STATE OF MARYLAND

MARYLAND DEPARTMENT OF HEALTH (MDH)

REQUEST FOR PROPOSALS (RFP)

SENIOR PRESCRIPTION DRUG ASSISTANCE PROGRAM (SPDAP)

RFP NUMBER 20-18357

ISSUE DATE: OCTOBER 11, 2019

NOTICE

A Prospective Offeror that has received this document from a source other than eMarylandMarketplace Advantage (eMMA) https://procurement.maryland.gov should register on eMMA. See **Section 4.2**.

MINORITY BUSINESS ENTERPRISES ARE ENCOURAGED TO RESPOND TO THIS SOLICITATION.

VENDOR FEEDBACK FORM

To help us improve the quality of State solicitations, and to make our procurement process more responsive and business friendly, please provide comments and suggestions regarding this solicitation. Please return your comments with your response. If you have chosen not to respond to this solicitation, please email or fax this completed form to the attention of the Procurement Officer (see Key Information Summary Sheet below for contact information).

Title: Senior Prescription Drug Assistance Program
Solicitation No: 20-18357

1. If you have chosen not to respond to this solicitation, please indicate the reason(s) below:

   - ☐ Other commitments preclude our participation at this time
   - ☐ The subject of the solicitation is not something we ordinarily provide
   - ☐ We are inexperienced in the work/commodities required
   - ☐ Specifications are unclear, too restrictive, etc. (Explain in REMARKS section)
   - ☐ The scope of work is beyond our present capacity
   - ☐ Doing business with the State is simply too complicated. (Explain in REMARKS section)
   - ☐ We cannot be competitive. (Explain in REMARKS section)
   - ☐ Time allotted for completion of the Proposal is insufficient
   - ☐ Start-up time is insufficient
   - ☐ Bonding/Insurance requirements are restrictive (Explain in REMARKS section)
   - ☐ Proposal requirements (other than specifications) are unreasonable or too risky (Explain in REMARKS section)
   - ☐ MBE or VSBE requirements (Explain in REMARKS section)
   - ☐ Prior State of Maryland contract experience was unprofitable or otherwise unsatisfactory. (Explain in REMARKS section)
   - ☐ Payment schedule too slow
   - ☐ Other: _____

2. If you have submitted a response to this solicitation, but wish to offer suggestions or express concerns, please use the REMARKS section below. (Attach additional pages as needed.)

REMARKS:

_____

_____

Vendor Name: _____ Date: _____

Contact Person: _____ Phone (____) _____ - _____

Address: _____

E-mail Address: _____

STATE OF MARYLAND
MARYLAND DEPARTMENT OF HEALTH (MDH)
KEY INFORMATION SUMMARY SHEET

Request for Proposals	Services - Senior Prescription Drug Assistance Program
Solicitation Number:	20-18357
RFP Issue Date:	October 11, 2019
RFP Issuing Office:	Maryland Department of Health (MDH or the "Department")
Procurement Officer: **e-mail:** **Office Phone:**	Dana Dembrow 201 West Preston Street, Baltimore, MD 21201 Room 416A Mdh.solicitationquestions@maryland.gov 410-767-0979
Proposals are to be sent to:	MDH – Office of Procurement and Support Services Attention: Afua Tisdale, CPPB Maryland Department of Health Office Of Procurement & Support Services 201 West Preston Street, 416 D Baltimore, Maryland 21201
Contract Monitor	Sean Stafford Director, Senior Prescription Drug Assistance Program 300 W. Preston Street, Room 410 Baltimore, MD 21201
Pre-Proposal Conference:	October 21, 2019 @ 10:00am Local Time 201 West Preston Street, Room L-3 Baltimore, Maryland 21201 See **Attachment A** for directions and instructions.
Questions Due Date and Time	November 11, 2019 @ 2:00 PM Local Time
Proposal Due (Closing) Date and Time:	November 21, 2019 at 2:00 PM Local Time Offerors are reminded that a completed Feedback Form is requested if a no-bid decision is made (see **page iv**).
MBE Subcontracting Goal:	14%
VSBE Subcontracting Goal:	1%
Contract Type:	Indefinite Quantity with Firm Fixed Prices
Contract Duration:	Fifty-two (52) month base period which includes a four (4) month implementation and a four (4) year operation period with two (2) two-year option periods
Primary Place of Performance:	300 W. Preston Street, Room 410, Baltimore, MD 21201

SBR Designation:	No
Federal Funding:	No

TABLE OF CONTENTS - RFP

1 Minimum Qualifications 1
1.1 Offeror Minimum Qualifications 1
2 Contractor Requirements: Scope of Work 2
2.1 Summary Statement 2
2.2 Purpose and Background 2
2.3 Scope of Work - Requirements 5
2.4 Deliverables 27
2.5 Optional Services 29
2.6 Contractor-Supplied Hardware, Software, and Materials 30
2.7 Required Project Policies, Guidelines and Methodologies 30
2.8 Product Requirements 31
2.9 Service Level Agreement (SLA) 32
3 Contractor Requirements: General 37
3.1 Contract Initiation Requirements 37
3.2 End of Contract Transition 37
3.3 Invoicing 40
3.4 Liquidated Damages 43
3.5 Disaster Recovery and Data 43
3.6 Insurance Requirements 44
3.7 Security Requirements 45
3.8 Problem Escalation Procedure 51
3.9 SOC 2 Type 2 Audit Report 52
3.10 Experience and Personnel 53
3.11 Substitution of Personnel 56
3.12 Minority Business Enterprise (MBE) Reports 58
3.13 Veteran Small Business Enterprise (VSBE) Reports 59
3.14 Additional Clauses 60
4 Procurement Instructions 62
4.1 Pre-Proposal Conference 62
4.2 eMaryland Marketplace Advantage (eMMA) 62
4.3 Questions 62
4.4 Procurement Method 62

4.5 Proposal Due (Closing) Date and Time 63
4.6 Multiple or Alternate Proposals 63
4.7 Economy of Preparation 63
4.8 Public Information Act Notice 63
4.9 Award Basis 63
4.10 Oral Presentation 64
4.11 Duration of Proposal 64
4.12 Revisions to the RFP 64
4.13 Cancellations 64
4.14 Incurred Expenses 64
4.15 Protest/Disputes 65
4.16 Offeror Responsibilities 65
4.17 Acceptance of Terms and Conditions 65
4.18 Proposal Affidavit 65
4.19 Contract Affidavit 65
4.20 Compliance with Laws/Arrearages 66
4.21 Verification of Registration and Tax Payment 66
4.22 False Statements 66
4.23 Payments by Electronic Funds Transfer 66
4.24 Prompt Payment Policy 67
4.25 Electronic Procurements Authorized 67
4.26 MBE Participation Goal 68
4.27 VSBE Goal 71
4.28 Living Wage Requirements 72
4.29 Federal Funding Acknowledgement 73
4.30 Conflict of Interest Affidavit and Disclosure 73
4.31 Non-Disclosure Agreement 74
4.32 HIPAA - Business Associate Agreement 74
4.33 Nonvisual Access 74
4.34 Mercury and Products That Contain Mercury 75
4.35 Location of the Performance of Services Disclosure 75
4.36 Department of Human Services (DHS) Hiring Agreement 75
4.37 Small Business Reserve (SBR) Procurement 75
4.38 Maryland Healthy Working Families Act Requirements 75

5 Proposal Format 76
5.1 Two Part Submission 76
5.2 Proposal Delivery and Packaging 76
5.3 Volume I - Technical Proposal 77
5.4 Volume II – Financial Proposal 85
6 Evaluation and Selection Process 86
6.1 Evaluation Committee 86
6.2 Technical Proposal Evaluation Criteria 86
6.3 Financial Proposal Evaluation Criteria 86
6.4 Reciprocal Preference 86
6.5 Selection Procedures 87
6.6 Documents Required upon Notice of Recommendation for Contract Award 88
7 RFP Attachments and Appendices 89
Attachment A. Pre-Proposal Conference Response Form 93
Attachment B. Financial Proposal Instructions & Form 94
Attachment C. Proposal Affidavit 96
Attachment D. Minority Business Enterprise (MBE) Forms 97
Attachment E. Veteran-Owned Small Business Enterprise (VSBE) Forms 98
Attachment F. Maryland Living Wage Affidavit of Agreement for Service Contracts 99
Attachment G. Federal Funds Attachments 101
Attachment H. Conflict of Interest Affidavit and Disclosure 102
Attachment I. Non-Disclosure Agreement (Contractor) 103
Attachment J. HIPAA Business Associate Agreement 104
Attachment K. Mercury Affidavit 105
Attachment L. Location of the Performance of Services Disclosure 106
Attachment M. Contract 107
Attachment N. Contract Affidavit 125
Attachment O. DHS Hiring Agreement 126
Appendix 1. – Abbreviations and Definitions 127

Appendix 2 – Offeror Information Sheet 131

Appendix 3 – SPDAP Enrollment Chart 132

Appendix 4 – SPDAP Premium Subsidy Payments Volume Chart 133

Appendix 5 – SPDAP Coverage Gap Subsidy Payments (CY2016) Volume Chart 134

Appendix 6 – SPDAP Application Processing Flowchart 135

Appendix 7 – SPDAP COB Input and Response Processing Flowchart 136

Appendix 8 – SPDAP Premium Subsidy Payment Processing Flowchart 137

Appendix 9 – SPDAP Call Center and Web Site Stats Chart 138

Appendix 10 – Reports Listing 139

Appendix 11 – Monthly Subsidy Pre-Capitation and Final Payment Reports 140

Appendix 12 – Monthly Coverage Gap Subsidy Submissions Processed Summary and Coverage Gap Subsidy Submissions Payment Summary Reports 141

Appendix 13 – Monthly Membership, Applications Processed, Applicant Appeals Details and Call Center Service Level Metrics Reports 142

Appendix 14 – SPDAP Application Waitlist Processing Flowchart 143

Appendix 15 – SPDAP Application and Application Fulfillment Packets Processed Chart 144

Appendix 16 – Demographic Data List 145

1 Minimum Qualifications

1.1 Offeror Minimum Qualifications

There are no Offeror Minimum Qualifications for this procurement.

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2 Contractor Requirements: Scope of Work

2.1 Summary Statement

2.1.1 The Maryland Department of Health (State, MDH, or the Department) is issuing this Request for Proposals (RFP) to obtain a Contractor to provide Membership Database and Subsidy Payment Management Services to include the implementation of a Membership Database and Subsidy Payment System (MDSPS) and staff sufficient to meet the operational and technical requirements of this RFP.

2.1.2 The Contractor shall be responsible for the implementation, management, operations, and maintenance of all the systems and activities described in Section 2.1.3.

2.1.3 The MDH, Office of Systems, Operations & Pharmacy (OSOP), hereinafter called the "Department" or "Issuing Office" is soliciting proposals from qualified Contractors to provide Membership Database and Subsidy Payment Management Services in support of the following major areas of program administration:

a) Application Processing;

b) Member Database and Subsidies Payable Management;

c) Processing and Payment of Premium Subsidies;

d) Accounts Payable and Financial Reporting;

e) Quality Management and Compliance Auditing;

f) Call Center Management; and

g) Web Portal Housing and Management.

2.1.4 It is the State's intention to obtain goods and services, as specified in this RFP, from a Contract between the selected Contractor and the State.

2.1.5 The Department intends to make a single award as a result of this RFP. See RFP Section 4.9 Award Basis for more Contract award information.

2.1.6 An Offeror, either directly or through its subcontractor(s), must be able to provide all goods and services and meet all of the requirements requested in this solicitation and the successful Offeror (the Contractor) shall remain responsible for Contract performance regardless of subcontractor participation in the work.

2.2 Purpose and Background

2.2.1 **Purpose**

The purpose of this procurement is to obtain a Contractor who has the technical and professional capabilities to implement and manage the SPDAP's Membership Database and Subsidy Payment System (MDSPS) as described in the requirements of this RFP. The purpose of this Contract is to improve the quality of application processing and subsidy payment to eligible Maryland residents, who meet SPDAP eligibility requirements, and realize the full benefit of cost containment strategies.

The Contractor shall provide the necessary management, programmatic, and technical expertise to meet the requirements of this RFP and support the SPDAP as listed below. This list is not meant to be all-inclusive but to provide an overview of the major areas of responsibility. The Contractor shall provide and support the program areas outlined in **Section 2.1.3**.

2.2.2 Maryland Department of Health (MDH) Background

The State of Maryland Medicaid Program is a unit of the MDH, which has State responsibility for operation of the Medicaid Program authorized under Title XIX of the Social Security Act. The Department also has responsibility for the State Pharmaceutical Assistance Program (SPAP), the Senior Prescription Drug Assistance Program (See **APPENDIX 3 - SPDAP ENROLLMENT CHART)**.

2.2.3 Senior Prescription Drug Assistance Program Background

The Senior Prescription Drug Assistance Program ("SPDAP") was created by legislation passed by the Maryland General Assembly (*See* Chapters 281 and 282, Acts of 2005.) The legislation provided that the purpose of SPDAP is to provide Medicare Part D beneficiaries who meet program eligibility requirements with a State subsidy for a portion of their premiums and deductibles for prescription drug benefits under Medicare Part D. In 2006, additional legislation was passed and signed into law that allows the SPDAP to subsidize eligible member's copayments and coinsurance, in addition to their premiums and deductibles. (See Chapter 345, Acts of 2006.) The SPDAP was further modified in 2007 by legislation that authorizes the SPDAP to limit payment of any benefit subsidy by paying the benefit subsidy on behalf of only eligible individuals enrolled in a Medicare Part D prescription drug plan or a Medicare Advantage Plan that coordinates with the SPDAP in accordance with federal requirements. (See Chapters 508 and 509, Acts of 2007.)

The SPDAP was administered by the Maryland Health Insurance Plan (MHIP) from January 1, 2006 through June 30, 2016. Beginning July 1, 2016, the administration of the SPDAP was transferred to the MDH. (See Chapter 21, Acts of 2016.)

2.2.4 Membership Database and Subsidy Payment System (MDSPS) Background

The MHIP competitively selected a Contractor in 2007 to assist the SPDAP in the design, implementation, administration, and management of a membership database and subsidy payment system that incorporated the uniqueness of the SPDAP, its policies, and operations. The MDSPS has lessened administrative costs for the SPDAP and has eliminated payments for Medicare Part D premium subsidies that are ineligible, excessive, unnecessary, or otherwise inconsistent with SPDAP regulations. The administration of the Medicare Part D premium subsidy has promoted favorable outcomes to SPDAP members such as ensuring timely and accurate payment of Medicare Part D premium subsidies to SPDAP member's Prescription Drug Plan (PDP) through the verification of member eligibility, PDP coverage, and Federal Low-Income Subsidy (LIS) status. In CY 2016, the SPDAP processed over 345,000 premium subsidy on behalf of its members (See **APPENDIX 4 – SPDAP PREMIUM SUBSIDY PAYMENTS VOLUME CHART**).

2.2.5 MDSPS Areas

2.2.5.1 Application Processing

The MDSPS supports SPDAP members by providing application processing to include receiving applicant's application, document management of scanned applications and correspondence, entering member demographic data into SPDAP database, determining eligibility of applicant based on criteria provided by the SPDAP and according to COMAR 10.09.60, notifying applicant of application determination and processing appeals from applicants (**See APPENDIX 6 - SPDAP APPLICATION PROCESSING FLOWCHART).**

2.2.5.2 Membership Database

The MDSPS supports SPDAP members by providing member database management to include storing and updating member demographic data used for determining member eligibility and amount of SPDAP premium subsidy and Document Management for all applicant/member correspondence. The data in the SPDAP database is updated by coordination with Centers for Medicaid and Medicare Services (CMS) and the monthly submission of a Coordination of Benefits (COB) Input file and the subsequent monthly receipt and downloading into the SPDAP member database of a COB Response file (See **APPENDIX 7 – SPDAP COB INPUT AND RESPONSE WORKFLOW**).

The SPDAP database is the repository of all member correspondence, both written and electronic, all member SPDAP Medicare Part D Premium Subsidy payment histories, all SPDAP COB Input submissions and all COB Response files.

2.2.5.3 SPDAP Medicare Part D Premium Subsidy

The MDSPS generates a payment file, based on the data in the member database, for processing the monthly Medicare Part D premium subsidies payable to eligible SPDAP members. The payment files lists the PDP to be paid, member to be paid (identified by member's Health Insurance Claim Number (HICN) or, member's Medicare Beneficiary Identifier (MBI)), the amount of the eligible subsidy to be credited to member's account and the month and year for which the subsidy payment is being forwarded.

2.2.5.4 SPDAP Accounts Payable and Financial Reporting

The MDSPS shall make payment to the member's PDP for the processed and approved SPDAP Medicare Part D Premium subsidy. Payments shall be made from an SPDAP operating account to be established by Contractor and funded by the SPDAP. Premium subsidy payments to the PDPs each month shall be made for all Active Members in accordance with the current member demographic data stored in the SPDAP member database (See **APPENDIX 8 - SPDAP PREMIUM SUBSIDY PAYMENT PROCESSING FLOWCHART**).

These funding and banking procedures and practices shall include, but not be limited to, the definition and reconciliation of accounts on a monthly basis. Financial records for all activities must be maintained in an accurate and timely manner sufficient to properly account for expenses and revenue on behalf of the Department. Contractor must maintain financial and accounting systems consistent with sound business practices and based upon Generally Accepted Accounting Principles (GAAP).

2.2.5.5 Quality Management and Compliance Auditing

The Contractor shall design and implement a thorough Quality Management and Compliance Auditing program as defined by the requirements of this RFP.

Quality Management refers to the execution of a set of procedures, policies, practices, and guidelines designed to maximize the level of quality and customer satisfaction associated with a given product or service. Quality Management is a consistent activity that shall be conducted throughout the term of the Contract. Quality Management is a combination of Quality Assurance and Quality Control. Quality Assurance refers to the activities associated with planning quality into a process, designing the process to achieve high quality results, and adhering to the quality plan. Quality Control refers to measuring quality through audit and inspection, documenting deficiencies, identifying root cause(s),

and implementing corrective action. The Contractor is responsible for monitoring its operations to ensure compliance with MDH specified performance requirements.

Compliance Auditing shall be performed by the MDH throughout the term of the Contract to ensure the Contractor is adhering to all federal and State laws and regulations as described in this RFP. The Contractor shall also provide Compliance Auditing to ensure that applications, appeals and premium subsidies are processed as defined by the requirements of this RFP.

The Contractor shall design, implement, and operate a system that will manage all aspects of Quality Management and Compliance Auditing. Compliance audits shall be performed on a retrospective basis and apply to all applications and appeals received and subsidy payments processed to monitor for eligibility appropriateness and accuracy.

2.2.5.6 Call Center Management

The Contractor shall provide call center support for SPDAP members and business partners during Normal State Business Hours as defined in the requirements of this RFP. The Contractor shall support members and business partners with such topics as application status, appeals status, Medicare Part D premium subsidy payment status, and benefit structure of SPDAP subsidy. The MDH's current contractor responds to member and business partner inquiries concerning application status, appeals status, Medicare Part D premium subsidy payment status, and benefit structure of SPDAP subsidy. (See **APPENDIX 9 - SPDAP CALL CENTER AND WEB SITE STATS CHART**).

2.2.5.7 Web Portal

The Contractor shall develop, implement, manage, operate, and maintain a Web Portal to support the SPDAP as described in the requirements of this RFP. The Web Portal shall serve as a static, web site providing Maryland residents and SPDAP members with information about the SPDAP.

The Web Portal will provide general information about the SPDAP to include, but not limited to: Eligibility Requirements, directions on how to apply to the SPDAP, forms necessary for the SPDAP application process, Medicare Part D PDPs operating in the State of Maryland, SPDAP premium subsidy benefit details, Contractor contact information and Frequently Asked Questions (FAQs).

2.3 Scope of Work - Requirements

2.3.1 SPDAP Membership Database and Subsidy Payment System (MDSPS) Implementation

The Contractor shall:

2.3.1.1 Implement a MDSPS, ancillary systems and technologies, and any other technical and/or operational infrastructure necessary to operate the SPDAP as described in the requirements of this RFP.

2.3.1.2 Implement the MDSPS within four (4) months of receiving the Notice to Proceed (NTP) or as otherwise directed by the Contract Monitor **(SLA 2.9.8.1)**.

2.3.1.3 Work with the Department to plan project activities and milestones, agree upon project timelines, validate project requirements, define quality gates, manage project changes, test requirements, and obtain approval for project deliverables.

2.3.1.4 Have Call Center Managers and/or Representatives that respond to inquiries in place as training is completed so that members can obtain information about the SPDAP. See

Section 2.3.2.7 for Call Center requirements.

2.3.1.5 Develop a Project Management Plan, consistent with the requirements identified in **Section 2.3.1.8** to effectively manage the implementation.

2.3.1.6 Submit a Draft Project Management Plan at the project Kick-Off meeting. The Contractor shall update the Project Management Plan based on MDH feedback and submit the final version for formal approval prior to executing to the Plan. During Implementation, the Contractor shall:

a. Obtain an Office site in accordance with the requirements of the RFP. See **Section 2.3.1.14** for site requirements;

b. Develop and submit for approval a Project Management Plan for the implementation of the MDSPS and the SPDAP that meets all the requirements of this RFP;

c. Hold a Kick-Off Meeting to:

1. Introduce the formal Project Manager and other implementation staff;
2. Demonstrate their understanding of the project and Contract by providing an overview of the major requirements and the Contractor's approach to meeting them;
3. Review the major areas of the Draft Project Management Plan;
4. Communicate the expectations of MDH staff during the implementation;
5. Answer any questions from the MDH staff;
6. Ask questions of the MDH staff to gain clarity on requirements or other aspects of the project; and

d. Manage the execution of the approved Project Management Plan;

e. Obtain all necessary sign-offs and approvals for quality gates and deliverables; and

f. Have all infrastructure and staff ready to enter Operations upon MDH approval to Go-live.

2.3.1.7 Project Management

The Contractor shall:

2.3.1.7.1 Apply Project Management Body of Knowledge (PMBOK), and other recognized standards, regulations, and industry best practices to minimize project risk and maximize project success. Project Management is the application of project management tools, techniques, and methodologies to project activities.

2.3.1.7.2 Apply sound and recognized Project Management practices, methodologies, techniques, and tools during the implementation of the MDSPS and SPDAP and as appropriate during Operations.

2.3.1.7.3 Develop an actionable Project Management Plan to effectively manage the activities associated with implementing the MDSPS (Section 2.3.1.8).

2.3.1.8 MDSPS Implementation Project Management Plan

2.3.1.8.1 The Project Management Plan **(Deliverable 2.4.3.1)** describes how the project will be planned, executed, monitored, controlled, and closed. It includes high-level information about the project, and how aspects such as scope, schedule, and budget are managed.

2.3.1.8.2 The Project Management Plan is developed through a series of integrated processes and is progressively updated through the life of the project.

2.3.1.8.3 The Project Management Plan consists of several detailed subsidiary plans integrated into a single comprehensive body of work. Collectively, this document, and the referenced subsidiary plans are referred to as the Project Management Plan. The following lists the separate detailed subsidiary plans:

2.3.1.8.3.1 Project Master Schedule

a. The Contractor shall develop and submit for approval a Project Master Schedule as part of the overall Project Management Plan.

b. The Project Master Schedule identifies all the tasks needed to complete the project objectives, tasks durations, logical relationships, start/finish estimates, project resources and tasks durations.

2.3.1.8.3.2 Quality Management Plan (QMP)

a. The Contractor shall develop and submit for approval a Quality Management Plan as part of the overall Project Management Plan.

b. The Quality Management Plan identifies the quality requirements and/or standards applicable to the project and its deliverables, and how those quality requirements will be met.

c. The Quality Management Plan describes how the organization's quality policies, as described in the requirements of this RFP, will be incorporated into project activities, and monitored for compliance throughout the implementation of the MDSPS.

d. The Quality Management Plan describes how the Contractor will conform with the Health Insurance Portability and Accountability Act of 1996 (HIPAA) standards and protocols.

e. The Quality Management Plan describes how the Contractor will create, monitor, and measure system performance standards.

2.3.1.8.3.3 Deliverables Management Plan (DMP)

a. The Contractor shall develop and submit for approval a Deliverables Management Plan as part of the overall Project Management Plan.

b. The Deliverables Management Plan defines how the Contractor works with MDH to obtain a mutual understanding on the expectations for a particular deliverable.

c. The Deliverables Management Plan shall adhere to the requirements in **Section 2.4**.

d. The Deliverables Management Plan describes the Deliverables Expectation process.

1. The Deliverables Expectation process shall include the submission of a Deliverables Expectation Document (DED) for each deliverable.

2. The DED shall describe the format, intent, structure and content of all project deliverables prior to their development or submission.

2.3.1.8.3.4 Privacy and Security Management Plan

a. The Contractor shall develop and submit for approval a Privacy and Security Management Plan as part of the overall Project Management Plan.

b. The Privacy and Security Management Plan defines how privacy and security implications, considerations, and requirements will be identified and complied with throughout the life of the project.

c. The Privacy and Security Management Plan shall identify any pertinent Privacy and Security standards, regulations or laws applicable to the project.

d. The Privacy and Security Management Plan shall describe the activities, processes, and tools used to measure and ensure compliance.

2.3.1.8.4 Migration of SPDAP Data from Current Administrator

2.3.1.8.4.1 The Vendor who is awarded the SPDAP contract must have the ability to accept the historical data of the SPDAP listed below in the format listed:

a. Coordination of Benefits Input Files sent to CMS – Text Format,

b. Coordination of Benefits Response Files sent to CMS – Text Format,

c. Monthly Bank Reconciliation – MicroSoft (MS) Excel file format,

d. Monthly SPDAP Premium Subsidy Payment files – MS Excel file format,

e. Members Scanned Applications – PDF Format,

f. Call Center Call Notes – MS Excel file format,

g. Correspondence between SPDAP and Members/Applicants – PDF Format,

h. Administrator Letter Templates to Members/Applicants – MS Word Format.

2.3.1.9 User Acceptance Testing (UAT)

2.3.1.9.1 The Contractor shall support the Department on all aspects of UAT to include training, test cases, and data conversion.

