



STATE OF ARKANSAS

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

INVITATION FOR BID BID SOLICITATION DOCUMENT

SOLICITATION INFORMATION

Bid Number:	710-25-021	Solicitation Issued:	November 25, 2024
Description:	1095-B Processing		
Agency:	Department of Human Services, Division of Medical Services		

SUBMISSION DEADLINE

Bid Submission Date/Time	January 8, 2025, 1:00 p.m. Central Time	Bid Opening Date/Time:	January 8, 2025, 2:00 p.m. Central Time
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Bids **shall not** be accepted after the designated bid submission deadline. In accordance with Arkansas Procurement Law and Rules, it is the responsibility of prospective contractors to submit proposals at the designated location on or before the bid submission deadline. Bids received after the designated bid submission deadline **shall** be considered late and **shall** be returned to the prospective contractor without further review. It is not necessary to return "no bids" to the Office of Procurement.

DELIVERY OF RESPONSE DOCUMENTS

Delivery 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 8 th 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.
Bid's Outer Packaging:	If the bid packet is not sealed and properly marked with the below information, the package may be opened for bid identification purposes. • Bid number • Date and time of bid opening • Prospective Contractor's name and return address

OFFICE OF PROCUREMENT CONTACT INFORMATION

OP Buyer:	Ian Cunningham	Buyer's Direct Phone Number:	501-682-0120
Email Address:	DHS.OP.Solicitations@dhs.arkansas.gov	DHS's Main Number:	501-682-1001
DHS Website:	https://humanservices.arkansas.gov/do-business-with-dhs		
OSP Website:	http://www.arkansas.gov/dfa/procurement/bids/index.php		

SECTION 1 - GENERAL INSTRUCTIONS AND INFORMATION

1.1 PURPOSE

This Invitation for Bid (IFB) is issued by the Office of Procurement (OP) for the Arkansas Department of Human Services (DHS), Division of Medical Services (DMS) and Division of County Operations (DCO), to obtain pricing and a contract for the fulfillment of provider requirements relating to IRS Form 1095-B, as set forth in the Affordable Care Act (ACA) and mandated by the Center for Medicare and Medicaid Services (CMS) and the Internal Revenue Service (IRS).

This service will include e-filing the 1095-B and 1094-B forms on behalf of Arkansans who received minimum essential coverage through Arkansas Medicaid, creation of the mail piece and mailing of the 1095-B form to recipients upon request, and the creation, maintenance, and technical support of a "Portal" to host data related to the 1095-B form.

1.2 INTERGOVERNMENTAL/COOPERATIVE USE OF PROPOSAL AND CONTRACT

In accordance with Ark. Code Ann. § 19-11-249, this proposal and any resulting contract may be available to any State Agency or Institution of Higher Education that wishes to utilize the services of the selected Contractor. Upon agreement by the parties, they may enter into an agreement as provided in this solicitation.

1.3 TYPE OF CONTRACT

A Term contract will be awarded to a single contractor. The term of this contract **shall** be for one (1) year. The anticipated start date for the contract is July 1, 2025. Upon agreement by Contractor and agency, the contract may be renewed by OP on a year-to-year basis, for up to six (6) additional one-year terms, or a portion thereof, not to exceed an aggregate contract term of seven (7) years.

Any resultant contract of this IFB **shall** be subject to State approval processes which may include Legislative review.

1.4 ISSUING AGENCY

OP, as the issuing office, is the sole point of contact throughout this solicitation process. Contractor's questions regarding this IFB should be made through the State's buyer as shown on page one (1) of this document. Contractor's questions will be answered as a courtesy and should be evaluated at Contractor's own risk.

1.5 BID OPENING LOCATION

Bids submitted by the submission deadline 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 DEFINITION OF REQUIREMENT

The words "**must**" and "**shall**" signify a Requirement of this solicitation and that Contractor's agreement to and compliance with that item is mandatory. Exceptions taken to any Requirement in this IFB, whether submitted in the prospective Contractor's bid or in subsequent correspondence, **shall** cause the bid to be disqualified.

1.7 DEFINITION OF TERMS

The State has made every effort to use industry-accepted terminology in this IFB and will attempt to further clarify any point of an item in question as indicated in section 1.10 Clarification of Bid Solicitation.

A. The words "bidder," "vendor," and "contractor" are used synonymously in this document.

B. The terms "Invitation for Bid," "IFB," and "Bid Solicitation" are used synonymously in this document.

1.8 RESPONSE DOCUMENTS

A. Bid Response Packet

1. An official authorized to bind the contractor to a resultant contract **must** sign the *Bid Signature Page*. Prospective Contractor's signature on this page **shall** signify the Prospective Contractor's agreement that either of the following **shall** cause the bid to be disqualified:

- a. Additional terms or conditions submitted intentionally or inadvertently.

- b. Any exception that conflicts with a Requirement of this IFB.
- 2. The following items **shall** be submitted with the *Bid Response Packet* in a sealed envelope:
 - a. EO 98-04 Disclosure Form (Attachment A).
 - b. Copy of the Prospective Contractor's *Equal Opportunity Policy* (see *Equal Opportunity Policy*).
 - c. Signed Combined Certifications Form (Attachment H).
 - d. Signed addenda to this IFB, if applicable (see Requirement of Addendum).
 - e. Documentation that Prospective Contractor meets the minimum qualifications outlined in this IFB (see *Minimum Qualifications*).
- 3. **DO NOT** include any other documents or ancillary information, such as a cover letter or promotional/marketing information. **Submit one (1) electronic copy of the response packet, excluding the Official Bid Price Sheet, preferably on a flash drive and one (1) hard copy. To the extent possible, all electronic files should be a single document in PDF format.**
- B. *Official Bid Price Sheet* (see section 1.12 Pricing)
 - 1. Prospective Contractor **must** submit one (1) hard copy and one (1) electronic copy of the original *Official Bid Price Sheet*. The electronic copy should be submitted preferably on a flash drive, in a single PDF file.
 - 2. The *Official Bid Price Sheet* (both the hard and electronic copies) **must** be separately sealed from the *Bid Response Packet* and should be clearly marked as "Pricing." Prospective Contractor **must** not include any pricing in the hard or electronic copies of the *Bid Response Packet*.

1.9 AGREEMENT AND COMPLIANCE PAGE

Prospective Contractor **must** sign the *Agreement and Compliance Page* relevant to each section of the *Bid Solicitation Document*. The *Agreement and Compliance Page* is included in the *Bid Response Packet*. Prospective Contractor's signature on this page signifies agreement to and compliance with all requirements within the designated section.

1.10 CLARIFICATION OF BID SOLICITATION

- A. Contractor may submit written questions requesting clarification of information contained in this IFB. Written questions should be submitted by 4:00 p.m., Central Time, on December 4, 2024. Submit written questions by email to the buyer as shown on page one (1) of this IFB. The attached response template (*Attachment B*) **must** be used for submission of all written questions. All questions should include the information specified in the response template. Written questions submitted in a different format may not be answered by DHS.
- B. 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 December 18, 2024. Answers to verbal questions may be given as a matter of courtesy and **must** be evaluated at Contractor's risk.

