must map to the RTM.

2.8.26 INTERFACES CONTROL DOCUMENT DELIVERABLE

The Vendor will submit an Interfaces Control Document (ICD). The ICD will detail all the interfaces between the Pharmacy System and other systems, the plan for coordination with the interface partner, appropriate Data Sharing and Business Associate Agreements, and the context for these interfaces, including their purpose, definition, frequency of exchange, adherence to Federal and State standards, anticipated date of development, and any other salient information. The Vendor is responsible for coordinating interface plans through the life of the Contract (DDI and M& O). There is a completed, current Pharmacy ICD in the Bidder's Library.

2.8.27 DATA CONVERSION

The Vendor shall be responsible for leading and performing the data conversion and migration activities. The State anticipates that conversion and migration activities shall begin contemporaneously with the project. The State expects that all data be converted and migrated to the Pharmacy System. The State will require the Vendor to provide auditing reports to validate that all data has been mapped and converted accurately and completely.

Data conversion and migration activities include working with the State to determine the data to be converted, building a data conversion schedule, tracking each data element being converted, validating that all records/images converted equals number of records/images written to the new database, testing the converted data in the shell of the future system, reporting progress, and ensuring adequate staff is assigned to the effort.

The Vendor will implement tools required to convert the data into a standardized format (e.g., Smarty Streets) and to cleanse and de-duplicate the data as it is integrated into the solution. Additionally, all images currently stored in the legacy systems need to be migrated to the Pharmacy System. The Vendor will perform a trial conversion(s) prior to performing UAT, perform system testing with converted data, collaborate with the State to resolve any data issues identified, and provide tools and reports for the State to validate the data. The State will only be able to provide limited support on this effort, so Respondents shall propose solutions that maximize any commercially reasonable efforts to automate the process or otherwise minimize the State effort and expertise required.

During and after data conversion, the Vendor will be responsible for supporting data quality within the Pharmacy System by participating in activities defined in the Data Conversion Plan and through the incorporation of automated data quality tools and logic rules that help promote data quality and prevent the input of invalid information.

2.8.28 DATA CONVERSION TESTING REPORT AND RESULTS DELIVERABLE

Following the acceptance of the Data Conversion Plan, the Vendor will deliver the Data Conversion Testing Report and Results. This report will verify that the converted data has been tested and is ready for production prior to performing UAT and must include a process for handling all inflight transactions. This will include confirmation that all data that needs to be converted for the release to go-live has been reconciled to the legacy system and verified by the State. UAT will not commence until the State has approved the Data Conversion Testing Report and Results.

The Vendor will work with the State to customize the data provided in this report, including overall content and format. If an adaptive methodology is recommended, the State expects the Data Conversion Testing and Results report to be delivered monthly and include progress and status of dry runs and overall Data Conversion readiness to support incremental UAT periods.

2.8.29 TESTING

The Vendor will be the lead and be responsible for the Pharmacy System testing effort. DHS will review the proposals regarding potential automation methods and tools, an automated testing policy, and how the Vendor plans to use automation where appropriate during and after system implementation. The Vendor will define a testing methodology that uses automation and includes multiple testing cycles to ensure the entire Pharmacy System functions without issues.

The Vendor's methodology must meet Federal funding partner requirements and align with industry standard methodologies such as Software Engineering Institute, the Capability Maturity Model, International Standards Organization, ISO9000 or the Institute of Electrical and Electronics Engineers (IEEE) or IEEE 829 Standard for Software and System Test Documentation and related standards.

The Vendor, will load all testing results in the State's approved enterprise testing solution, including:

- Smoke Testing
- Unit Testing
- System Testing
- Automated Testing
- String/Link Testing
- Integration Testing
- End to End Testing
- Regression Testing
- Policy Parallel Testing
- Performance/Stress Testing

Once the Pharmacy System has been fully tested and the Vendor is confident the Pharmacy System is ready for production,the Vendor will coordinate with the State to perform final testing in an integrated environment. System testing will not overlap with final testing (or, as necessitated by the approach, iterative UAT periods will not overlap with a final UAT period). The Vendor shall collaborate with the State to establish necessary hand-off procedures to move changes between environments. Upon the completion of the UAT, overall readiness will be assessed and a "go" / "no go" decision for System deployment will be made by the State. Final testing will include:

- User Acceptance Testing — Developed, performed, and led by the State end users (the State and the AME PMO will develop test scripts leveraging the test scripts provided by the Vendor) with support from the Vendor.
- End-to-End UAT — Once the Pharmacy System has passed incremental UAT periods, a final end-to-end UAT period of no fewer than forty (40) business days will be scheduled and completed to ensure the State can, at a minimum, test the entire system to ensure all features, data, interfaces, exchanges, and modules are complete, accurate, and meet all State, Federal, and Project requirements.
- Regression Testing — Performed by the Vendor, with the support of State testers, to ensure functionality currently in production continues to function. The Vendor will coordinate with the State.

2.8.30 SYSTEM INTEGRATION TEST READINESS CHECKLIST DELIVERABLE

Prior to the start of System Integration Testing, the Vendor will complete and deliver the System Integration Test Readiness Checklist deliverable. This will mark confirmation by the Vendor that all the

key System Test activities and artifacts are ready. The checklist will be established as part of the Test Management Plan and serve as documentation that, at a minimum:

1. Test scripts and scenarios have been prepared
2. The test data set has been defined and created
3. Test scenarios have been mapped to functional and technical requirements
4. Test environment has been configured
5. Defect management tool and process have been established
6. Limitations of SIT (data, environments, connections, functionality) have been identified and addressed, including a risk mitigation plan
7. Progress tracking has been established (scripts pass, fail, pending, etc.)