2.3.1.9.2 The SPDAP User Manual shall be tested against the system to ensure accuracy and completeness during UAT.

2.3.1.9.3 The Contractor shall provide a UAT test environment(s) that mirror production and utilize converted data.

2.3.1.9.4 The successful completion of UAT is a pre-requisite to system Go-live.

2.3.1.9.5 The Contractor shall provide the results of SPDAP UAT **(Deliverable 2.4.3.3)** one (1) week after its successful completion along with a cover letter documenting that the milestone has been completed and that Operational Readiness Testing may begin.

2.3.1.10 Operational Readiness Testing (ORT)

2.3.1.10.1 The Contractor shall conduct Operational Readiness Testing to ensure operational procedures are aligned with system functionality and the requirements of this

RFP.

2.3.1.10.2 The Contractor shall test the User Manual to ensure accuracy and completeness during ORT.

2.3.1.10.3 MDH shall participate in ORT as determined by the Department.

2.3.1.11 Implementation Status Reporting **(Deliverable 2.4.3.2)**

2.3.1.11.1 The Contractor shall prepare written status reports at a frequency approved by MDH.

2.3.1.11.2 The Contractor shall attend, support, coordinate, manage, and facilitate status meetings on a schedule approved by MDH.

2.3.1.11.3 The Contractor shall hold weekly status meetings, whose costs are covered under the Transition Period (Startup) fees, unless otherwise approved by the Contract Monitor.

2.3.1.11.4 Status Reports shall include, at a minimum:

a. Activities completed in the preceding reporting period;

b. Activities planned for the next reporting period;

c. Issues that need to be resolved and resolution status; and

d. The status of each task in the Project Master Schedule that is in progress, slipping or late.

2.3.1.12 SPDAP User Manual **(Deliverable 2.4.3.4)**

2.3.1.12.1 The Contractor shall develop and submit to the Contract Monitor for approval an SPDAP User Manual that details the daily activities performed and the policies, regulations, laws, and contractual requirements that govern those activities.

2.3.1.12.2 The Contractor shall test the SPDAP User Manual during User Acceptance Testing.

2.3.1.12.3 The Contractor shall submit a draft SPDAP User Manual to be tested during UAT and ORT.

2.3.1.12.4 The Contractor shall update the SPDAP User Manual as a result of UAT and ORT so that it accurately reflects the system during Go-live.

2.3.1.12.5 The Contractor shall provide one (1) electronic and one (1) paper copy of the SPDAP User Manual which contains detailed information necessary to use the MDSPS to Departmental staff.

2.3.1.12.6 The SPDAP User Manual shall be maintained and updated as system updates and policy changes are implemented.

2.3.1.12.7 The SPDAP User Manual shall provide detailed instruction and guidance in the administration of the program areas referenced in **Section 2.1.3**.

2.3.1.13 Implementation Training Requirements

2.3.1.13.1 The Contractor shall support all training activities during the implementation of the MDSPS.

2.3.1.13.2 The Contractor shall be responsible for developing and delivering comprehensive training and related documentation and materials.

2.3.1.13.3 The Contractor shall ensure that all Operations Personnel **(Section 2.3.3)** have been sufficiently trained on the MDSPS prior to commencement of UAT activities.

2.3.1.13.4 The Contractor shall complete all activities listed in **Section 2.3.1.13** to receive payment for the updated SPDAP User Manual as a result of testing as described in **Sections 2.3.1.9** and **2.3.1.10**.

2.3.1.13.5 The Contractor shall provide the following in support of training:

a. Training staff;

b. Training materials; and

c. Hardware/software.

2.3.1.13.6 The Contractor shall provide the following to SPDAP:

a. training for Departmental staff on the use of the MDSPS, its application, and ad-hoc reporting capabilities; and
b. training manuals and updated documentation for each person being trained.

2.3.1.14 Site Requirements

2.3.1.14.1 The Contractor shall obtain a primary project site and supporting environment to support the implementation and operations of the MDSPS. All activities, including the Call Center, shall be performed at the primary project site.

2.3.1.14.2 The Contractor may leverage any facilities already owned.

2.3.1.14.3 The Contractor shall store physical documents at their facility for thirty (30) days. After thirty (30) days and scanning into the MDSPS document management system, physical documents may be destroyed. Electronic records shall be maintained until otherwise directed by the Department.

2.3.1.14.4 The Contractor shall provide access to the facility during Normal State Business Hours to Department employees designated by SPDAP, upon twenty-four (24) hours-notice.

2.3.1.14.5 The MDH and the Contractor shall establish appropriate protocols to ensure that physical property/facility security and data confidentiality safeguards are maintained.

2.3.1.14.6 No MDH computer resources shall be available to the Contractor.

2.3.1.14.7 Backup, Disaster Recovery (DR) and contingency activities shall be performed at sites specified by the Contractor, subject to MDH approval.

2.3.2 SPDAP Program Operations & Maintenance

2.3.2.1 Operations Management and Systems Maintenance

2.3.2.1.1 Operations Management and Systems Maintenance involves the planning, organizing, managing, and constantly improving the daily activities required for the Contractor to effectively provide services in compliance with the requirements of this RFP and change orders or Contract modifications for the term of the Contract.

2.3.2.1.2 The Contractor shall load all historical member data/images from member's applications, correspondence, premium subsidy payment files, and COB Input/ COB Response files into the MDSPS for use in determining applicant's eligibility

for SPDAP, member's eligibility for premium subsidy payment, and generation of premium subsidy payments.

a. New data generated through the life of the Contract shall be appended to the historical member data/images from member's applications, correspondence, premium subsidy payment files, and COB Input/ COB Response files received from previous vendor.

b. No data shall be purged or archived from the MDSPS for the life of the Contract.

2.3.2.1.3 The Contractor shall operate and maintain the SPDAP and the MDSPS in a manner that complies with all federal, State, and Departmental policies, rules, laws, and regulations, including HIPAA.

2.3.2.1.4 The Contractor shall provide web based access to the MDSPS and all ancillary systems so they may be securely accessed by SPDAP.

2.3.2.1.5 The Contractor shall appoint an Account Manager to serve as the primary point of contact for all SPDAP and MDSPS matters as described in **Section 2.3.3.4.1.**

2.3.2.1.6 The Contractor shall operate and maintain the SPDAP and MDSPS to support the requirements of the program areas outlined in **Section 2.1.3**.

2.3.2.1.7 The Contractor shall develop and submit for approval an SPDAP Operations Manual in compliance with the requirements in **Section 2.3.2.3.**

2.3.2.1.8 The Contractor shall provide Staff adequate to operate and maintain the SPDAP and the MDSPS per **Section 2.3.3.**

2.3.2.1.9 The Contractor shall provide Training in support of the SPDAP as described in the requirements of this RFP and **Section 2.3.2.5.**

2.3.2.2 Systems Maintenance and Support

2.3.2.2.1 All Systems Maintenance and Support activities shall be considered within the scope of the Contract. The Contractor shall not be eligible for any additional payment associated with Systems Maintenance and Support activities. Maintenance activities also include disaster recovery requirements found in Section 3.5.

2.3.2.2.2 The Contractor shall provide all technical expertise, staff, equipment, and overall technical infrastructure needed to effectively operate and maintain the MDSPS and all ancillary systems.

2.3.2.2.3 The Contractor shall provide all technical and human resources and activities needed to operate and maintain the MDSPS and ancillary systems in compliance with the requirements of this RFP.

2.3.2.2.4 Systems Maintenance includes not only the MDSPS but all ancillary systems, such as the Web Portal, needed to meet the requirements of this RFP.

2.3.2.2.5 Systems Maintenance and Support shall include monitoring and managing network security such as intrusion detection.

2.3.2.2.6 Systems Maintenance shall include the development and maintenance of all systems documentation including the SPDAP User's Manual and training materials as required.

2.3.2.2.7 Systems Maintenance shall include the management and maintenance of business

rules including the implementation/modification of system edits, development/modification of reports, and management of Web Portal content.

2.3.2.2.8 Systems Maintenance shall include the development, implementation, management, and maintenance of all system interfaces, data exchanges, and communications in a secure manner.

2.3.2.2.9 System Maintenance shall include all software updates, fixes, patches, and fine-tuning required for continuous operation of the MDSPS and any ancillary systems.

2.3.2.2.10 System Maintenance shall include the routine repair and replacement of hardware.

2.3.2.2.11 The Contractor shall produce and submit performance indicator reports.

2.3.2.2.12 The Contractor shall ensure that both hardware and software are upgradeable and expandable with regular maintenance for optimum performance.

2.3.2.2.13 The Contractor shall apply, test, and implement software and hardware upgrades in a controlled manner to prevent disruption to users per SPDAP guidelines.

2.3.2.2.14 The MDSPS and ancillary systems shall be online and accessible during Normal State Business Hours.

2.3.2.2.15 The Contractor shall correct all system errors, deficiencies, and discrepancies as part of routine Support and Maintenance.

2.3.2.2.16 If the proposed MDSPS is on a shared platform leveraged by multiple clients, for any changes to be made to the base system, test results shall be shared with MDH prior to implementation.

2.3.2.2.17 The Contractor shall provide a data dictionary to the Contract Monitor fully explaining MDSPS data elements.

2.3.2.2.18 The Contractor shall maintain a customized database which meets MDH's specifications.

2.3.2.2.19 New member demographic and subsidy payment information shall be added to the database as they are received and generated and an audit trail shall be maintained, especially for subsidy payment information.

2.3.2.2.20 The Contractor shall implement revisions to other program specifications as requested by the Contract Monitor as necessary to comply with State or federal law or regulations by a due date specified by Contract Monitor.

2.3.2.2.21 The Contractor shall make a formal request to the Contract Monitor and receive approval from the Contract Monitor for any scheduled maintenance periods.

2.3.2.3 SPDAP Operations Manual **(Deliverable 2.4.3.5)**

2.3.2.3.1 The SPDAP Operations Manual outlines how the Contractor will staff, manage, administer, maintain, and operate the SPDAP Program, the MDSPS, and all other ancillary systems.

2.3.2.3.2 The SPDAP Operations Manual shall provide operational policies and procedures, including narrative text, process diagrams, systems diagrams, work flow diagrams, and templates, mapped to any applicable laws, regulations, or requirements met by the process.

2.3.2.3.3 The SPDAP Operations Manual shall detail the methodologies, strategies, tools, and techniques that will be used to oversee the day to day operations of the

SPDAP.

2.3.2.3.4 The SPDAP Operations Manual shall include:

a. Standard Operating Policies and Procedures (SOPP)

1. The SOPP shall describe and illustrate the operational activities needed to manage the MDSPS.
2. The SOPP shall describe how the Contractor will monitor and fine-tune system performance as part of routine Systems Maintenance.
3. The SOPP shall describe the procedures and protocols associated with unscheduled downtime including how SPDAP is notified (within fifteen (15) minutes) of the occurrence.

b. Privacy and Security Management Methodology and Strategy

1. Describes how the Contractor shall identify, track, and manage the applicable Privacy and Security standards and requirements as defined by this RFP.
2. The Contractor shall consistently test and monitor system performance to identify threats to system performance and security.

2.3.2.3.5 The SPDAP User Manual shall contain SOPPs that detail how the Contractor will support, oversee, execute, control, operate, maintain, monitor, modify, enhance, and otherwise manage the various aspects of the SPDAP including those noted in **Section 2.2.4**.

2.3.2.4 Reporting

2.3.2.4.1 The Contractor will be responsible for providing, supporting, and otherwise managing, the reporting capabilities, reports, and training necessary for supporting the SPDAP.

2.3.2.4.2 All reports and reporting tools must be accessible to MDH staff.

2.3.2.4.3 Reporting functionality must be flexible and include membership demographic data, premium subsidy payment data, application processing data, Call Center data, and Web Portal data.

2.3.2.4.4 The Contractor shall produce reports in the format determined by the Contract Monitor.

2.3.2.4.5 The Contractor shall provide the following types of reporting capability to support the SPDAP

a. Standard/Canned Reports

1. Standard/Canned reports are as those reports that have a preapproved format, structure, content, and frequency as determined by MDH.
2. The Contractor shall provide Standard/Canned reports that are produced in a standard format, with standard content, at standard frequencies as defined by the Department.
3. See **APPENDIX 10 – REPORTS LISTING** for a list of required reports and **APPENDIX 11, APPENDIX 12, and APPENDIX 13** for report details.

4. The Contractor shall deliver Standard/Canned reports per the following schedule:

Report Frequency	Delivery Date
Monthly	by the 20th of the following month
Quarterly	by the 20th of the following month after the end of the quarter
Annually	Thirty (30) calendar days after the end of the year, unless otherwise specified by the Contract Monitor

b. Ad Hoc Reports - Ad hoc reports are as those reports that are defined at time of request and may contain any combination of data elements and queries supported by SPDAP.

1. Ad Hoc Reports can be requested on a daily, weekly, bi-weekly, monthly, quarterly, or annual frequency as determined by the MDH.
2. Ad Hoc Reports can be requested for year-to-date, quarter-to-date, and calendar year, federal fiscal year, or state fiscal year periods as determined by MDH.

2.3.2.5 Operational Training Requirements

The Contractor shall:

2.3.2.5.1 Support all training activities during the management and operation of the MDSPS.

2.3.2.5.2 Provide training to MDH staff to meet the requirements of this RFP.

2.3.2.5.3 Produce all training materials to reflect the latest version of the MDSPS or upon request by the Contractor Monitor.

2.3.2.5.4 Provide the Contractor staff with the experience and skillsets necessary to meet the training-related requirements specified in this RFP and provide quality training.

2.3.2.5.5 Leverage the SPDAP User Manual as the primary training tool during Operations.

2.3.2.6 Membership Database and Subsidy Payment System (MDSPS)

The Contractor shall:

2.3.2.6.1 Be responsible for the daily operations and maintenance of the MDSPS (the MDSPS is the main system to be utilized to perform the Scope of Work of this RFP), and all other ancillary systems, to include data management, interface management, document management, and security management.

2.3.2.6.2 Maintain an MDSPS and staff a team of experienced individuals capable of meeting all the requirements of this RFP.

2.3.2.6.3 Provide programmatic support and expertise to SPDAP throughout the term of this Contract.

2.3.2.6.4 The Contractor’s MDSPS shall support all aspects of application and subsidy payment processing including eligibility verification, applicant/member document management, member demographic data storage and management, premium

subsidy payment file generation, premium subsidy payments, and historical storage and management and financial tracking and reporting of SPDAP subsidy payments.

2.3.2.6.4.1 Application Processing

a. The Contractor shall implement, operate, and maintain an Application Processing MDSPS functionality in support of Maryland's MDSPS.

b. The Application Processing System shall be compliant with all laws, regulations, standards, policies, and general requirements identified in this RFP for the term of the Contract.

c. The Contractor's Application Processing System shall provide the functionality to support SPDAP eligibility determination, enrollment of applicant, and application appeal processing and determination.

d. Before the Go-live Date, Contractor must provide a U.S. Post Office box of adequate size (average of 100 pieces of mail per day) for the receipt of SPDAP applications, correspondence, and other materials. Contractor shall include information about this Post Office box on all SPDAP materials and correspondence. Mail received at the Post Office box shall be picked up each Business Day.

e. The Contractor will determine eligibility and process enrollment applications for new SPDAP members. Eligibility determinations by Contractor shall be in accordance with applicable law and any further specifications from the Department or CMS. The Contractor shall require adequate documentation that an applicant meets the eligibility requirements prior to enrollment. Currently, an applicant is eligible if he or she:

1. Can provide documentation that he or she has been a Maryland resident for no less than six (6) months, including a current Maryland driver's license, other State ID card, recent federal or State income tax filing or record, voter ID card, utility bills, or deeds or leases of real property which depict a Maryland address as principal residence, and an affirmative declaration by the applicant that he or she resides in Maryland as his or her principal place of abode;

2. Is a Medicare beneficiary;

3. Has been rejected for a full federal low-income subsidy (LIS), as defined in 42 C.F.R. 423.772, within the past twelve (12) months or provides documentation on his or her application that enables the Contractor to submit an LIS application on the behalf of the applicant after he or she has been approved for SPADP;

4. Attests that he or she is not enrolled in a health benefit plan, other than a PDP that provides prescription drug benefits; and

5. Provides recent documentation that his or her household income is at or below 300 percent of federal poverty guidelines.

f. The Contractor shall review applications in the order in which they are received to determine whether the eligibility requirements specified by law have been met (or as otherwise directed to review applications by the

Department) and shall determine if the applicant is eligible for membership in the SPDAP.

g. Contractor shall have three (3) Business Days from its receipt of an application to determine the applicant's eligibility status (approved, denied or pended) (**SLA 2.9.8.2**). If the application is incomplete for any reason other than missing the federal "LIS" determination, Contractor shall hold application in suspense or pending mode and request additional information from the applicant. All attempts to make an application complete shall be documented in each applicant's file.

h. Applications which are incomplete only because of a missing LIS determination and are within the asset requirement of the federal LIS program as defined in 42 C.F.R. 423.772, shall be approved pending a final LIS determination. All such applications are then submitted by Contractor to the LIS program via available federal electronic application exchange software.

i. Applicants who meet the full federal LIS or who are eligible for both Medicare Part D and Medicaid are not eligible for a subsidy from the SPDAP and their application must be denied or their enrollment terminated as required in **Section 2.3.2.6.4.2.f** below. Contractor will be responsible for facilitating recovery of subsidies paid to PDPs or Medicare Advantage Prescription Drug plans (MA-PD) for such applicants by offsetting against future payments.

j. Applicants who meet all the SPDAP eligibility criteria other than enrollment in Medicare Part D will be identified by Contractor as "eligible" for membership in the SPDAP. Such individuals must be notified of their acceptance into the SPDAP and that they must enroll in an approved Medicare Part D Plan within twelve (12) months in order to finalize their membership in the SPDAP. Contractor will provide such applicants an approval letter. The approval letter will include the member's SPDAP ID number so that the PDP can coordinate payment of the SPDAP subsidies with Contractor once the SPDAP member enrolls in a PDP. The approval letter will be honored for one-year from the date on which the letter is issued. If the applicant does not enroll in a PDP within one year after the issuance of the approval letter, the applicant must reapply for membership in the SPDAP.

k. If Contractor determines that an applicant is eligible to participate in the SPDAP, the SPDAP membership is approved and the Contractor shall send an approval letter to the applicant.

l. If Contractor determines that an applicant is not eligible to participate in the SPDAP, SPDAP membership is denied and Contractor shall send a denial letter to the applicant. The denial letter must include an explanation of the reason for denial and set forth the applicant's appeal rights. The format of the denial letter must be approved by the Contract Monitor.

m. Eligibility appeals shall be conducted as follows:

1. Ineligible applicants will have thirty (30) calendar days from the date of the denial letter to submit a written appeal to Contractor. The

Contractor will consider the applicant's appeal within fourteen (14) Business Days, and notify the applicant in writing within three (3) Business Days of rendering a decision on the appeal **(SLA 2.9.8.3)**. If the denial of the application is upheld, the applicant has thirty (30) days in which to submit a second-level appeal to the Department.

2. The Department will consider the applicant's appeal within thirty (30) days, and notify applicant in writing within seven (7) days of rendering a decision on the appeal.

n. SPDAP Applicant Waiting List – In accordance with Annotated Code of Maryland, Health -General Article, §15–1003 (d) - "The Department shall maintain a waiting list of individuals who meet the eligibility requirements for the Program but who are not served by the Program due to funding limitations." When directed by the Department and conveyed by the Contract Monitor to the Contractor, due to funding limitations, Contractor shall cease processing SPDAP applications and create and maintain an SPDAP Applicant Waiting List consisting of applicant's name, address, and date application was received by Contractor. Applicants shall remain on the SPDAP Applicant Waiting List until either:

1. Additional funding is available to the SPDAP and the Department directs the Contractor to process applications for applicants on the SPDAP Applicant Waiting List; or

2. Attrition from current enrollment warrants additional processing of applications of applicants on the SPDAP Applicant Waiting List.

Once directed by the Department to process applications from the SPDAP Applicant Waiting List, applications shall be processed in the order they were received by the Contractor (See **APPENDIX 14 – SPDAP APPLICATION WAITLIST PROCESSING FLOWCHART**).

o. Annual Eligibility Re-certification - No later than June of each year, or within thirty (30) days of the receipt of the materials and guidelines approved by the Contract Monitor, Contractor shall conduct an annual re-certification of SPDAP members unless otherwise notified by MDH. Members must meet the existing eligibility requirements to remain enrolled in the SPDAP.

1. Only those SPDAP members enrolled in the SPDAP as of March 1st of the enrollment year will be required to complete the re-certification questionnaire process.

2. Premium subsidies will be suspended by the Contractor for SPDAP members who are found to no longer qualify for the SPDAP through the recertification questionnaire process.

3. SPDAP members who are determined by Contractor to no longer be eligible to participate in the SPDAP will receive a notice of termination from the Contractor. Notice provided by the 15th of the month will be effective the end of the following month. Notice provided after the 15th of the month will be effective the end of the

next subsequent month.

p. Application Fulfillment Packets

Upon receiving notification via written request, web inquiry, and phone call from applicants, insurance brokers, State Health Insurance Program (SHIP) Counselors, et cetera.

1. Contractor shall mail the requested number of SPDAP Application Fulfillment Packets to interested persons within two (2) Business Days of receipt of a request (**SLA 2.9.8.4**).
2. Application Fulfillment Packets shall be comprised of the SPDAP application and any marketing material which SPDAP provides to be distributed to prospective applicants.
3. Contractor shall produce sufficient copies of the application forms and any marketing materials to meet any prevailing volume of public inquiries (See **APPENDIX 15 - SPDAP APPLICATION AND APPLICATION FULFILLMENT PACKETS PROCESSED CHART**).
4. Application Fulfillment Packets requests will be monitored and reported monthly by Contractor to the Department.

2.3.2.6.4.2 Membership Database and Document Management

a. The Contractor shall build a unique SPDAP region within Contractor's hardware and software platforms and develop a system capable of receiving complete membership demographic data and historical payment data files of existing SPDAP members, in such format as the Department may require or coordinate with the previous vendor. Complete membership demographic data and historical payment data files of existing SPDAP members shall be transferred to the Contractor's system. Demographic data to be stored includes, but is not limited to those items noted in **APPENDIX 16 – DEMOGRAPHIC DATA LIST**.

b. The Contractor's system shall have the functionality to create active and historical enrollment spans for member's effective and end dates in the SPDAP, member's PDP, member's LIS status and percentage and Dual Eligible status. The system shall generate premium subsidy payments based upon member's enrollment spans; and include a management information reporting system that contains current and historical membership, enrollment, premium payment, and administrative services data to be delivered to the SPDAP on a schedule to be determined by the Department.

c. Document Management - The Contractor shall scan or generate in digital form all member correspondence including, but not limited to:

1. Member's application and accompanying eligibility documentation,
2. Member's appeals,
3. Correspondence from members,
4. Correspondence from PDPs,
5. Correspondence from Contractor to member, and

6. Annual Re-Certification replies.

d. Contractor shall process a monthly Coordination of Benefits (COB) Input File listing all active SPDAP members and SPDAP members terminated within the last twenty-four (24) months from the MDSPS and submit it to CMS in the required format. This file shall be transmitted to CMS on or before the 1st Business Day after the 5th of the month (**SLA 2.9.8.5**). This file is used to confirm enrollment and termination in the SPDAP and is required for the subsequent reception of the COB Response File. Instructions for COB Input File layout and submission are in the SPAP DSA User Guide located on the CMS website: https://www.cms.gov/Medicare/Coordination-of-Benefits-and-Recovery/Prescription-Drug-Assistance-Programs/Coordinating-Prescription-Drug-Benefits/Coordinating-Prescription-Drug-Benefits-Page.html Contractor shall download the monthly COB Response File received from CMS into the MDSPS system. This file is used to update member PDP enrollment spans, LIS status and percentage spans, Dual Eligible spans, and Date of Death. The data is used to confirm eligibility for State premium subsidy payments for eligible members. Instructions for submission of COB Response File layout are in the SPAP DSA User Guide located on the CMS website: https://www.cms.gov/Medicare/Coordination-of-Benefits-and-Recovery/Prescription-Drug-Assistance-Programs/Coordinating-Prescription-Drug-Benefits/Coordinating-Prescription-Drug-Benefits-Page.html

e. Contractor shall use the membership database to determine the continued eligibility of enrolled members. Individual membership in SPDAP shall terminate upon occurrence of any of the following:

1. Fraud, when discovered;
2. An intentional misrepresentation of material fact in the application or the re-certification questionnaire;
3. A member ceases to be a resident of the State of Maryland or enrolls in a Medicare Part D plan that is not approved by CMS to offer enrollment in Maryland;
4. A member becomes eligible for a health benefit plan that provides prescription drug benefits, other than as an individually enrolled member of a Medicare Part D plan;
5. A member becomes eligible for Medicaid (Dual Eligible);
6. A member becomes eligible for the full (100%) federal LIS;
7. A member is not enrolled in an active/eligible Medicare Part D plan for 12 consecutive months;
8. A member no longer satisfies income requirements; or
9. A member's death.

f. If an SPDAP member's coverage is terminated for one of the reasons described in **Section 2.3.2.6.4.2 (e) (3), (5), or (6)**, member's participation will end the day prior to the effective date of the member's

federal LIS eligibility, member's Medicaid eligibility or confirmation of member's Non-Resident status, or out of state plan enrollment, as reported on the COB Response file from CMS or information received by member's PDP. If the effective date of the federal LIS eligibility, Medicaid eligibility, or out of state plan enrollment as reported on the COB Response file from CMS, or from information received by member's PDP, is prior to the member's SPDAP effective date, member's coverage will be terminated as of the member's SPDAP effective date. If due to **Section 2.3.2.6.4.2 (e) (1), (2), (4) or (8),** member's participation will end the first of the next month following notice from the Contractor or information received by the SPDAP through the recertification questionnaire. If an SPDAP member's coverage is terminated due to **Section 2.3.2.6.4.2 (e) (7)**, the member's participation will end twelve (12) months from the last day the member was enrolled in an active/eligible Medicare Part D plan or the day prior to 12 months from the member's effective date with the SPDAP. If an SPDAP member's coverage is terminated due to **Section 2.3.2.6.4.2 (e) (9)**, the member's participation will end the last day of the month in which the member passed away.

g. Contractor will be responsible for facilitating recovery of subsidies paid to PDPs or MA-PDs, for applicants who are retroactively terminated due to LIS eligibility, Dual Eligibility or out of state plan enrollment reported on the COB Response File from CMS or information received from the PDP, by offsetting against future payments.

h. All terminations will be communicated to CMS via the COB input file described in **Section 2.3.2.6.4.2 (d)** unless otherwise directed.

i. Once termination takes effect, Contractor shall mail the terminated member a notice of termination which includes notice of appeals and grievance procedures.