1.11 SUBCONTRACTORS

Prospective Contractor **must** complete, sign, and submit the *Proposed Subcontractors Form* included in the *Bid Response Packet* to indicate Prospective Contractor's intent to utilize, or to not utilize, subcontractors. Additional subcontractor information may be required or requested in following sections of this IFB. **Do not** attach any additional information to the *Proposed Subcontractors Form*.

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

1.12 PRICING

- A. Prospective Contractor **must** include all pricing on the *Official Bid Price Sheet* only. Any cost not identified by the successful Contractor but subsequently incurred in order to achieve successful operation **shall** be borne by Contractor. The *Official Bid Price Sheet* is provided in the *Bid Response Packet*. **Failure to complete and submit the Official Bid Price Sheet shall result in disqualification.**
- B. All bid pricing **must** be in United States dollars and cents. Attach a justification of prices quoted to the *Official Bid Price Sheet*. The *Official Bid Price Sheet* may be reproduced as needed.
- C. To allow time to evaluate bids, prices **must** be valid for one hundred twenty (120) days following the bid opening.

1.13 PRIME CONTRACTOR RESPONSIBILITY

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

1.14 INDEPENDENT PRICE DETERMINATION

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

1.15 PROPRIETARY INFORMATION

- A. Submission documents pertaining to this IFB become property of the State and are subject to the Arkansas Freedom of Information Act (FOIA). 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.
- B. Prospective 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. By redacting any information contained in the response, Prospective 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. **Under no circumstances will** pricing information be designated as confidential.
- C. 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 *Bid Response Packet*. A CD is also acceptable. Do not submit documents via email or fax. 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. Prospective Contractor is responsible for identifying all proprietary information and for ensuring the electronic copy is protected against restoration of redacted data. The redacted copy will be open to public inspection under FOIA without further notice to Prospective Contractor.
- D. If a redacted copy of the submission documents is not provided with Prospective Contractor's *Bid 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 FOIA.
- E. If the State deems redacted information to be subject to FOIA, Prospective Contractor will be contacted prior to release of the documents. The State has no liability to Prospective Contractor with respect to the disclosure of Prospective Contractor's confidential information ordered by a court of competent jurisdiction pursuant to FOIA or other applicable law.

1.16 CAUTION TO PROSPECTIVE CONTRACTORS

- A. Prior to any contract award, all communication concerning this IFB **must** be addressed through OP. The State **shall** have the right to award or not award a contract, if it is in its best interest.
- B. Prospective Contractor **must not** alter any language in any solicitation document provided by the State, including the *Official Bid Price Sheet*. All official documents and correspondence related to this solicitation **shall** be included as part of the resultant contract.
- C. Bids **must** be submitted in the English language. Bids **must** meet or exceed all defined specifications, terms, and conditions as set forth in this IFB and be in compliance with State of Arkansas law. Prospective Contractor **must** provide clarification of any information in its response documents as requested by OP.
- D. Prospective Contractors may submit multiple bids.

1.17 REQUIREMENT OF ADDENDUM

This IFB **shall** be modified only by an addendum written and authorized by OP. 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 IFB.

Prospective Contractor **shall** be responsible for checking the following websites for any and all addenda up to bid opening:

<https://humanservices.arkansas.gov/do-business-with-dhs>
<https://www.arkansas.gov/dfa/procurement/bids/index.php>

1.18 AWARD PROCESS

A. Contractor Selection

Award will be made to the lowest responsible, responsive bidder on an Annual Grand Total basis. Consideration will only be given to Prospective Contractors who bid all line items in Table 1 of the *Official Bid Price Sheet*.

Any contract award, extension, or renewal is contingent upon approval by DHS officials, subsequent approval by OP, review by the Legislative Council and the availability of State funds. Changes to any non-financial portion of this agreement may be made with the agreement of both DHS and Contractor.

B. Negotiations

The State may conduct negotiations with the lowest responsible, responsive bidder. Negotiations are conducted at the State's sole discretion.

If negotiations fail to result in a contract, the State may begin the negotiation process with the next lowest responsible, responsive bidder. The negotiation process may be repeated until an awardee has been determined, or until such time the State decides not to move forward with an award.

C. Anticipation to Award

Once an anticipated successful Contractor has been determined, the anticipated award will be posted on the following websites:

<https://humanservices.arkansas.gov/do-business-with-dhs>
<https://www.arkansas.gov/dfa/procurement/bids/index.php>

The anticipated award will be posted for a period of fourteen (14) days prior to the issuance of a contract. Prospective 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 (14) day posting period. OP **shall** have the right to waive the policy of Anticipation to Award when it is in the best interest of the State.

It is Prospective Contractor's responsibility to check the above referenced websites for the posting of an anticipated award.

D. Issuance of Contract

Any resultant contract of this IFB shall be subject to State approval processes which may include Legislative review. An OP Official will be responsible for award and administration of any resulting contract.

1.19 MINORITY AND WOMEN-OWNED BUSINESS POLICY

A. A minority-owned business is defined by Ark. Code Ann. § 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 Veterans Affairs

B. A woman-owned business is defined by Ark. Code Ann. § 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, Prospective Contractor's Certification Number should be included on the *Bid Signature Page*.

1.20 EQUAL EMPLOYMENT OPPORTUNITY POLICY

In compliance with Ark. Code Ann. § 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. EO Policies should be included as a hardcopy accompanying the solicitation response.

The submission of an *EO Policy* to the OP is a one-time requirement. Prospective 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. Prospective Contractors who are not required by law to have an *EO Policy* **must** submit a written statement to that effect.

1.21 COMBINED CERTIFICATIONS

- A. Pursuant to Arkansas law, a Contractor must certify it is not a Scrutinized Company and it does not currently and shall not for the aggregate term of any resulting contract:
 - 1. Boycott Israel (see Ark. Code Ann. § 25-1-503)
 - 2. Knowingly employ or contract with illegal immigrants (see Ark. Code Ann. § 19-11-105)
 - 3. Boycott Energy, Fossil Fuel, Firearms, and Ammunition Industries (see Ark. Code Ann. § 25-1-1102)
 - 4. Employ a Scrutinized Company as a subcontractor (see Ark. Code Ann. § 25-1-1203)
- B. Contractor shall submit signed *Attachment H Combined Certifications for Contracting with the State of Arkansas*.

1.22 PAST PERFORMANCE

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

1.23 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 Ark. Code Ann. § 25-26-201 et seq., 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. Prospective 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, 2019 (software applications and operating ICSs) and 36 C.F.R. § 1194.22, as it existed on January 1, 2019 (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, Prospective 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, 2019 (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 Ark. Code Ann. § 25-26-201 et seq., 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.
 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 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 Ark. Code Ann. § 25-26-201 et seq., 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.

1.24 COMPLIANCE WITH THE STATE SHARED TECHNICAL ARCHITECTURE PROGRAM

The respondent’s solution must comply with the state’s shared Technical Architecture Program which is a set of policies and standards that can be viewed at <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.