2.8.31 SYSTEM INTEGRATION TESTING (SIT) REPORT AND RESULTS DELIVERABLE

Following the completion of System Integration Testing, the Vendor will deliver the SIT Report and Results on a weekly basis throughout the implementation. The results of the System Test are to be presented to the State for approval before the development system status can be promoted to the UAT stage for end user testing. The State shall define the criteria necessary for State approval of test results, including requirements for presentation of the results to the State and timeframes for State review. This will ensure the entire Pharmacy System has been tested and all rounds of testing are successful prior to promoting the Pharmacy System to UAT. The Vendor will provide a formal Testing Report that aligns with Federal testing approval guidelines. The Testing Report will include, at a minimum:

1. Completed Test Scenarios, Test Cases and Test Scripts
2. Testing Milestone Reports and other status reports
3. Test Phase Final Results Report and Corrective Action(s) Plan
4. Platform readiness test outcome report
5. Requirements having passed SIT (e.g., all requirements are mapped to test cases and all test cases have passed)
6. Documentation of test results, including an evaluation that includes a summary of any outstanding issues/defects with the system and any other pertinent readiness issues

2.8.32 UAT READINESS CHECKLIST DELIVERABLE

The Vendor will create and deliver a UAT Readiness Checklist for each UAT period in accordance with the agreed upon project schedule. This shall ensure the entire Pharmacy System has passed SIT and data conversion testing and all activities and artifacts necessary to begin UAT have been completed. Upon the completion of the UAT, overall readiness will be assessed and a “go” / “no go” decision for System deployment will be made by the State. The checklist will be established as part of the Test Management Plan and serve as documentation of the Vendor’s obligations regarding the following:

1. The test data set, including configuration or seed data, has been defined, created, and loaded to UAT; the State will use Production data in UAT
2. Test scenarios have been mapped to functional and technical requirements
3. UAT State participants have been fully trained in the functionality for their role
4. System testing has been successfully completed and issues corrected

5. Data conversion activities have been completed, and the data is clean, usable, and migrated to the UAT environment
6. Error tracking, testing, and reporting tools and methodology have been established, and State users have been trained
7. A testing tool/test harness/automated test framework has been implemented that will support automated regression testing, and State users have been trained on their use
8. The development of automated test scripts is complete, and the scripts are available for UAT

2.8.33 COMMENCEMENT OF UAT

The definition of UAT for this project is as follows: User acceptance testing (UAT) consists of a process of verifying that a solution works for the user. It is not system testing (ensuring software does not crash and meets documented requirements), but rather ensures that the solution will work for the user (*i.e.*, tests that the user accepts the solution); software vendors often refer to this as "Beta testing." UAT is not a second level of SIT. With respect to MARS-E security standards, UAT is to be considered a production environment.

To proceed to UAT, SIT and data conversion testing must have been fully and thoroughly executed and issues identified have been corrected, or if not corrected, the Vendor shall certify, and DHS must agree, that the identified issues do not impact DHS's ability to perform UAT and the appropriate workaround or data fix has been identified. If these criteria are not satisfied and DHS is hampered in their ability to perform UAT due to system, data, or environment issues, UAT will be halted, and the Vendor will be required to return to testing until system stability has been achieved.

2.8.34 UAT REPORT AND RESULTS DELIVERABLE

The Vendor will work with the AME PMO to create the UAT Report and Results. This will ensure the entire Pharmacy System has been tested and all rounds of testing are successful prior to promoting the system. The Testing Report will include, at a minimum:

1. Completed Test Scenarios, Test Cases and Test Scripts according to pre-defined entrance and acceptance criteria
2. Testing Milestone Reports and other status reports
3. Test Phase Final Results Report and Corrective Action(s) Plan
4. Platform readiness test outcome report
5. Regression testing has passed
6. Performance/stress testing has been completed and passed
7. A report of any deficiencies or areas that were not tested and a risk mitigation plan for how to address those areas prior to promoting to an upper environment
8. Disaster Recovery Testing has passed
9. Documentation of test results, including an evaluation that includes a summary of any outstanding issues/defects with the system and any other pertinent readiness issues

Each of the above must meet or exceed the passing threshold and must be approved by the State and/or all applicable Federal partners.

2.8.35 TRAINING MATERIALS DELIVERABLE

The Vendor will lead and work collaboratively with State and AME PMO Organizational Change Management (OCM) staff to build out the resources to prepare the organization for the new System. The Vendor will consider the following established baseline guiding principles for this effort:

1. Use a task-based training approach founded on a thorough user-centered task analysis.
2. Use a variety of integrated training methods to address diverse learning styles and provide experiential, performance-based training.
3. Integrate training methods and strategies throughout the Project life cycle, to include pre-training support, classroom training, and post-training support.
4. The primary medium for System training must be hands-on interaction with a working version of the System.
5. Just-in-Time Approach to training — All field office users will receive hands-on training on the System immediately prior to the System being implemented.
6. Training must be designed in a way that conveys the value and benefits of the System, alignment to the user's model of practice, and addresses the specific job functions of the users being trained with its integration into their day-to-day work.
7. All trainees must demonstrate the capability to use the System effectively at the completion of the training to perform his/her responsibilities.
8. User friendly training materials must be submitted with sufficient time for review and approval prior to the first class, updated frequently as pre-implementation changes that impact training occur, and provided to trainees that can be referenced later without additional context required.
9. Training attendance and comprehension will be documented to give the State adequate assurances of the training program's effectiveness (including but not limited to user surveys and a plan to remediate and training deficiencies identified).