2.3.2.6.4.3 SPDAP Medicare Part D Premium Subsidy

a. Contractor will process and pay premium subsidies to PDPs on behalf of SPDAP members. Payments will generally be subject to the terms of the agreements made between SPDAP and the PDPs operating within the State of Maryland.

b. Premium subsidy payments to the PDPs each month shall be made for all Active Members in accordance with the current month's COB Response File data and the terms of this Agreement.

c. Payments to the PDPs shall be made from a SPDAP operating subsidy account to be established by Contractor and funded by the Department.

   1. Contractor shall submit Premium Subsidy Funding Request Invoice to MDH, through Contract Monitor, for the funding of the SPDAP premium subsidy payments to PDPs on behalf of SPDAP members approximately six (6) weeks prior to the transfer of the SPDAP premium subsidy payments to the PDPs.

d. Payments to PDPs shall only be made upon verification of the plan information and LIS subsidy amounts listed on the current month's COB

Response File, unless otherwise directed by the Contract Monitor.

1. Prior to issuing payment, the Contractor shall also provide the Contract Monitor with the Monthly Subsidy Pre-Capitation Payment Report. See **APPENDIX 11 – MONTHLY SUBSIDY PRE-CAPITATION AND FINAL PAYMENT REPORTS**.
2. The Contract shall submit the Monthly Subsidy Pre-Capitation to the Contract Monitor within five (5) Business Days after receipt of the COB Response file from CMS (**SLA 2.9.8.6**).
3. The Contractor shall pay monthly PDP premium subsidies within five (5) Business Days after receipt of COB Response file from CMS and after approval for payment from the Department of the received Pre-Capitation file and the receipt of funds from the SPDAP (**SLA 2.9.8.7**).

e. Contractor shall provide remittance information to accompany the monthly PDP premium subsidy payments. The information shall detail members (MBI or HICN) amounts, Medicare Part D Contract ID and PBP, and months for which SPDAP premium subsidy payments are being made or retracted.

f. Contractor shall submit to the Contract Monitor, a Premium Subsidy Final Payment Report on a monthly basis, or as otherwise directed by the Contract Monitor. (See **APPENDIX 11 - MONTHLY SUBSIDY PRE-CAPITATION AND FINAL PAYMENT REPORTS**).

2.3.2.6.4.4 Financial Tracking and Reporting

a. The financial accounting system and/or methods employed by the Contractor shall establish and leave a clear audit trail of all financial transactions and records executed and maintained by Contractor on behalf of the SPDAP.

b. Contractor shall maintain all financial records consistent with sound business practices and based upon GAAP, and shall clearly identify all business revenue and disbursements by type of transaction.

c. Contractor shall maintain in place a state of the art data recovery system. The following sub-requirements are to be completed in addition to the requirements found in **Section 3.5**.

1. The Contractor shall implement and maintain appropriate redundancies and safeguards to facilitate the revival of the system within twenty-four (24) hours of a disaster.
2. The Contractor shall submit a Continuity of Operations Plan (CoOP) as part of its overall Disaster Recovery Plan.
3. The CoOP shall describe how the Contractor's human resources department will continue to manage and operate the program during a disaster.
4. The CoOP addresses topics such as alternative locations, remote access, and Call center support.

d. Contractor will maintain a general ledger (GL) and supporting

accounting records and systems for the premium subsidy payments as defined by the Department. Contractor shall provide to the Contract Monitor the information required to reconcile the GL and prepare accrual based financial statements for SPDAP in accordance with statutory requirements and/or GAAP, as prescribed by the Department. This will include, but is not limited to:

1. A report of monthly bank reconciliation activity sent to MDH no later than fifteen (15) Business Days after the close of the activity month,
2. Copies of bank statements, check summaries, and cleared checks,
3. A monthly summary report of funds received, premium subsidy, and PDP administrative fee checks issued sent to MDH no later than fifteen (15) Business Days after the close of the activity month, and
4. An explanation of any manual adjustments, stop payments or voids.

The Department shall define the appropriate funding and banking procedures and practices to be established between MDH and the Contractor. Such funding and banking activities shall be subject to approval by both parties and shall comply with all applicable statutes and regulations. These funding and banking procedures and practices shall include, but not be limited to, the definition and reconciliation of accounts on a monthly basis.

Financial records for all activities must be maintained in an accurate and timely manner sufficient to properly account for expenses and revenue on behalf of the Department and leave a clear audit trail of all financial transactions and records executed and maintained by Contractor on behalf of SPDAP. Contractor shall maintain all financial records consistent with sound business practices and based upon GAAP.

1. Contractor shall ensure the financial accuracy of SPDAP premium subsidy payments made to PDPs on behalf of SPDAP members. 98% of all subsidies shall be paid accurately to the PDP based on documentation current at the time of payment (**SLA 2.9.8.8**).

2.3.2.6.4.5 The Contractor shall provide Technical Help Desk Support Services for the reporting and resolution of system issues.

2.3.2.7 Call Center

2.3.2.7.1 The Contractor shall implement, operate, staff, manage, and maintain a SPDAP Call Center for SPDAP members and applicants.

2.3.2.7.2 The Call Center shall communicate with the all stakeholders (such as PDPs, applicants, members, CMS, State Health Insurance Program (SHIP) Coordinators) across various methods such as telephone, e-mail, mail, and fax.

2.3.2.7.3 The Call Center shall support members and applicants by:

a. Maintaining qualified, skilled, and thoroughly trained Call Center operators to provide technical and programmatic support;

b. Adequately staffing the Call Center to support call volumes (**APPENDIX 9 - SPDAP CALL CENTER AND WEB SITE STATS CHART**);

c. Providing Call Center support during Normal State Business Hours;

d. Providing a voice mail system with sufficient capacity to handle the call volume during non-Normal State Business Hours;

e. Responding to participant voice mails within one (1) Business Day;

f. Responding to all written inquiries within thirty (30) Business Days of receipt;

g. Providing a language access line to support non-English speaking participants;

h. Providing technical support for the MDSPS Web Portal;

i. Providing TTY/TDD services for the hearing impaired;

j. Providing toll-free telephone and fax numbers; and

k. Developing and maintaining FAQs and update as needed or as directed by Contract Monitor, based on Call Center experience, to support Call Center staff and serve as informational material on the Web Portal.

2.3.2.7.4 The Call Center shall serve as the primary point of contact for SPDAP members and applicants for all inquiries on such matters as:

a. General program information;

b. Application status;

c. Appeals status; and

d. Premium subsidy payment status.

2.3.2.7.5 The Contractor shall report Call Center statistics and performance metrics as determined by MDH as part of routine status reporting (See **Section 2.3.2.4**).

2.3.2.7.6 The Call Center shall answer calls in FIFO (first in first out) sequence with the ability to view/print real-time queue statistics.

2.3.2.7.7 The Contractor shall develop and maintain call scripts approved by the Contract Monitor as part of routine Call Center operations.

2.3.2.7.8 The Contractor shall describe how it shall operate and manage the Call Center including call scripts and Call Center Operator desk guides as part of the overall SPDAP Operations Manual. The Call Center Operator desk guide will:

a. Define the policies and procedures of the SPDAP to be used by Call Center operators to assist applicants and members with the correct completion of the SPDAP application; and

b. Include program specific information to allow correct responses to applicant and member inquiries.

2.3.2.7.9 The Contractor shall meet contractual performance standards for responsiveness and timeliness of all Call Center activities as follows:

a. The Call Center shall answer 95% of incoming calls within fifteen (15) seconds (**SLA 2.9.8.9**).

b. The Call Center abandonment rate for phone calls in the queue may not be greater than 3% (**SLA 2.9.8.10**).

c. The Call Center Busy Out/Blocked Call rate shall be 1% or less **(SLA 2.9.8.11**).

d. The Call Center On Hold Time rate shall be less than two (2) minutes 95% of the time (**SLA 2.9.8.12**).

2.3.2.7.10 The Contractor shall provide to the MDH, on a monthly and annual schedule , all management reports deemed necessary by the MDH pertaining to the Call Center. See **APPENDIX 10 – REPORTS LISTING** for a list of reports.

2.3.2.7.11 The Contractor shall provide MDH access to Call Center staff during On-Site Visits.

2.3.2.7.12 The Contractor shall offer recommendations to MDH in any area in which the Contractor feels improvements can be made.

2.3.2.7.13 The Call Center Management System shall be able to monitor and provide real-time reporting and forecasting software for:

a. Calls received volume;

b. Percentage of calls answered;

c. Average speed of answer;

d. Calls per member;

e. Total Contacts - equals calls received plus unique web visitors;

f. Contacts per member - equals Total Contacts/Total Members; and

g. Identification of historical trends.

2.3.2.7.14 The Contract Monitor shall be notified instantly (fifteen (15) minutes or less) of any technical problems at the Call Center which affect its ability to function as required by this Contract.

2.3.2.7.15 The Contractor shall obtain prior MDH approval of all scheduled down time for the Call Center.

2.3.2.7.16 The Call Center shall operate at its primary location as required in **Section 2.3.1.14.**

2.3.2.8 Web Portal Requirements

2.3.2.8.1 The Contractor shall design, develop, implement, operate, and maintain a SPDAP Web Portal in accordance to the requirements of this RFP.

2.3.2.8.2 The Web Portal shall be compatible with mobile devices such as smart phones and tablets.

2.3.2.8.3 The Web Portal shall serve as a static informational web site for applicants and members, providing information such as program benefits, eligibility criteria, application forms and directions, PDP coverage options available in Maryland, and/or other information as designated by the Department. The Web Portal shall host a FAQ section that will be reviewed and updated by Contractor quarterly or when directed by the Contract Monitor.

2.3.2.8.4 The Web site shall include links to other sites, downloadable documents, and contact information.

2.3.2.8.5 The Web Portal shall be compliant with all applicable federal/State laws and regulations such as the Health Insurance Portability and Accountability Act (HIPPA) and the Health Information Technology for Economic and Clinical

Health Act (HITECH).

2.3.2.8.6 The Web Portal shall be compliant with all applicable usability standards required by the American Disabilities Act (ADA).

2.3.2.8.7 The Web Portal shall be user-friendly and easy to navigate.

2.3.3 Staffing Requirements

2.3.3.1 The Contractor shall address its overall Staffing Management Plan as part of the SPDAP Operations Manual, (**Section 2.3.2.3**).

2.3.3.2 The Contractor shall demonstrate its ability to recruit and retain skilled and highly qualified staff throughout the term of the Contract.

2.3.3.3 The Contractor shall maintain adequate staff including managerial, supervisory, and administrative support to meet the requirements of this RFP.

2.3.3.4 The following paragraphs lists the responsibilities of Personnel:

2.3.3.4.1 Account Manager (Key Personnel)

1. Primary responsibility shall be to ensure the Contractor's compliance with Contract requirements and will be the primary point of contact for all SPDAP and MDSPS matters and all Contractual issues. A back-up employee must be designated for any absences of the Account Manager; and
2. Miscellaneous assigned duties.

2.3.3.4.2 Customer Service/Call Center Manager (Key Personnel)

1. Primary responsibility shall be to ensure the Contractor's compliance with contract requirements related to Customer Service Call Center. See **Section 2.3.2.7** for Customer Service Call Center Requirements;
2. The Call Center Manager shall be responsible for coordinating efforts, including training and customer service; and
3. Miscellaneous assigned duties.

2.3.3.4.3 Customer Service/Call Center Representative(s)

1. Answering calls from applicants and members and other stakeholders and providing information about the SPDAP, SPDAP applications process and status of SPDAP subsidy payments;
2. Data entry into MDSPS;
3. Reviewing applications and verifying eligibility;
4. Processing applications and other correspondence into document management system; and
5. Miscellaneous assigned duties.

2.3.4 Monthly Pricing

2.3.4.1 The SPDAP Administrative Fees are the fees charged by the Contractor for administration of the SPDAP (See **ATTACHMENT B: FINANCIAL PROPOSAL INSTRUCTION & FORM** for worksheet forms for submission with this RFP). The SPDAP Administrative Fees shall be apportioned as follows:

2.3.4.1.1 The Applications Processed Fee includes, but is not limited to:

a. Eligibility checking;

b. Written follow-up;

c. Acceptance/rejection/ notification to applicant of application determination;

d. SSA LIS processing;

e. Management of SPDAP Applicant Waiting List**,** if directed (See **Section 2.3.2.6.4.1 (n)**);

f. Scanning, indexing, and document management of applications and supporting documentation (See **Section 2.3.2.6.4.2 (c)**); and

g. Receipt of appeal of denied application and notification to applicant of appeal decision.

2.3.4.1.2 The Application Fulfillment Packets Processed Fee includes, but is not limited to:

a. Receiving notification via written request, web inquiry, and phone call from applicant, insurance brokers, (SHIP Counselors, etc. to mail SPDAP Application Fulfillment Packets to interested persons;

b. Processing and mailing the requests for the SPDAP Application Fulfillment Packets; and

c. Monitoring and reporting the number of SPDAP Application Fulfillment Packets requests fulfilled monthly to the Department.

The Application Fulfillment Packets Fee will be per Application Fulfillment Packet request processed and mailed, regardless of the number of applications included in the Application Fulfillment Packet requested.

2.3.4.1.3 SPDAP Active Lives Administrative Fee will be based on an Active Lives Per Member\Per Month (PMPM) basis. This pricing component accounts for all the on-going activities of the Membership Database Administration including, but not limited to:

a. Member enrollment and annual recertification,

b. Member PDP updating,

c. Member Dual Eligible updating,

d. Member LIS updating,

e. Member demographic updating,

f. Member termination,

g. Database maintenance,

h. Generation of monthly premium subsidy file and payment of member's premium subsidy to appropriate PDP,

i. Storage and management of member's premium subsidy payments,

j. Banking,

k. Document management,

l. Periodic reporting, and

m. All other routine activities necessary to maintain accurate, complete, up-to-date membership records.

Applicants whose SPDAP application is in a pended status or applicants who are listed on the SPDAP Applicant Waiting List are not subject to this fee until they are approved for enrollment into the SPDAP. PMPM fees will apply to current Active Members enrolled in the SPDAP measured as those current members included on the invoice which corresponds to that month's premium subsidy disbursement plus any retroactive additions not previously accounted for in the prior month's premium subsidy.

2.3.4.2 Pass-through fees or costs – Not included in the SPDAP Administrative Fees listed in Section 2.3.4.1 above are the following items which shall be incurred by Contractor and billed to the Department as a pass-through cost:

a. Postage or, in the case of larger packages, freight;

b. All pre-printed materials and applications, and

c. Envelopes.

The Contractor shall provide the Contract Monitor, in advance, an estimate of the costs associated with any mass mailings requested by the Department. The Contractor shall not proceed with such mailings until approval from the Department.

2.3.4.3 Transition Period Startup Costs – All costs involved to provide the resources necessary to support, facilitate, and manage the successful transfer of responsibilities and administration of the SPDAP from the current contractor to the awardee of the SPDAP RFP.

2.4 Deliverables

2.4.1 Deliverables

Deliverables are the tangible outputs of work performed to meet the requirements of this RFP.

2.4.2 Deliverables Development

The Contractor shall develop and submit for approval to the Contract Monitor, no later than a week prior to the Kick-Off meeting, a Deliverable Expectation Document (DED) for each formal deliverable identified in this RFP. The DED shall identify expected deliverable format, content, intent, due date, acceptance criteria, review time frames, applicable standards, applicable requirements met by the Deliverable. Approval of the DED is a pre-requisite to development of the Deliverable. For deliverables that are submitted routinely, for example Status Reports, the Contractor may assume that the most recently approved DED applies unless otherwise notified. Prepare and submit draft deliverables for the Department's review and approval. Prepare and submit final deliverables for approval. DEDs shall contain:

2.4.2.1 Table of Contents

1. List the table of contents or outline of the deliverable.
2. Discuss the content of each major section.

2.4.2.2 Deliverable Description

1. Describes the deliverable purpose, content, intent, objectives, and scope.
2. Identifies the intended audience.
3. Identifies the due date.
4. Identifies the means of distribution.
5. Describes and identifies the software and software version the deliverable will be created in (i.e. – PDF, Excel).

2.4.2.3 Applicable Standards

1. Identify all applicable standards, laws, regulations, and/or policies (see 2.4.2.3 (2)) that govern or are met by the Deliverable or the DED itself, standards, laws, regulations, and policies are approved and verified by the Department.
2. Examples of applicable standards include but are not limited to:
   a. Project Management Body of Knowledge (PMBOK), 6th Edition, Project Management Institute (PMI),
   b. Project Management Practice Standards, Project Management Institute,
   c. Maryland System Development Life Cycle (SDLC) Methodology, specifically the COTS Single Release methodology, Maryland Department of Information Technology;
   d. Capability Maturity Model Integration for Development (CMMI-DEV) version 1.3, Software Engineering Institute (SEI);
   e. Institute of Electrical and Electronics Engineers (IEEE) standards,
   f. The Seven Conditions and Standards, Centers for Medicare and Medicaid Services (CMS), and
   g. The Affordable Care Act

2.4.2.4 Deliverable Requirements

1. List the specific requirements for the deliverable from the RFP, Scope of Work, and/or Contract.
2. List the specific source of the requirement, including document name and version.

2.4.2.5 Deliverable Format

1. List any required templates, diagrams, tables, or specific content required for the deliverable.
2. Indicate the format of the document.
3. Indicate the anticipated number of chapters and volumes as appropriate.
4. All deliverables shall be delivered in electronic format as determined by the Department:
   a. The Contractor shall provide hard copies of deliverables at the request of the Contract Monitor.

2.4.2.6 Deliverable Acceptance Criteria

1. List the specific acceptance criteria for the deliverable.
2. The criteria should be specific to the deliverable.

2.4.3 Deliverable Descriptions / Acceptance Criteria

In addition to the items identified in the table below, the Contractor may suggest other subtasks, artifacts, or deliverables to improve the quality and success of the assigned tasks.

ID #	Deliverable Description	Acceptance Criteria	Due Date / Frequency

2.4.3.1	Implementation Project Management Plan	See **Section 2.3.1.8**	Draft due at Kick-Off, final prior to requirements validation.
2.4.3.2	Implementation Status Reports	See **Section 2.3.1.11**	Every week starting after Kick-Off.
2.4.3.3	UAT System Test Results	See **Section 2.3.1.9**	1 week after system testing is complete.
2.4.3.4	SPDAP User Manual	See **Section 2.3.1.12**	Draft 3 weeks prior to UAT. Final 1 week prior to UAT.
2.4.3.5	SPDAP Operations Manual	See **Section 2.3.2.3**	Draft 1week prior to system Go-live. Final 1 week after system Go-live.
2.4.3.6	Transition Plan	See **Section 3.2**	Initial – 60 days prior to last base year.
2.4.3.7	Financial Reports	See **Section 2.3.2.6.4.4**	End of 1st month after system Go-live and monthly thereafter.

2.5 Optional Services

2.5.1 Optional Services

2.5.1.1 The Contractor agrees and understands that, with respect to any delivery system or cost sharing option the SPDAP may offer at any time the MDH is invested with the general discretion and authority:

1. To determine covered services and exclusions;
2. To set any co-payment, coinsurance, or deductible level that may apply;
3. To determine the terms, conditions, and requirements applicable to enrollment; and
4. To set and revise program requirements, policies, operations, and procedures, as the MDH from time to time may deem appropriate and in the best interests of the SPDAP.

2.5.1.2 It is further agreed by the Parties that change may from time to time be imposed concerning terms, conditions, benefits, and operational procedures applicable to any aspect of the program, as the case may be.

2.5.2 Change Order

a. MDH may request changes to the work to be done by providing Contractor a written request from MDH's Contract Coordinator to Contractor's Contract Coordinator for change(s) which specifies the nature and scope of any such change(s) and the time frame within which MDH desires the change(s) to be implemented. Contractor's Contract Coordinator shall provide a written response within twenty (20) calendar days indicating the time frame required for implementing the change.
b. The written request for change from MDH and Contractor's written reply thereto shall be deemed a "Change Order." The Contractor will implement the change within the agreed timeframe. An appropriate amendment to this Agreement will be executed if the Change

Order does not by its terms otherwise under the terms of this Agreement constitute a valid amendment to the Agreement.

c. Contractor may also assert that a material change in cost will result from implementing a Change Order, in which case Contractor's written response shall also include a description of the basis for the claimed change in cost, and indicate whether the change in cost should be recovered by Contractor as a one-time fee, an installment-type fee, or a change to the PMPM rate as indicated herein. Any such additional or increased payment(s) shall be an Equitable Adjustment. In all cases, the Parties agree that any Equitable Adjustment is intended to, and shall be calculated to, cover the increased cost that results from a Change Order, and to restore Contractor to its financial position prior to the Change Order, not increase Contractor's profit under this Agreement. Any change in the cost pursuant to this section shall be billed and payable on succeeding invoice(s), as appropriate.

d. No other statement or conduct of the MDH, the SPDAP Director, or any other person, shall be relied upon as a basis for any change or adjustment to the scope of work to be done pursuant to this Agreement, unless by written Amendment executed consistent with requirements in this Agreement.

2.6 Contractor-Supplied Hardware, Software, and Materials

A. By responding to this RFP and accepting a Contract award, the Offeror specifically agrees that for any software, hardware or hosting service that it proposes, the State will have the right to purchase such item(s) from another source, instead of from the selected Offeror.

B. Software as a service (SaaS) applications shall be accessible from various client devices through a thin client interface such as a Web browser (e.g., Web-based email) or a program interface.

C. The State shall be permitted limited user-specific application configuration settings.

D. The Contractor is responsible for the acquisition and operation of all hardware, software and network support related to the services being provided, and shall keep all software current.

E. All Upgrades and regulatory updates shall be provided at no additional cost.

F. The State requires that the Offeror price individual software modules separately.

G. The State also requires that the Offeror provide fully functional, generally available software and multiple-user licenses for purchase as needed throughout the life of the Contract.

H. The Offeror shall install and provide all documentation for the software furnished under the Contract.

I. Hardware and software costs procured as part of the RFP cannot exceed 49 percent of the total Contract value.

J. Material costs shall be passed through with no mark-up by the Contractor.

K. The Contractor shall prepare software releases and stage at the Department for validation in the system test environment. The Department will provide authorization to proceed. The Department will have the ability to manage the distribution of these releases to the appropriate sites. To support this requirement, the Contractor shall propose, provide and fully describe their solution for updating all sites with any new software releases.

2.7 Required Project Policies, Guidelines and Methodologies

The Contractor shall be required to comply with all applicable laws, regulations, policies, standards and guidelines affecting Information Technology projects, which may be created or changed periodically. Offeror is required to review all applicable links provided below and state compliance in its response.

It is the responsibility of the Contractor to ensure adherence and to remain abreast of new or revised laws, regulations, policies, standards and guidelines affecting project execution. These include, but are not limited to:

A. The State of Maryland System Development Life Cycle (SDLC) methodology at: http://doit.maryland.gov/SDLC/Pages/agile-sdlc.aspx ;;

B. The State of Maryland Information Technology Security Policy and Standards at: http://www.DoIT.maryland.gov- keyword: Security Policy;

C. The State of Maryland Information Technology Non-Visual Standards at: http://doit.maryland.gov/policies/Pages/ContractPolicies.aspx;

D. The State of Maryland Information Technology Project Oversight at: http://doit.maryland.gov/epmo/Pages/ProjectOversight.aspx;

E. The Contractor shall follow project management methodologies consistent with the most recent edition of the Project Management Institute's Project Management Body of Knowledge Guide

2.8 Product Requirements

A. Offerors may propose open source software; however, the Offeror must provide operational support for the proposed software as part of its Proposal.

B. Offeror shall be authorized to furnish the proposed goods and services. Offerors proposing to resell services of another entity must be authorized by such other entity with Letter(s) of Authorization (LOA) to be provided in accordance with Section 5.3.2 (P) (4).

C. No international processing for State Data: As described in **Section 3.7 Security Requirements**, Offerors are advised that any processing or storage of data outside of the continental U.S. is prohibited.

D. Offeror consistent expiration dates: A PO for a service already being delivered to the Department under the Contract shall terminate on the same calendar day as the prior product/service. As appropriate, charges shall be pro-rated.

E. Any Contract award is contingent on the State's agreement, during the Proposal evaluation process, to any applicable terms of use and any other agreement submitted under **Section 5.3.2.** Such agreed upon terms of use shall apply consistently across services ordered under the Contract.

F. The Contractor shall not establish any auto-renewal of services beyond the period identified in Contract documents.

G. In addition to any notices of renewal sent to the Department, Contractors shall email notices of renewal to the e-mail address designated by the Contract Monitor.

2.8.1 Maintenance and Support

Maintenance and support, and Contractor's ongoing maintenance and support obligations, are defined as follows:

A. Software maintenance includes all future software updates and system enhancements applicable to system modules licensed without further charge to all licensed users maintaining a renewable software support contract.

B. Support shall be provided for superseded releases and back releases still in use by the State.

C. For the first year and all subsequent Contract years, the following services shall be provided for the current version and one previous version of any Software provided with the Deliverables commencing upon Go-Live date:

1) Error Correction. Upon notice by State of a problem with the Software (which problem can be verified), reasonable efforts to correct or provide a working solution for the problem.

2) Material Defects. Contractor shall notify the State of any material errors or defects in the Deliverables known, or made known to Contractor from any source during the life of the Contract that could cause the production of inaccurate or otherwise materially incorrect results. The Contractor shall initiate actions as may be commercially necessary or proper to effect corrections of any such errors or defects.

3) Updates. Contractor will provide to the State at no additional charge all new releases and bug fixes (collectively referred to as "Updates") for any software Deliverable developed or published by the Contractor and made available to its other customers.

