

**Attachment C**  
**ARKANSAS DEPARTMENT OF HUMAN SERVICES**  
**PERFORMANCE BASED CONTRACTING**

Pursuant to Ark. Code Ann. 19-11-267 et. seq., the selected contractor shall comply with performance-based standards. Following are the performance-based standards that will be a part of the contract and with which Contractor must comply for acceptable performance to occur under the contract.

- I. Contractor must comply with all statutes, regulations, codes, ordinances, and licensure or certification requirements applicable to Contractor, Contractor's agents, employees, and the subject matter of the contract. Failure to comply shall be deemed unacceptable performance.
- II. Except as otherwise required by law, Contractor agrees to indemnify and hold harmless the contracting Division/Office for any additional costs of alternatively accomplishing the goals of the contract, as well as any liability, including liability for costs or fees, which the contracting Division/Office may sustain as a result of Contractor's performance or lack of performance.
- III. During the contract term, the Division/Office will complete sufficient performance evaluation(s) to determine if Contractor's performance is acceptable. The damages set forth below are not exclusive and shall in no way exclude or limit any remedies available at law or in equity.
- IV. 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 Contractor's input so as to establish reasonably achievable standards.
- V. The contract program deliverables and performance indicators to be performed by Contractor are:

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<p><b>STAFFING REQUIREMENTS</b> (IFB Section 2.5.B)</p> <p>Contractor <b>must</b> maintain sufficient staffing levels to ensure successful performance of all duties related to 1095-B processing.</p> <p>The project organization chart must be submitted within ten (10) calendar days of contract start.</p> <p>Turnaround time must not exceed five (5) calendar days for one-off requests and must meet IRS deadlines.</p>	<p>There must be a minimum of one (1) employee available to DHS from [time] to [time], Monday through Friday. (IFB Section 2.5.B.4)</p> <p>A full-time (forty (40) hours per week) Project Manager (PM) must be assigned to manage service provision. (IFB Section 2.5.B.1)</p> <p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1<sup>st</sup> Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2<sup>nd</sup> Incident: A five percent (5%) penalty will be assessed in the following months' payment to Contractor for each thirty (30) day period Contractor is not in full compliance with all contract requirements. The five percent (5%) penalty will be calculated from the total months' payment in which the deficiency took place.</p> <p>DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Contractor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file, and contract termination.</p>
<p><b>IRS Form 1095-B and 1094-B Creation and Delivery</b></p> <p>Contractor shall create and deliver IRS Forms 1095-B and 1094-B, including original filings and corrected filings, for tax years 2015 and forward.</p> <p>Data shall be formatted according to the specific requirements.</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p> <p>Perform all letter shop activities (create 1095-B forms, cover letters, envelopes) and mail required documents within two (2) days of client request.</p> <p>Create and submit the 1094-B form by the deadline set forth by the IRS.</p>	<p>1<sup>st</sup> Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2<sup>nd</sup> Incident: A five percent (5%) penalty will be assessed in the following months' payment to Contractor for each thirty (30) day period Contractor is not in full compliance with all contract requirements. The five percent (5%) penalty will be calculated from the total months' payment in which the deficiency took place.</p> <p>DHS reserves the right to impose additional penalties including, without limitation, withholding payment on</p>