2.8.36 SYSTEM DOCUMENTATION DELIVERABLE

The Vendor is responsible for providing complete, up to date, accurate, and timely documentation of the Pharmacy system. Following implementation, the Vendor shall update the documentation with all changes, corrections, or enhancements. Updates to the Systems Documentation must be delivered to within twenty (20) calendar days after State approval of implementation of the change, unless otherwise agreed to.

Additional copies of the Systems Documentation, or specified parts thereof, must be provided to DHS upon request within ten (10) business days of receipt of the request. The Vendor shall also be responsible for supplying any copies of the System Documentation required by CMS in the CMS-specified format.

The System Documentation must meet or exceed the following standards:

1. Be available and updated on electronic media
2. Be organized in a format that facilitates updating; revisions must be clearly identified and dated
3. Include system and modular narratives that are understandable by business personnel
4. Contain an overview of the system including:
    a. A narrative of the entire system
    b. Business Process Models
    c. Data flow diagrams showing data stores and flows

d. Entity Relationship Diagram (ERD)
e. A description and flow charts showing the flow of major processes in the system
f. A description of the operating environment

5. In addition, the nomenclature used in the overview must correspond to nomenclature used in modular documentation. All modules must be referenced, and documentation must be consistent from the overview to the specific modules and between modules. All data stores and flows must be referenced and documented. The documentation for each modular must contain, at a minimum:

    a. Modular name and numeric identification
    b. Modular narrative, including each function and feature of the modular including shared services
    c. Modular flow charts, identifying each program and shared service(s), input, output, and file
    d. Job streams within modular identifying programs and shared service(s), input and output, controls, job stream flow, operating procedures, and error and recovery procedures
    e. Identification and listing of all Pharmacy Vendor's internal control reports
    f. For all forms, screens, tapes, and other inputs: input definitions, including names, descriptions, sources, examples, and content definition
    g. For all screens, reports, and other outputs: output definitions, including names, numbers, sources, destinations, examples, and content definition; electronic media specifications, file descriptions, and record layouts must be included for all data stored on electronic media
    h. Listings of edits and audits applied to each input item, including detailed edit logic, claim and Provider types affected, related State policies, edit disposition and hierarchy, suspense and override data, and corresponding error messages
    i. Program narratives, including process specifications for each, the purpose of each, and the relationship between the programs and modules
    j. Detailed program logic descriptions and edit logic, including, at a minimum, the sources of all input data, each process, all editing criteria, all decision points and associated criteria, interactions and destination links with other programs, and all outputs
    k. Lists, by identifying name, of all files, inputs, and outputs with cross-references to the programs in which they are used
    l. Workflow related documentation

6. Contain a separate guide for each module which includes at a minimum, the following:

    a. A listing of rules-based, table-driven, or key elements, their values, a written description of the element, and to which modules they apply
    b. Cross-reference listings or matrices of related elements or values, showing allowable relationships or exclusions (e.g., Provider Type/Provider Specialty cross reference)
    c. A business rules repository, if appropriate
    d. A table of contents, by module, table, and element

7. Contain a Data Element Dictionary (DED) that must include, at a minimum, for each data element:

    a. A unique data element number
    b. A standard data element name
    c. A narrative description of the data element
    d. A list of data names used to describe the data element
    e. A table of values for each data element
    f. The source of each data element
    g. A cross-reference to the corresponding Part 11 of the CMS SMM
    h. A list of programs or services using each data element, describing the use of input, internal, or output; and
    i. A list of files or applications containing the data element

8. Contain operations run documentation with schedules and dependencies

9. Support State monitoring activities and any annual System Performance review requirements on an ongoing basis
10. Provide word search functionality

2.8.37 SYSTEM SECURITY AND PRIVACY

DHS requires Minimum Acceptable Risk Standards for Exchanges (MARS-E 2.2) compliance standards for privacy and security for all Medicaid Systems. MARS-E 2.2 is a set of privacy and security standards for Affordable Care Act (ACA) administering entities, as well as their contractors and subcontractors. Developed by CMS, the standards are based on the National Institute of Standards and Technology (NIST) Special Publication 800-53. This framework establishes the security and privacy requirements required for compliance under MARS-E, ensuring the availability, confidentiality, and integrity of protected health information (PHI), personally identifiable information (PII), and federal tax information (FTI). The Vendor shall ensure and maintain compliance with the most current version of Health Insurance Portability and Accountability Act (HIPAA), Health Information Technology for Economic and Clinical Health (HITECH) and other Federal and State privacy and security standards.

2.8.38 OPERATIONAL READINESS REVIEW CHECKLIST DELIVERABLE

The Vendor will prepare an Operational Readiness Review ("ORR") checklist deliverable for State approval (and ultimately the State's use) in accordance with the timing set forth in Vendor's Implementation Plan. The **Vendor shall** comply with the results of the ORR.

After the Pharmacy System is migrated to production (from the point of release that has been validated and approved by the State to go into production), the key staff from the Vendor's project team will address the issues that arise during the initial weeks as part of its implementation duties (i.e., prior to the commencement of an M&O phase). The Vendor will provide the resources required to migrate both internal and external users onto the Pharmacy System. In addition to the training, this could include deploying additional software/hardware or staff resources, enabling users in the Pharmacy System, migrating data from legacy systems/shutting off use of the legacy systems, and ensuring all users have appropriate authentication/authorizations.

The Vendor will provide project resources (cut-over support team) to support the Pharmacy System immediately after it isdeployed into production. During this period, the Vendor will provide interim support processes until the State is comfortable that the number of issues/user issues has diminished to a level that can be managed by the more controlled and structured M&O processes. Once the Pharmacy System is stable (approved by the State based on the number of open issues), the Vendor will migrate support to the M&O team.