2.8.1.1 Backup

The Contractor shall:

1. Perform backups of the web, application, and database servers on a regular basis. This shall include daily incremental backups and full weekly backups of all volumes of servers;
2. Retain daily backups for one (1) month and weekly backups shall be retained for two (2) years; and
3. Store daily backups off-site.

2.9 Service Level Agreement (SLA)

2.9.1 Definitions

A. A "Problem" is defined as any situation or issue reported via a help desk ticket that is related to the system operation that is not an enhancement request.

B. "Problem resolution time" is defined as the period of time from when the help desk ticket is opened to when it is resolved.

C. Monthly Charges: for purposes of SLA credit calculation, Monthly Charges are defined as the charges set forth in **Attachment B, Financial Proposal Form,** invoiced during the month of the breach for the monthly fixed services, or, in the event of annual billing, 1/12 of the annual invoice amount **Financial Proposal Form.**

2.9.2 SLA Requirements

The Contractor shall:

A. Be responsible for complying with all performance measurements, and shall also ensure compliance by all subcontractors.

B. Meet the Problem response time and resolution requirements as defined in Section 2.9.7.

C. Provide to the Contract Monitor a monthly report to monitor and detail response times and resolution times.

D. Respond to and update all Problems, including recording when a Problem is resolved and its resolution. Appropriate Department personnel shall be notified when a Problem is resolved.

E. The Department shall make the final determination regarding Problem severity.

F. Contractor shall review any Problem with Department to establish the remediation plan and relevant target dates.

2.9.3 Service Level Agreement Service Credits

Time is an essential element of the RFP and. For work that is not completed within the time(s) specified in the service level metrics below, the Contractor shall be liable for service credits in the amount(s) provided for in this Contract.

Contractor's failure to meet an SLA will result in a credit, as service credits and not as a penalty, to the Monthly Charges payable by the State during the month of the breach. The credits will be cumulative for each missed service requirement. The State, at its option for amount due the State as service credits, may deduct such from any money payable to the Contractor or may bill the Contractor as a separate item. In the event of a catastrophic failure affecting the entire Solution, all affected SLAs shall be credited to the State. In no event shall the aggregate of all SLA credits paid to the State in any calendar month exceed 25% of the Monthly Charges.

Example: If the Monthly Charges were $100,000 and one SLA were missed, with an applicable 4% credit, the credit to the monthly invoice would be $4,000, and the State would pay a net Monthly Charge of $96,000.

The parties agree that any assessment of service credits shall be construed and treated by the parties not as imposing a penalty upon the Contractor, but as compensation to the State for the Contractor's failure to satisfy its service level obligations.

2.9.4 **SLA Effective Date (SLA Activation Date)**

SLAs set forth herein shall be in effect beginning with the commencement of monthly services as of the completion of the notice to proceed.

Beginning on the SLA Activation Date, for any performance measurement not met during the monthly reporting period, the SLA credit for that individual measurement shall be applied to the Monthly Charges.

2.9.5 **Service Level Reporting**

A. Contractor performance will be monitored by the Department.

B. The Contractor shall provide detailed monthly reports evidencing the attained level for each SLA.

C. Monthly reports shall be delivered via e-mail to the Contract Monitor by the 15th of the following month.

D. If any of the performance measurements are not met during the monthly reporting period, the Contractor will be notified of the standard that is not in compliance.

2.9.6 **Root Cause Analysis**

If the same SLA measurement yields an SLA credit more than once, the Contractor shall conduct a root cause analysis. Such root cause analysis shall be provided within 30 days of the second breach, and every breach thereafter.

In addition, for each 'Emergency' or 'High' priority Problem, the affected parties will perform a root cause analysis and institute a process of problem management to prevent recurrence of the issue.

2.9.7 Service Level Measurements Table

The Contractor shall comply with the service level measurements in the following table:

SLA ID #	Service Requirement	Measurement	Service Level Agreement	SLA Credit
2.9.8.1	The Contractor shall implement the MDSPS and other necessary aspects of the MDSPS Program.	Within four (4) months of receiving the Notice to Proceed (NTP) or as otherwise directed by the Contract Monitor	100%	$5,000 per day until the system is fully operational.
2.9.8.2	Receipt of Applications	Within three (3) Business Days of receipt, perform initial review of 98% of applications and determine whether application is acceptable, must be denied or is pending.	Average, monthly applications reviewed. The performance standard shall be measured monthly and shall be reviewed with MDH as part of the monthly audit.	10% of the monthly Application Processing Administrative Fee for month that Contractor fails to meet Performance Standard.
2.9.8.3	Applicant's Appeal	Within fourteen (14) Business Days, review and notify applicant of appeal decision. 98% of applicant appeals must be completed within fourteen (14) Business Days.	Average, monthly applications reviewed for an appeal. Self-reported from work-flow system and shall be reviewed with MDH as part of the monthly audit.	10% of the Application Processing Administrative Fee for month that Contractor fails to meet Performance Standard.
2.9.8.4	Application Fulfillment Packets	Within two (2) Business Days of receipt of a request, 98% of Application Fulfillment Packets must be mailed.	Average, monthly application requests. The performance standard shall be measured monthly and shall be reviewed with MDH as part of the monthly audit.	10% of the Application Fulfillment Packet Processing Administrative Fee for month that Contractor fails to meet Performance Standard.
2.9.8.5	Timely Submission of monthly COB input file	On or before the 1st Business Day after the 5th of the month	Self-reported by Contractor based upon the transmission date and time to CMS.	2% of the Active Lives Administrative Fees payable by the Department during the monthly billing cycle for any month in which Performance Standard is not met.
2.9.8.6	Timely Monthly Subsidy Pre-Capitation File Submission	Submission to the Department staff of Monthly Pre-Capitation within five (5) business days after receipt of COB Response file from CMS	Self-reported by Contractor's payment system and subject to quarterly Department audit.	2% of the Active Member fees payable by the Department during the monthly billing cycle for any month in which Performance Standards are not met.

SLA ID #	**Service Requirement**	**Measurement**	**Service Level Agreement**	**SLA Credit**
2.9.8.7	Timely Premium Subsidy Payments	Monthly payment of PDP premium subsidies occurs within five (5) business days after receipt of COB Response file from CMS and after approval for payment from the Department of the received Pre-Capitation file and the receipt of funds from the SPDAP.	Self-reported by Contractor's payment system and subject to quarterly Department audit.	5% of the Active Member fees payable by the Department during the monthly billing cycle for any month in which Performance Standards are not met.
2.9.8.8	Receipt of Coverage Gap Subsidy Submissions	Within five (5) business days of receipt, perform initial review of 98% of submissions and determine whether member is eligible for Coverage Gap Subsidy, is not eligible for the Coverage Gap Subsidy or is pending.	Average, monthly Coverage Gap Subsidy requests.	5% of the Coverage Gap Subsidy processing fee per submission that fails to meet Performance Standards.
2.9.8.9	Response Time Answering Phone Calls – Average Speed to Answer ("ASA")	95% of incoming calls must be answered within fifteen (15) seconds. "Answer" shall mean for each caller who elects to speak to a live representative.	Average, monthly ASA for all calls. The performance standard shall be measured monthly and shall be reviewed with MDH as part of the monthly audit.	5% of the Active Lives Administrative fees payable by the Department during the monthly billing cycle for any month in which Performance Standard is not met.
2.9.8.10	Abandonment Rate for Phone Calls in the Queue	The abandonment rate for phone calls in the queue may not be greater than 3%.	Monthly average of abandoned calls in the queue. The performance standard shall be measured monthly and shall be reviewed with MDH as part of the monthly audit.	5% of the Active Lives Administrative Fees payable by the Department during the monthly billing cycle for any month in which Performance Standard is not met.
2.9.8.11	Busy Out/Blocked Call rate	Busy Out/Blocked Call rate shall be 1% or less.	A Busy Out/Blocked Call is a call made by a caller but is not allowed into the system. The performance standard shall be measured monthly and shall be reviewed with MDH as part of the monthly audit.	1% of the Active Lives Administrative Fees payable by the Department during the monthly billing cycle for any month in which Performance Standards are not met.

SLA ID #	**Service Requirement**	**Measurement**	**Service Level Agreement**	**SLA Credit**
2.9.8.12	On Hold Time	On Hold Time rate shall be less than two (2) minutes 95% of the time.	The On Hold Time shall be defined as the time elapsed before response by a human operator to a caller's inquiry. The performance standard shall be measured monthly and shall be reviewed with MDH as part of the monthly audit.	5% of the Active Lives Administrative Fees payable by the Department during the monthly billing cycle for any month in which Performance Standard is not met.

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3 Contractor Requirements: General

3.1 Contract Initiation Requirements

See **Section 2.3.1** for contract initiation requirements.

3.2 End of Contract Transition

3.2.1 The Contractor shall develop and submit for approval a Transition Plan (Deliverable 2.4.3.6) sixty (60) days prior to the first day of their last base Contract year or as otherwise directed by the Contract Monitor.

3.2.2 The Contractor shall update the Transition Plan within sixty (60) days of being notified that a transfer of responsibilities will occur.

3.2.3 All data provided to MDH as part of transition shall be in formats determined by MDH.

3.2.4 The Transition Plan shall:

3.2.4.1 Describe how the Contractor will work with successor vendors, contractors, business partners, and MDH to successfully transfer all pertinent data and operational/technical documentation as determined by the Contract Monitor;

3.2.4.2 Propose an approach to the transition**;**

3.2.4.3 Identify the major tasks and sub-tasks necessary for successful transition**;**

3.2.4.4 Include a high-level schedule with milestone dates identifying Contractor and MDH activities**;**

3.2.4.5 Identify all production data, program libraries, and documentation, including documentation update procedures for the transition;

3.2.4.6 Include risk and issue management**;**

3.2.4.7 Include a transition checklist tracking major activities needed to successfully transfer responsibilities**;**

3.2.4.8 Describe how status of the transition is reported**;** and

3.2.4.9 Identify all facilities and any other resources required to operate the MDSPS including, data processing and imaging equipment**,** system and special software**,** office space**,** telecommunications circuits**,** telephones and other equipment.

3.2.5 The Contractor shall support all activities associated with turning over responsibilities at the end of the Contract.

3.2.6 The Contractor shall cooperate with the successor vendor, other contractors, business partners and MDH in the planning and transfer of responsibilities.

3.2.7 The Contractor's transition shall begin 180 days before the end of the Contract period or as otherwise determined by the Contract Monitor.

3.2.8 The Contractor shall provide updated SPDAP User Manual and Call Center Operator desk guide, training materials, policies and procedures, operational reports, interface layouts, data,

and all other artifacts received, produced, or otherwise obtained during the term of the Contract within a timeframe specified by MDH.

3.2.9 Thirty (30) days after being notified by MDH that responsibilities are to be transitioned, the Contractor shall submit a letter to the Contract Monitor identifying the individuals selected to serve on a Transition Management Team (TMT).

3.2.9.1 After receiving written approval of the letter from Contract Monitor, the TMT shall be employed by the Contractor commencing with the beginning of transition.

3.2.10 The Contractor shall dedicate resources to support, facilitate, and manage the successful transfer of responsibilities. These individuals shall form the TMT.

3.2.10.1 The TMT shall be responsible for updating, managing, maintaining, and executing the Transition Plan and the transfer of responsibilities to a successor vendor.

3.2.10.2 The TMT shall oversee the planning and execution of all transition requirements to ensure a successful transition in compliance with this RFP.

3.2.10.3 The TMT shall be responsible for the review and update of all pertinent operational and technical documentation, including but not limited to:

a) Operational and technical documents shall be reviewed and assessed for accuracy against the current state of operations and the version of the system;
b) A gap analysis shall be conducted to identify those documents requiring revision and update;
c) The results of this gap analysis shall be tracked to ensure all documents are updated accordingly;
d) The results of the gap analysis and subsequent updates shall be submitted to MDH;
e) MDH shall approve which documents are updated for the transition;
f) The Contractor shall attest that the documentation provided as part of the transition is current, and accurately and completely reflects the existing MDSPS, in accordance with the Contractual documentation requirements of this RFP; and
g) The Contractor shall provide two (2) copies of the updated/corrected documentation in a Department approved secure electronic media.

3.2.10.4 The TMT shall facilitate and manage transition weekly status meetings, or at a frequency determined by the Contract Monitor, including the development and distribution of meeting agendas, status reports, supporting documentation and materials, meeting minutes, and action items.

3.2.10.5 The TMT shall develop a Weekly Transition Status Report. The Weekly Transition Status Report shall be delivered to the Department within three (3) Business Days after each Status meeting and include at a minimum the following items:

a) Description of any progress made on each task, deliverable, and milestone including any variance from the baseline if applicable for that reporting period;

b) Topics of general discussion at the Status meetings**,**

c) Action items and decisions made at the Status meetings**,**

d) List of all problems and issues encountered, risks identified, and status of resolution of each problem, issue, and risk (e.g. a CAP and resolution timeline for each problem, issue, and risk);

e) Planned tasks, deliverables, and milestones for the following two (2) months;

f) Status of contractually defined tasks, deliverables, and milestones scheduled in the Transition Plan (to include any baseline variances), and

g) Any other information required by the Department.

3.2.10.6 The Weekly Transition Status Report shall be used by the Contractor and MDH staff in monitoring and managing the Contractor's progress against the Transition Plan. If required by the Contract Monitor, it shall be submitted on hard copy as well as on secure electronic media and/or via secure transmission in a format prescribed by the Contract Monitor.

3.2.10.7 The Weekly Transition Status Report shall be used by the Contractor and MDH staff in monitoring and managing the Contractor's progress against the Transition Plan. If required by the Contract Monitor, it shall be submitted on hard copy as well as on secure electronic media and/or via secure transmission in a format prescribed by the Contract Monitor.

3.2.10.8 If the Transition is suffering from project issues or is significantly behind schedule, the Contract Monitor will require the Contractor to prepare a Corrective Action Plan which the Contract Monitor shall review and approve prior to implementation of the Corrective Action Plan.

3.2.10.9 The TMT shall develop and maintain an Issues Log including action plans and action plan owners.

3.2.10.10 The Contractor shall ensure successful transfer of operational and technical knowledge to the Department.

3.2.10.11 The Contractor shall develop a transition training plan detailing the approaches and methodologies of how the Contractor shall accomplish required training of Department staff.

3.2.10.12 Transition training tasks, deliverables, and milestones shall include, but not be limited to:

a) Schedule of planned training sessions,

b) Number of staff to be trained per business/system functional area**,**

c) Training subject topics with training objective descriptions and summaries for each training subject topic**,**

d) Length of each training session**,**

e) Location of training sessions**,** and

f) Any final training/orientation of Department staff.

3.2.10.13 Operational and technical documents shall include a complete assessment report for each of the following, but not be limited to:

a) Detailed program design,

b) Detailed program specifications,

c) Data descriptions,

d) Data element dictionaries,

e) Computer operations procedures,

f) User documentation,

g) Master List of all MDSPS User Manuals, and

h) Any other documentation that describes business rules and policy procedures that drive operations.

3.2.10.14 The Contractor shall turnover all Toll-free telephone numbers (including fax and TTY) and other dedicated communications channels as part of the transition.

3.2.10.15 The Contractor shall perform a final settlement of all Contractor invoices.

3.2.10.16 The Contractor shall perform a final reconciliation of all accounts receivable.

3.2.10.17 The Department shall withhold final month's payments for services provided under this Contract until transition to a new vendor is complete as determined by the Department and defined by the requirements of this RFP.

3.2.10.18 At a date determined by MDH, the Contractor shall turn over:

a) Any documents related to the Contract as requested by MDH; and

b) All work-in-process items.

3.2.10.19 The Contractor shall complete any unfinished or incomplete activities associated with their final month of premium subsidy payment processing and invoices. This includes activities not completed due to unforeseen delays and/or technical issues.

3.2.10.20 The Contractor shall work with the new vendor to ensure the data deficiencies are resolved, data definitions are understood, and file layouts are created as determined by the Department to ensure seamless transition.

3.2.10.21 The Contractor shall transition all archived documentation.

3.2.10.22 The Contractor shall transfer all Web Portal content, including hosting, to the new vendor.

3.3 Invoicing

3.3.1 General

A. The Contractor shall send the original of each invoice and signed authorization to invoice to the Contract Monitor at e-mail address: Sean.Stafford@Maryland.gov

B. All invoices for services shall be verified by the Contractor as accurate at the time of submission.

C. An invoice not satisfying the requirements of a Proper Invoice (as defined at COMAR 21.06.09.01 and .02) cannot be processed for payment. To be considered a Proper Invoice, invoices must include the following information, without error:

1) Contractor name and address;
2) Remittance address;
3) Federal taxpayer identification (FEIN) number, social security number, as appropriate;
4) Invoice period (i.e. time period during which services covered by invoice were performed);
5) Invoice date;
6) Invoice number;
7) State assigned Contract number;
8) State assigned (Blanket) Purchase Order number(s);
9) Goods or services provided;
10) Amount due; and
11) Any additional documentation required by regulation or the Contract.

D. Invoices that contain both fixed price and time and material items shall clearly identify each item as either fixed price or time and material billing.

E. The Department reserves the right to reduce or withhold Contract payment in the event the Contractor does not provide the Department with all required deliverables within the time frame specified in the Contract or otherwise breaches the terms and conditions of the Contract until such time as the Contractor brings itself into full compliance with the Contract.

F. Any action on the part of the Department, or dispute of action by the Contractor, shall be in accordance with the provisions of Md. Code Ann., State Finance and Procurement Article §§ 15-215 through 15-223 and with COMAR 21.10.04.

G. The State is generally exempt from federal excise taxes, Maryland sales and use taxes, District of Columbia sales taxes and transportation taxes. The Contractor; however, is not exempt from such sales and use taxes and may be liable for the same.

H. Invoices for final payment shall be clearly marked as “FINAL” and submitted when all work requirements have been completed and no further charges are to be incurred under the Contract. In no event shall any invoice be submitted later than 60 calendar days from the Contract termination date.

3.3.2 Invoice Submission Schedule

The Contractor shall submit invoices in accordance with the following schedule:

Invoice	Invoice Type	Frequency	Rate
Implementation Invoice	Contractor Program Administration		TBD
Application Processed Fee Invoice	Contractor Program Administration	By the 15th of the month following the month in which services were performed.	See **Section 2.3.4.1.1.**
Application Fulfillment Packet Processed Fee Invoice	Contractor Program Administration	By the 15th of the month following the month in which services were performed.	See **Section 2.3.4.1.2.**
Active Lives Admin Fees Invoice (PMPM)	Contractor Program Administration	By the 15th of the month following the month in which services were performed.	See **Section 2.3.4.1.3.**
Postage/Printing Pass-Through Invoice	Pass-Through Postage/Printing Costs	By the 15th of the month following the month in which costs were incurred.	See **Section 2.3.4.2.**
Premium Subsidy Funding Request Invoice	Premium Subsidy Funding	Monthly - Six (6) weeks in advance of payment date to ensure funds are available.	Estimated monthly funding for Premium Subsidy payments to SPDAP members See Section 2.3.2.6.4.3 (c)

3.3.3 **For the purposes of the Contract an amount will not be deemed due and payable if:**

A. The amount invoiced is inconsistent with the Contract;

B. The proper invoice has not been received by the party or office specified in the Contract;

C. The invoice or performance is in dispute or the Contractor has failed to otherwise comply with the provisions of the Contract;

D. The item or services have not been accepted;

E. The quantity of items delivered is less than the quantity ordered;

F. The items or services do not meet the quality requirements of the Contract;

G. If the Contract provides for progress payments, the proper invoice for the progress payment has not been submitted pursuant to the schedule;

H. If the Contract provides for withholding a retainage and the invoice is for the retainage, all stipulated conditions for release of the retainage have not been met; or

I. The Contractor has not submitted satisfactory documentation or other evidence reasonably required by the Procurement Officer or by the Contract concerning performance under the Contract and compliance with its provisions.

3.3.4 **Travel Reimbursement**

Travel will not be reimbursed under this RFP.

3.3.5 **Retainage**

This solicitation does not require retainage.

3.4 Liquidated Damages

3.4.1 MBE Liquidated Damages

MBE liquidated damages are identified in Attachment M.

3.4.2 Liquidated Damages other than MBE

THIS SECTION IS INAPPLICABLE TO THIS RFP.

3.5 Disaster Recovery and Data

The following requirements apply to the Contract (in addition to the Data Recovery requirements found in Section 2.3.3.6.4.4 (c).

3.5.1 Redundancy, Data Backup and Disaster Recovery

A. Unless specified otherwise in the RFP, Contractor shall maintain or cause to be maintained disaster avoidance procedures designed to safeguard State data and other confidential information, Contractor's processing capability and the availability of hosted services, in each case throughout the Contract term. Any force majeure provisions of the Contract do not limit the Contractor's obligations under this provision.

B. The Contractor shall have robust contingency and disaster recovery (DR) plans in place to ensure that the services provided under the Contract will be maintained in the event of disruption to the Contractor/subcontractor's operations (including, but not limited to, disruption to information technology systems), however caused.

   1) The Contractor shall furnish a DR site.

   2) The DR site shall be at least 100 miles from the primary operations site, and have the capacity to take over complete production volume in case the primary site becomes unresponsive.

C. The contingency and DR plans must be designed to ensure that services under the Contract are restored after a disruption within twenty-four (24) hours from notification and a recovery point objective of one (1) hour or less prior to the outage in order to avoid unacceptable consequences due to the unavailability of services.

D. The Contractor shall test the contingency/DR plans at least twice annually to identify any changes that need to be made to the plan(s) to ensure a minimum interruption of service. Coordination shall be made with the State to ensure limited system downtime when testing is conducted. At least one (1) annual test shall include backup media restoration and failover/fallback operations at the DR location. The Contractor shall send the Contract Monitor a notice of completion following completion of DR testing.

E. Such contingency and DR plans shall be available for the Department to inspect and practically test at any reasonable time, and subject to regular updating, revising, and testing throughout the term of the Contract.

3.5.2 Data Export/Import

A. The Contractor shall, at no additional cost or charge to the State, in an industry standard/non-proprietary format:

   1) perform a full or partial import/export of State data within 24 hours of a request; or

2) provide to the State the ability to import/export data at will and provide the State with any access and instructions which are needed for the State to import or export data.

B. Any import or export shall be in a secure format per the Security Requirements.

3.5.3 **Data Ownership and Access**

A. Data, databases and derived data products created, collected, manipulated, or directly purchased as part of a RFP are the property of the State. The purchasing State agency is considered the custodian of the data and shall determine the use, access, distribution and other conditions based on appropriate State statutes and regulations.

B. Public jurisdiction user accounts and public jurisdiction data shall not be accessed, except (1) in the course of data center operations, (2) in response to service or technical issues, (3) as required by the express terms of the Contract, including as necessary to perform the services hereunder or (4) at the State's written request.

C. The Contractor shall limit access to and possession of State data to only Contractor Personnel whose responsibilities reasonably require such access or possession and shall train such Contractor Personnel on the confidentiality obligations set forth herein.

D. At no time shall any data or processes – that either belong to or are intended for the use of the State or its officers, agents or employees – be copied, disclosed or retained by the Contractor or any party related to the Contractor for subsequent use in any transaction that does not include the State.

E. The Contractor shall not use any information collected in connection with the services furnished under the Contract for any purpose other than fulfilling such services.

3.5.4 Provisions in Sections 3.5.1 – 3.5.3 shall survive expiration or termination of the Contract. Additionally, the Contractor shall flow down the provisions of Sections 3.5.1-3.5.3 (or the substance thereof) in all subcontracts.

3.6 Insurance Requirements

The Contractor shall maintain, at a minimum, the insurance coverages outlined below, or any minimum requirements established by law if higher, for the duration of the Contract, including option periods, if exercised:

3.6.1 The following type(s) of insurance and minimum amount(s) of coverage are required:

A. Commercial General Liability - of $1,000,000 combined single limit per occurrence for bodily injury, property damage, and personal and advertising injury and $3,000,000 annual aggregate. The minimum limits required herein may be satisfied through any combination of primary and umbrella/excess liability policies.

B. Errors and Omissions/Professional Liability - $1,000,000 per combined single limit per claim and $3,000,000 annual aggregate.

C. Crime Insurance/Employee Theft Insurance - to cover employee theft with a minimum single loss limit of $1,000,000 per loss, and a minimum single loss retention not to exceed $10,000. The State of Maryland and the Department should be added as a "loss payee."

D. Cyber Security / Data Breach Insurance – (For any service offering hosted by the Contractor) ten million dollars ($10,000,000) per occurrence. The coverage must be valid at all locations where work is performed or data or other information concerning the State's claimants or employers is processed or stored.

E. Worker's Compensation - The Contractor shall maintain such insurance as necessary or as required under Workers' Compensation Acts, the Longshore and Harbor Workers' Compensation Act, and the Federal Employers' Liability Act, to not be less than one million dollars ($1,000,000) per occurrence (unless a state's law requires a greater amount of coverage). Coverage must be valid in all states where work is performed.

3.6.2 The State shall be listed as an additional insured on the faces of the certificates associated with the coverages listed above, including umbrella policies, excluding Workers' Compensation Insurance and professional liability.

3.6.3 All insurance policies shall be endorsed to include a clause requiring the insurance carrier provide the Procurement Officer, by certified mail, not less than 30 days' advance notice of any non-renewal, cancellation, or expiration. The Contractor shall notify the Procurement Officer in writing, if policies are cancelled or not renewed within five (5) days of learning of such cancellation or nonrenewal. The Contractor shall provide evidence of replacement insurance coverage to the Procurement Officer at least 15 days prior to the expiration of the insurance policy then in effect.

3.6.4 Any insurance furnished as a condition of the Contract shall be issued by a company authorized to do business in the State.

3.6.5 The recommended awardee must provide current certificate(s) of insurance with the prescribed coverages, limits and requirements set forth in this section within five (5) Business Days from notice of recommended award. During the period of performance for multi-year contracts, the Contractor shall provide certificates of insurance annually, or as otherwise directed by the Contract Monitor.

3.6.6 Subcontractor Insurance

The Contractor shall require any subcontractors to obtain and maintain comparable levels of coverage and shall provide the Contract Monitor with the same documentation as is required of the Contractor.