1.25 MASTERCARD ACCEPTANCE

Awarded Contractor should have the capability of accepting the State’s authorized MASTERCARD Procurement Card (p-card) as a method of payment. Price changes or additional fee(s) shall not be levied against the State when accepting the p-card as a form of payment. MASTERCARD is not the exclusive method of payment.

1.26 PUBLICITY

Prospective Contractors **shall not** issue a news release pertaining to this IFB or any portion of the project without OP’s prior written approval. Failure to comply with this Requirement **shall** be cause for a Prospective Contractor’s bid to be disqualified.

1.27 RESERVATION

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

1.28 SCHEDULE OF EVENTS

Public Notice of IFB	November 25, 2024
Deadline for Receipt of Written Questions	December 4, 2024
Response to Written Questions, On or About	December 18, 2024
Date and Time for Bid Submission	January 8, 2025, 1:00 p.m. CST
Date and Time for Bid Opening	January 8, 2025, 2:00 p.m. CST
Intent to Award Announced, On or About	January 24, 2025
Contract Start (Subject to State Approval)	July 1, 2025

1.29 STATE HOLIDAYS

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

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

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

SECTION 2 – MINIMUM REQUIREMENTS

2.1 INTRODUCTION

This Invitation for Bid (IFB) is issued by the Office of Procurement (OP) for the purposes of fulfilling all IRS Affordable Care Act (ACA) provider requirements related to Minimum Essential Coverage (MEC) and IRS 1095-B and 1094-B tax forms pursuant to 26 USC § 6055 and related statutes and regulations.

As previous data may require future corrections, Contractor shall receive a transfer of data so that no previously submitted data is lost or must be re-created.

2.2 SERVICE DELIVERY LOCATION

All services **must** be provided during normal state work hours and within the agreed upon number of days unless otherwise arranged and coordinated with the agency. Contractor **shall** give the agency immediate notice of any anticipated delays that will affect the service delivery requirement.

DHS, at its sole discretion, reserves the right to request services for additional DHS divisions and locations.

2.3 HISTORICAL INFORMATION AND ANTICIPATED VOLUME

The data provided in this section is for informational purposes only. The actual volume of transmissions and corrections may increase or decrease.

A. Volume of Work

1. For Tax Year 2022, the volume of 1095-B transmissions was:

Initial Filings		1,215,141
Physical Mailing Requests		984
Batch Corrections		59,544
Case Worker Corrections		19,548
Foster Children	Distinct Case ID	10,013
	Total	37,507
Total	Distinct Case ID	1,291,508
	Total	2,655,046

2. For Tax Year 2023, the volume of 1095-B transmissions was:

Initial Filings		1,431,295
Physical Mailing Requests		1,134
Batch Corrections		68,315
Case Worker Corrections		118,021
Foster Children	Distinct Case ID	10,230
	Total	33,210
Total	Distinct Case ID	1,367,649
	Total	2,792,685

B. Volume of Corrections

Moving forward, DHS anticipates that the total number of corrections noted above in Tax Year 2023 will decrease. Until otherwise instructed by the IRS, the basis for “changes in circumstances” corrections shall be limited to only changes in the fields listed in this section:

1. For Tax Year 2022, changes included corrections on the following fields:

DATE_BEGIN_COVERAGE	4,675
DATE_END_COVERAGE	26,394
DOB	1,315
SSN	1,404
Total	33,788

2. For Tax Year 2023, changes included corrections on the following fields:

DATE_BEGIN_COVERAGE	4,476
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DATE_END_COVERAGE	28,244
DOB	790
SSN	503
Total	34,013

In some instances, multiple changes were made for a single beneficiary. These changes might have been made in a single update or might have been made in multiple updates. The numbers above include both instances.

2.4 MINIMUM QUALIFICATIONS

Contractor **must** meet the following requirements:

- A. Contractor **must** be registered to do business in the State of Arkansas and in good standing by the start of any resulting contract. For verification purposes, Contractor **must** provide a [Certificate of Good Standing](#), [Certificate of Authority](#), and other required [Arkansas Secretary of State](#) documentation such as non-filing or nonqualifying statements, upon DHS request.
- B. The bidder **must** include a copy of all required licensure and certification documents in the bidder's response to this solicitation. See "Response Documents."
- C. Contractor and any subcontractors **must** have a minimum of three (3) years of experience providing all services related to Internal Revenue Service (IRS) Forms 1095-B and 1094-B. For verification purposes, Contractor must complete the Client History Form (Attachment I).
- D. Contractor **must** certify that he/she has not received any negative contract actions by a state or Federal government within the last three (3) years. A formal negative contract action is considered as any formal communication to the Prospective Contractor from the state and/or federal entity receiving services that identifies failure(s) to satisfy performance obligations in the contract in a manner that represents significant non-performance or a material deviation from contractual obligations. A formal negative contract action is considered a corrective action plan, vendor performance report, or these equivalents in other states or in other entities. However, failure to certify may not disqualify a Contractor's submission if the Contractor outlines any relevant sanctions received from a state or Federal government and any corresponding corrective actions taken within the last three (3) years. For verification purposes, Prospective Contractor **must** complete the Client History Form (Attachment I).
- E. Contractor **must** be bondable. For verification purposes, Prospective Contractor **shall** submit a Letter of Bondability from an admitted Surety Insurer with bid submission. The letter **must** offer to guarantee, to the extent of one hundred percent (100%) of the annual contract price, the Prospective Contractor's performance in all respects of the terms and conditions of the IFB and the resultant contract. Contractor **shall** be required to provide DHS with the performance bond described in this section upon contract award.

2.5 SCOPE OF WORK

A. Collaboration

1. Contractor **shall** work with the IRS, DHS divisions, and DHS contractors. The DHS divisions are as follows:
 - a. Division of County Operations (DCO)
 - b. Division of Children and Family Services (DCFS)
 - c. Office of Communications and Community Engagement (OCCE)
 - d. Division of Medical Services (DMS)
2. DHS currently uses contractors to operate the:
 - a. Decision Support System and Services (DSS) Lab
 - b. Medicaid Management Information System (MMIS) and provide a Call Center that handle calls from Medicaid Beneficiaries, DHS employees, and DHS Contractors
 - c. IT PMO Project Oversight and Coordination functions

B. Staffing

Contractor **must** maintain sufficient staffing levels to ensure successful performance of all duties related to 1095-B processing as outlined in this IFB and any resulting contract, and as required by the United States Tax Code throughout the duration of the contract.