2.8.39 IMPLEMENTATION AND GO-LIVE

The Vendor will lead the efforts to migrate the Pharmacy System into the production environment through migration to a stable M&O phase. The State is interested in exercising features of the system and validating full readiness and preparedness across people, processes, data, and technology in a pre-production or production environment.

The Respondent's proposed implementation strategy must be informed by Respondent's experience implementing similar systems for similarly sized programs. The proposed strategy shall take into consideration that DHS's services cannot be interrupted for the implementation (i.e., users of the Pharmacy System must be trained in a manner that allows them to simultaneously meet their primary job responsibilities, and the Pharmacy System cannot be taken offline for an extended period prior to the system being fully operational).

2.8.40 FORMAL SYSTEM ACCEPTANCE

Once the entire Pharmacy System has been migrated to production and rolled out to the entire organization, the Pharmacy System will be stabilized to allow support to be migrated from the cut-over support team to the M&O team. This will be considered complete once the State confirms the Pharmacy System allows users to perform the end-to-end business processes without issues, improves efficiency/usability, and on the contingency that all applicable Federal partners have approved the results. The Vendor and State will mutually agree upon the means by which the State shall formally accept the system.

2.8.41 PROJECT CLOSEOUT CHECKLIST DELIVERABLE

Prior to Pharmacy System implementation, the Vendor will submit a draft Project Closeout Checklist for approval. After the system is implemented, the Vendor will submit the completed checklist indicating that all activities have been approved/accepted. The purpose of this checklist is to ensure all project activities and the migration to M&O are complete and that all known functionalities have been implemented and the appropriate legacy application(s) have been retired. This checklist will include, at a minimum:

1. Proof that all deliverables are up-to-date and approved, including compliance
2. Control of all system and training documentation has been transferred to the M&O team
3. Review of Keys to Success documented in the Project Initiation Checklist Deliverable to determine how well the project met the criteria
4. Lessons learned are fully documented
5. Review of Keys to Success documented in the Project Initiation Checklist Deliverable to determine how well the project met the criteria
6. Tactical activities are complete (e.g., returning project team members' badges and removing systems access, if applicable)
7. Ensuring hand-off of source code and State ownership of all source code and configurations
8. All system issues identified during implementation have been remediated or addressed to DHS satisfaction
9. All regression test scripts have been completed and are ready to support future regression testing

2.8.42 WARRANTY PERIOD

The **Vendor shall** warranty the Pharmacy System for 12 months after Go Live/System acceptance. During the warranty period, any defects identified will be addressed by theVendor at no additional cost to the State. The Vendor shall leverage the M&O processes to manage the issues/defects and fixes and will report progress as part of the M&O reports.

2.8.43 MAINTENANCE AND OPERATIONS

After the successful roll-out of the Pharmacy System the Vendor will, for the balance of its Contract with the State, be responsible for the ongoing Maintenance and Operations (M&O) of the system. In performing M&O duties, the Vendor will:

- Work with the State to coordinate implementation, release, and regularly scheduled maintenance of updates, patches, and repairs for the Pharmacy System. All updates, patches, and repairs must be fully and successfully tested before migration to production in accordance with the same protocols and procedures utilized in the DDI phase of the project. The State, and not the Vendor, will have the final say about which projects, upgrades, defects, and changes take priority over others in the Vendor's queue.

- Notify the State and fix and address all system defects, issues, and system performance failures. For implementation of system repairs the Vendor will work with the State to coordinate the release management of the repairs.
- Support the following Maintenance activities, both before and after implementation:
    - Activities necessary to correct deficiencies or inaccuracies in business logic, including deficiencies identified post-implementation, including planned modifications.
    - Activities necessary to meet the technical and operational performance requirements detailed in this RFP, including operations support.
    - Activities necessary to ensure that documentation, data, software, utilities, technical services, peripheral services, hardware, middleware, and reports are accurate.
    - Data maintenance activities for updates to tables, including database support activities.
    - Changes to business services scripts or system parameters concerning the frequency, number, sorting, and media of reports.
    - Changes to disposition parameters for established edit criteria.
    - Addition of new values or other operational and technical environment changes.
- Provide a system performance management solution that supports the necessary assurances to satisfy the State's Pharmacy System operational objectives in a complex production operating environment. These assurances include both the Federal and State established requirements for standards of performance, including standards for timeliness and efficiency in a production operation, and CMS certification using defined criteria. The State has identified minimum performance standards and will measure adherence to these standards on a State-defined frequency. The Vendor shall consistently meet or exceed these minimum operational performance standards over the life of the contract.
- Monitor system operations daily and make necessary adjustments to maintain peak operation efficiency so that system users are not adversely affected. Ongoing monitoring applies to all system components, including the operating systems, third-party components, database(s), and all related components, and will also include the quality of stored data, including but not limited to Client data. In addition, perform in-depth analysis and probe of all system components as requested to test the database integrity and system performance, and recommend maintenance activities, including whether to upgrade older versions to current versions. The OIT and DHS must approve any upgrades.
- Conduct continuous improvement, including reviews of the longest running processes on a weekly basis and work to fine tune them to higher efficiency (including reporting, batch, and production systems).
- Collaborate with the State to provide technical support to Pharmacy System users under a three-tiered technical support model where the Vendor is responsible for handling the most difficult or advanced problems. The Vendor's network and technical support staff must be available to assist the State to help triage and resolve issues. The State will provide Tier 1 support. Tier 1 includes changes that can be accomplished by authorized users such as password resets, changing security roles for users, end dating Staff members. The State will escalate other issues to the Vendor for resolution. The Vendor will propose operations technical support Tiers and services in the Maintenance and Operations Support Plan Deliverable.
- Plan and conduct services to minimize the occurrence of production incidents, issues, and/or problems with the system components. In the event of occurrence, the Vendor will assign qualified technical staff to respond during business hours to non-urgent matters. Communication of issues to

the Vendor shall be by telephone call, e-mail, or text messages from the State. For urgent matters, the Vendor will have a telephone number that is answered by qualified technical staff 24 hours/7 days per week.