3.7 Security Requirements

The following requirements are applicable to the Contract:

3.7.1 **Employee Identification**

A. Contractor Personnel shall display his or her company ID badge in a visible location at all times while on State premises. Upon request of authorized State personnel, each Contractor Personnel shall provide additional photo identification.

B. Contractor Personnel shall cooperate with State site requirements, including but not limited to, being prepared to be escorted at all times, and providing information for State badge issuance.

C. Contractor shall remove any Contractor Personnel from working on the Contract where the State determines, in its sole discretion, that Contractor Personnel has not adhered to the Security requirements specified herein.

D. The State reserves the right to request that the Contractor submit proof of employment authorization of non-United States Citizens, prior to commencement of work under the Contract.

3.7.2 **Security Clearance / Criminal Background Check**

A. A criminal background check for any Contractor Personnel providing any services/roles shall be completed prior to each Contractor Personnel providing any services under the Contract.

B. The Contractor shall obtain at its own expense a Criminal Justice Information System (CJIS) State and federal criminal background check, including fingerprinting, for all Contractor Personnel listed in sub-paragraph A. This check may be performed by a public or private entity.

C. The Contractor shall provide certification to the Department that the Contractor has completed the required criminal background check described in this RFP for each required Contractor Personnel prior to assignment, and that the Contractor Personnel have successfully passed this check.

D. Persons with a criminal record may not perform services under the Contract unless prior written approval is obtained from the Contract Monitor. The Contract Monitor reserves the right to reject any individual based upon the results of the background check. Decisions of the Contract Monitor as to acceptability of a candidate are final. The State reserves the right to refuse any individual Contractor Personnel to work on State premises, based upon certain specified criminal convictions, as specified by the State.

E. Contractor Personnel with access to systems supporting the State or to State data who have been convicted of a felony or of a crime involving telecommunications and electronics from the above list of crimes shall not be permitted to work on State premises under the Contract; Contractor Personnel who have been convicted within the past five (5) years of a misdemeanor from the above list of crimes shall not be permitted to work on State premises.

F. A particular on-site location covered by the Contract may require more restrictive conditions regarding the nature of prior criminal convictions that would result in Contractor Personnel not being permitted to work on those premises. Upon receipt of a location's more restrictive conditions regarding criminal convictions, the Contractor shall provide an updated certification regarding the Contractor Personnel working at or assigned to those premises.

3.7.3 **On-Site Security Requirement(s)**

A. For the conditions noted below, Contractor Personnel may be barred from entrance or leaving any site until such time that the State's conditions and queries are satisfied.

1) Contractor Personnel may be subject to random security checks when entering and leaving State secured areas. The State reserves the right to require Contractor Personnel to be accompanied while in secured premises.

2) Some State sites, especially those premises of the Department of Public Safety and Correctional Services, require each person entering the premises to document and inventory items (such as tools and equipment) brought onto the site, and to submit to a physical search of his or her person. Therefore, Contractor Personnel shall always have available an inventory list of tools being brought onto a site and be prepared to present the inventory list to the State staff or an officer upon arrival for review, as well as present the tools or equipment for inspection. Before leaving the site, the Contractor Personnel will again present the inventory list and the tools or equipment for inspection. Upon both entering the site and leaving the site, State staff or a correctional or police officer may search Contractor Personnel. Depending upon facility rules, specific tools or personal items may be prohibited from being brought into the facility.

B. Any Contractor Personnel who enters the premises of a facility under the jurisdiction of the Department may be searched, fingerprinted (for the purpose of a criminal history background check), photographed and required to wear an identification card issued by the Department.

C. Further, Contractor Personnel shall not violate Md. Code Ann., Criminal Law Art. Section 9-410 through 9-417 and such other security policies of the agency that controls the facility to which the Contractor Personnel seeks access. The failure of any of the Contractor Personnel to comply with any provision of the Contract is sufficient grounds for the State to immediately terminate the Contract for default.

3.7.4 Information Technology

The Contractor shall:

1) Implement administrative, physical, and technical safeguards to protect State data that are no less rigorous than accepted industry best practices for information security such as those listed below (see **Section 3.7.5**);

2) Ensure that all such safeguards, including the manner in which State data is collected, accessed, used, stored, processed, disposed of and disclosed, comply with applicable data protection and privacy laws as well as the terms and conditions of the Contract; and

3) The Contractor, and Contractor Personnel, shall (i) abide by all applicable federal, State and local laws, rules and regulations concerning security of Information Systems and Information Technology and (ii) comply with and adhere to the State IT Security Policy and Standards as each may be amended or revised from time to time. Updated and revised versions of the State IT Policy and Standards are available online at: www.doit.maryland.gov – keyword: Security Policy.

3.7.5 Data Protection and Controls

A. Contractor shall ensure a secure environment for all State data and any hardware and software (including but not limited to servers, network and data components) provided or used in connection with the performance of the Contract and shall apply or cause application of appropriate controls so as to maintain such a secure environment ("Security Best Practices"). Such Security Best Practices shall comply with an accepted industry standard, such as the NIST cybersecurity framework.

B. To ensure appropriate data protection safeguards are in place, the Contractor shall implement and maintain the following controls at all times throughout the Term of the Contract (the Contractor may augment this list with additional controls):

1) Establish separate production, test, and training environments for systems supporting the services provided under the Contract and ensure that production data is not replicated in test or training environment(s) unless it has been previously anonymized or otherwise modified to protect the confidentiality of Sensitive Data elements. The Contractor shall ensure the appropriate separation of production and non-production environments by applying the data protection and control requirements listed in **Section 3.7.5**.

2) Apply hardware and software hardening procedures as recommended by Center for Internet Security (CIS) guides https://www.cisecurity.org/, Security Technical Implementation Guides (STIG) http://iase.disa.mil/Pages/index.aspx, or similar industry best practices to reduce the systems' surface of vulnerability, eliminating as many security risks as possible and documenting what is not feasible or not

performed according to best practices. Any hardening practices not implemented shall be documented with a plan of action and milestones including any compensating control. These procedures may include but are not limited to removal of unnecessary software, disabling or removing unnecessary services, removal of unnecessary usernames or logins, and the deactivation of unneeded features in the Contractor's system configuration files.

3) Ensure that State data is not comingled with non-State data through the proper application of compartmentalization security measures.

4) Apply data encryption to protect Sensitive Data at all times, including in transit, at rest, and also when archived for backup purposes. Unless otherwise directed, the Contractor is responsible for the encryption of all Sensitive Data.

5) For all State data the Contractor manages or controls, data encryption shall be applied to such data in transit over untrusted networks.

6) Encryption algorithms which are utilized for encrypting data shall comply with current Federal Information Processing Standards (FIPS), "Security Requirements for Cryptographic Modules", FIPS PUB 140-2:

   http://csrc.nist.gov/publications/fips/fips140-2/fips1402.pdf
   http://csrc.nist.gov/groups/STM/cmvp/documents/140-1/1401vend.htm

7) Enable appropriate logging parameters to monitor user access activities, authorized and failed access attempts, system exceptions, and critical information security events as recommended by the operating system and application manufacturers and information security standards, including Maryland Department of Information Technology's Information Security Policy.

8) Retain the aforementioned logs and review them at least daily to identify suspicious or questionable activity for investigation and documentation as to their cause and remediation, if required. The Department shall have the right to inspect these policies and procedures and the Contractor or subcontractor's performance to confirm the effectiveness of these measures for the services being provided under the Contract.

9) Ensure system and network environments are separated by properly configured and updated firewalls.

10) Restrict network connections between trusted and untrusted networks by physically or logically isolating systems from unsolicited and unauthenticated network traffic.

11) By default "deny all" and only allow access by exception.

12) Review, at least annually, the aforementioned network connections, documenting and confirming the business justification for the use of all service, protocols, and ports allowed, including the rationale or compensating controls implemented for those protocols considered insecure but necessary.

13) Perform regular vulnerability testing of operating system, application, and network devices. Such testing is expected to identify outdated software versions; missing software patches; device or software misconfigurations; and to validate compliance with or deviations from the security policies applicable to the Contract. Contractor shall evaluate all identified vulnerabilities for potential adverse effect on security and integrity and remediate the vulnerability no later than 30 days following the earlier of vulnerability's identification or public disclosure, or document why

remediation action is unnecessary or unsuitable. The Department shall have the right to inspect the Contractor's policies and procedures and the results of vulnerability testing to confirm the effectiveness of these measures for the services being provided under the Contract.

14) Enforce strong user authentication and password control measures to minimize the opportunity for unauthorized access through compromise of the user access controls. At a minimum, the implemented measures should be consistent with the most current Maryland Department of Information Technology's Information Security Policy (http://doit.maryland.gov/support/Pages/SecurityPolicies.aspx), including specific requirements for password length, complexity, history, and account lockout.

15) Ensure State data is not processed, transferred, or stored outside of the United States ("U.S."). The Contractor shall provide its services to the State and the State's end users solely from data centers in the U.S. Unless granted an exception in writing by the State, the Contractor shall not allow Contractor Personnel to store State data on portable devices, including personal computers, except for devices that are used and kept only at its U.S. data centers. The Contractor shall permit its Contractor Personnel to access State data remotely only as required to provide technical support.

16) Ensure Contractor's Personnel shall not connect any of its own equipment to a State LAN/WAN without prior written approval by the State, which may be revoked at any time for any reason. The Contractor shall complete any necessary paperwork as directed and coordinated with the Contract Monitor to obtain approval by the State to connect Contractor -owned equipment to a State LAN/WAN.

17) Ensure that anti-virus and anti-malware software is installed and maintained on all systems supporting the services provided under the Contract; that the anti-virus and anti-malware software is automatically updated; and that the software is configured to actively scan and detect threats to the system for remediation. The Contractor shall perform routine vulnerability scans and take corrective actions for any findings.

18) Conduct regular external vulnerability testing designed to examine the service provider's security profile from the Internet without benefit of access to internal systems and networks behind the external security perimeter. Evaluate all identified vulnerabilities on Internet-facing devices for potential adverse effect on the service's security and integrity and remediate the vulnerability promptly or document why remediation action is unnecessary or unsuitable. The Department shall have the right to inspect these policies and procedures and the performance of vulnerability testing to confirm the effectiveness of these measures for the services being provided under the Contract.

3.7.6 Security Logs and Reports Access

A. For a SaaS or non-State hosted solution, the Contractor shall provide reports to the State in a mutually agreeable format.

B. Reports shall include latency statistics, user access, user access IP address, user access history and security logs for all State files related to the Contract.

3.7.7 Security Plan

A. The Contractor shall protect State data according to a written security policy ("Security Plan") no less rigorous than that of the State, and shall supply a copy of such policy to the State for validation, with any appropriate updates, on an annual basis.

B. The Security Plan shall detail the steps and processes employed by the Contractor as well as the features and characteristics which will ensure compliance with the security requirements of the Contract.

3.7.8 **Security Incident Response**

A. The Contractor shall notify the Department in accordance with **Section 3.7.9A-D** when any Contractor system that may access, process, or store State data or State systems experiences a Security Incident or a Data Breach as follows:

1) notify the Department within twenty-four (24) hours of the discovery of a Security Incident by providing notice via written or electronic correspondence to the Contract Monitor, Department chief information officer and Department chief information security officer;

2) notify the Department within two (2) hours if there is a threat to Contractor's Solution as it pertains to the use, disclosure, and security of State data; and

3) provide written notice to the Department within one (1) Business Day after Contractor's discovery of unauthorized use or disclosure of State data and thereafter all information the State (or Department) requests concerning such unauthorized use or disclosure.

B. Contractor's notice shall identify:

1) the nature of the unauthorized use or disclosure;

2) the State data used or disclosed,

3) who made the unauthorized use or received the unauthorized disclosure;

4) what the Contractor has done or shall do to mitigate any deleterious effect of the unauthorized use or disclosure; and

5) what corrective action the Contractor has taken or shall take to prevent future similar unauthorized use or disclosure.

6) The Contractor shall provide such other information, including a written report, as reasonably requested by the State.

C. The Contractor may need to communicate with outside parties regarding a Security Incident, which may include contacting law enforcement, fielding media inquiries and seeking external expertise as mutually agreed upon, defined by law or contained in the Contract. Discussing Security Incidents with the State should be handled on an urgent as-needed basis, as part of Contractor communication and mitigation processes as mutually agreed upon, defined by law or contained in the Contract.

D. The Contractor shall comply with all applicable laws that require the notification of individuals in the event of unauthorized release of State data or other event requiring notification, and, where notification is required, assume responsibility for informing all such individuals in accordance with applicable law and to indemnify and hold harmless the State (or Department) and its officials and employees from and against any claims, damages, and actions related to the event requiring notification.

3.7.9 **Data Breach Responsibilities**

A. If the Contractor reasonably believes or has actual knowledge of a Data Breach, the Contractor shall, unless otherwise directed:

1) Notify the appropriate State-identified contact within 24 hours by telephone in accordance with the agreed upon security plan or security procedures unless a shorter time is required by applicable law;

2) Cooperate with the State to investigate and resolve the data breach;

3) Promptly implement commercially reasonable remedial measures to remedy the Data Breach; and

4) Document responsive actions taken related to the Data Breach, including any post-incident review of events and actions taken to make changes in business practices in providing the services.

B. If a Data Breach is a direct result of the Contractor's breach of its Contract obligation to encrypt State data or otherwise prevent its release, the Contractor shall bear the costs associated with (1) the investigation and resolution of the data breach; (2) notifications to individuals, regulators or others required by State law; (3) a credit monitoring service required by State or federal law; (4) a website or a toll-free number and call center for affected individuals required by State law; and (5) complete all corrective actions as reasonably determined by Contractor based on root cause; all [(1) through (5)] subject to the Contract's limitation of liability.

3.7.10 Additional security requirements may be established in a Task Order and/or a Work Order.

3.7.11 The State shall, at its discretion, have the right to review and assess the Contractor's compliance to the security requirements and standards defined in the Contract.

3.7.12 Provisions in **Sections 3.7.1 – 3.7.11** shall survive expiration or termination of the Contract. Additionally, the Contractor shall flow down the provisions of **Sections 3.7.4-3.7.11** (or the substance thereof) in all subcontracts.

3.8 Problem Escalation Procedure

3.8.1 The Contractor must provide and maintain a Problem Escalation Procedure (PEP) for both routine and emergency situations. The PEP must state how the Contractor will address problem situations as they occur during the performance of the Contract, especially problems that are not resolved to the satisfaction of the State within appropriate timeframes.

3.8.2 The Contractor shall provide contact information to the Contract Monitor, as well as to other State personnel as directed should the Contract Monitor not be available.

3.8.3 The Contractor must provide the PEP no later than ten (10) Business Days after notice of recommended award. The PEP, including any revisions thereto, must also be provided within ten (10) Business Days after the start of each Contract year and within ten (10) Business Days after any change in circumstance which changes the PEP. The PEP shall detail how problems with work under the Contract will be escalated in order to resolve any issues in a timely manner. The PEP shall include:

A. The process for establishing the existence of a problem;

B. Names, titles, and contact information for progressively higher levels of personnel in the Contractor's organization who would become involved in resolving a problem;

C. For each individual listed in the Contractor's PEP, the maximum amount of time a problem will remain unresolved with that individual before the problem escalates to the next contact person listed in the Contractor's PEP;

D. Expedited escalation procedures and any circumstances that would trigger expediting them;

E. The method of providing feedback on resolution progress, including the frequency of feedback to be provided to the State;

F. Contact information for persons responsible for resolving issues after normal business hours (e.g., evenings, weekends, holidays) and on an emergency basis; and

G. A process for updating and notifying the Contract Monitor of any changes to the PEP.

3.8.4 Nothing in this section shall be construed to limit any rights of the Contract Monitor or the State which may be allowed by the Contract or applicable law.

3.9 SOC 2 Type 2 Audit Report

3.9.1 A SOC 2 Type 2 Audit applies to the Contract. The applicable trust principles are: Security, Availability, Confidentiality, and Privacy.

3.9.2 In the event the Contractor provides services for identified critical functions, handles Sensitive Data, or hosts any related implemented system for the State under the Contract, the Contractor shall have an annual audit performed by an independent audit firm of the Contractor's handling of Sensitive Data or the Department's critical functions. Critical functions are identified as all aspects and functionality of the Solution including any add-on modules and shall address all areas relating to Information Technology security and operational processes. These services provided by the Contractor that shall be covered by the audit will collectively be referred to as the "Information Functions and Processes." Such audits shall be performed in accordance with audit guidance: Reporting on Controls at a Service Organization Relevant to Security, Availability, Processing Integrity, Confidentiality, or Privacy (SOC 2) as published by the American Institute of Certified Public Accountants (AICPA) and as updated from time to time, or according to the most current audit guidance promulgated by the AICPA or similarly-recognized professional organization, as agreed to by the Department, to assess the security of outsourced client functions or data (collectively, the "Guidance") as follows:

A. The type of audit to be performed in accordance with the Guidance is a SOC 2 Type 2 Audit (referred to as the "SOC 2 Audit" or "SOC 2 Report"). All SOC2 Audit Reports shall be submitted to the Contract Monitor as specified in Section F below. The initial SOC 2 Audit shall be completed within a timeframe to be specified by the State. The audit period covered by the initial SOC 2 Audit shall start with the Contract Effective Date unless otherwise agreed to in writing by the Contract Monitor. All subsequent SOC 2 Audits after this initial audit shall be performed at a minimum on an annual basis throughout the Term of the Contract, and shall cover a 12-month audit period or such portion of the year that the Contractor furnished services.

B. The SOC 2 Audit shall report on the suitability of the design and operating effectiveness of controls over the Information Functions and Processes to meet the requirements of the Contract, including the Security Requirements identified in **Section 3.7**, relevant to the trust principles identified in 3.9.1: as defined in the aforementioned Guidance.

C. The audit scope of each year's SOC 2 Report may need to be adjusted (including the inclusion or omission of the relevant trust services principles of Security, Availability, Processing Integrity, Confidentiality, and Privacy) to accommodate any changes to the environment since the last SOC 2 Report. Such changes may include but are not limited to

the addition of Information Functions and Processes through modifications to the Contract or due to changes in Information Technology or the operational infrastructure. The Contractor shall ensure that the audit scope of each year's SOC 2 Report engagement shall accommodate these changes by including in the SOC 2 Report all appropriate controls related to the current environment supporting the Information Functions and/or Processes, including those controls required by the Contract.

D. The scope of the SOC 2 Report shall include work performed by any subcontractors that provide essential support to the TO Contractor or essential support to the Information Functions and Processes provided to the Department under the Contract. The Contractor shall ensure the audit includes all such subcontractors operating in performance of the Contract.

E. All SOC 2 Audits, including those of the Contractor, shall be performed at no additional expense to the Department.

F. The Contractor shall provide to the Contract Monitor, within 30 calendar days of the issuance of each SOC 2 Report, a complete copy of the final SOC 2 Report(s) and a documented corrective action plan addressing each audit finding or exception contained in the SOC 2 Report. The corrective action plan shall identify in detail the remedial action to be taken by the Contractor along with the date(s) when each remedial action is to be implemented.

G. If the Contractor currently has an annual, independent information security assessment performed that includes the operations, systems, and repositories of the Information Functions and Processes being provided to the Department under the Contract, and if that assessment generally conforms to the content and objective of the Guidance, the Department will determine in consultation with appropriate State government technology and audit authorities whether the Contractor's current information security assessments are acceptable in lieu of the SOC 2 Report(s).

H. If the Contractor fails during the Contract term to obtain an annual SOC 2 Report by the date specified in **Section 3.9.2.A**, the Department shall have the right to retain an independent audit firm to perform an audit engagement of a SOC 2 Report of the Information Functions and Processes utilized or provided by the Contractor and under the Contract. The Contractor agrees to allow the independent audit firm to access its facility/ies for purposes of conducting this audit engagement(s), and will provide the necessary support and cooperation to the independent audit firm that is required to perform the audit engagement of the SOC 2 Report. The Department will invoice the Contractor for the expense of the SOC 2 Report(s), or deduct the cost from future payments to the Contractor.

I. Provisions in Section 3.9.1-2 shall survive expiration or termination of the Contract. Additionally, the Contractor and shall flow down the provisions of Section 3.9.1-2 (or the substance thereof) in all subcontracts.

3.10 Experience and Personnel

3.10.1 Preferred Offeror Experience

The following experience is expected and will be evaluated as part of the Technical Proposal (see Offeror Qualifications and Capabilities, including proposed subcontractors evaluation factor from **Section 6.2**):

A. At least three (3) years of experience in developing, managing, and maintaining membership databases;

B. At least three (3) years of experience in processing applications and determining eligibility for program based on eligibility criteria provided;

C. At least three (3) years of experience in processing monthly payments on behalf of membership;

D. At least three (3) years of experience in maintaining financial and accounting systems consistent with sound business practices and based on GAAP;

E. At least three (3) years of experience in operating manned Call Center to assist applicants/members with program specifications and questions concerning application status, enrollment status, and subsidy payment status; and

F. At least three (3) years of experience in coordinating with CMS for monthly submission of COB Input file and updating member database with data received from COB Response file.

3.10.2 **Personnel Experience**

The following experience is expected and will be evaluated as part of the Technical Proposal (see the Experience and Qualifications of Proposed Staff evaluation factor from **Section 6.2**):

A. Account Manager (Key Personnel)

1. Previous account management experience;
2. Previous experience with activities for Contract administration, overall project management and scheduling, correspondence between the MDH and the Contractor, dispute resolution, personnel issues with Contractor's staff, and status reporting to the MDH;
3. Experience overseeing, managing and tracking Contract Deliverables requirements to facilitate on-time completion of Contract Deliverables;
4. Previous experience with Accounts Payable and Program Eligibility Determination;
5. Problem-solving skills; and
6. Skill set in Microsoft Office.

B. Customer Service/Call Center Manager (Key Personnel)

1. Previous experience in managing a Customer Service/Call Center;
2. Minimum of three (3) years of experience with application processing/eligibility determination;
3. Previous experience with conflict resolution and customer relations; and
4. Previous experience with development and training of employees.

C. Customer Service/Call Center Representative(s)

1. Experience or knowledge of application processing functions and some basic knowledge of accounts payable;
2. Prior high volume Call Center experience, preferred;
3. Problem-solving skills; and
4. Skill set in Microsoft Office.

3.10.3 **Number of Personnel to Propose**

As part of the Proposal evaluation, Offerors shall propose exactly the two key personnel (Section 2.3.3) who are expected to be available as of the start date specified in the Notice to Proceed (NTP Date). Offerors shall describe in a Staffing Plan how additional resources shall be acquired to meet the needs of the Department. Offerors may generally describe planned positions in a Staffing Plan. Such planned positions may not be used as evidence of fulfilling personnel minimum qualifications.

3.10.4 Key Personnel Identified

For the Contract, the following positions to be identified in the Technical Proposal will be considered Key Personnel, and shall be required to meet the qualifications stated in **Section 3.10** and **Section 2.3.3.**

1) Account Manager (Key Personnel)
2) Customer Service/Call Center Manager (Key Personnel)

3.10.5 Contractor Personnel Experience Equivalency (including Key Personnel submitted in response to this RFP)

A. Substitution of Education for Experience: Bachelor's Degree or higher may be substituted for the general and specialized experience for those labor categories requiring a High School Diploma. A Master's Degree may be substituted for two years of the general and specialized experience for those labor categories requiring a Bachelor's Degree. Substitution shall be reviewed and approved by the State at its discretion.

B. Substitution of Experience for Education: Substitution of experience for education may be permitted at the discretion of the State.

C. Substitution of Professional Certificates for Experience: Professional certification (e.g., Microsoft Certified Solutions Expert, SQL Certified Database Administrator) may be substituted for up to two (2) years for general and specialized experience at the discretion of the State.

3.10.6 Contractor Personnel Maintain Certifications

Any Contractor Personnel provided under this RFP shall maintain in good standing any required professional certifications for the duration of the Contract.

3.10.7 Work Hours

Unless otherwise specified, the following work hours requirements are applicable:

A. Business Hours Support: Contractor shall assign Contractor Personnel to support Normal State Business Hours (see definition in **Appendix 1**).

A. Contractor Personnel may also be required to provide occasional support outside of normal State Business Hours, including evenings, overnight, and weekends, to support specific efforts and emergencies, such as to resolve system repair or restoration. Hours performing activities must be billed on an actual time worked basis at the rates proposed.

B. State-Mandated Closings: Contractor Personnel shall be required to participate in any State-mandated closings. In this event, the Contractor will be notified in writing by the Contract Monitor of these details.

C. Minimum and Maximum Hours: Full-time Contractor Personnel shall work 40 hours per week with starting and ending times as approved by the Contract Monitor. A flexible work schedule may be used with Contract Monitor approval, including time to support any efforts outside core business hours. Contractor personnel may also be requested to restrict the number of hours Contractor personnel can work within a given period of time that may result in less than an eight-hour day or less than a 40-hour work week.

D. Vacation Hours: Requests for leave shall be submitted to the Contract Monitor at least two weeks in advance. The Contract Monitor reserves the right to request a temporary replacement if leave extends longer than one consecutive week. In cases where there is insufficient coverage, a leave request may be denied.

3.11 Substitution of Personnel

3.11.1 Continuous Performance of Key Personnel

When Key Personnel are identified for the Contract, the following apply:

A. Key Personnel shall be available to perform Contract requirements as of the NTP Date. Unless explicitly authorized by the Contract Monitor or specified in the Contract, Key Personnel shall be assigned to the State of Maryland as a dedicated resource.

B. Key Personnel shall perform continuously for the duration of the Contract, or such lesser duration as specified in the Technical Proposal. Key Personnel may not be removed by the Contractor from working under the Contract without the prior written approval of the Contract Monitor.

C. The provisions of this section apply to Key Personnel identified in any Task Order proposal and agreement, if issued, and any Work Order Request and Work Order, if issued.

3.11.2 Definitions

For the purposes of this section, the following definitions apply:

A. **Extraordinary Personal Event** – means any of: leave under the Family Medical Leave Act; an Incapacitating injury or Incapacitating illness; or other circumstances that in the sole discretion of the State warrant an extended leave of absence, such as extended jury duty or extended military service that precludes the individual from performing his/her job duties under the Contract.