1. Contractor **must** hire or have on staff a dedicated, full-time Project Manager (PM) assigned to and overseeing all contracted activities between DHS and Contractor. The PM **shall** work directly with DHS and have the authority to revise processes and procedures and assign additional resources, as needed, to maximize the efficiency and effectiveness of services required under any resulting contract. The PM **shall** have experience initiating and managing the same or a similar system and be capable of overseeing all contracted activities for which Contractor will be responsible. Full-time is hereby defined as forty (40) hours per week.
2. Contractor's PM **shall** work directly with DHS and **shall** meet with DHS staff in person or by telephone at the request of DHS representatives to discuss issues pertinent to the resulting contract. This may include discussing the status of contract activities, Contractor's performance, benefit analysis, necessary revisions, reviews, reports, planning, etc.
3. Within ten (10) calendar days of the contract start date, Contractor **shall** submit a project organization chart to DHS for approval. This chart **must** detail proposed key personnel by job titles, lines of supervision, and full- or part-time status. Full-time is defined as forty (40) hours per week dedicated to this contract. This chart **shall** include how the project fits into the respondent's overall organization structure.
4. Contractor **must** ensure at least one (1) employee is available to DHS, at all times during DHS standard business hours, who can execute the following functions:
 - a. Process 1095-B and 1094-B forms, including one-off requests, daily
 - i. Contractor **must** meet a five-day turnaround for one-off requests and **must** meet IRS deadlines for filing relevant tax forms. All timeframes will be clarified and managed between DHS and the successful Contractor prior to Contractor becoming responsible.
 - b. Utilize and submit documents to the IRS via the AIR System
 - c. Conduct data correction and maintenance
 - d. Troubleshoot and address any issues that may arise with the Portal
 - e. Respond to requests from DHS and its contractors
 - f. Transmit and receive files to and from DHS and its contractors via a software package designated by DHS

The PM can be the one (1) employee if they can fulfill all outlined functions.

C. Document Creation and Delivery (1095-B and 1094-B)

Contractor **shall** provide document creation and delivery services related to IRS Forms 1095-B and 1094-B, including original filings and corrected filings, for the current and past tax years—beginning with tax year 2015—in accordance with the requirements outlined in this IFB, any resulting contract, and set forth by the IRS.

1. Contractor **must** create the 1095-B Form, cover letter, and envelope conforming to both IRS and DHS requirements.
2. Upon client request, Contractor shall perform all letter shop activities for printing and mailing the forms within two (2) days of client request.
3. Contractor must provide data formatting specific to the IRS 1095-B Form requirements, IRS Manifest requirements, and XML reporting requirements.
4. Contractor must create the 1094-B Form and submit it to the IRS on behalf of DHS.

D. Data Corrections and Maintenance

Contractor **shall** process data corrections and perform data maintenance services related to IRS Forms 1095-B and 1094-B, including:

1. Ensuring data and postal delivery hygiene—including standardization and validation services pertaining to names, addresses and address changes, and Social Security Numbers (SSN)s for all tax years in which the beneficiary has at least one (1) month of coverage—to minimize or avoid IRS rejection of filings.

2. Maintain all data sent by DHS for the purpose of providing 1095-B forms.
3. Provide a mechanism to update (edit), delete (remove), or add (insert) records.
4. Engage in error triage support and reporting related to returned mail.
5. Work in tandem with DHS to resolve any erroneous records.

E. External Access/Portal

Contractor **shall** provide/host a web portal (Portal) available to DHS employees and DHS contractors, including DCO and DHS contractor Call Center employees. Contractor **must** be able to distinguish between users of each group for reporting purposes.

Contractor's responsibilities will include:

1. The development, deployment, and on-going support of the Portal.
 - a. On-going support includes the administration, monitoring, customization, and application-level technical support of the Portal. For example, Contractor or DHS may identify a gap that results in lower staff efficiency. The gap should be remedied to increase staff efficiency.
 - b. Contractor and DHS shall agree upon timeframes for development and deployment of necessary modifications to the Portal. Failure to meet these timeframes may result in penalties being assessed against the Contractor.
2. Provide training, including ad hoc training for changes affecting users.
3. Provide continuous connectivity and availability of the Portal/data to all users.
4. Ensure that the Portal satisfies all Federal and Arkansas State system accessibility and security requirements, as directed by the DHS Office of Systems and Technology (DHS/OST) and the Arkansas Department of Information Services (DIS). Accessibility includes compliance with Arkansas Act 1227 of 1999 and Section 508 of the Rehabilitation Act Amendments of 1998.
5. Ensure that the Portal satisfies all requirements as outlined in *Attachment C: Performance Based Contracting*.

F. Reporting and Information

Contractor **shall** provide regular reports to DHS, including:

Weekly Reports	
Title	Content
1095-B Forms Status Report	This report shall include the following information for the current Tax Year and any corrections for prior Tax Years, both for the current mailing cycle and in the aggregate: <ul style="list-style-type: none"> • Total original forms sent • Total corrected forms sent • Total replacement forms sent • Total recipients receiving: one (1) form, two (2) forms, three (3) forms, four (4) forms, five (5) forms, and more than five (5) forms
1095-B Portal Monitoring Report	This report tracks usage metrics, performance metrics, and peak throughput, and shall include at least the following information for the current Tax Year and any corrections for prior Tax Years, both for the current mailing cycle and in the aggregate. This information must be tracked according to access by Call Center employees, and utilization by DHS employees. The report should include: <ul style="list-style-type: none"> • Total users • Maximum concurrent users (for each day) • Forms accessed (type and number) • Fields changed: Name, Address or Other (specify)

	<ul style="list-style-type: none"> • Requests completed for duplicate or corrected 1095-B Forms • Duplicate forms printed • Throughput (300 concurrent) • Performance (<5 seconds) • Availability (99.5%) • Track peak throughput at hourly intervals during each weekly reporting cycle.
Other reports referenced elsewhere in this IFB	<ul style="list-style-type: none"> • Data Verification Report • Postal Delivery Hygiene and Standardization Error Report
<p>Weekly reports shall be provided to DHS no later than 9:00 a.m. CT each Friday for the prior five (5) days—i.e., Friday of the preceding week and Monday–Thursday of the current week. This schedule may be modified by agreement with DHS.</p> <p>Contractor shall also combine the data of weekly reports into a monthly report and submit it as a monthly report.</p>	
Monthly Reports	
Monthly Recipient Portal Change Communications Report	<p>Contractor shall maintain a record of all communications with and changes to the information of Arkansas recipients via the Portal and shall provide this data to DHS in a monthly report using a mutually agreed upon format. This report should include:</p> <ul style="list-style-type: none"> • Dates of communication • Number of communications • Communication reason, such as: <ul style="list-style-type: none"> ○ Initial ○ Eligibility changes ○ Name change ○ Address change ○ SSN correction ○ Etc.
<p>Monthly reports must be delivered to DHS within (1) week after the end of each month. Each monthly report must also aggregate (roll-up) data monthly to cover the current tax year-to-date.</p>	
Ad-Hoc or Special Reports	
<p>Any ad-hoc or special reports shall be produced at the request of DHS. The deadlines for such reports will be set through mutual agreement between DHS and Contractor and will include data and information agreed upon by both parties. Requests for ad-hoc reports from DHS may cover, but are not limited to, the following:</p> <ul style="list-style-type: none"> • Internal Processes and System Access <ul style="list-style-type: none"> ○ This may include information about current or past users of the Portal and their permission levels. • System Compliance or Specifications <ul style="list-style-type: none"> ○ This may include details on: <ul style="list-style-type: none"> ▪ Security measures related to data at rest or in motion ▪ Third-party access ▪ Data retention policies ▪ Disaster recovery plans ▪ Root cause analysis ▪ Changes in business processes ▪ Other information as requested by DHS 	
Other Reports	
IRS Submission and Error Tracking Report	<p>After submission of the manifest and form file to the IRS via the AIRS portal, the IRS will notify the submitter of successful submissions and errors in submission. The IRS notes errors found and provides a description of the error. Currently, the IRS notifies submitters of successful</p>

	<p>submissions and errors via the AIRS portal (1) upon the initial submissions of the manifest and form file and (2) upon retrieval of the submission acknowledgement document.</p> <p>Contractor shall capture these notifications and error tracking reports and forward a copy of each report to DHS within three (3) business days. Contractor shall work with DHS to address and correct the errors identified by the IRS.</p>
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G. Equipment

Contractor **shall** bear all costs for computers, equipment, and other resources necessary to fulfill the terms of this contract. These resources **must** be properly maintained to ensure optimal performance and to minimize any negative impact on duties.