- All incidents, issues, and problems will be recorded and tracked in the State's log or tracking tool and utilize a clear escalation procedure through the applicable chain of command to ensure the appropriate attention to meet the level of urgency. Critical Severity incidents must be reported to designated State staff within one (1) hour of discovery or identification of the incident. The incident management and escalation procedure will be outlined in the Maintenance and Operations Support Plan Deliverable.
- Provide an Incident Report for every system problem. The reports will include the affected areas of the State, date of report, date of incident, reference number, start and end times of the incident, problem type, problem impact summary, detailed description of the problem, immediate resolution, permanent solution, and who resolved the problem. Initial incident reports for critical and high severity incidents will be provided within 24 hours from the start of the system problem. If the incident report does not include the permanent solution to the incident, the report will be updated every 24 hours to reflect the status of the incident until it is resolved. A follow-up incident report will be provided no later than 24 hours after the permanent solution has been defined for critical and high severity incidents. For medium and low severity levels, initial incident reports will be provided within five (5) business days, or a timeline approved by the State.
- Resolve all incidents according to the severity levels timelines defined in Attachment G - Functional and Technical Requirements Traceability Matrix. Resolution Time is defined as when the incident is resolved in production. If the Vendor cannot meet the established resolution time for the severity level, the Vendor will submit a plan and revised timeline for resolution to the State in the incident report.
- Produce all required reporting to support Pharmacy system and operations. This includes reporting to meet State and Federal requirements, programmatic requirements (e.g., ProDUR and RDUR programs detailed monthly, quarterly, bi-annual, and annual reporting), and reporting to monitor the Pharmacy program and to proactively identify areas of possible processing improvements. The Vendor shall propose tools that provide the capability for an authorized user to develop, update, save, access, and reuse ad hoc reports out of the Vendor's system. Report generation must not impact production system processing.
- DHS, in cooperation with the Division of Information Systems (DIS), will own and manage all the network infrastructure for DHS network connectivity. For Cloud based approaches, DHS may, at its option, choose to leverage any existing WAN or "Direct Connect" connectivity, but the Vendor shall include these costs regardless.

2.8.44 MAINTENANCE AND OPERATIONS SUPPORT PLAN DELIVERABLE

The Vendor shall provide a Maintenance and Operations Support Plan. The plan must include, but not be limited to, the following:

1. System support structure and organization, including estimates of manpower requirements to support operation and maintenance of the System
2. The schedule for updates to all weekly, monthly, quarterly, and annual deliverables required for the M&O phase and described in this RFP
3. Operating Procedures Manual that outlines diagnostic procedures, backup and restore procedures, and disaster recovery procedures (or references separate plans and deliverable, as appropriate)

4. Pharmacy System Users manuals outlining processes and procedures needed by users, including State staff and providers, to understand and use the Pharmacy System and to interact with the Vendor (reporting problems/issues/incidents, requesting assistance, requesting changes, etc.)
5. The plan and procedures for tiered technical support in collaboration with the State
6. Incident, issue, and problem management tracking, and escalation procedures
7. Defect management plan and procedures
8. The plan and processes for ongoing Operational reporting and development of new reports
9. The location and maintenance approach for all completed code associated with the Pharmacy System and Pharmacy data dictionary and data schemas

2.8.45 MAINTENANCE AND OPERATIONS SYSTEM ENHANCEMENTS

The Vendor will include funding of $500,000 per year for a Modification Pool for major system enhancements required by the State. These funds would be used only if necessary and approved by the State. These funds must be included in the annual M&O budget for planning purposes. For enhancements that require use of Modification Pool funds, the State will make payment based upon the following Vendor deliverable milestones and percentages:

- Statement of Work (SOW) – The State will pay 10% of the agreed price (from the Modification Pool) for this milestone when completed and approved.
- Functional Design Document (FDD) – The State will pay 10% of the agreed price (from the Modification Pool) for this milestone when completed and approved.
- System Integration Testing (SIT) - The State will pay 10% of the agreed price (from the Modification Pool) for this milestone when completed and approved.
- User Acceptance Testing (UAT) - The State will pay 15% of the agreed price (from the Modification Pool) for this milestone when completed and approved.
- Vendor attestation of working system (with all integrated systems) - The State will pay 15% of the agreed price (from the Modification Pool) for this milestone when completed and approved.
- State Production signoff - The State will pay 40% of the agreed price (from the Modification Pool) for this milestone when completed and approved.

The State expects that all small, normal, and maintenance types of changes will be included in the operational budget and will not require use of funds from the Modification Pool. Major enhancements that exceed funds remaining in the Modification Pool (on an annual basis) would require a contract modification and would be required to go through the normal contract and Advance Planning Document (APD) approval process at the State and CMS level.

2.8.46 CMS CERTIFICATION

The CMS Streamlined Modular Certification (SMC) must be adopted by the Vendor as the official guide for certifying the Project Components operating in the State-designated production environment. The Vendor, using the SMC guidelines and approach, must prepare for the State and CMS Federal Certification on-site review.

The Vendor will collaborate with DHS, IV&V, and other module Vendors to complete the applicable and requested CMS Certification Checklists for the Vendor's contracted systems and services.