B. **Incapacitating** – means any health circumstance that substantially impairs the ability of an individual to perform the job duties described for that individual's position in the RFP or the Contractor's Technical Proposal.

3.11.3 Contractor Personnel General Substitution Provisions

The following provisions apply to all of the circumstances of Contractor Personnel substitution described in **Section 3.11.4**.

A. The Contractor shall demonstrate to the Contract Monitor's satisfaction that the proposed substitute has qualifications at least equal to those of the Contractor Personnel proposed to be replaced.

B. The Contractor shall provide the Contract Monitor with a substitution request that shall include:

1) A detailed explanation of the reason(s) for the substitution request;

2) The resume of the proposed substitute, signed by the substituting individual and his/her formal supervisor;

3) The official resume of the current personnel for comparison purposes; and

4) Evidence of any required credentials.

C. The Contract Monitor may request additional information concerning the proposed substitution and may interview the proposed substitute personnel prior to deciding whether to approve the substitution request.

D. The Contract Monitor will notify the Contractor in writing of: (i) the acceptance or denial, or (ii) contingent or temporary approval for a specified time limit, of the requested substitution. The Contract Monitor will not unreasonably withhold approval of a proposed Contractor Personnel replacement.

3.11.4 **Replacement Circumstances**

A. Directed Personnel Replacement

1) The Contract Monitor may direct the Contractor to replace any Contractor Personnel who, in the sole discretion of the Contract Monitor, are perceived as being unqualified, non-productive, unable to fully perform the job duties, disruptive, or known, or reasonably believed, to have committed a major infraction(s) of law, Department policies, or Contract requirements. Normally, a directed personnel replacement will occur only after prior notification of problems with requested remediation, as described in paragraph **3.11.4.A.2**.

2) If deemed appropriate in the discretion of the Contract Monitor, the Contract Monitor may give written notice of any Contractor Personnel performance issues to the Contractor, describing the problem and delineating the remediation requirement(s). The Contractor shall provide a written response to the remediation requirements in a Remediation Plan within ten (10) days of the date of the notice and shall immediately implement the Remediation Plan upon written acceptance by the Contract Monitor. If the Contract Monitor rejects the Remediation Plan, the Contractor shall revise and resubmit the plan to the Contract Monitor within five (5) days, or in the timeframe set forth by the Contract Monitor in writing.

3) Should performance issues persist despite an approved Remediation Plan, the Contract Monitor may give written notice of the continuing performance issues and either request a new Remediation Plan within a specified time limit or direct the substitution of Contractor Personnel whose performance is at issue with a qualified substitute, including requiring the immediate removal of the Contractor Personnel at issue.

4) Replacement or substitution of Contractor Personnel under this section shall be in addition to, and not in lieu of, the State's remedies under the Contract or which otherwise may be available at law or in equity.

5) If the Contract Monitor determines to direct substitution under **3.11.4.A.1**, if at all possible, at least fifteen (15) days advance notice shall be given to the Contractor. However, if the Contract Monitor deems it necessary and in the State's best interests to remove the Contractor Personnel with less than fifteen (15) days' notice, the Contract Monitor may direct the removal in a timeframe of less than fifteen (15) days, including immediate removal.

6) In circumstances of directed removal, the Contractor shall, in accordance with paragraph **3.11.4.A.1** of this section, provide a suitable replacement for approval within fifteen (15) days of the notification of the need for removal, or the actual removal, whichever occurs first.

B. Key Personnel Replacement

1) To replace any Key Personnel in a circumstance other than as described in **3.11.4.B**, including transfers and promotions, the Contractor shall submit a substitution request as described in **Section 3.11.3** to the Contract Monitor at least fifteen (15) days prior to the intended date of change. A substitution may not occur unless and until the Contract Monitor approves the substitution in writing.

2) Key Personnel Replacement Due to Sudden Vacancy

   a) The Contractor shall replace Key Personnel whenever a sudden vacancy occurs (e.g., Extraordinary Personal Event, death, resignation, termination). A termination or resignation with thirty (30) days or more advance notice shall be treated as a replacement under **Section 3.11.4.B.1**.

   b) Under any of the circumstances set forth in this paragraph B, the Contractor shall identify a suitable replacement and provide the same information and items required under **Section 3.11.3** within fifteen (15) days of the actual vacancy occurrence or from when the Contractor first knew or should have known that the vacancy would be occurring, whichever is earlier.

3) Key Personnel Replacement Due to an Indeterminate Absence

   a) If any Key Personnel has been absent from his/her job for a period of ten (10) days and it is not known or reasonably anticipated that the individual will be returning to work within the next twenty (20) days to fully resume all job duties, before the 25th day of continuous absence, the Contractor shall identify a suitable replacement and provide the same information and items to the Contract Monitor as required under **Section 3.11.3**.

   b) However, if this person is available to return to work and fully perform all job duties before a replacement has been authorized by the Contract Monitor the Contract Monitor may, at his/her sole discretion, authorize the original personnel to continue to work under the Contract, or authorize the replacement personnel to replace the original personnel, notwithstanding the original personnel's ability to return.

3.11.5 Substitution Prior to and Within 30 Days After Contract Execution

Prior to Contract execution or within thirty (30) days after Contract execution, the Offeror may not substitute proposed Key Personnel except under the following circumstances (a) for actual full-time personnel employed directly by the Offeror: the vacancy occurs due to the sudden termination, resignation, or approved leave of absence due to an Extraordinary Personal Event, or the death of such personnel; and (b) for any temporary staff, subcontractors or 1099 contractors: the vacancy occurs due to an Incapacitating event or the death of such personnel. To qualify for such substitution, the Offeror must demonstrate to the State's satisfaction the event necessitating substitution. Proposed substitutions shall be of equal caliber or higher, in the State's sole discretion. Proposed substitutes deemed by the State to be less qualified than the originally proposed individual may be grounds for pre-award disqualification or post-award termination.

3.12 Minority Business Enterprise (MBE) Reports

If this solicitation includes an MBE Goal (see **Section 4.26**), the Contractor shall:

A. Submit the following reports by the 10th of each month to the Contract Monitor and the Department's MBE Liaison Officer:

1) A Prime Contractor Paid/Unpaid MBE Invoice Report (**Attachment D-4A**) listing any unpaid invoices, over 45 days old, received from any certified MBE subcontractor, the amount of each invoice and the reason payment has not been made; and

2) (If Applicable) An MBE Prime Contractor Report (**Attachment D-4B**) identifying an MBE prime's self-performing work to be counted towards the MBE participation goals.

B. Include in its agreements with its certified MBE subcontractors a requirement that those subcontractors submit an MBE Subcontractor Paid/Unpaid Invoice Report (**Attachment D-5**) by the 10th of each month to the Contract Monitor and the Department's MBE Liaison Officer that identifies the Contract and lists all payments to the MBE subcontractor received from the Contractor in the preceding reporting period month, as well as any outstanding invoices, and the amounts of those invoices.

C. Maintain such records as are necessary to confirm compliance with its MBE participation obligations. These records must indicate the identity of certified minority and non-minority subcontractors employed on the Contract, type of work performed by each, and actual dollar value of work performed. Subcontract agreements documenting the work performed by all MBE participants must be retained by the Contractor and furnished to the Procurement Officer on request.

D. Consent to provide such documentation as reasonably requested and to provide right-of-entry at reasonable times for purposes of the State's representatives verifying compliance with the MBE participation obligations. Contractor must retain all records concerning MBE participation and make them available for State inspection for three years after final completion of the Contract.

E. Upon completion of the Contract and before final payment and release of retainage, submit a final report in affidavit form and under penalty of perjury, of all payments made to, or withheld from MBE subcontractors.

3.13 Veteran Small Business Enterprise (VSBE) Reports

If this solicitation includes a VSBE Goal (see **Section 4.27**), the Contractor shall:

A. Submit the following reports by the 10th of the month following the reporting period to the Contract Monitor and the Department VSBE representative:

1) VSBE Participation Prime Contractor Paid/Unpaid VSBE Invoice Report (**Attachment E-3**) listing any unpaid invoices, over 45 days old, received from any VSBE subcontractor, the amount of each invoice and the reason payment has not been made; and

2) **Attachment E-4**, the VSBE Participation Subcontractor Paid/Unpaid VSBE Invoice Report by the 10th of the month following the reporting period to the Contract Monitor and the VSBE Liaison Officer.

B. Include in its agreements with its VSBE subcontractors a requirement that those subcontractors submit monthly by the 10th of the month following the reporting period to the Contract Monitor and Department VSBE representative a report that identifies the prime contract and lists all payments received from Contractor in the preceding reporting period month, as well as any outstanding invoices, and the amount of those invoices (**Attachment E-4**).

C. Maintain such records as are necessary to confirm compliance with its VSBE participation obligations. These records must indicate the identity of VSBE and non-VSBE subcontractors employed on the contract, the type of work performed by each, and the actual dollar value of work performed. The subcontract agreement documenting the work performed by all VSBE participants must be retained by the Contractor and furnished to the Procurement Officer on request.

D. Consent to provide such documentation as reasonably requested and to provide right-of-entry at reasonable times for purposes of the State's representatives verifying compliance with the VSBE participation obligations. The Contractor must retain all records concerning VSBE participation and make them available for State inspection for three years after final completion of the Contract.

E. At the option of the Department, upon completion of the Contract and before final payment and release of retainage, submit a final report in affidavit form and under penalty of perjury, of all payments made to, or withheld from VSBE subcontractors.

3.14 Additional Clauses

The Contractor shall be subject to the requirements in this section and shall flow down the provisions of **Sections 3.14.1 – 3.14.3** (or the substance thereof) in all subcontracts.

3.14.1 Custom Software

A. As described in the sample Contract (**Attachment M**), the State shall solely own any custom software, including, but not limited to application modules developed to integrate with a COTS, source-codes, maintenance updates, documentation, and configuration files, when developed under the Contract.

B. Upon a Contractor's voluntary or involuntary filing of bankruptcy or any other insolvency proceeding, Contractor's dissolution, Contractor's discontinuance of support of any software or system, the Contractor shall convey to the State all rights, title, and interests in all custom software, licenses, software source codes, and all associated System Documentation that comprises any solutions proposed as a part of the Contract These rights include, but are not limited to, the rights to use, and cause others to use on behalf of the State, said software, software documentation, licenses, software source codes, and System Documentation.

3.14.2 Custom Source Code

A. For all custom software provided to the State pursuant to any Contract, the Contractor shall either provide the source code directly to the State in a form acceptable to the State, or deliver two copies of each software source code and software source code documentation to a State-approved escrow agent at no additional cost to the State following the terms set forth in the sample contract (**Attachment M**).

B. The State shall have the right to audit custom software source code and corresponding software source code documentation for each software product that comprises the solution as represented by the Contractor. This audit shall be scheduled at any time that is convenient for the parties to be present. The State shall be provided with software or other tools required to view all software source code.

C. The Contractor shall provide the current source code and documentation for all custom software to the State at the time of Contract termination.

3.14.3 Change Control and Advance Notice

A. Unless otherwise specified in an applicable Service Level Agreement, the Contractor shall give seven (7) days advance notice to the State of any upgrades or modifications that may impact service availability and performance.

B. Contractor may not modify the functionality or features of any SaaS provided hereunder if such modification materially degrades the functionality of the SaaS.

3.14.4 No-Cost Extensions

In accordance with BPW Advisory 1995-1 item 7.b, in the event there are unspent funds remaining on the Contract, prior to the Contract's expiration date the Procurement Officer may modify the Contract to extend the Contract beyond its expiration date for a period up to, but not exceeding, one-third of the base term of the Contract (e.g., eight-month extension on a two-year contract) for the performance of work within the Contract's scope of work. Notwithstanding anything to the contrary, no funds may be added to the Contract in connection with any such extension.

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4 Procurement Instructions

4.1 Pre-Proposal Conference

4.1.1 A pre-Proposal conference (Conference) will be held at the date, time, and location indicated on the Key Information Summary Sheet.

4.1.2 Attendance at the Conference is not mandatory, but all interested parties are encouraged to attend in order to facilitate better preparation of their Proposals.

4.1.3 Following the Conference, the attendance record and summary of the Conference will be distributed via the same mechanism described for amendments and questions (see **Section 4.2.1** eMMA).

4.1.4 Attendees should bring a copy of the solicitation and a business card to help facilitate the sign-in process.

4.1.5 In order to assure adequate seating and other accommodations at the Conference, please e-mail the Pre-Proposal Conference Response Form (**Attachment A**) no later than the time and date indicated on the form. In addition, if there is a need for sign language interpretation or other special accommodations due to a disability, please notify the Procurement Officer at least five (5) Business Days prior to the Conference date. The Department will make a reasonable effort to provide such special accommodation.

4.1.6 Seating at the Conference will be limited to two (2) attendees per vendor.

4.2 eMaryland Marketplace Advantage (eMMA)

4.2.1 eMMA is the electronic commerce system for the State of Maryland. The RFP, Conference summary and attendance sheet, Offerors' questions and the Procurement Officer's responses, addenda, and other solicitation-related information will be made available via eMMA.

4.2.2 In order to receive a contract award, a vendor must be registered on eMMA. Registration is free. Go to https://procurement.maryland.gov/, click on "Register" to begin the process, and then follow the prompts.

4.3 Questions

4.3.1 All questions, including concerns regarding any applicable MBE or VSBE participation goals, shall identify in the subject line the Solicitation Number and Title (20-18357 - Senior Prescription Drug Assistance Program (SPDAP)), and shall be submitted in writing via e-mail to the Procurement Officer no later than the date and time specified the Key Information Summary Sheet. The Procurement Officer, based on the availability of time to research and communicate an answer, shall decide whether an answer can be given before the Proposal due date.

4.3.2 Answers to all questions that are not clearly specific only to the requestor will be distributed via the same mechanism as for RFP amendments, and posted on eMMA.

4.3.3 The statements and interpretations contained in responses to any questions, whether responded to verbally or in writing, are not binding on the **Department** unless it issues an amendment in writing.

4.4 Procurement Method

A Contract will be awarded in accordance with the Competitive Sealed Proposals method under COMAR 21.05.03.

4.5 Proposal Due (Closing) Date and Time

4.5.1 Proposals, in the number and form set forth in **Section 5 Proposal Format**, must be received by the Procurement Officer no later than the Proposal due date and time indicated on the Key Information Summary Sheet in order to be considered.

4.5.2 Requests for extension of this date or time shall not be granted.

4.5.3 Offerors submitting Proposals should allow sufficient delivery time to ensure timely receipt by the Procurement Officer. Except as provided in COMAR 21.05.03.02.F and 21.05.02.10, Proposals received after the due date and time listed in the Key Information Summary Sheet will not be considered.

4.5.4 The date and time of an e-mail submission is determined by the date and time of arrival in the e-mail address indicated on the Key Information Summary Sheet.

4.5.5 Proposals may be modified or withdrawn by written notice received by the Procurement Officer before the time and date set forth in the Key Information Summary Sheet for receipt of Proposals.

4.5.6 Proposals may not be submitted by email or facsimile. Proposals will not be opened publicly.

4.5.7 Potential Offerors not responding to this solicitation are requested to submit the "Notice to Vendors" form, which includes company information and the reason for not responding (e.g., too busy, cannot meet mandatory requirements).

4.6 Multiple or Alternate Proposals

Multiple or alternate Proposals will not be accepted.

4.7 Economy of Preparation

Proposals should be prepared simply and economically and provide a straightforward and concise description of the Offeror's Proposal to meet the requirements of this RFP.

4.8 Public Information Act Notice

4.8.1 The Offeror should give specific attention to the clear identification of those portions of its Proposal that it considers confidential and/or proprietary commercial information or trade secrets, and provide justification why such materials, upon request, should not be disclosed by the State under the Public Information Act, Md. Code Ann., General Provisions Article, Title 4 (See also RFP **Section 5.3.2.B** "Claim of Confidentiality"). This information should be identified by page and section number and placed after the Title Page and before the Table of Contents in the Technical Proposal and if applicable, separately in the Financial Proposal.

4.8.2 Offerors are advised that, upon request for this information from a third party, the Procurement Officer is required to make an independent determination whether the information must be disclosed.

4.9 Award Basis

A Contract shall be awarded to the responsible Offeror(s) submitting the Proposal that has been determined to be the most advantageous to the State, considering price and evaluation factors set forth in this RFP (see COMAR 21.05.03.03F), for providing the goods and services as specified in this RFP. See RFP **Section 6** for further award information.

4.10 Oral Presentation

Offerors may be required to make oral presentations to State representatives. Oral presentations are considered part of the Technical Proposal. Offerors must confirm in writing any substantive oral clarification of, or change in, their Proposals made in the course of discussions. Any such written clarifications or changes then become part of the Offeror's Proposal. The Procurement Officer will notify Offerors of the time and place of oral presentations.

4.11 Duration of Proposal

Proposals submitted in response to this RFP are irrevocable for the latest of the following: 120 days following the Proposal due date and time, best and final offers if requested (see **Section 6.5.2**), or the date any protest concerning this RFP is finally resolved. This period may be extended at the Procurement Officer's request only with the Offeror's written agreement.

4.12 Revisions to the RFP

4.12.1 If the RFP is revised before the due date for Proposals, the Department shall post any addenda to the RFP on eMM and shall endeavor to provide such addenda to all prospective Offerors that were sent this RFP or are otherwise known by the Procurement Officer to have obtained this RFP. It remains the responsibility of all prospective Offerors to check eMM for any addenda issued prior to the submission of Proposals.

4.12.2 Acknowledgment of the receipt of all addenda to this RFP issued before the Proposal due date shall be included in the Transmittal Letter accompanying the Offeror's Technical Proposal.

4.12.3 Addenda made after the due date for Proposals will be sent only to those Offerors that remain under award consideration as of the issuance date of the addenda.

4.12.4 Acknowledgement of the receipt of addenda to the RFP issued after the Proposal due date shall be in the manner specified in the addendum notice.

4.12.5 Failure to acknowledge receipt of an addendum does not relieve the Offeror from complying with the terms, additions, deletions, or corrections set forth in the addendum, and may cause the Proposal to be deemed not reasonably susceptible of being selected for award.

4.13 Cancellations

4.13.1 The State reserves the right to cancel this RFP, accept or reject any and all Proposals, in whole or in part, received in response to this RFP, waive or permit the cure of minor irregularities, and conduct discussions with all qualified or potentially qualified Offerors in any manner necessary to serve the best interests of the State.

4.13.2 The State reserves the right, in its sole discretion, to award a Contract based upon the written Proposals received without discussions or negotiations.

4.13.3 In the event a government entity proposes and receives the recommendation for award, the procurement may be cancelled and the award processed in accordance with COMAR 21.01.03.01.A(4).

4.14 Incurred Expenses

The State will not be responsible for any costs incurred by any Offeror in preparing and submitting a Proposal, in making an oral presentation, providing a demonstration, or performing any other activities related to submitting a Proposal in response to this solicitation.

4.15 Protest/Disputes

Any protest or dispute related to this solicitation or the Contract award shall be subject to the provisions of COMAR 21.10 (Administrative and Civil Remedies).

4.16 Offeror Responsibilities

4.16.1 Offerors must be able to provide all goods and services and meet all of the requirements requested in this solicitation and the successful Offeror shall be responsible for Contract performance including any subcontractor participation.

4.16.2 All subcontractors shall be identified and a complete description of their role relative to the Proposal shall be included in the Offeror's Proposal. If applicable, subcontractors utilized in meeting the established MBE or VSBE participation goal(s) for this solicitation shall be identified as provided in the appropriate Attachment(s) to this RFP (see **Section 4.26** "Minority Participation Goal" and **Section 4.27** "VSBE Goal").

4.16.3 If the Offeror is the subsidiary of another entity, all information submitted by the Offeror, including but not limited to references, financial reports, or experience and documentation (e.g. insurance policies, bonds, letters of credit) used to meet minimum qualifications, if any, shall pertain exclusively to the Offeror, unless the parent organization will guarantee the performance of the subsidiary. If applicable, the Offeror's Proposal shall contain an explicit statement, signed by an authorized representative of the parent organization, stating that the parent organization will guarantee the performance of the subsidiary.

4.16.4 A parental guarantee of the performance of the Offeror under this Section will not automatically result in crediting the Offeror with the experience or qualifications of the parent under any evaluation criteria pertaining to the actual Offeror's experience and qualifications. Instead, the Offeror will be evaluated on the extent to which the State determines that the experience and qualifications of the parent are applicable to and shared with the Offeror, any stated intent by the parent to be directly involved in the performance of the Contract, and the value of the parent's participation as determined by the State.

4.17 Acceptance of Terms and Conditions

By submitting a Proposal in response to this RFP, the Offeror, if selected for award, shall be deemed to have accepted the terms and conditions of this RFP and the Contract, attached hereto as **Attachment M**. Any exceptions to this RFP or the Contract shall be clearly identified in the Executive Summary of the Technical Proposal. **All exceptions will be taken into consideration when evaluating the Offeror's Proposal. The Department reserves the right to accept or reject any exceptions.**

4.18 Proposal Affidavit

A Proposal submitted by the Offeror must be accompanied by a completed Proposal Affidavit. A copy of this Affidavit is included as **Attachment C** of this RFP.

4.19 Contract Affidavit

All Offerors are advised that if a Contract is awarded as a result of this solicitation, the successful Offeror will be required to complete a Contract Affidavit. A copy of this Affidavit is included for informational purposes as **Attachment N** of this RFP. This Affidavit must be provided within five (5) Business Days of notification of recommended award. For purposes of completing Section "B" of this Affidavit (Certification of Registration or Qualification with the State Department of Assessments and

Taxation), a business entity that is organized outside of the State of Maryland is considered a "foreign" business.

4.20 Compliance with Laws/Arrearages

By submitting a Proposal in response to this RFP, the Offeror, if selected for award, agrees that it will comply with all federal, State, and local laws applicable to its activities and obligations under the Contract.

By submitting a response to this solicitation, each Offeror represents that it is not in arrears in the payment of any obligations due and owing the State, including the payment of taxes and employee benefits, and shall not become so in arrears during the term of the Contract if selected for Contract award.

4.21 Verification of Registration and Tax Payment

Before a business entity can do business in the State, it must be registered with the State Department of Assessments and Taxation (SDAT). SDAT is located at State Office Building, Room 803, 301 West Preston Street, Baltimore, Maryland 21201. For registration information, visit https://www.egov.maryland.gov/businessexpress.

It is strongly recommended that any potential Offeror complete registration prior to the Proposal due date and time. The Offeror's failure to complete registration with SDAT may disqualify an otherwise successful Offeror from final consideration and recommendation for Contract award.

4.22 False Statements

Offerors are advised that Md. Code Ann., State Finance and Procurement Article, § 11-205.1 provides as follows:

4.22.1 In connection with a procurement contract a person may not willfully:

A. Falsify, conceal, or suppress a material fact by any scheme or device.

B. Make a false or fraudulent statement or representation of a material fact.

C. Use a false writing or document that contains a false or fraudulent statement or entry of a material fact.

4.22.2 A person may not aid or conspire with another person to commit an act under **Section 4.22.1**.

4.22.3 A person who violates any provision of this section is guilty of a felony and on conviction is subject to a fine not exceeding $20,000 or imprisonment not exceeding five (5) years or both.

4.23 Payments by Electronic Funds Transfer

By submitting a Proposal in response to this solicitation, the Offeror, if selected for award:

4.23.1 Agrees to accept payments by electronic funds transfer (EFT) unless the State Comptroller's Office grants an exemption. Payment by EFT is mandatory for contracts exceeding $200,000. The successful Offeror shall register using the COT/GAD X-10 Vendor Electronic Funds (EFT) Registration Request Form.

4.23.2 Any request for exemption must be submitted to the State Comptroller's Office for approval at the address specified on the COT/GAD X-10 form, must include the business identification information as stated on the form, and must include the reason for the exemption. The COT/GAD X-10 form may be downloaded from the Comptroller's website at:

http://comptroller.marylandtaxes.com/Vendor_Services/Accounting_Information/Static_Files/GADX10Form20150615.pdf.

4.24 Prompt Payment Policy

This procurement and the Contract(s) to be awarded pursuant to this solicitation are subject to the Prompt Payment Policy Directive issued by the Governor's Office of Small, Minority & Women Business Affairs (GOSBA) and dated August 1, 2008. Promulgated pursuant to Md. Code Ann., State Finance and Procurement Article, §§ 11-201, 13-205(a), and Title 14, Subtitle 3, and COMAR 21.01.01.03 and 21.11.03.01, the Directive seeks to ensure the prompt payment of all subcontractors on non-construction procurement contracts. The Contractor shall comply with the prompt payment requirements outlined in the Contract, Section 31 "Prompt Pay Requirements" (see **Attachment M**), should an MBE goal apply to this RFP. Additional information is available on GOSBA's website at: http://www.gomdsmallbiz.maryland.gov/documents/legislation/promptpaymentfaqs.pdf.

4.25 Electronic Procurements Authorized

4.25.1 Under COMAR 21.03.05, unless otherwise prohibited by law, the Department may conduct procurement transactions by electronic means, including the solicitation, proposing, award, execution, and administration of a contract, as provided in Md. Code Ann., Maryland Uniform Electronic Transactions Act, Commercial Law Article, Title 21.

4.25.2 Participation in the solicitation process on a procurement contract for which electronic means has been authorized shall constitute consent by the Offeror to conduct by electronic means all elements of the procurement of that Contract which are specifically authorized under the solicitation or Contract. In the case of electronic transactions authorized by this RFP, electronic records and signatures by an authorized representative satisfy a requirement for written submission and signatures.

4.25.3 "Electronic means" refers to exchanges or communications using electronic, digital, magnetic, wireless, optical, electromagnetic, or other means of electronically conducting transactions. Electronic means includes e-mail, internet-based communications, electronic funds transfer, specific electronic bidding platforms (e.g., https://emaryland.buyspeed.com/bso/), and electronic data interchange.