H. Technical Requirements

1. **Internal Process:** DHS has established a process for processing and sending 1095-B forms. Attachment J contains the DHS internal workflow/process previously established related to this project. (See Attachment J: Arkansas Department of Human Services, Minimal Essential Coverage 1095-B Process Flow Narrative.)
2. **IRS Requirements:** The IRS publishes technical specifications for individuals/entities related to the 1095-B process. (See Attachment K: Guide for Electronically Filing Affordable Care Act [ACA] Information Returns for Software Developers and Transmitters (Processing Year 2025), found at [Publication 5165 \(Rev. 9-2022\)](https://www.irs.gov/publications/p5165) ([irs.gov](https://www.irs.gov))).

I. Additional Information

Contractor **shall** be responsible for the end-to-end processing requirements as outlined in this IFB.

1. **Documents for Mailings:** Contractor **shall** be responsible for the creation of the mail piece (envelope, cover letter, 1095-B Form) per IRS standards and input/approval from DHS. DHS **shall** approve the cover letter, envelope format, and 1095-B Form prior to use by Contractor.
2. **Envelope:** The envelope **must** display the required IRS and DHS language ("Important Tax Documents") to highlight the sensitive nature of its contents and also feature a visible Quick Response (QR) code that does not include any Personal Health Information (PHI) or Personally Identifiable Information (PII). If deemed appropriate by DHS, the envelope should display the DHS logo.
3. **Mailing:** Contractor **shall**, upon request, send the mail piece documents (envelope, cover letter, 1095-B Form) to recipients. DHS **shall** determine the address to be used by Contractor. There **must** be no alterations to the address except as directed by DHS or as part of the Postal Delivery Hygiene and Standardization process outlined in this IFB or any resulting contract.
 - a. Physical mailings should be sent via First-Class Postage utilizing current First-Class Postage rates. Contractor **must** consider current First-Class Postage Rates in the Contractor's bid pricing. The estimated number of mail pieces to be sent is outlined in Section 2.3 of this IFB.
4. **Data Fields:** All reports to the IRS **must** be formatted as designated by the IRS and contain all mandatory information as detailed in the updated IRS instructions for Forms 1094-B and 1095-B for each current year. All Reports to DHS related to 1095-B activities **shall** include, at a minimum:
 - a. Medicaid Base ID
 - b. Recipient ID (RID) (This is a number randomly generated by the DSS for cross-referencing, verification, and validation purposes, and avoids the use of PHI/PII.)
 - c. First Name
 - d. Middle Initial
 - e. Last Name
 - f. Social Security Number (SSN)
 - g. Date of Birth (DOB)

- h. Coverage Begin Date (this may be prior to the tax year in question)
- i. Coverage End Date (this may be subsequent to the tax year in question)
- j. Address Line 1, Address Line 2, City, State, Zip Code

J. Tax Filings

1. There are four (4) general categories of tax filing:
 - a. Original filings (i.e., not corrected filings):
 - i. For the current tax year.
 - ii. For previous tax years that have not yet been reported to the IRS.
 - b. Corrected filings (i.e., not original filings):
 - iii. Corrected recipient information for the current tax year.
 - iv. Corrected recipient information for previous tax years.
2. Tax Year 2015 is the first year that the IRS required a 1095-B form be filed. Tax Years prior to 2015 will not be included in the work under this IFB.
3. Contractor **must** provide the following functions:
 - a. Send 1095-B Forms to recipients upon request for each of the four (4) tax filing categories.
 - b. Generate and file 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.
 - i. Contractor and DHS **shall** determine acceptable timeframes for interpreting and triaging rejected IRS submissions and for resubmitting corrected forms.
 - c. Issue corrected or replacement forms within five (5) business days of receiving updated information from the DSS Lab.
 - i. Data from DSS Lab will include weekly/monthly Data Extract File(s) as well as requests for corrected or duplicate (replacement) 1095-B Forms.
4. Contractor **shall** provide the electronic version of each tax filing to DHS and make them available through the Portal.

K. Special Populations

1. Contractor **must** process 1095-B Forms for special populations including, without limitation, foster and adopted children according to DHS instructions. Restrictions exist for adopted and foster children, and for other special circumstances. The Data Extract Files provided to Contractor **shall** contain one (1) or more flags to designate files that need special handling. For example, all forms for foster children (current or historical) are to only be created electronically and will not be mailed.
2. Contractor **must** be able to recognize these flags and treat the files according to procedures as outlined by DHS and established with Contractor.

L. Corrections

1. Corrections to the original IRS filing for a given tax year can be made at any time, and **must** be provided to Contractor in the weekly or monthly Data Extract File from the DSS Lab. Only certain corrections will necessitate a new filing with the IRS, such as updates to:
 - a. Dates of Medicaid coverage during a particular Tax Year; and
 - b. SSN and DOB fields
2. Contractor may receive updates or corrections through the Portal for any or all fields. Contractor shall relay these updates or corrections to DCO for entry into MMIS, which holds the official record. Corrected 1095-B Forms must be clearly denoted.

M. Data Transmissions

1. Data **shall** be transmitted to Contractor according to the below schedule:
 - a. Initial delivery of full file during first week of January.
 - b. January – May: Weekly feeds containing newly-eligible recipients and corrected records.
 - c. June – December: Monthly feeds containing newly-eligible recipients and corrected records; “one-off” requests. For example, a recipient contacted the legislature regarding issues with their 1095-B Form. In that case, a duplicate or updated form needs to be generated and transmitted expeditiously.

N. File Format and Integrity

Contractor **shall** format the files according to IRS and DHS system requirements and ensure that the integrity of the data meets IRS and DHS requirements.

O. Historical Tax Data

1. Following contract award and finalization, all historical tax-year data for Arkansas Medicaid recipients who received a 1095-B Form shall be provided to Contractor for parallel testing and system setup. The selected Contractor and DHS **shall** determine a mutually agreeable date for the data transfer.
2. Contractor **must** make the historical tax data available on the Portal for DHS, including DCO and Call Center employees (see Section 2.5.E). The data received **shall** be formatted as a Comma-separated Values (CSV) file.