The Vendor shall provide for continuity in the staffing of the various business and technical operations throughout completion of all Federal certification activities, including as required, onsite or remote follow up to resolve any identified compliance issues relative to the federal certification process.

2.8.47 CMS CERTIFICATION DOCUMENTATION DELIVERABLE

The Vendor is responsible for identifying and satisfying all the certifiable criteria, documents, data, and/or information requested by CMS as required during the Federal certification. The Vendor shall demonstrate functional equivalence to the satisfaction of CMS. This includes all artifacts, data, and/or information required by CMS or DHS for the certification review.

2.8.48 COMPLETION OF ALL WARRANTY ACTIVITIES REPORT DELIVERABLE

Once the Vendor successfully addresses, by way of receiving DHS final approval, the final unresolved defect/issues surfaced during warranty, the Vendor will deliver the Completion of All Warranty Activities Report. This report, at a minimum, will include a summary of all defects fixed under warranty, the defect priority, and the time between the defectbeing reported and a fix deployed into production.

2.8.49 TRANSITION TO A SUBSEQUENT VENDOR

Transition includes end of Contract transition planning to ensure a seamless operational transition to the State or its designee. Prior to the conclusion of the Contract, on a schedule to be specified by the State, the Vendor shall assist the State to assure that all responsibilities are transitioned.

Key issues for disengagement include:

- Phase-in training
- Thorough and efficient transition activities
- Staffing continuity
- Uninterrupted service

2.8.50 TURNOVER AND CLOSEOUT PLAN

Disengagement planning **must** commence at least one year prior to current Vendor's expiration date, including all approved extensions. The State may require that these services begin earlier as needed for an orderly transition. At the State-specified time, the Vendor shall submit a Turnover and Closeout Plan. The plan will include:

1. Proposed approach to turnover
2. Tasks and subtasks for turnover
3. Schedule for turnover
4. Documentation update for procedures during turnover

3 SELECTION

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

3.1 RFP CONTENTS

In preparing a proposal, Respondents shall reference and use the following Attachments.

Exhibit 5: Attachment Listing

Attachment	Name	Description
A	Key Personnel	This attachment is Key Personnel requirements
B	Glossary of terms and acronyms	This is a collection of common acronyms and terms used through-out the RFP documents.
C	Performance Based Contracting Standards	Performance Contracting Standards
D	Technical Proposal Packet	This is a template Respondents should use in preparing their Technical Proposals
E	Cost Proposal Template	This is a template Respondents should use in proposing a cost forthe project
F	Bidders' Library	This is a collection of files that Respondents should reference and review to get a better understanding of what is expected bythe RFP
G	Functional and Technical Requirements Traceability Matrix	This is a template Respondents should use in preparing their Technical Proposals
H	Written Questions	Respondent should use this form to submit written questions to the State pursuant to RFP Section 1.9
I	Disclosure Form	Required Disclosure Form
J	DSA	Data Sharing Agreement
K	Pro forma contract	Pro forma contract
L	BAA	Business Associate Agreement
M	Organizational or PersonalConflict of Interest Policy	Organizational or Personal Conflict of Interest Policy
N	Client History Form	This is a template Respondents must use to list all past experience, along with time frames and any other pertinent information.
O	Official Bid Price Sheet	This is a required sheet Respondents should use to provide pricing information
P	Terms and Conditions	Required Terms and Conditions contract

3.2 TECHNICAL PROPOSAL SCORE

A. OP will review each Technical Proposal Packet to verify submission Requirements have been met. Technical Proposals Packets that do not meet submission Requirements shall be rejected and shall not be evaluated.

B. An agency-appointed Evaluation Committee will evaluate and score qualifying Technical Proposals. Evaluation will be based on Prospective Contractor's response to the Information for Evaluation section included in the Technical Proposal Packet.

1. Members of the Evaluation Committee will individually review and evaluate proposals and complete an Individual Score Worksheet for each proposal. Individual scoring for each Evaluation Criteria will be based on the following Scoring Description.

Quality Rating	Quality of Response	Description	Confidence in Proposed Approach
5	Excellent	When considered in relation to the RFP evaluation factor, the proposal squarely meets the requirement and exhibits outstanding knowledge, creativity, ability or other exceptional characteristics. Extremely good.	Very High
4	Good	When considered in the relation to the RFP evaluation factor, the proposal squarely meets the requirement and is better than merely acceptable.	High
3	Acceptable	When considered in relation to the RFP evaluation factor, the proposal is of acceptable quality.	Moderate
2	Marginal	When considered in relation to the RFP evaluation factor, the proposal's acceptability is doubtful.	Low
1	Poor	When considered in relation to the RFP evaluation factor, the proposal is inferior.	Very Low
0	Unacceptable	When considered in relation to the RFP evaluation factor, the proposal clearly does not meet the requirement. Either nothing in the proposal is responsive in relation to the evaluation factor or the proposal affirmatively shows that it is unacceptable in relation to the evaluation factor.	No Confidence

2. After initial individual evaluations are complete, the Evaluation Committee members will meet to discuss their individual ratings in a consensus scoring meeting. At this consensus scoring meeting, each evaluator will be afforded an opportunity to discuss his or her rating for each evaluation criteria.

3. After committee members have had an opportunity to discuss their individual scores recorded on the preliminary Individual Score Worksheet with the committee, the individual committee members will be given the opportunity to change their initial individual score, if they feel that is appropriate.

4. The final individual scores of the evaluators will be recorded on the Consensus Score Sheets and averaged to determine the group or consensus score for each proposal. For purposes of scoring,

only the final scores of the evaluators reflected on the Consensus Score Sheet will be used. Each evaluator shall sign the Consensus Score Sheet affirming that the score noted is the score intended by the evaluator.