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		future invoices until Contractor is in full compliance, maintaining a below standard VPR in the vendor file, and contract termination.
<p><b>Data Corrections and Maintenance</b></p> <p>Contractor <b>shall</b> process data corrections and perform data maintenance services related to IRS Forms 1095-B and 1094-B.</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p> <p>Ensure data and postal delivery hygiene.</p> <p>Maintain all data sent by DHS.</p> <p>Provide a mechanism to update, delete, and add records.</p> <p>Engage in error triage support and reporting related to returned mail.</p> <p>Work with DHS to resolve erroneous records.</p>	<p>1<sup>st</sup> Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2<sup>nd</sup> Incident: A five percent (5%) penalty will be assessed in the following months' payment to Contractor for each thirty (30) day period Contractor is not in full compliance with all contract requirements. The five percent (5%) penalty will be calculated from the total months' payment in which the deficiency took place.</p> <p>DHS reserves the right to impose additional penalties including, without limitation, withholding payment on future invoices until Contractor is in full compliance, maintaining a below standard VPR in the vendor file, and contract termination.</p>
<p><b>External Access/Portal</b></p> <p>Contractor shall provide/host a portal (Portal) available to DHS employees and DHS contractors, including DCO and DHS contractor Call Center employees.</p> <p>Training must include use of the portal, editing capabilities, script training, and other topics as needed.</p> <p>Contractor must be able to distinguish between users of each group for reporting purposes.</p> <p>Contractor must ensure the Portal satisfies all Federal and Arkansas State</p>	<p>Acceptable performance is defined as 99.5% availability, Monday through Friday (M-F), 7:00 a.m. to 7:00 p.m. CT, including holidays, except for previously scheduled and agreed-upon downtimes for maintenance.</p> <p>The portal must effectively support three hundred (300) concurrent transaction requests per minute.</p> <p>Portal Content includes:</p>	<p>1<sup>st</sup> Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2<sup>nd</sup> Incident: A five percent (5%) penalty will be assessed in the following months' payment to Contractor for each thirty (30) day period Contractor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total months' payment in which the deficiency took place.</p>

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<p>system accessibility and security requirements.</p>	<ul style="list-style-type: none"> <li>• Cover Letter</li> <li>• 1095-B Form (current and historical)</li> <li>• Form delivery dates</li> <li>• Flags and historical data for: <ul style="list-style-type: none"> <li>○ Returned mail</li> <li>○ Foster children</li> <li>○ Adopted children</li> <li>○ Other reasons</li> </ul> </li> <li>• Data fields</li> <li>• Request Form for duplicate or corrected 1095-B form. The form must be able to be completed on-line and printed.</li> <li>• Ability for DHS / Call Center contractor to update address and request hard copies be mailed to client.</li> </ul>	<p>DHS reserves the right to impose additional penalties including, without limitation, withholding payment on future invoices until Contractor is in full compliance, maintaining a below standard VPR in the vendor file, and contract termination.</p>
<p><b>Reporting and Information</b></p> <p>Contractor must provide regular reports to DHS, including:</p> <ul style="list-style-type: none"> <li>i. Internal Processes and Systems Access</li> <li>ii. System Compliance or Specifications</li> </ul> <p>Provide to the IRS the IRS Submission and Error Tracking Report as required.</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p> <p>Weekly Reports must be provided no later than 9:00 a.m. central time each Friday for the previous five (5) days.</p> <p>Monthly Reports must be provided one (1) week after the end of each month.</p> <p>Ad hoc reports must be provided as requested.</p> <p>Capture the notification, provided in AIRS, of successful or erroneous submission, and forward a copy to DHS within three (3) business days.</p>	<p>1<sup>st</sup> Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2<sup>nd</sup> Incident: A five percent (5%) penalty will be assessed in the following months' payment to Contractor for each thirty (30) day period Contractor is not in full compliance with all contract requirements. The five percent (5%) penalty will be calculated from the total months' payment in which the deficiency took place.</p> <p>DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Contractor is in full compliance, maintaining a below standard VPR in the vendor file, and contract termination.</p>

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<p><b>Equipment</b></p> <p>Contractor <b>shall</b> bear all costs for computers, equipment, and other resources necessary to fulfill the terms of this contract.</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p> <p>Properly maintain equipment and resources to ensure optimal performance.</p>	<p>1<sup>st</sup> Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2<sup>nd</sup> Incident: A five percent (5%) penalty will be assessed in the following months' payment to Contractor for each thirty (30) day period Contractor is not in full compliance with all contract requirements. The five percent (5%) penalty will be calculated from the total months' payment in which the deficiency took place.</p> <p>DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Contractor is in full compliance, maintaining a below standard VPR in the vendor file, and contract termination.</p>
<p><b>Technical Requirements</b></p> <ol style="list-style-type: none"> <li>1. Understand and utilize the established DHS internal process for processing and sending 1095-B forms.</li> <li>2. Understand and follow the specifications and requirements relating to 1095-B filing as set forth by the IRS.</li> </ol> <p>Contractor <b>shall</b> be responsible for the end-to-end processing requirements.</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1<sup>st</sup> Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2<sup>nd</sup> Incident: A five percent (5%) penalty will be assessed in the following months' payment to Contractor for each thirty (30) day period Contractor is not in full compliance with all contract requirements. The five percent (5%) penalty will be calculated from the total months' payment in which the deficiency took place.</p> <p>DHS reserves the right to impose additional penalties including without limitation, withhold payment on future invoices until Contractor is in full compliance, maintaining a below standard VPR in the</p>