P. Up-Front Data Review and Correction

To avoid IRS rejection of filings and potential related penalties, Contractor **shall** take steps to review and correct data prior to mailing forms to recipients or filing forms with the IRS. Contractor **shall** conduct the following activities:

1. Up-Front Data Verification:
 - a. Verify name/SSN against the Social Security Administration database using the criteria defined in IRS Publication 1586.
 - b. Evaluate name quality according to IRS specifications.
 - c. For all invalid name/SSN combinations or name quality errors, Contractor shall provide a report to DHS detailing the specific failure within a time period stipulated by DHS.

Q. Transition to a Subsequent Contractor

During the transition period, Contractor shall work closely and cooperatively with DHS and the new contractor.

1. Contractor shall perform the activities required to transition to a subsequent contractor. End of contract transition planning must ensure seamless operations and system turnover to DHS or its designee.

Key issues include:

- a. Phase-in training
 - b. Thorough and efficient transition activities
 - c. Staffing continuity
 - d. Uninterrupted service
2. At least eighteen (18) months prior to the final Contract year, including option years that have been exercised, and at least eighteen (18) months prior to the end of any Contract extension(s), Contractor shall begin turnover activities in accordance with the approved Contract Closure Turnover Plan. DHS reserves the right to request any turnover activities at any time during the Contract period, even if the Contract is not ending. DHS may also require that these services begin earlier than eighteen (18) months as needed for an orderly transition.

R. Transition Planning

1. The turnover process shall not be considered complete until all required activities are completed and approved by DHS.

2. Ninety (90) calendar days prior to the contract end date, the Contractor **shall** submit for DHS approval a detailed plan for transitioning all contracted services to DHS, or to another contractor selected by DHS, which must include, at minimum:
 - a. **Turnover Approach:** A proposed strategy for completing the turnover process.
 - b. **Tasks and Deliverables:** A comprehensive list of all tasks, subtasks, activities, milestones, durations, and deliverables associated with turnover, including a work schedule with a timeline and narrative description of each item.
 - c. **System and User Documentation:** An approach for delivering complete and updated system and user documentation in the format specified by DHS, including all necessary data.
 - d. **Operational Procedures:** Detailed operational procedures detailing the process for maintenance and ongoing support of the solution and the performance of all functions outlined in the contract.
 - e. **Resource Requirements:** A detailed description of the resources—including personnel, subcontractors, and other necessary support—required to fully take over the system, technical, and business functions outlined in the contract. This should include an estimate of the number and types of personnel needed to support the technical platform, perform related tasks, and ensure the successful operation of the solution.
 - f. **Asset Transfer:** An approach for transferring all necessary software, hardware, records, telephone lines, equipment, Post Office Box, IP addresses, domain names, and other resources required by DHS.
 - g. **Proprietary Data Delivery:** The transition plan shall include provisions for the delivery of all proprietary data collected and/or created during the life of the contract to DHS thirty (30) calendar days prior to the contract end date. DHS must pre-approve the format and delivery method of all proprietary data. All proprietary data collected and/or created during the final thirty (30) business days of the contract, or any proprietary data not captured in the initial delivery, shall be delivered to DHS no more than fifteen (15) business days following the contract end date. DHS reserves the right to request re-submission of any proprietary information deemed unacceptable after the Contractor's initial transfer.
 - h. **Incomplete Tasks and Issues:** A list of any unfinished tasks, system defects, modifications, enhancements, or configuration requests that must be addressed during turnover.
 - i. **Contractor Coordination:** A description of the Contractor's coordination activities during turnover to ensure continuity of systems and services as required by DHS.
 - j. **Turnover Progress Meetings:** A schedule for turnover progress meetings, including frequency and format.
 - k. **Progress Reporting:** An approach for written progress reports to be delivered to DHS within one (1) week after each turnover meeting. Reports **must** include:
 - i. Attendee identities and job functions
 - ii. Meeting agenda
 - iii. Task progress, deliverables, milestones, and any applicable variances from the baseline
 - iv. Discussion topics
 - v. Action items and decisions made
 - l. **Problem and Risk Management:** A list of all problems, issues, and risks encountered, with a status of resolution, including Corrective Action Plans (CAPs) and timelines for resolution.
 - m. **Planned Tasks and Deliverables:** A summary of tasks, deliverables, and milestones planned for the two (2) months following turnover.
 - n. **Contractual Task Status:** An update on the status of contractually defined tasks, deliverables, and milestones as outlined in the Contract Closure Turnover Plan, including any baseline variances.
 - o. **Lessons Learned:** A report detailing the lessons learned throughout the duration of the contract, including the turnover process.
 - p. **Additional DHS Requirements:** Any other information or action required by DHS to complete the turnover process successfully.

3. The Contractor **shall not** implement the plan until it has received DHS's written approval of the plan. The Contractor **shall** take all reasonable action to provide a minimally disruptive turnover.
4. **Deliverable Acceptance Process:** If DHS rejects a deliverable, DHS will give the 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. The Contractor **shall** be liable for all costs associated with additional work related to deliverables rejected by DHS.
5. 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.

S. Data Maintenance and Security

1. Contractor **shall** make all provided historical data available for access through the Portal.
2. Contractor **shall** develop a Business Continuity and Recovery Plan. This plan must also comply with 45 CFR § 94.62(f), identifying every resource that requires backup and to what extent backup is required. The plan **must**, at minimum:
 - a. Include a robust disaster recovery plan.
 - b. Require daily backups in the event of a system failure.
 - c. Ensure that data **must** be able to be recovered within three (3) business days.
 - d. Provide off-site electronic and physical storage in the United States.
 - e. Identify all software and data backup requirements.
3. Contractor **shall** comply with all applicable laws regarding privacy, security, retention of records, data, and information relating to this contract.
4. After Contractor has complied with any data transfers requested by DHS, Contractor **shall** comply with HIPAA requirements regarding data destruction. Contractor **shall** complete, file, retain, and make available upon request all program records in a secure, HIPAA-compliant manner.
5. Contractor **shall** be responsible for the following, without limitation, with regards to sending and receiving files/data transmissions to and from DHS, the IRS, and other DHS contractors:
 - a. Contractor **shall** format files to conform to IRS and DHS system requirements, and to ensure that the integrity of the data does not deviate from what is required by the IRS and DHS.
 - b. User Acceptance Testing (UAT) **shall** also be required between Contractor and DHS. Contractor shall work with DHS to develop a list of deliverables.
 - c. Contractor **must** secure DHS sign-off on all deliverables prior to production and/or implementation.
 - d. Contractor **shall** use a software package designated by DHS to support the file transmissions required for this project.
 - e. Contractor **must** have a back-fill point of contact (POC) available during main POC outages. The back-fill POC must have an active license for the relevant software package and be able to process files, including "one-off" files, during the main POC's outage.
6. At the end of this contract, or upon DHS's request, Contractor **shall** work with DHS to transfer all the data contained in its database. The data **must** be formatted as a CSV file and transferred on a mutually agreed upon date.
7. Contractor **shall** obtain DHS approval and sign-off **prior to** any new development, modification, or upgrade Contractor implements in its normal course of business that has a **direct impact on this contract**—with direct impact being defined as when Contractor's changes require DHS to modify current processes or actions, implement new processes or actions, purchase new software, etc. Contractor **shall** give DHS eight weeks (8) notice of any planned changes that may affect DHS processes. Any material changes to the contract are subject to ALC review pursuant to Ark. Code Ann. § 19-11-265.