5. Other agencies, consultants, and experts may also examine documents at the discretion of the Agency.

The *Information for Evaluation* section has been divided into sub-sections.

6. 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 table below as the Maximum Raw Score Possible.

7. The agency has assigned Weighted Percentages to each sub-section according to its significance.

Information for EvaluationSub-Sections	Maximum Raw Points Possible	Sub-Section's Weighted Percentage	* Maximum Weighted Score Possible
Attachment G Requirements Matrix – 31 Sections		**40%**	**280**
Prior Authorization	5	8%	56
Work Item Tracking	5	4%	28
ProDUR	5	4%	28
RDUR	5	4%	28
Drug Rebate	5	4%	28
Reporting	5	4%	28
Document Management	5	4%	28
All OTHER tabs from Attachment G	5	8%	56
Attachment D Technical Proposal Packet			
Attachment A – Key Personnel	5	14%	98
Adherence to Federal Requirements	Pass/Fail	n/a	n/a
RFP 2.3 Minimum Qualifications	Pass/Fail	n/a	n/a
Company Information, Experience	5	10%	70
RFP 2.7 Project Governance Management	5	4%	28
RFP 2.8.3 Project Management Plan	5	2%	14
RFP 2.8.11 Configuration Management	5	4%	28
RFP 2.8.22 System Requirements Validation	5	3%	21
RFP 2.8.24 Design and Development	5	4%	28
RFP 2.8.27 Data Quality, Data Conversion and Migration	5	4%	28
RFP 2.8.39 Implementation and Go-Live	5	4%	28
RFP 2.8.43 Maintenance and Operations	5	7%	49
RFP 2.8.37 System Security and Privacy	5	4%	28
Total Technical Score		**100%**	**700**

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

The proposal'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

The proposal's weighted scores for sub-sections will be added to determine the Total Technical Score for the Proposal.

Technical Proposals that do not receive a minimum weighted score/subtotal of 462 shall not move forward in the solicitation process. The pricing for proposals that do not move forward will not be scored.

3.3 ORAL PRESENTATION/DEMONSTRATION SCORE

The three Prospective Contractors with the top Technical proposal scores after the completion of the technical proposal evaluation will be contacted to schedule an oral presentation/demonstration.

The buyer will create a second set of score sheets by copying the Excel workbook (including the scores entered) and titling each of the score sheets in that workbook as the "Post-Demonstration" score sheets.

After each oral presentation/demonstration is complete, the Evaluation Committee members will have the opportunity to discuss the oral presentation/demonstration and revise their individual scores on the Post-Demonstration Consensus Score Sheet based on the information provided during the oral presentation/demonstration.

The final individual scores of the evaluators on the Post-Demonstration Consensus Score Sheets will be averaged to determine the final Technical score for each proposal.

3.4 COST SCORE

When pricing is opened for scoring, the maximum amount of cost points will be given to the proposal with the lowest grand total as shown on the *Official Bid Price Sheet*. (See *Grand Total Score* for maximum points possible for cost score.)

The amount of cost points given to the remaining proposals will be allocated by using the following formula:

(A/B)*(C) =D

A = Lowest Total Cost

B = Second (third, fourth, etc.) Lowest Total Cost

C = Maximum Points for Lowest Total Cost

D = Total Cost Points Received

3.5 GRAND TOTAL SCORE

The Technical Score and Cost Score will be added together to determine the Grand Total Score for the proposal. The Prospective Contractor's proposal with the highest Grand Total Score will be selected as the apparent successful Contractor (*See Award Process*).

	Maximum Points Possible
Technical Proposal	700
Cost	300
Maximum Possible Grand Total Score	1,000

3.6 PROSPECTIVE CONTRACTOR ACCEPTANCE OF EVALUATION TECHNIQUE

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

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

4 GENERAL CONTRACTUAL REQUIREMENTS

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

4.1 PAYMENT AND INVOICE PROVISIONS

A. Payment will be made in accordance with applicable State of Arkansas accounting procedures upon acceptance goods and services by the agency.

B. The State shall not be invoiced in advance of delivery and acceptance of any goods or services.

C. Payment will be made only after the Contractor has successfully satisfied the agency as to the reliability and effectiveness of the goods or services purchased as a whole.

D. The Contractor shall invoice the agency by an itemized list of charges. The agency's Purchase Order Number and/or the Contract Number must be referenced on each invoice.

E. Other sections of this Bid Solicitation may contain additional Requirements for invoicing.

F. Selected Contractor must be registered to receive payment and future Bid Solicitation notifications. Contractors shall register on-line at https://www.ark.org/vendor/index.html.

4.2 PAYMENT MILESTONES SCHEDULE

This section describes the Contract payment schedule based on identified milestones.

- At the completion of all Phase I deliverables: The State will pay 10% of the total agreed to DDI price for these milestones when completed and approved.
- Phase II - Business Design Document: The State will pay 10% of the total agreed to DDI price for this milestone when completed and approved.
- Phase II - System Integration Testing: The State will pay 10% of the total agreed to DDI price for this milestone when completed and approved.
- Phase II - User Acceptance Testing (UAT): The State will pay 10% of the total agreed to DDI price for this milestone when all UAT testing is completed and approved.
- Phase III - Vendor attestation of working system (with all integrated systems): The State will pay 15% of the total agreed to DDI price for this milestone when completed and approved.
- Phase III - State Production signoff and the completion of all Phase III deliverables: The State will pay 25% of the total agreed to DDI price for this milestone when completed and approved.
- CMS Certification signoff: The State will pay 20% of the total agreed to DDI price for this milestone when the system is Certified by CMS.