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		vendor file, and contract termination.
<p><b>Tax Filings</b></p> <ol style="list-style-type: none"> <li>1. Perform required tax filing functions for: <ol style="list-style-type: none"> <li>a. Original filings</li> <li>b. Corrected filings (to 2015)</li> </ol> </li> <li>2. Provide all required functions, including: <ol style="list-style-type: none"> <li>a. Mail 1095-B forms to recipients upon request</li> <li>b. Submit 1095-B forms according to the time frame/schedule set forth by the IRS</li> <li>c. Issue corrected for replacement forms within five (5) business days of receiving updated information from the DSS lab.</li> </ol> </li> <li>3. Provide the electronic version of each tax filing to DHS and make them available through the portal.</li> </ol>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1<sup>st</sup> Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2<sup>nd</sup> Incident: A five percent (5%) penalty will be assessed in the following months' payment to Contractor for each thirty (30) day period Contractor is not in full compliance with all contract requirements. The five percent (5%) penalty will be calculated from the total months' payment in which the deficiency took place.</p> <p>DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Contractor is in full compliance, maintaining a below standard VPR in the vendor file, and contract termination.</p>
<p><b>Special Populations</b></p> <p>Contractor <b>must</b> process 1095-B Forms for special populations including, without limitation, foster and adopted children, according to DHS instructions.</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p> <p>Contractor will properly identify special populations through special flags or identifiers in data provided by DHS and follow documented procedures / instructions for handling these groups.</p>	<p>1<sup>st</sup> Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2<sup>nd</sup> Incident: A five percent (5%) penalty will be assessed in the following months' payment to Contractor for each thirty (30) day period Contractor is not in full compliance with all contract requirements. The five percent (5%) penalty will be calculated from the total months' payment in which the deficiency took place.</p> <p>DHS reserves the right to impose additional penalties including without limitation, withholding payment on</p>

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		future invoices until Contractor is in full compliance, maintaining a below standard VPR in the vendor file, and contract termination.
<p><b>Utilizing IRS AIR System</b></p> <p>The Contractor shall be responsible for generating and filing required IRS submission files (returns) with the ACA Information Return (AIR) System on behalf of DHS including, but not limited to, 1095-B and 1094-B Forms. The IRS Submission files (returns) must be filed no later than the date set by the IRS for the applicable tax year.</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p> <p>Generate and file required IRS submission (returns) via the AIR System on behalf of DHS, by the date set by the IRS for the applicable tax year.</p> <p>Work with DHS to determine a time frame or triaging and resubmitting corrected forms.</p>	<p>1<sup>st</sup> Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2<sup>nd</sup> Incident: A five percent (5%) penalty will be assessed in the following months' payment to Contractor for each thirty (30) day period Contractor is not in full compliance with all contract requirements. The five percent (5%) penalty will be calculated from the total months' payment in which the deficiency took place.</p> <p>DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Contractor is in full compliance, maintaining a below standard VPR in the vendor file, and contract termination.</p>
<p><b>Corrections</b></p> <p>Corrections to the original IRS filing for a given tax year can be made at any time, and must be provided by the Contractor included in the weekly or monthly Data Extract File from the DSS Lab.</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p> <p>Perform corrections to IRS filings and include corrections in the weekly/monthly Data Extract File.</p> <p>Relay updates or corrections to DCO for</p>	<p>1<sup>st</sup> Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2<sup>nd</sup> Incident: A five percent (5%) penalty will be assessed in the following months' payment to Contractor for each thirty (30) day period Contractor is not in full compliance with all contract requirements. The five percent (5%) penalty will be calculated from the total months' payment in which the deficiency took place.</p>