T. Recipient Portal Change Communications

Contractor **shall** maintain a record of all communications with Arkansas recipients via the Portal and shall provide this data to DHS in a monthly report as detailed in Section 2.5.F of this IFB.

U. User Acceptance Testing

1. UAT **shall** be required between the selected Contractor and the IRS. Contractor **shall** work with DHS to:
 - a. Test the AIRS system by providing test files at agreed upon intervals as set forth in writing between the parties.
 - b. Develop a list of deliverables based on IRS requirements.
2. UAT **shall** also be required between the selected Contractor and DHS. Contractor **shall** work with DHS to develop a list of deliverables. All deliverables **shall** require DHS sign-off prior to production and/or implementation.

V. Scope of Work Change Orders

Any changes to scope of work **shall** be mutually agreeable and made via a Change Request submitted to DHS for approval. The change request **shall** allow for both scheduled and emergency changes. Any changes to the scope of work **shall** be mutually agreeable and are subject to ALC review under Ark. Code Ann. § 19-11-265.

W. Excluded Services

The following activities are not included in the work requirements:

1. Identify recipients with MEC.
2. Extract recipient data from existing databases.
3. Provide direct Call Center activities.
4. Handle return mail.
5. Provide services related to Medicaid beneficiaries receiving 1095-B Forms electronically, e.g., a citizen-facing Portal for retrieval of electronic 1095-B Forms, as DMS will no longer offer an opt-in process pursuant to 26 CFR §1.6055-2.

2.6 CRIMINAL BACKGROUND CHECKS

Contractor **must** 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 position,” if applicable to the underlying contracted services, under Ark. Code Ann. § 21-15-102 or, otherwise as a “designated financial or information technology position” pursuant to Ark. Code Ann. § 21-15-111.

2.7 PRIVACY AND SECURITY

- A. Contractor **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), The Privacy Act of 1974, Arkansas Personal Information Protection Act (A.C.A. § 4-110-104), and other Federal and State privacy and security standards. Prior to award, Contractor must complete and sign a Business Associate Agreement (BAA). The State of Arkansas Security and Privacy policies can be found at:

<https://humanservices.arkansas.gov/wp-content/uploads/DHS-Policy-1001.pdf>
<https://humanservices.arkansas.gov/wp-content/uploads/DHS-Policy-1003.pdf>
<https://humanservices.arkansas.gov/wp-content/uploads/DHS-Policy-4002.pdf>
<https://humanservices.arkansas.gov/wp-content/uploads/DHS-Policy-4008.pdf>
<https://humanservices.arkansas.gov/wp-content/uploads/DHS-Policy-4009.pdf>
<https://humanservices.arkansas.gov/wp-content/uploads/DHS-Policy-5000.pdf>
<https://humanservices.arkansas.gov/wp-content/uploads/DHS-Policy-5010.pdf>

- B. Contractor shall disclose any breaches of privacy or security by contacting the DHS Information Technology Security Office within one (1) business day of the breach at DHS.IT.Security.Team@dhs.arkansas.gov.
- C. Contractor shall use PHI and/or other confidential information only in a manner that is necessary to provide the services required in this solicitation.

- D. Contractor shall safeguard the use and disclosure of, and restrict access to, PHI and/or other confidential information.

2.8 45 CFR § 95.617 SOFTWARE AND OWNERSHIP RIGHTS

- A. General. The State or local government must include a clause in all procurement instruments that provides that the State or local government will have all ownership rights in software or modifications thereof and associated documentation designed, developed or installed with Federal financial participation (FFP) under this subpart.
- B. Federal license. The Department reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, or otherwise use and to authorize others to use for Federal Government purposes, such software, modifications, and documentation.
- C. Proprietary software. Proprietary operating/contractor software packages which are provided at established catalog or market prices and sold or leased to the general public shall not be subject to the ownership provisions in paragraphs (a) and (b) of this section. FFP is not available for proprietary applications software developed specifically for the public assistance programs covered under this subpart.

2.9 PERFORMANCE STANDARDS

- A. State law requires that all contracts for services include Performance Standards for measuring the overall quality of services provided. *Attachment C: Performance-Based Contracting* identifies expected deliverables, performance measures, or outcomes; and defines the acceptable standards Contractor **must** meet to avoid assessment of damages. Failure to meet the minimum Performance Standards as specified **may** result in the assessment of damages or termination of the contract.
- B. The State may be open to negotiations of Performance Standards prior to contract award, prior to the commencement of services, or at times throughout the contract duration. The State **shall** have the right to modify, add, or delete Performance Standards throughout the term of the contract, should the State determine it is in its best interest to do so. Any changes or additions to performance standards will be made in good faith following acceptable industry standards and may include Contractor's input so as to establish reasonably achievable standards. All changes made to the Performance Standards **shall** become an official part of the contract and shall continue throughout the contract term.
- C. In the event a Performance Standard is not met, Contractor will have the opportunity to defend, respond to, or cure the insufficiency to the State's satisfaction. The State **may** waive damages if it determines there were extenuating factors beyond the control of Contractor that hindered the performance of services, or it is in the best interest of the State. In these instances, the State **shall** have final determination of the performance acceptability.
- D. 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.

SECTION 3 – GENERAL CONTRACTUAL REQUIREMENTS

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

3.1 PAYMENT AND INVOICE PROVISIONS

- A. All invoices **shall** be forwarded to: dhs.dms.invoices@dhs.arkansas.gov
- B. Payment will be made in accordance with applicable State of Arkansas' accounting procedures upon acceptance of goods and services by the agency.
- C. The State **shall not** be invoiced in advance of delivery and acceptance of any goods or services.
- D. Payment will be made only after Contractor has successfully satisfied the agency as to the reliability and effectiveness of the goods or services purchased as a whole.
- E. Contractor should invoice the agency by an itemized list of charges. The agency's Purchase Order Number and/or the Contract Number should be referenced on each invoice.
- F. Other sections of this IFB may contain additional requirements for invoicing.
- G. Selected Contractor **must** be registered to receive payment and future *IFB* notifications. Prospective Contractors may register on-line at <https://www.ark.org/vendor/index.html>.