4.3 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 thirty (30) day written notice to the Contractor/lessor in the event funds are not appropriated.

B. The State shall not pay damages, legal expenses, or other costs and expenses of any other party.

C. The State shall not continue a contract once any equipment has been repossessed.

D. Any litigation involving the State must take place in Pulaski County, Arkansas.

E. The State shall not agree to any provision of a contract which violates the laws or constitution of the State of Arkansas.

F. The State shall not enter a contract that grants to another party any remedies other than the following:

1. The right to possession.
2. The right to accrued payments.
3. The right to expenses of de-installation.
4. The right to expenses of repair to return the equipment to normal working order, normal wear and tear excluded.
5. The right to recover only amounts due at the time of repossession and any unamortized nonrecurring cost as allowed by Arkansas Law.

G. The laws of the State of Arkansas shall govern this contract.

H. A contract shall not be effective prior to award being made by a State Procurement Official.

I. 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.

4.4 CONDITIONS OF CONTRACT

A. The Contractor 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 Contractor 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 Contractor.

C. The Contractor agrees to the Performance Based Contracting standards as presented in Attachment C, DHS Standard Terms and Conditions as presented in Attachment P, a pro forma contract as presented in Attachment K, the Business Associate Agreement as presented in Attachment L, and the Organizational or Personal Conflict of Interest policy as presented in Attachment M. Do not complete and return any of the above-named attachments. They are for your information only.

4.5 STATEMENT OF LIABILITY

A. The State will demonstrate reasonable care but will not be liable in the event of loss, destruction, or theft of Contractor-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 Contractor will 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 Contractor-owned items.

B. The Contractor'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 Contractor; 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 Contractor 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 Contractor; 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 Contractor 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.

4.6 PERFORMANCE BONDING

A. The Contractor **shall** be required to obtain performance bonds to protect the State's interest as follows:

B. 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. Such performance bond must be provided to DHS prior to signing the contract.

C. The State **shall** require additional performance bond protection when a contract price is increased or modified.

D. The additional performance bond **must** be delivered to the Arkansas Department of Human Services Chief Procurement Officer within fourteen (14) calendar days of request.

E. The contractor **shall** notify the State of any changes, 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.

F. Failure to provide is a breach of contract and may result in immediate contract termination, prohibition against future bidding with the State, the addition of Contractor to the DHS excluded provider list, etc.

4.7 RECORD RETENTION

A. The Contractor 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.

4.8 PRICE ESCALATION

A. Price increases will be considered at the time of contract renewal.

B. The Contractor must provide to OP a written request for the price increase. The request must include supporting documentation demonstrating that the increase in contract price is based on an increase in market price. OP has the right to require additional information pertaining to the requested increase.

C. Increases will not be considered to increase profit or margins.

D. OP has the right to approve or deny the request.

4.9 CONFIDENTIALITY

A. The Contractor, Contractor's subsidiaries, and Contractor'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.

4.10 CONTRACT INTERPRETATION

Should the State and Contractor 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.

4.11 CANCELLATION

A. For Cause. The State may cancel any contract resulting from this solicitation for cause at the discretion of DHS. The State shall give the vendor written notice of cancellation, specifying the terms and the effective date of contract termination.

B. For Convenience. The State may cancel any contract resulting from the solicitation by giving the Contractor written notice of such cancellation no less than thirty (30) days prior to the date of cancellation.

C. If upon cancellation the Contractor has provided commodities or services which the State of Arkansas has accepted, and there are no funds legally available to pay for the commodities or services, the Contractor may file a claim with the Arkansas Claims Commission under the laws and regulations governing the filing of such claims.

4.12 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 Contractor will 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 **must** be fully performed.

5 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 Proposal Packets **must** be submitted to the Office of Procurement on or before the date and time specified for bid opening. The Proposal 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 must show title or authority to bind his firm in a contract. Multiple proposals **must** be placed in separate packages and shall 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. Contractor **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 shall 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 Contractor to supply additional descriptive material. The Contractor **shall** guarantee that the product offered will meet or exceed specifications identified in this *Bid Solicitation*. Contractors 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 Contractor 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 Contractor **shall** further guarantee that if the items furnished hereunder are to be installed by the Contractor, such items **shall** function properly when installed. The Contractor **shall** guarantee that all applicable laws have been complied with relating to construction, packaging, labeling and registration. The Contractor'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 must be marked with the Contractor'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

Contractor's expense. After reasonable examination, all demonstrators will be returned at Contractor'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 Contractor.

10. **AMENDMENTS**: Contractor's proposals 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 shall be deducted from the unit price and the net price must be shown in the bid.

12. **AWARD**: Term Contract: A contract award will be issued to the successful Contractor. 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 Contractor.

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 Contractor cannot meet the stated delivery, alternate delivery schedules may become a factor in an award. The Office of 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 Contractor.

14. **DELIVERY REQUIREMENTS**: No substitutions or cancellations are permitted without written approval of the Office of 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 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 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 Contractors 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. Contractor **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 Contactor 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 Contractor 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 Contractor agrees that: (a) the Contractor **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 Contractor **shall** state that all qualified applicants **shall** receive consideration without regard to race, color, sex, age, religion, handicap, or national origin; (c) the Contractor 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 Contractor 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 Contractor **shall** include the provisions of above items (a) through (d) in every subcontract so that such provisions **shall** be binding upon such subcontractor or Contractor.

25. **CONTINGENT FEE**: The Contractor 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 Contractor for the purpose of securing business.

26. **ANTITRUST ASSIGNMENT**: As part of the consideration for entering into any contract pursuant to this solicitation, the Contractor named on the *Proposal 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.