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	entry into MMIS and ensure corrected forms are clearly denoted.	DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Contractor is in full compliance, maintaining a below standard VPR in the vendor file, and contract termination.
<b>Data Transmissions</b>  Data shall be transmitted to DHS and the IRS according to schedule.	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p> <p>Initial delivery of the full file shall occur during the first week of January.</p> <p>January – May: Weekly feeds containing newly-eligible recipients and corrected records.</p> <p>June – December: Monthly feeds containing newly-eligible recipients, corrected records, and “one-off” requests.</p>	<p>1<sup>st</sup> Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2<sup>nd</sup> Incident: A five percent (5%) penalty will be assessed in the following months’ payment to Contractor for each thirty (30) day period Contractor is not in full compliance with all contract requirements. The five percent (5%) penalty will be calculated from the total months’ payment in which the deficiency took place.</p> <p>DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Contractor is in full compliance, maintaining a below standard VPR in the vendor file, and contract termination.</p>
<b>File Format and Integrity</b>  Contractor must ensure the files are formatted according to IRS and DHS system and data integrity requirements.	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1<sup>st</sup> Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2<sup>nd</sup> Incident: A five percent (5%) penalty will be assessed in the following months’ payment to Contractor for each thirty (30) day period Contractor is not in full compliance with all contract requirements. The five percent (5%) penalty will</p>



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		<p>be calculated from the total months' payment in which the deficiency took place.</p> <p>DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Contractor is in full compliance, maintaining a below standard VPR in the vendor file, and contract termination.</p>
<p><b>Historical Tax Data</b></p> <p>Work with DHS to establish a mutually agreeable date for a data transfer of all historical tax-year data for Arkansas Medicaid recipients.</p> <p>Make the historical tax data available on the Portal for DHS, including DCO and Call Center employees.</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1<sup>st</sup> Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2<sup>nd</sup> Incident: A five percent (5%) penalty will be assessed in the following months' payment to Contractor for each thirty (30) day period Contractor is not in full compliance with all contract requirements. The five percent (5%) penalty will be calculated from the total months' payment in which the deficiency took place.</p> <p>DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Contractor is in full compliance, maintaining a below standard VPR in the vendor file, and contract termination.</p>
<p><b>Up-Front Data Review and Correction</b></p> <ol style="list-style-type: none"> <li>1. Take steps to review and correct data prior to mailing or filing forms <ol style="list-style-type: none"> <li>a. Verify name and SSN against the Social Security Administration database</li> <li>b. Evaluate name quality according to IRS specifications</li> </ol> </li> </ol>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with these service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1<sup>st</sup> Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2<sup>nd</sup> Incident: A five percent (5%) penalty will be assessed in the following months' payment to Contractor for each thirty</p>

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<p>c. Report invalid combinations or quality errors to DHS within the stipulated time frame</p>		<p>(30) day period Contractor is not in full compliance with all contract requirements. The five percent (5%) penalty will be calculated from the total months' payment in which the deficiency took place.</p> <p>DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Contractor is in full compliance, maintaining a below standard VPR in the vendor file, and contract termination.</p>
<p><b>Data Extracts</b></p> <p>Upon request and at the end of the contract, provide a full database transfer of the data and tables storing 1095-B and 1094-B data</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with these service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1<sup>st</sup> Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2<sup>nd</sup> Incident: A five percent (5%) penalty will be assessed in the following months' payment to Contractor for each thirty (30) day period Contractor is not in full compliance with all contract requirements. The five percent (5%) penalty will be calculated from the total months' payment in which the deficiency took place.</p> <p>DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Contractor is in full compliance, maintaining a below standard VPR in the vendor file, and contract termination.</p>
<p><b>Data Maintenance and Security</b></p> <p>1.) Make all included historical data available through the portal</p> <p>2.) Develop a Business Continuity and Recovery Plan compliant with 45 CFR § 94.62(f), which:</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with these service criteria and standards for acceptable</p>	<p>1<sup>st</sup> Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2<sup>nd</sup> Incident: A five percent</p>