3.2 GENERAL INFORMATION

- A. The State **shall not** lease any equipment or software for a period of time which continues past the end of a fiscal year unless the contract allows for cancellation by the State Procurement Official upon a thirty (30) day written notice to Contractor/Lessor in the event funds are not appropriated.
- B. The State **shall not** contract with another party to indemnify and defend that party for any liability and damages.
- C. The State **shall not** pay damages, legal expenses, or other costs and expenses of any other party.
- D. The State **shall not** continue a contract once any equipment has been repossessed.
- E. Any litigation involving the State **must** take place in Pulaski County, Arkansas.
- F. The State **shall not** agree to any provision of a contract which violates the laws or constitution of the State of Arkansas.
- G. The State **shall not** enter a contract which grants to another party any remedies other than the following:
 - 1. The right to possession.
 - 2. The right to accrued payments.
 - 3. The right to expenses of deinstallation.
 - 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.
- H. The laws of the State of Arkansas **shall** govern this contract.
- I. A contract **shall not** be effective prior to award being made by a State Procurement Official.
- J. In a contract with another party, the State will accept the risk of loss of the equipment or software and pay for any destruction, loss or damage of the equipment or software while the State has such risk, when:
 - 1. The extent of liability for such risk is based upon the purchase price of the equipment or software at the time of any loss.
 - 2. The contract has required the State to carry insurance for such risk.

3.3 CONDITIONS OF CONTRACT

- A. 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. 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 Contractor.
- C. Contractor agrees to the Performance-Based Contracting standards as presented in Attachment C, DHS Standard Terms and Conditions as presented in Attachment D, a pro forma contract as presented in Attachment E, the Business Associate Agreement as presented in Attachment F, and the Organizational or Personal Conflict of Interest policy as presented in Attachment G.

ALL CONTRACTOR STAFF MAY BE MANDATED REPORTERS UNDER STATE AND FEDERAL MANDATES

3.4 STATEMENT OF LIABILITY

- A. The State will demonstrate reasonable care but will not be liable in the event of loss, destruction, or theft of 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. Contractor **shall** retain total liability for equipment, software and technical and business or operations literature. The State **shall** not at any time be responsible for or accept liability for any Contractor-owned items.
- B. Contractor's liability for damages to the State **shall** be limited to the value of the Contract or five million dollars (\$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 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. 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 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. Contractor agrees that any claims against the State, whether sounding in tort or in contract, **shall** be brought before the Arkansas State Claims Commission as provided by Arkansas law, and **shall** be governed accordingly.

3.5 PERFORMANCE BONDING

- A. Contractor **shall** be required to obtain performance bonds to protect the State's interest as follows:
 - 1. The amount of the performance bonds **shall** be one hundred percent (100%) of the annual contract price, unless the State determines that a lesser amount would be adequate for the protection of the State. Such performance bond must be provided to DHS prior to signing the contract.
 - 2. The State **shall** require additional performance bond protection when a contract price is increased or modified.
 - 3. The additional performance bond **must** be delivered to the DHS Chief Procurement Officer within fourteen (14) calendar days of request.
 - 4. 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.
 - 5. 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.

3.6 RECORD RETENTION

- A. 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 IFB may contain additional requirements regarding record retention.

3.7 PRICE ESCALATION

- A. Price increases will be considered at the time of contract renewal.
- B. Contractor **must** provide 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 **shall** have the right to require additional information pertaining to the requested increase.
- C. Increases **shall not** be considered to increase profit or margins.
- D. OP **shall** have the right to approve or deny the request.

3.8 CONFIDENTIALITY

- A. Contractor, Contractor's subsidiaries, and Contractor's employees **shall** be bound to all laws and to all requirements set forth in this IFB concerning the confidentiality and secure handling of information of which they may become aware while 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 IFB may contain additional confidentiality requirements.

3.9 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.

3.10 CANCELLATION

- A. For Cause. The State may cancel any contract resulting from this solicitation for cause when Contractor fails to perform its obligations by giving Contractor written notice of cancellation specifying the terms at least thirty (30) days prior to the proposed cancellation date. In any written notice of cancellation for cause, the State will advise Contractor of the reasons for cancellation and may provide Contractor an opportunity to cure the identified deficiencies prior to the proposed cancellation date. The parties may agree to reasonable contract modifications to avoid cancellation for cause to the extent permitted by law.
- B. For Convenience. The State may cancel any contract resulting from the solicitation by giving Contractor written notice of such cancellation no less than sixty (60) days prior to the date of cancellation.
- C. If upon cancellation, 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, Contractor may file a claim with the Arkansas State Claims Commission under the laws and regulations governing the filing of such claims.

3.11 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 Contractor **shall** be relieved of all obligations arising under such provision. If the remainder of the contract is capable of performance, it **shall not** be affected by such declaration or finding and **shall** be fully performed.

SECTION 4 – 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 Bid Packets **must** be submitted to OP on or before the date and time specified for bid opening. The Bid Packet **must** contain all documents, information, and attachments as specifically and expressly required in the IFB. 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 should show title or authority to bind the firm in a contract. Multiple bids **must** be placed in separate packages and should 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 IFB. Unless otherwise specified, the bid **must** be firm for acceptance for thirty (30) days from the bid opening date. "Discount from list" bids are not acceptable unless requested in the IFB.
5. **QUANTITIES:** Quantities stated in a IFB for term contracts are estimates only and are not guaranteed. Contractors **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 IFB, any catalog brand name or manufacturer reference used in the IFB 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 should 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 Contractor to supply additional descriptive material. Contractor **shall** guarantee that the product offered will meet or exceed specifications identified in this IFB. Contractors not bidding an alternative 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 IFB. 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. Contractor **shall** further guarantee that if the items furnished hereunder are to be installed by Contractor, such items **shall** function properly when installed. Contractor **shall** guarantee that all applicable laws have been complied with relating to construction, packaging, labeling, and registration. Contractor's obligations under this paragraph **shall** survive for a period of one (1) 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 should be marked with 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 Contractor.
10. **AMENDMENTS:** Contractor's bids 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 should be deducted from the unit price and the net price should 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 Contractor cannot meet the stated delivery, alternate delivery schedules may become a factor in an award. OP **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 Contractor.
- 14. DELIVERY REQUIREMENTS:** No substitutions or cancellations are permitted without written approval of OP. Delivery **shall** be made during agency work hours (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 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 OP 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. Contractor **must** give written notice to OP 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:** Contractor **shall** be paid upon 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 IFB; (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 Contractor hereunder or in contemplation hereof or developed by 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 Contractor's expense to the F.O.B. point provided by the agency or OP. Contractor **shall** properly identify items being returned.
- 20. PATENTS OR COPYRIGHTS:** 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 Contractor may assert under this Agreement **shall** be brought before the Arkansas State Claims Commission, which **shall** have exclusive jurisdiction over all claims that Contractor may have arising from or in connection with this Agreement. Unless Contractor's obligations to perform are terminated by the State, Contractor **shall** continue to provide the Services under this Agreement even if 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 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 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, Contractor may file a claim with the Arkansas State Claims Commission under the laws and regulations governing the filing of such claims. If upon cancellation Contractor has provided services which the State has accepted, 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, Contractor agrees that: (a) 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, Contractor **shall** state that all qualified applicants **shall** receive consideration without regard to race, color, sex, age, religion, handicap, or national origin; (c) 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 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) 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:** Contractor guarantees that no one has been retained 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 Contractor for securing business.
- 26. ANTITRUST ASSIGNMENT:** As part of the consideration for entering into any contract pursuant to this solicitation, the Contractor named on the *Bid 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.