4.25.4 In addition to specific electronic transactions specifically authorized in other sections of this solicitation (e.g., RFP § 4.23 describing payments by Electronic Funds Transfer), the following transactions are authorized to be conducted by electronic means on the terms as authorized in COMAR 21.03.05:

A. The Procurement Officer may conduct the procurement using eMM, e-mail to issue:

1) The RFP;

2) Any amendments and requests for best and final offers;

3) Pre-Proposal conference documents;

4) Questions and responses;

5) Communications regarding the solicitation or Proposal to any Offeror or potential Offeror;

6) Notices of award selection or non-selection; and

7) The Procurement Officer's decision on any Proposal protest or Contract claim.

B. The Offeror or potential Offeror may use e-mail to:

1) Ask questions regarding the solicitation;
2) Reply to any material received from the Procurement Officer by electronic means that includes a Procurement Officer's request or direction to reply by e-mail or facsimile, but only on the terms specifically approved and directed by the Procurement Officer and;
3) Submit a "No Proposal Response" to the RFP.

C. The Procurement Officer, the Contract Monitor, and the Contractor may conduct day-to-day Contract administration, except as outlined in **Section 4.25.5** of this subsection, utilizing e-mail or other electronic means if authorized by the Procurement Officer or Contract Monitor.

4.25.5 The following transactions related to this procurement and any Contract awarded pursuant to it are **not authorized** to be conducted by electronic means:

A. Submission of initial Proposals;

B. Filing of protests;

C. Filing of Contract claims;

D. Submission of documents determined by the Department to require original signatures (e.g., Contract execution, Contract modifications); or

E. Any transaction, submission, or communication where the Procurement Officer has specifically directed that a response from the Contractor or Offeror be provided in writing or hard copy.

4.25.6 E-mail transmission is only authorized to the e-mail addresses for the identified person as provided in the solicitation, the Contract, or in the direction from the Procurement Officer or Contract Monitor.

4.26 MBE Participation Goal

4.26.1 Establishment of Goal and Subgoals

An overall MBE subcontractor participation goal as identified in the Key Information Summary Sheet has been established for this procurement, representing a percentage of the total Contract dollar value, including all renewal option terms, if any, has been established for this procurement.

Notwithstanding any subgoals established for this RFP, the Contractor is encouraged to use a diverse group of subcontractors and suppliers from any/all of the various MBE classifications to meet the remainder of the overall MBE participation goal.

By submitting a response to this solicitation, the Offeror acknowledges the overall MBE subcontractor participation goal and subgoals, and commits to achieving the overall goal and subgoals by utilizing certified minority business enterprises, or requests a full or partial waiver of the overall goal and subgoals.

An Offeror that does not commit to meeting the entire MBE participation goal outlined in this Section 4.26 must submit a request for waiver with its proposal submission that is supported by good faith efforts documentation to meet the MBE goal made prior to submission of its proposal as outlined in Attachment D-1B, Waiver Guidance. Failure of an Offeror to properly complete, sign, and submit Attachment D-1A at the time it submits its Technical Response(s) to the RFP will result in the State's rejection of the Offeror's Proposal for the applicable Service Category. This failure is not curable.

4.26.2 Attachments.

A. D-1 to D-5 – The following Minority Business Enterprise participation instructions, and forms are provided to assist Offerors:

1. Attachment D-1A MBE Utilization and Fair Solicitation Affidavit & MBE Participation Schedule (must be submitted with Proposal)
2. Attachment D-1B Waiver Guidance
3. Attachment D-1C Good Faith Efforts Documentation to Support Waiver Request
4. Attachment D-2 Outreach Efforts Compliance Statement
5. Attachment D-3A MBE Subcontractor Project Participation Certification
6. Attachment D-3B MBE Prime Project Participation Certification
7. Attachment D-4A Prime Contractor Paid/Unpaid MBE Invoice Report
8. Attachment D-4B MBE Prime Contractor Report
9. Attachment D-5 Subcontractor Paid/Unpaid MBE Invoice Report

B. The Offeror shall include with its Proposal a completed MBE Utilization and Fair Solicitation Affidavit (**Attachment D-1A**) whereby:

1. The Offeror acknowledges the certified MBE participation goal and commits to make a good faith effort to achieve the goal and any applicable subgoals, or requests a waiver, and affirms that MBE subcontractors were treated fairly in the solicitation process; and
2. The Offeror responds to the expected degree of MBE participation, as stated in the solicitation, by identifying the specific commitment of certified MBEs at the time of Proposal submission. The Offeror shall specify the percentage of total contract value associated with each MBE subcontractor identified on the MBE participation schedule, including any work performed by the MBE prime (including a prime participating as a joint venture) to be counted towards meeting the MBE participation goals.
3. The Offeror requesting a waiver should review **Attachment D-1B** (Waiver Guidance) and **D-1C** (Good Faith Efforts Documentation to Support Waiver Request) prior to submitting its request.

If the Offeror fails to submit a completed Attachment D-1A with the Proposal as required, the Procurement Officer shall determine that the Proposal is not reasonably susceptible of being selected for award.

4.26.3 Offerors are responsible for verifying that each MBE (including any MBE prime and MBE prime participating in a joint venture) selected to meet the goal and any subgoals and subsequently identified in **Attachment D-1A** is appropriately certified and has the correct NAICS codes allowing it to perform the committed work.

4.26.4 Within ten (10) Business Days from notification that it is the recommended awardee or from the date of the actual award, whichever is earlier, the Offeror must provide the following documentation to the Procurement Officer.

A. Outreach Efforts Compliance Statement (**Attachment D-2**);

B. MBE Subcontractor/Prime Project Participation Certification (**Attachment D-3A/3B**); and

C. Any other documentation required by the Procurement Officer to ascertain Offeror responsibility in connection with the certified MBE subcontractor participation goal or any applicable subgoals.

D. Further, if the recommended awardee believes a waiver (in whole or in part) of the overall MBE goal or of any applicable subgoal is necessary, the recommended awardee must submit a fully-documented waiver request that complies with COMAR 21.11.03.11.

If the recommended awardee fails to return each completed document within the required time, the Procurement Officer may determine that the recommended awardee is not responsible and, therefore, not eligible for Contract award. If the Contract has already been awarded, the award is voidable.

4.26.5 A current directory of certified MBEs is available through the Maryland State Department of Transportation (MDOT), Office of Minority Business Enterprise, 7201 Corporate Center Drive, Hanover, Maryland 21076. The phone numbers are (410) 865-1269, 1-800-544-6056, or TTY (410) 865-1342. The directory is also available on the MDOT website at http://mbe.mdot.maryland.gov/directory/. The most current and up-to-date information on MBEs is available via this website. **Only MDOT-certified MBEs may be used to meet the MBE subcontracting goals.**

4.26.6 The Offeror that requested a waiver of the goal or any of the applicable subgoals will be responsible for submitting the Good Faith Efforts Documentation to Support Waiver Request (**Attachment D-1C**) and all documentation within ten (10) Business Days from notification that it is the recommended awardee or from the date of the actual award, whichever is earlier, as required in COMAR 21.11.03.11.

4.26.7 All documents, including the MBE Utilization and Fair Solicitation Affidavit & MBE Participation Schedule (**Attachment D-1A**), completed and submitted by the Offeror in connection with its certified MBE participation commitment shall be considered a part of the Contract and are hereby expressly incorporated into the Contract by reference thereto. All of the referenced documents will be considered a part of the Proposal for order of precedence purposes (see Contract – **Attachment M**, **Section 2.1**).

4.26.8 The Offeror is advised that liquidated damages will apply in the event the Contractor fails to comply in good faith with the requirements of the MBE program and pertinent Contract provisions. (See Contract – **Attachment M**, **Liquidated Damages for MBE, section 39**

4.26.9 As set forth in COMAR 21.11.03.12-1(D), when a certified MBE firm participates on a contract as a prime contractor (including a joint-venture where the MBE firm is a partner), a procurement agency may count the distinct, clearly defined portion of the work of the contract that the certified MBE firm performs with its own work force towards fulfilling up to fifty-percent (50%) of the MBE participation goal (overall) and up to one hundred percent (100%) of not more than one of the MBE participation subgoals, if any, established for the contract.

In order to receive credit for self-performance, an MBE prime must list its firm in Section 4A of the MBE Participation Schedule (**Attachment D-1A**) and include information regarding the work it will self-perform. For the remaining portion of the overall goal and the subgoals, the MBE prime must also identify other certified MBE subcontractors [see Section 4B of the MBE Participation Schedule (**Attachment D-1A**)] used to meet those goals. If dually-certified, the MBE prime can be designated as only one of the MBE subgoal classifications but can self-perform up to 100% of the stated subgoal.

As set forth in COMAR 21.11.03.12-1, once the Contract work begins, the work performed by a certified MBE firm, including an MBE prime, can only be counted towards the MBE participation goal(s) if the MBE firm is performing a commercially useful function on the Contract. Refer to MBE forms (**Attachment D**) for additional information.

4.27 VSBE Goal

4.27.1 Purpose

E. The Contractor shall structure its procedures for the performance of the work required in the Contract to attempt to achieve the VSBE participation goal stated in this solicitation. VSBE performance must be in accordance with this section and **Attachment E**, as authorized by COMAR 21.11.13. The Contractor agrees to exercise all good faith efforts to carry out the requirements set forth in this section and **Attachment E**.

F. Veteran-Owned Small Business Enterprises must be verified by the Office of Small and Disadvantaged Business Utilization (OSDBU) of the United States Department of Veterans Affairs. The listing of verified VSBEs may be found at http://www.va.gov/osdbu.

4.27.2 VSBE Goal

G. A VSBE participation goal of the total Contract dollar amount has been established for this procurement as identified in the Key Information Summary Sheet.

H. By submitting a response to this solicitation, the Offeror agrees that this percentage of the total dollar amount of the Contract will be performed by verified veteran-owned small business enterprises.

4.27.3 Solicitation and Contract Formation

I. In accordance with COMAR 21.11.13.05 C (1), this solicitation requires Offerors to:

1) Identify specific work categories within the scope of the procurement appropriate for subcontracting;

2) Solicit VSBEs before Proposals are due, describing the identified work categories and providing instructions on how to bid on the subcontracts;

3) Attempt to make personal contact with the VSBEs solicited and to document these attempts;

4) Assist VSBEs to fulfill, or to seek waiver of, bonding requirements; and

5) Attempt to attend preProposal or other meetings the procurement agency schedules to publicize contracting opportunities to VSBEs.

J. The Offeror must include with its Proposal a completed VSBE Utilization Affidavit and Prime/Subcontractor Participation Schedule (**Attachment E-1**) whereby the Offeror:

1) Acknowledges it: a) intends to meet the VSBE participation goal; or b) requests a full or partial waiver of the VSBE participation goal. If the Offeror commits to the full VSBE goal or requests a partial waiver, it shall commit to making a good faith effort to achieve the stated goal; and

2) Responds to the expected degree of VSBE participation as stated in the solicitation, by identifying the specific commitment of VSBEs at the time of Proposal submission. The Offeror shall specify the percentage of contract value associated with each VSBE prime/subcontractor identified on the VSBE Participation Schedule.

An Offeror must properly complete and submit a separate Attachment E-1, VSBE Utilization Affidavit and Prime/Subcontractor Participation Schedule, for EACH Service Category (I and II) for which it is submitting a proposal. If an Offeror is submitting a proposal for each of Service Categories I and II, the Offeror must submit two separate Attachment E-1s, one for each of the two Service Categories.

A. As set forth in COMAR 21.11.13.05.B(2), when a verified VSBE firm participates on a Contract as a Prime Contractor, a procurement agency may count the distinct, clearly defined portion of the work of the contract that the VSBE Prime Contractor performs with its own work force towards meeting up to one hundred percent (100%) of the VSBE goal.

B. In order to receive credit for self-performance, a VSBE Prime must list its firm in the VSBE Prime/Subcontractor Participation Schedule (**Attachment E-1**) and include information regarding the work it will self-perform. For any remaining portion of the VSBE goal that is not to be performed by the VSBE Prime, the VSBE Prime must also identify verified VSBE subcontractors used to meet the remainder of the goal.

C. Within 10 Business Days from notification that it is the apparent awardee, the awardee must provide the following documentation to the Procurement Officer:

1) VSBE Project Participation Statement (**Attachment E-2**);

2) If the apparent awardee believes a full or partial waiver of the overall VSBE goal is necessary, it must submit a fully-documented waiver request that complies with COMAR 21.11.13.07; and

3) Any other documentation required by the Procurement Officer to ascertain Offeror responsibility in connection with the VSBE participation goal.

If the apparent awardee fails to return each completed document within the required time, the Procurement Officer may determine that the apparent awardee is not reasonably susceptible of being selected for award.

4.28 Living Wage Requirements

A. Maryland law requires that contractors meeting certain conditions pay a living wage to covered employees on State service contracts over $100,000. Maryland Code Ann., State Finance and Procurement Article, § 18-101 et al. The Commissioner of Labor and Industry at the Department of Labor, Licensing and Regulation requires that a contractor subject to the Living Wage law submit payroll records for covered employees and a signed statement indicating that it paid a living wage to covered employees; or receive a waiver from Living Wage reporting requirements. See COMAR 21.11.10.05.

B. If subject to the Living Wage law, Contractor agrees that it will abide by all Living Wage law requirements, including but not limited to reporting requirements in COMAR 21.11.10.05. Contractor understands that failure of Contractor to provide such documents is a material breach of the terms and conditions and may result in Contract termination, disqualification by the State from participating in State contracts, and other sanctions. Information pertaining to reporting obligations may be found by going to the Maryland Department of Labor, Licensing and Regulation (DLLR) website http://www.dllr.state.md.us/labor/prev/livingwage.shtml.

C. Additional information regarding the State's living wage requirement is contained in **Attachment F**. Offerors must complete and submit the Maryland Living Wage Requirements Affidavit of Agreement (**Attachment F-1**) with their Proposals. If the Offeror

fails to complete and submit the required documentation, the State may determine the Offeror to not be responsible under State law.

D. Contractors and subcontractors subject to the Living Wage Law shall pay each covered employee at least the minimum amount set by law for the applicable Tier area. The specific living wage rate is determined by whether a majority of services take place in a Tier 1 Area or a Tier 2 Area of the State. The specific Living Wage rate is determined by whether a majority of services take place in a Tier 1 Area or Tier 2 Area of the State.

1) The Tier 1 Area includes Montgomery, Prince George's, Howard, Anne Arundel and Baltimore Counties, and Baltimore City. The Tier 2 Area includes any county in the State not included in the Tier 1 Area. In the event that the employees who perform the services are not located in the State, the head of the unit responsible for a State Contract pursuant to §18-102(d) of the State Finance and Procurement Article shall assign the tier based upon where the recipients of the services are located. If the Contractor provides more than 50% of the services from an out-of-State location, the State agency determines the wage tier based on where the majority of the service recipients are located. In this circumstance, the Contract will be determined to be a Tier 1 Contract.

2) The Contract will be determined to be a Tier 1 Contract or a Tier 2 Contract depending on the location(s) from which the Contractor provides 50% or more of the services. The Offeror must identify in its Proposal the location(s) from which services will be provided, including the location(s) from which 50% or more of the Contract services will be provided.

3) If the Contractor provides 50% or more of the services from a location(s) in a Tier 1 jurisdiction(s) the Contract will be a Tier 1 Contract.

4) If the Contractor provides 50% or more of the services from a location(s) in a Tier 2 jurisdiction(s), the Contract will be a Tier 2 Contract.

E. If the Contractor provides more than 50% of the services from an out-of-State location, the State agency determines the wage tier based on where the majority of the service recipients are located. See COMAR 21.11.10.07.

F. The Offeror shall identify in the Proposal the location from which services will be provided.

G. **NOTE:** Whereas the Living Wage may change annually, the Contract price will not change because of a Living Wage change.

4.29 Federal Funding Acknowledgement

This Contract does not contain federal funds.

4.30 Conflict of Interest Affidavit and Disclosure

4.30.1 The Offeror shall complete and sign the Conflict of Interest Affidavit and Disclosure (**Attachment H**) and submit it with its Proposal.

4.30.2 By submitting a Conflict of Interest Affidavit and Disclosure, the Contractor shall be construed as certifying all Contractor Personnel and subcontractors are also without a conflict of interest as defined in COMAR 21.05.08.08A.

4.30.3 Additionally, a Contractor has an ongoing obligation to ensure that all Contractor Personnel are without conflicts of interest prior to providing services under the Contract. For policies and

procedures applying specifically to Conflict of Interests, the Contract is governed by COMAR 21.05.08.08.

4.30.4 Participation in Drafting of Specifications: Disqualifying Event: Offerors are advised that Md. Code Ann. State Finance and Procurement Article §13-212.1(a) provides generally that "an individual who assists an executive unit in the drafting of specifications, an invitation for bids, a request for proposals for a procurement, or the selection or award made in response to an invitation for bids or a request for proposals, or a person that employs the individual, may not: (1) submit a bid or proposal for that procurement; or (2) assist or represent another person, directly or indirectly, who is submitting a bid or proposal for that procurement." Any Offeror submitting a Proposal in violation of this provision shall be classified as "not responsible." See COMAR 21.05.03.03.

4.31 Non-Disclosure Agreement

4.31.1 Non-Disclosure Agreement (Offeror)

A Non-Disclosure Agreement (Offeror) is not required for this procurement.

4.31.2 Non-Disclosure Agreement (Contractor)

All Offerors are advised that this solicitation and any Contract(s) are subject to the terms of the Non-Disclosure Agreement (NDA) contained in this solicitation as **Attachment I**. This Agreement must be provided within five (5) Business Days of notification of recommended award; however, to expedite processing, it is suggested that this document be completed and submitted with the Proposal.

4.32 HIPAA - Business Associate Agreement

Based on the determination by the Department that the functions to be performed in accordance with this solicitation constitute Business Associate functions as defined in the Health Insurance Portability and Accountability Act of 1996 (HIPAA), the recommended awardee shall execute a Business Associate Agreement as required by HIPAA regulations at 45 C.F.R. §164.500 *et seq.* and set forth in **Attachment J**. This Agreement must be provided within five (5) Business Days of notification of proposed Contract award. However, to expedite processing, it is suggested that this document be completed and submitted with the Proposal. Should the Business Associate Agreement not be submitted upon expiration of the five (5) Business Day period as required by this solicitation, the Procurement Officer, upon review of the Office of the Attorney General and approval of the Secretary, may withdraw the recommendation for award and make the award to the responsible Offeror with the next highest overall-ranked Proposal.

4.33 Nonvisual Access

The bidder or offeror warrants that the information technology offered under this bid or proposal (1) provides equivalent access for effective use by both visual and nonvisual means; (2) will present information, including prompts used for interactive communications, in formats intended for both visual and nonvisual use; (3) if intended for use in a network, can be integrated into networks for obtaining, retrieving, and disseminating information used by individuals who are not blind or visually impaired; and (4) is available, whenever possible, without modification for compatibility with software and hardware for nonvisual access. The bidder or offeror further warrants that the cost, if any, of modifying the information technology for compatibility with software and hardware used for nonvisual access will not increase the cost of the information technology by more than 5 percent.

4.34 Mercury and Products That Contain Mercury

This solicitation does not include the procurement of products known to likely include mercury as a component.

4.35 Location of the Performance of Services Disclosure

The Offeror is required to complete the Location of the Performance of Services Disclosure. A copy of this Disclosure is included as **Attachment L**. The Disclosure must be provided with the Proposal.

4.36 Department of Human Services (DHS) Hiring Agreement

This solicitation does not require a DHS Hiring Agreement.

4.37 Small Business Reserve (SBR) Procurement

This solicitation is not designated as a Small Business Reserve (SBR) Procurement.

4.38 Maryland Healthy Working Families Act Requirements

On February 11, 2018, the Maryland Healthy Working Families Act went into effect. All offerors should be aware of how this Act could affect your potential contract award with the State of Maryland. See the Department of Labor, Licensing and Regulations web site for Maryland Healthy Working Families Act Information: http://dllr.maryland.gov/paidleave/.
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5 Proposal Format

5.1 Two Part Submission

Offerors shall submit Proposals in separate volumes:

- Volume I –Technical Proposal
- Volume II – Financial Proposal

5.2 Proposal Delivery and Packaging

5.2.1 Proposals delivered by facsimile and email shall not be considered.

5.2.2 Provide no pricing information in the Technical Proposal. Provide no pricing information on the media submitted in the Technical Proposal.

5.2.3 Offerors may submit Proposals by hand or by mail as described below to the address provided in the Key Information Summary Sheet.

A. Any Proposal received at the appropriate mailroom, or typical place of mail receipt, for the respective procuring unit by the time and date listed in the RFP will be deemed to be timely. The State recommends a delivery method for which both the date and time of receipt can be verified.

B. For hand-delivery, Offerors are advised to secure a dated, signed, and time-stamped (or otherwise indicated) receipt of delivery. Hand-delivery includes delivery by commercial carrier acting as agent for the Offeror.

5.2.4 The Procurement Officer must receive all Proposal material by the RFP due date and time specified in the Key Information Summary Sheet. Requests for extension of this date or time will not be granted. Except as provided in COMAR 21.05.03.02F, Proposals received by the Procurement Officer after the due date will not be considered.

5.2.5 Offerors shall provide their Proposals in two separately sealed and labeled packages as follows:

C. Volume I - Technical Proposal consisting of:

1) One (1) original executed Technical Proposal and all supporting material marked and sealed,

2) four (4) duplicate copies of the above separately marked and sealed,

3) an electronic version of the Technical Proposal in Microsoft Word format, version 2007 or greater,

4) the Technical Proposal in searchable Adobe PDF format, and

5) a second searchable Adobe PDF copy of the Technical Proposal with confidential and proprietary information redacted (see **Section 4.8**).

D. Volume II - Financial Proposal consisting of:

1) One (1) original executed Financial Proposal and all supporting material marked and sealed,

2) four (4) duplicate copies of the above separately marked and sealed,

3) an electronic version of the Financial Proposal in searchable Adobe PDF format, and

4) a second searchable Adobe pdf copy of the Financial Proposal, with confidential and proprietary information redacted (see **Section 4.8**).

5.2.6 Affix the following to the outside of each sealed Proposal. Include the name, email address, and telephone number of a contact person for the Offeror be included on the outside of the packaging for each volume. Unless the resulting package will be too unwieldy, the State's preference is for the separately sealed Technical and Financial Proposals to be submitted together in a single package to the Procurement Officer and including a label bearing:

- RFP title and number,
- Name and address of the Offeror, and
- Closing date and time for receipt of Proposals

5.2.7 Label each electronic media (CD, DVD, or flash drive) on the outside with the RFP title and number, name of the Offeror, and volume number. Electronic media must be packaged with the original copy of the appropriate Proposal (Technical or Financial).

5.3 Volume I - Technical Proposal

NOTE: Omit all **pricing information** from the Technical Proposal (Volume I). Include pricing information only in the Financial Proposal (Volume II).

5.3.1 In addition to the instructions below, responses in the Offeror's Technical Proposal shall reference the organization and numbering of Sections in the RFP (e.g., "Section 2.2.1 Response . . .; "Section 2.2.2 Response . . .,"). All pages of both Proposal volumes shall be consecutively numbered from beginning (Page 1) to end (Page "x").

5.3.2 The Technical Proposal shall include the following documents and information in the order specified as follows. Each section of the Technical Proposal shall be separated by a TAB as detailed below:

A. Title Page and Table of Contents (Submit under TAB A)

The Technical Proposal should begin with a Title Page bearing the name and address of the Offeror and the name and number of this RFP. A Table of Contents shall follow the Title Page for the Technical Proposal, organized by section, subsection, and page number.

B. Claim of Confidentiality (If applicable, submit under TAB A-1)

Any information which is claimed to be confidential and/or proprietary information should be identified by page and section number and placed after the Title Page and before the Table of Contents in the Technical Proposal, and if applicable, separately in the Financial Proposal. An explanation for each claim of confidentiality shall be included (see **Section 4.8 "Public Information Act Notice"**). The entire Proposal cannot be given a blanket confidentiality designation - any confidentiality designation must apply to specific sections, pages, or portions of pages of the Proposal and an explanation for each claim shall be included.

C. Offeror Information Sheet and Transmittal Letter (Submit under TAB B)

The Offeror Information Sheet (see **Appendix 2**) and a Transmittal Letter shall accompany the Technical Proposal. The purpose of the Transmittal Letter is to transmit the Proposal and acknowledge the receipt of any addenda to this RFP issued before the Proposal due date and time. Transmittal Letter should be brief, be signed by an individual who is authorized to commit the Offeror to its Proposal and the requirements as stated in this RFP.

D. Executive Summary (Submit under TAB C)

The Offeror shall condense and highlight the contents of the Technical Proposal in a separate section titled "Executive Summary."

In addition, the Summary shall indicate whether the Offeror is the subsidiary of another entity, and if so, whether all information submitted by the Offeror pertains exclusively to the Offeror. If not, the subsidiary Offeror shall include a guarantee of performance from its parent organization as part of its Executive Summary (see **Section 4.16 "Offeror Responsibilities"**).

The Executive Summary shall also identify any exceptions the Offeror has taken to the requirements of this RFP, the Contract (**Attachment M**), or any other exhibits or attachments. Acceptance or rejection of exceptions is within the sole discretion of the State. **Exceptions to terms and conditions, including requirements, may result in having the Proposal deemed unacceptable or classified as not reasonably susceptible of being selected for award.**

E. Minimum Qualifications Documentation (Submit under TAB D)

The Offeror shall submit any Minimum Qualifications documentation that may be required, as set forth in RFP **Section 1**. If references are required in **RFP Section 1**, those references shall be submitted in this section and shall contain the information described in both **Section 1** and **Section 5.3.2.I**.

F. Offeror Technical Response to RFP Requirements and Proposed Work Plan (Submit under TAB E)

1) The Offeror shall address each RFP requirement (RFP **Section 2** and **Section 3**) in its Technical Proposal with a cross reference to the requirement and describe how its proposed goods and services, including the goods and services of any proposed subcontractor(s), will meet or exceed the requirement(s). If the State is seeking Offeror agreement to any requirement(s), the Offeror shall state its agreement or disagreement. Any paragraph in the Technical Proposal that responds to an RFP requirement shall include an explanation of how the work will be performed. The response shall address each requirement in **Section 2** and **Section 3** in order, and shall contain a cross reference to the requirement.