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<ul style="list-style-type: none"> <li>a.) Includes a robust disaster recovery plan</li> <li>b.) Requires daily backups to protect against a system failure.</li> <li>c.) Ensures that data must be able to be recovered within 3 business days.</li> <li>d.) Provides off-site electronic and physical storage in the United States.</li> <li>e.) Identifies all software and data backup requirements.</li> </ul> <p>3.) Comply with all applicable laws regarding privacy, security, retention of records, data, and information.</p> <p>4.) Comply with HIPAA requirements regarding data destruction and complete, file, retain, and make available upon request all program records in a secure, HIPAA compliant manner.</p> <p>5.) Own the following responsibilities regarding data transmissions:</p> <ul style="list-style-type: none"> <li>a.) Ensure files conform to IRS and DHS requirements.</li> <li>b.) Collaborate with DHS to develop deliverables for User Acceptance Testing (UAT).</li> <li>c.) Obtain DHS approval on all deliverables before production/implementation.</li> <li>d.) Use DHS-specified software for file transmissions.</li> <li>e.) Maintain a backup point of contact with an active software license to handle file processing during main POC outage.</li> </ul> <p>6.) Work with DHS to transfer all data contained in the database upon DHS request or at the end of the contract. Data must be formatted as a CSV file.</p> <p>7.) Obtain DHS approval and sign-off for any new development, modification, or upgrade that the Contractor implements that may impact this contract.</p> <p>8.) Provide DHS with 8 weeks of notice for any changes that may affect this contract.</p>	<p>performance throughout the contract term as determined by DHS.</p>	<p>(5%) penalty will be assessed in the following months' payment to Contractor for each thirty (30) day period Contractor is not in full compliance with all contract requirements. The five percent (5%) penalty will be calculated from the total months' payment in which the deficiency took place.</p> <p>DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Contractor is in full compliance, maintaining a below standard VPR in the vendor file, and contract termination.</p>
<p><b>Recipient Portal Change Communications</b></p>	<p>Acceptable performance is defined as one hundred percent (100%)</p>	<p>1<sup>st</sup> Incident: An acceptable CAP shall be due to DHS within ten (10) business</p>

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<p>1.) Maintain a record of all communication with Arkansas recipients via the Portal and provide to DHS in a monthly report.</p>	<p>compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>days of the request.</p> <p>2<sup>nd</sup> Incident: A five percent (5%) penalty will be assessed in the following months' payment to Contractor for each thirty (30) day period Contractor is not in full compliance with all contract requirements. The five percent (5%) penalty will be calculated from the total months' payment in which the deficiency took place.</p> <p>DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Contractor is in full compliance, maintaining a below standard VPR in the vendor file, and contract termination.</p>
<p><b>User Acceptance Testing</b></p> <p>1.) UAT is required between the Contractor and the IRS. Work with DHS to:</p> <ul style="list-style-type: none"> <li>a.) Test the AIRs system by providing test files</li> <li>b.) Develop a list of deliverables based on IRS requirements</li> </ul> <p>2.) UAT is also required between the Contractor and DHS. Work with DHS to develop a list of deliverables that shall require DHS sign-off</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1<sup>st</sup> Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2<sup>nd</sup> Incident: A five percent (5%) penalty will be assessed in the following months' payment to Contractor for each thirty (30) day period Contractor is not in full compliance with all contract requirements. The five percent (5%) penalty will be calculated from the total months' payment in which the deficiency took place.</p> <p>DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Contractor is in full compliance, maintaining a below standard VPR in the vendor file, and contract termination.</p>

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<p><b>Scope of Work Change Orders</b> Ensure changes to the Scope of work are made via a Change Request and approved by DHS.</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1<sup>st</sup> Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2<sup>nd</sup> Incident: A five percent (5%) penalty will be assessed in the following months' payment to Contractor for each thirty (30) day period Contractor is not in full compliance with all contract requirements. The five percent (5%) penalty will be calculated from the total months' payment in which the deficiency took place.</p> <p>DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Contractor is in full compliance, maintaining a below standard VPR in the vendor file, and contract termination.</p>
<p><b>Mandated Reporting</b> Pursuant to Ark. Code Ann. §§ 12-18-402 (b)(10) and 12-12-1708(a)(1)(AA), Contractor and all of its employees, agents, and all Subcontractors and Subcontractor's employees and agents shall immediately make a report to the Child Abuse Hotline or the Adult Maltreatment Hotline (based on type of maltreatment) if Contractor or any of its employees, agents, or Subcontractors' employees and agents, while performing duties under this contract, have reasonable cause to suspect that:</p> <ol style="list-style-type: none"> <li>A child has been subjected to child maltreatment;</li> <li>A child died as a result of child maltreatment;</li> <li>A child died suddenly and unexpectedly; or</li> <li>Observe a child being subjected to conditions or circumstances that would reasonably result in child maltreatment.</li> </ol>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>For each failure to report, DHS may impose:</p> <ol style="list-style-type: none"> <li>A ten percent (10%) penalty, assessed in the following months' payment for each failure to report. The penalty will be calculated from the total months' payment in which the deficiency took place; or</li> <li>A one percent (1%) penalty, assessed in the next payment for each failure to report. The penalty will be calculated from the projected total yearly contract amount, as determined by DHS.</li> </ol> <p>DHS may elect to calculate penalties/damages differently per occurrence.</p>

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<p>or</p> <p>e. An endangered person or an impaired person has been subjected to conditions or circumstances that constitute adult maltreatment or long-term care facility resident maltreatment.</p> <p>A privilege or contract shall not prevent a person from reporting maltreatment when he or she is a mandated reporter and required to report under this section.</p> <p>An employer or supervisor of a mandated reporter shall not prohibit an employee or a volunteer from directly reporting maltreatment to the Hotline.</p> <p>An employer or supervisor of a mandated reporter shall not require an employee or a volunteer to obtain permission or notify any person, including an employee or a supervisor, before reporting maltreatment to the Hotline.</p> <p>Pursuant to Act 531 of 2019, Ark. Code Ann. §§ 12-18-402 (b)(10) and 12-12-1708(a)(1)(AA), Contractor and all of its employees, agents, and all Subcontractors and Subcontractor's employees and agents are mandated reporters.</p>		<p>DHS reserves the right to impose additional penalties including, without limitation, requiring a CAP, withholding payment on future invoices until Contractor is in full compliance, maintaining a below standard VPR in the vendor file, and contract termination.</p>
<p><b>Performance Bonding</b></p> <p>Contractor <b>shall</b> obtain performance bonds in the amount of one hundred percent (100%) of the annual contract price, or a lesser amount specified by the State.</p> <p>The State <b>shall</b> require additional performance bond protection if the contract price is increased or modified. The additional performance bond <b>must</b> be delivered to DHS within fourteen (14) calendar days of request.</p> <p>Contractor <b>shall</b> notify the State of any changes, modifications, or renewals for the performance bond during the term of the contract. The performance bond</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with these Service Criteria at all times throughout the contract term as determined by DHS.</p>	<p>Damages shall be one percent (1%) per day, calculated using the annual contract amount, for each day Contractor fails to meet the Performance Bonding Requirements specified in Service Criteria.</p> <p>In addition, Contractor's continued failure to meet Service Criteria may result in a below standard VPR maintained in the vendor file and contract termination.</p> <p>Failure to provide performance bond documentation is a breach of contract and may result in</p>

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documentation must be provided to the State with each required notice.		immediate contract termination.
<p><b>Conflict of Interest Mitigation</b></p> <p>Contractor shall comply with the terms of the DHS Organizational or Personal Conflict of Interest provisions.</p> <p>Contractor shall disclose all actual, apparent, or potential conflicts of interest to DHS within five (5) days of having knowledge of them.</p> <p>Contractor shall develop a mitigation plan as requested by DHS which must be approved and accepted by DHS. Any changes to the approved mitigation plan must be approved in advance by DHS.</p>	Contractor must maintain one hundred percent (100%) compliance with this service criteria at all times throughout the contract term.	<p>Contractor will be fined one thousand dollars (\$1,000) per day for each day past five (5) for each actual, apparent, or potential conflict of interest it fails to disclose.</p> <p>Contractor shall be fined ten thousand dollars (\$10,000) for the first failure to comply with its DHS approved mitigation plan. Each subsequent violation of the mitigation plan shall be twice the amount of the immediately preceding violation fine.</p>
<p><b>Transition Planning</b></p> <p>Ninety (90) calendar days prior to the contract end date, Contractor shall submit for DHS approval, a detailed plan for transitioning all contracted services to DHS, or to another contractor selected by DHS to provide the contracted services.</p> <p>The plan must include, but is not limited to, the following:</p> <ol style="list-style-type: none"> <li>Turnover approach</li> <li>Tasks and deliverables list</li> <li>System and user documentation</li> <li>Operational procedures</li> <li>Resource requirements</li> <li>Asset transfer approach</li> <li>Proprietary data delivery provisions</li> <li>Incomplete tasks and issues list</li> <li>Contractor coordination description</li> <li>Turnover progress meetings schedule</li> <li>Progress reporting approach</li> <li>Problem and risk management list</li> <li>Planned tasks and deliverables for two (2) months following turnover</li> <li>Lessons learned report</li> <li>Additional DHS requirements</li> </ol>	Contractor must maintain one hundred percent (100%) compliance with this item at all times throughout the term of the contract.	<p>If Contractor fails to meet the acceptable performance standard, DHS may issue a below standard VPR maintained in the vendor file.</p> <p>Final payment may be withheld from Contractor until all elements of the transition are satisfied as determined by DHS.</p>

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<p>Contractor shall not implement the plan until it has received DHS's written approval of the plan. Contractor shall take all reasonable action to provide a minimally disruptive turnover.</p> <p>Deliverable Acceptance Process: If DHS rejects a deliverable, DHS will give Contractor a written description of the changes that must be made to the deliverable. This cycle of submission, review, rejection, revision, and resubmission shall be repeated until DHS accepts the deliverable. Contractor shall be liable for all costs associated with additional work related to deliverables rejected by DHS.</p> <p>Ten (10) business days after the completed transition, Contractor must provide DHS with a Transition Results Report documenting the results of each step of the Transition Plan. The transition shall not be considered complete until this document is approved by DHS.</p>		
<p><b>Arkansas Freedom of Information Act (FOIA) (Ark. Code Ann. § 25-19-101 et seq.):</b></p> <p>Contractor shall cooperate with DHS requests for information and documents that DHS requires to fulfil a FOIA request.</p> <p>Contractor shall timely provide all documents in its possession or control to DHS that match the request made by DHS.</p> <p>Contractor shall timely and accurately respond to FOIA requests made directly to Contractor. See Ark. Code Ann. § 25-19-101 et seq. for specific requirements.</p> <p>For all FOIA requests received, Contractor shall also notify DHS of the request at <a href="mailto:DHS.FOIA@arkansas.gov">DHS.FOIA@arkansas.gov</a>.</p>	<p>Contractor shall respond to all FOIA requests timely and accurately.</p> <p>Contractor shall provide information and documents to DHS upon request in the timeframe specified in the request one hundred percent (100%) of the time.</p> <p>DHS shall have sole determination as to the sufficiency of Contractor's response and provision of documents.</p>	<p>For each failure to meet this performance standard, DHS may impose:</p> <ul style="list-style-type: none"> <li>a. A ten percent (10%) penalty, assessed in the following months' payment for each failure to report. The penalty will be calculated from the total months' payment in which the deficiency took place; or</li> <li>b. A one percent (1%) penalty, assessed in the next payment for each failure to report. The penalty will be calculated from the projected total yearly contract amount, as determined by DHS.</li> </ul> <p>DHS may elect to calculate penalties/damages differently per occurrence.</p>



Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
		<p>Contractor shall be responsible for any penalties, fees, and/or costs imposed on DHS associated with Contractor's failure to timely and accurately provide the requested information and documents.</p> <p>DHS reserves the right to impose additional penalties including, without limitation, requiring a CAP, withholding payment on future invoices until Contractor is in full compliance, maintaining a below standard VPR in the vendor file, and contract termination.</p>

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

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

Should any compensation be owed to the agency due to the assessment of damages, Contractor **shall** follow the agency's direction regarding the compensation process.

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

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