2) Any exception to a requirement, term, or condition may result in having the Proposal classified as not reasonably susceptible of being selected for award or the Offeror deemed not responsible.

3) The Offeror shall give a definitive section-by-section description of the proposed plan to meet the requirements of the RFP, i.e., a Work Plan. The Work Plan shall include the specific methodology, techniques, and number of staff, if applicable, to be used by the Offeror in providing the required goods and services as outlined in RFP **Section 2**, Contractor Requirements: Scope of Work. The description shall include an outline of the overall management concepts employed by the Offeror and a project management plan, including project control mechanisms and overall timelines. Project deadlines considered contract deliverables must be recognized in the Work Plan.

4) Implementation Schedule - Offeror shall provide the proposed implementation schedule with its Proposal

5) The Offeror shall identify the location(s) from which it proposes to provide services, including, if applicable, any current facilities that it operates, and any required construction to satisfy the State's requirements as outlined in this RFP.

6) The Offeror shall provide a draft Problem Escalation Procedure (PEP) that includes, at a minimum, titles of individuals to be contacted by the Contract Monitor should problems arise under the Contract and explains how problems with work under the Contract will

be escalated in order to resolve any issues in a timely manner. Final procedures shall be submitted as indicated in **Section 3.8**.

7) The Offeror shall provide a Backup solution/strategy recommendation as part of its Proposal.

8) Disaster Recovery and Security Model description - For hosted services, the Offeror shall include its DR strategy, and for on premise, a description of a recommended DR strategy.

9) The Offeror shall include a deliverable description and schedule describing the proposed Deliverables as mapped to the State SDLC and the Deliverables table in **Section 2.4.3**. The schedule shall also detail proposed submission due date/frequency of each recommended Deliverable.

10) The Offeror shall include an SLA as identified in **Section 2.9**, including service level metrics offered and a description how the metrics are measured, any SLA credits should the service level metrics not be met, and how the State can verify the service level. The Offeror shall describe how service level performance is reported to the State.

11) Description of technical risk of migrating from the existing system

12) Non-Compete Clause Prohibition:

    The Department seeks to maximize the retention of personnel working under the Contract whenever there is a transition of the Contract from one contractor to another so as to minimize disruption due to a change in contractor and maximize the maintenance of institutional knowledge accumulated by such personnel. To help achieve this objective of staff retention, each Offeror shall agree that if awarded the Contract, the Offeror's employees and agents filling the positions set forth in the staffing requirements of Section **3.10.2** working on the State contract shall be free to work for the contractor awarded the State contract notwithstanding any non-compete clauses to which the employee(s) may be subject. The Offeror agrees not to enforce any non-compete restrictions against the State with regard to these employees and agents if a different vendor succeeds it in the performance of the Contract. To evidence compliance with this non-compete clause prohibition, each Offeror must include an affirmative statement in its technical Proposal that the Offeror, if awarded a Contract, agrees that its employees and agents shall not be restricted from working with or for any successor contractor that is awarded the State business.

13) Product Requirements

    a) Offerors may propose open source software; however, the Offeror must provide operational support for the proposed software.

    b) Details for each offering: The Offeror shall provide the following information for each offering:

        i) Offering Name;

        ii) Offeror relationship with manufacturer (e.g., manufacturer, reseller, partner);

        iii) Manufacturer;

        iv) Short description of capability;

        v) Version (and whether version updates are limited in any way);

vi) License type (e.g., user, CPU, node, transaction volume);

vii) Subscription term (e.g., annual);

viii) License restrictions, if any;

ix) Operational support offered (e.g., customer support, help desk, user manuals online or hardcopy), including description of multiple support levels (if offered), service level measures and reporting;

x) Continuity of operations and disaster recovery plans for providing service at 24/7/365 level;

xi) Ability of the offering to read and export data in existing State enterprise data stores. Offerors in their Proposals shall describe the interoperability of data that can be imported or exported from the Solution, including generating industry standard formats;

xii) Any processing or storage of data outside of the continental U.S;

xiii) Any limitations or constraints in the offering, including any terms or conditions (e.g., terms of service, ELA, AUP, professional services agreement, master agreement) – see also **Section 5.3.2.**

xiv) Compatibility with the State's existing single sign-on system, SecureAuth or other single sign-on approaches;

xv) APIs offered, and what type of content can be accessed and consumed;

xvi) Update / upgrade roadmap and procedures, to include: planned changes in the next 12 months, frequency of system update (updates to software applied) and process for updates/upgrades;

xvii) Frequency of updates to data services, including but not limited to, datasets provided as real-time feeds, and datasets updated on a regular basis (e.g., monthly, quarterly, annually, one-time);

xviii) What type of third party assessment (such as a SOC 2 Type II audit) is performed, the nature of the assessment (e.g., the trust principles and scope of assessment), and whether the results of the assessment pertinent to the State will be shared with the State. See also **Section 3.9**;

xix) Offeror shall describe its security model and procedures supporting handling of State data. If more than one level of service is offered, the Offeror shall describe such services. Include, at a minimum:

(1) procedures for and requirements for hiring staff (such as background checks),

(2) any non-disclosure agreement Contractor Personnel sign,

(3) whether the service is furnished out of the continental U.S. (see security requirements in **Section 3.7**),

(4) Certifications such as FedRAMP,

(5) Third party security auditing, including FISMA,

(6) Published Security Incident reporting policy, and

(7) Cybersecurity insurance, if any, maintained.

G. Experience and Qualifications of Proposed Staff (Submit under TAB F)

As part of the evaluation of the Proposal for this RFP, Offerors shall propose exactly two (2) key resources and shall describe in a Staffing Plan how additional resources shall be acquired to meet the needs of the Department. All other planned positions shall be described generally in the Staffing Plan, and may not be used as evidence of fulfilling company or personnel minimum qualifications.

The Offeror shall identify the qualifications and types of staff proposed to be utilized under the Contract including information in support of the Personnel Experience criteria in **Section 3.10.2**. Specifically, the Offeror shall:

1) Describe in detail how the proposed staff's experience and qualifications relate to their specific responsibilities, including any staff of proposed subcontractor(s), as detailed in the Work Plan.

2) Include individual resumes for Key Personnel, including Key Personnel for any proposed subcontractor(s), who are to be assigned to the project if the Offeror is awarded the Contract. Each resume should include the amount of experience the individual has had relative to the Scope of Work set forth in this solicitation.

3) Include letters of intended commitment to work on the project, including letters from any proposed subcontractor(s). Offerors should be aware of restrictions on substitution of Key Personnel prior to RFP award (see Substitution Prior to and Within 30 Days After Contract Execution in Section 3.11.5).

4) Provide an Organizational Chart outlining Personnel and their related duties. The Offeror shall include job titles and the percentage of time each individual will spend on his/her assigned tasks. Offerors using job titles other than those commonly used by industry standards must provide a crosswalk reference document.

5) If proposing differing personnel work hours than identified in the RFP, describe how and why it proposes differing personnel work hours.

H. Offeror Qualifications and Capabilities (Submit under TAB G)

The Offeror shall include information on past experience with similar projects and services including information in support of the Offeror Experience criteria in **Section 3.10.1**. The Offeror shall describe how its organization can meet the requirements of this RFP and shall also include the following information:

1) The number of years the Offeror has provided the similar goods and services;

2) The number of clients/customers and geographic locations that the Offeror currently serves;

3) The names and titles of headquarters or regional management personnel who may be involved with supervising the services to be performed under the Contract;

4) The Offeror's process for resolving billing errors; and

5) An organizational chart that identifies the complete structure of the Offeror including any parent company, headquarters, regional offices, and subsidiaries of the Offeror.

I. References (Submit under TAB H)

At least three (3) references are requested from customers who are capable of documenting the Offeror's ability to provide the goods and services specified in this RFP. References used to meet any Minimum Qualifications (see RFP **Section 1**) may be used to meet this request. Each

reference shall be from a client for whom the Offeror has provided goods and services within the past five (5) years and shall include the following information:

1) Name of client organization;
2) Name, title, telephone number, and e-mail address, if available, of point of contact for client organization; and
3) Value, type, duration, and description of goods and services provided.

The Department reserves the right to request additional references or utilize references not provided by the Offeror. Points of contact must be accessible and knowledgeable regarding Offeror performance.

J. List of Current or Prior State Contracts (Submit under TAB I)

Provide a list of all contracts with any entity of the State of Maryland for which the Offeror is currently performing goods and services or for which services have been completed within the last five (5) years. For each identified contract, the Offeror is to provide:

1) The State contracting entity;
2) A brief description of the goods and services provided;
3) The dollar value of the contract;
4) The term of the contract;
5) The State employee contact person (name, title, telephone number, and, if possible, e-mail address); and
6) Whether the contract was terminated before the end of the term specified in the original contract, including whether any available renewal option was not exercised.

Information obtained regarding the Offeror's level of performance on State contracts will be used by the Procurement Officer to determine the responsibility of the Offeror and considered as part of the experience and past performance evaluation criteria of the RFP.

K. Financial Capability (Submit under TAB J)

The Offeror must include in its Proposal a commonly-accepted method to prove its fiscal integrity. If available, the Offeror shall include Financial Statements, preferably a Profit and Loss (P&L) statement and a Balance Sheet, for the last two (2) years (independently audited preferred).

In addition, the Offeror may supplement its response to this Section by including one or more of the following with its response:

1) Dun & Bradstreet Rating;
2) Standard and Poor's Rating;
3) Lines of credit;
4) Evidence of a successful financial track record; and
5) Evidence of adequate working capital.

L. Certificate of Insurance (Submit under TAB K)

The Offeror shall provide a copy of its current certificate of insurance showing the types and limits of insurance in effect as of the Proposal submission date. The current insurance types

and limits do not have to be the same as described in **Section 3.6**. See **Section 3.6** for the required insurance certificate submission for the apparent awardee.

M. Subcontractors (Submit under TAB L)

The Offeror shall provide a complete list of all subcontractors that will work on the Contract if the Offeror receives an award, including those utilized in meeting the MBE and VSBE subcontracting goal(s), if applicable. This list shall include a full description of the duties each subcontractor will perform and why/how each subcontractor was deemed the most qualified for this project. If applicable, subcontractors utilized in meeting the established MBE or VSBE participation goal(s) for this solicitation shall be identified as provided in the appropriate attachment(s) of this RFP.

N. Legal Action Summary (Submit under TAB M)

This summary shall include:

1) A statement as to whether there are any outstanding legal actions or potential claims against the Offeror and a brief description of any action;

2) A brief description of any settled or closed legal actions or claims against the Offeror over the past five (5) years;

3) A description of any judgments against the Offeror within the past five (5) years, including the court, case name, complaint number, and a brief description of the final ruling or determination; and

4) In instances where litigation is ongoing and the Offeror has been directed not to disclose information by the court, provide the name of the judge and location of the court.

O. Economic Benefit Factors (Submit under TAB N)

1) The Offeror shall submit with its Proposal a narrative describing benefits that will accrue to the Maryland economy as a direct or indirect result of its performance of the Contract. Proposals will be evaluated to assess the benefit to Maryland's economy specifically offered. The economic benefit offered should be consistent with the Offeror's Total Proposal Price from **Attachment B**, the Financial Proposal Form. See COMAR 21.05.03.03A (3).

2) Proposals that identify specific benefits as being contractually enforceable commitments will be rated more favorably than Proposals that do not identify specific benefits as contractual commitments, all other factors being equal.

3) Offerors shall identify any performance guarantees that will be enforceable by the State if the full level of promised benefit is not achieved during the Contract term.

4) As applicable, for the full duration of the Contract, including any renewal period, or until the commitment is satisfied, the Contractor shall provide to the Procurement Officer or other designated agency personnel reports of the actual attainment of each benefit listed in response to this section. These benefit attainment reports shall be provided quarterly, unless elsewhere in these specifications a different reporting frequency is stated.

5) In responding to this section, the following do not generally constitute economic benefits to be derived from the Contract:

   a) generic statements that the State will benefit from the Offeror's superior performance under the Contract;

b) descriptions of the number of Offeror employees located in Maryland other than those that will be performing work under the Contract; or

c) tax revenues from Maryland-based employees or locations, other than those that will be performing, or used to perform, work under the Contract.

6) Discussion of Maryland-based employees or locations may be appropriate if the Offeror makes some projection or guarantee of increased or retained presence based upon being awarded the Contract.

7) Examples of economic benefits to be derived from a contract may include any of the following. For each factor identified below, identify the specific benefit and contractual commitments and provide a breakdown of expenditures in that category:

a) The Contract dollars to be recycled into Maryland's economy in support of the Contract, through the use of Maryland subcontractors, suppliers and joint venture partners. **Do not include actual fees or rates paid to subcontractors or information from your Financial Proposal;**

b) The number and types of jobs for Maryland residents resulting from the Contract. Indicate job classifications, number of employees in each classification and the aggregate payroll to which the Offeror has committed, including contractual commitments at both prime and, if applicable, subcontract levels; and whether Maryland employees working at least 30 hours per week and are employed at least 120 days during a 12-month period will receive paid leave. If no new positions or subcontracts are anticipated as a result of the Contract, so state explicitly;

c) Tax revenues to be generated for Maryland and its political subdivisions as a result of the Contract. Indicate tax category (sales taxes, payroll taxes, inventory taxes and estimated personal income taxes for new employees). Provide a forecast of the total tax revenues resulting from the Contract;

d) Subcontract dollars committed to Maryland small businesses and MBEs; and

e) Other benefits to the Maryland economy which the Offeror promises will result from awarding the Contract to the Offeror, including contractual commitments. Describe the benefit, its value to the Maryland economy, and how it will result from, or because of the Contract award. Offerors may commit to benefits that are not directly attributable to the Contract, but for which the Contract award may serve as a catalyst or impetus.

P. Technical Proposal - Required Forms and Certifications (Submit under TAB O)

1) All forms required for the Technical Proposal are identified in Table 1 of **Section 7** – RFP Attachments and Appendices. Unless directed otherwise by instructions within an individual form, complete, sign, and include all required forms in the Technical Proposal, under TAB O.

2) Offerors shall furnish any and all agreements and terms and conditions the Offeror expects the State to sign or to be subject to in connection with or in order to use the Offeror's services under this Contract. This includes physical copies of all agreements referenced and incorporated in primary documents, including but not limited to any software licensing agreement for any software proposed to be licensed to the State under this Contract (e.g., EULA, Enterprise License Agreements, Professional Service agreement, Master Agreement) and any AUP. The State does not agree to terms and conditions not provided in an Offeror's Technical Proposal and no action of the State,

including but not limited to the use of any such software, shall be deemed to constitute acceptance of any such terms and conditions. Failure to comply with this section renders any such agreement unenforceable against the State.

3) For each service, hardware or software proposed as furnished by a third-party entity, Offeror must identify the third-party provider and provide a letter of authorization or such other documentation demonstrating the authorization for such services. In the case of an open source license, authorization for the open source shall demonstrate compliance with the open source license.

4) A Letter of Authorization shall be on letterhead or through the provider's e-mail. Further, each Letter of Authorization shall be less than twelve (12) months old and must provide the following information:

   i) Third-party POC name and alternate for verification

   ii) Third-party POC mailing address

   iii) Third-party POC telephone number

   iv) Third-party POC email address

   v) If available, a Re-Seller Identifier

5.4 Volume II – Financial Proposal

The Financial Proposal shall contain all price information in the format specified in **Attachment B**. The Offeror shall complete the Financial Proposal Form only as provided in the Financial Proposal Instructions and the Financial Proposal Form itself. Do not amend, alter, or leave blank any items on the Financial Proposal Form or include additional clarifying or contingent language on or attached to the Financial Proposal Form. Failure to adhere to any of these instructions may result in the Proposal being determined to be not reasonably susceptible of being selected for award and rejected by the Department.

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6 Evaluation and Selection Process

6.1 Evaluation Committee

Evaluation of Proposals will be performed in accordance with COMAR 21.05.03 by a committee established for that purpose and based on the evaluation criteria set forth below. The Evaluation Committee will review Proposals, participate in Offeror oral presentations and discussions, and provide input to the Procurement Officer. The Department reserves the right to utilize the services of individuals outside of the established Evaluation Committee for advice and assistance, as deemed appropriate.

During the evaluation process, the Procurement Officer may determine at any time that a particular Offeror is not susceptible for award.

6.2 Technical Proposal Evaluation Criteria

The criteria to be used to evaluate each Technical Proposal are listed below in descending order of importance. Unless stated otherwise, any sub-criteria within each criterion have equal weight. The contractor shall provide documentation in Tab D (see **Section 5.3.2**) of the Proposal to provide proof that the preferred qualifications have been met.

6.2.1 Offeror Qualifications and Capabilities, including proposed subcontractors (See RFP § 5.3.2.H)

6.2.2 Experience and Qualifications of Proposed Staff (See RFP § 5.3.2.G)

6.2.3 Offeror's Technical Response to Requirements and Work Plan (See RFP § 5.3.2.F)

The State prefers the Offeror's Technical Proposal to illustrate a comprehensive understanding of work requirements and mastery of the subject matter, including an explanation of how the work will be performed. Proposals which include limited responses to work requirements such as "concur" or "will comply" will receive a lower ranking than those Proposals that demonstrate an understanding of the work requirements and include plans to meet or exceed them.

6.2.4 Economic Benefit to State of Maryland (See RFP § 5.3.2.O)

6.3 Financial Proposal Evaluation Criteria

All Qualified Offerors (see **Section 6.5.2.D**) will be ranked from the lowest (most advantageous) to the highest (least advantageous) price based on the Total Proposal Price within the stated guidelines set forth in this RFP and as submitted on **Attachment B -** Financial Proposal Form.

6.4 Reciprocal Preference

6.4.1 Although Maryland law does not authorize procuring agencies to favor resident Offerors in awarding procurement contracts, many other states do grant their resident businesses preferences over Maryland contractors. COMAR 21.05.01.04 permits procuring agencies to apply a reciprocal preference under the following conditions:

A. The Maryland resident business is a responsible Offeror;

B. The most advantageous Proposal is from a responsible Offeror whose principal office, or principal base of operations is in another state;

C. The other state gives a preference to its resident businesses through law, policy, or practice; and

D. The preference does not conflict with a federal law or grant affecting the procurement Contract.

6.4.2 The preference given shall be identical to the preference that the other state, through law, policy, or practice gives to its resident businesses.

6.5 Selection Procedures

6.5.1 General

A. The Contract will be awarded in accordance with the Competitive Sealed Proposals (CSP) method found at COMAR 21.05.03. The CSP method allows for the conducting of discussions and the revision of Proposals during these discussions. Therefore, the State may conduct discussions with all Offerors that have submitted Proposals that are determined to be reasonably susceptible of being selected for contract award or potentially so. However, the State reserves the right to make an award without holding discussions.

B. With or without discussions, the State may determine the Offeror to be not responsible or the Offeror's Proposal to be not reasonably susceptible of being selected for award at any time after the initial closing date for receipt of Proposals and prior to Contract award.

6.5.2 Selection Process Sequence

A. A determination is made that the MDOT Certified MBE Utilization and Fair Solicitation Affidavit (**Attachment D-1A**) is included and is properly completed, if there is a MBE goal. In addition, a determination is made that the VSBE Utilization Affidavit and subcontractor Participation Schedule (**Attachment E-1**) is included and is properly completed, if there is a VSBE goal.

B. Technical Proposals are evaluated for technical merit and ranked. During this review, oral presentations and discussions may be held. The purpose of such discussions will be to assure a full understanding of the State's requirements and the Offeror's ability to perform the services, as well as to facilitate arrival at a Contract that is most advantageous to the State. Offerors will be contacted by the State as soon as any discussions are scheduled.

C. Offerors must confirm in writing any substantive oral clarifications of, or changes in, their Technical Proposals made in the course of discussions. Any such written clarifications or changes then become part of the Offeror's Technical Proposal. Technical Proposals are given a final review and ranked.

D. The Financial Proposal of each Qualified Offeror (a responsible Offeror determined to have submitted an acceptable Proposal) will be evaluated and ranked separately from the Technical evaluation. After a review of the Financial Proposals of Qualified Offerors, the Evaluation Committee or Procurement Officer may again conduct discussions to further evaluate the Offeror's entire Proposal.

E. When in the best interest of the State, the Procurement Officer may permit Qualified Offerors to revise their initial Proposals and submit, in writing, Best and Final Offers (BAFOs). The State may make an award without issuing a request for a BAFO. **Offerors may only perform limited substitutions of proposed personnel as allowed in Section 3.11 (Substitution of Personnel**).

6.5.3 Award Determination

Upon completion of the Technical Proposal and Financial Proposal evaluations and rankings, each Offeror will receive an overall ranking. The Procurement Officer will recommend award of the Contract to the responsible Offeror that submitted the Proposal determined to be the most advantageous to the State. In making this most advantageous Proposal determination, technical factors will receive equal weight than financial factors.

6.6 Documents Required upon Notice of Recommendation for Contract Award

Upon receipt of a Notification of Recommendation for Contract award, the apparent awardee shall complete and furnish the documents and attestations as directed in Table 1 of **Section 7** – **RFP Attachments and Appendices**.

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7 RFP Attachments and Appendices

Instructions Page

A Proposal submitted by the Offeror must be accompanied by the completed forms and/or affidavits identified as "with Proposal" in the "When to Submit" column in Table 1 below. All forms and affidavits applicable to this RFP, including any applicable instructions and/or terms, are identified in the "Applies" and "Label" columns in Table 1.

For documents required as part of the Proposal:

1. For e-mail submissions, submit one (1) copy of each with signatures.
2. For paper submissions, submit two (2) copies of each with original signatures. All signatures must be clearly visible.

All Offerors are advised that if a Contract is awarded as a result of this solicitation, the successful Offeror will be required to complete certain forms and affidavits after notification of recommended award. The list of forms and affidavits that must be provided is described in Table 1 below in the "When to Submit" column.

For documents required after award, submit three (3) copies of each document within the appropriate number of days after notification of recommended award, as listed in Table 1 below in the "When to Submit" column.

Table 1: RFP ATTACHMENTS AND APPENDICES

Applies?	When to Submit	Label	Attachment Name
Y	Before Proposal	A	Pre-Proposal Conference Response Form
Y	With Proposal	B	Financial Proposal Instructions and Form
Y	With Proposal	C	Bid/Proposal Affidavit (see link at http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/AttachmentC-Bid_Proposal-Affidavit.pdf)
Y	With Proposal	D	MBE Forms D-1A (see link at http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/05/AttachmentDMBE-Forms-1.pdf) **IMPORTANT:** If this RFP contains different Functional Areas or Service Categories. A separate Attachment D-1A is to be submitted for each Functional Area or Service Category where there is a MBE goal.
Y	10 Business Days after recommended award	D	MBE Forms D-1B, D-1C,D-2, D-3A, D-3B (see link at http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/05/AttachmentDMBE-Forms-1.pdf) **Important:** Attachment D-1C, if a waiver has been requested, is also required within 10 days of recommended award.

Applies?	When to Submit	Label	Attachment Name
Y	As directed in forms	D	MBE Forms D-4A, D-4B, D-5 (see link at http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/05/AttachmentDMBE-Forms-1.pdf)
N	With Proposal	E	Veteran-Owned Small Business Enterprise (VSBE) Form E-1A (see link at http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/AttachmentE-VSBEForms.pdf) **IMPORTANT:** If this RFP contains different Functional Areas or Service Categories. A separate Attachment E-1A is to be submitted for each Functional Area or Service Category where there is a VSBE goal.
N	5 Business Days after recommended award	E	VSBE Forms E-1B, E-2, E-3 (see link at http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/AttachmentE-VSBEForms.pdf) **Important:** Attachment E-1B, if a waiver has been requested, is also required within 10 days of recommended award.
Y	With Proposal	F	Maryland Living Wage Requirements for Service Contracts and Affidavit of Agreement (see link at http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/AttachmentF-LivingWageAffidavit.pdf)
N	With Proposal	G	Federal Funds Attachments (see link at http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/AttachmentG-FederalFundsAttachment.pdf)
Y	With Proposal	H	Conflict of Interest Affidavit and Disclosure (see link at http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/05/AttachmentH-Conflict-of-InterestAffidavit.pdf)
Y	5 Business Days after recommended award – However, suggested with Proposal	I	Non-Disclosure Agreement (Contractor) (see link at http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/Attachment-I-Non-DisclosureAgreementContractor.pdf)
Y	5 Business Days after recommended award – However, suggested with Proposal	J	HIPAA Business Associate Agreement (see link at http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/Attachment-J-HIPAABusinessAssociateAgreement.pdf)

Applies?	When to Submit	Label	Attachment Name
N	With Proposal	K	Mercury Affidavit (see link at http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/Attachment-K-MercuryAffidavit.pdf)
Y	With Proposal	L	Location of the Performance of Services Disclosure (see link at http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/Attachment-L-PerformanceofServicesDisclosure.pdf)
Y	5 Business Days after recommended award	M	Sample Contract (included in this RFP)
Y	5 Business Days after recommended award	N	Contract Affidavit (see link at http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/Attachment-N-ContractAffidavit.pdf)
N	5 Business Days after recommended award	O	DHS Hiring Agreement (see link at http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/Attachment-O-DHSHiringAgreement.pdf)
Appendices			
Y	n/a	1	Abbreviations and Definitions (included in this RFP)
Y	With Proposal	2	Offeror Information Sheet (see link at http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/Appendix2-Bidder_OfferorInformationSheet.pdf)
Y	n/a	3	SPDAP Enrollment Chart
Y	n/a	4	SPDAP Premium Subsidy Payments Volume Chart
Y	n/a	5	SPDAP Coverage Gap Subsidy Payments (CY2016) Volume Chart
Y	n/a	6	SPDAP Application Processing Flowchart
Y	n/a	7	SPDAP COB Input and Response Processing Flowchart
Y	n/a	8	SPDAP Premium Subsidy Payment Processing Flowchart
Y	n/a	9	SPDAP Call Center and Web Site Stats Chart
Y	n/a	10	Reports Listing
Y	n/a	11	Monthly Subsidy Pre-Capitation and Final Payment Reports

Applies?	When to Submit	Label	Attachment Name
Y	n/a	12	Monthly Coverage Gap Subsidy Submissions Processed Summary and Coverage Gap Subsidy Submissions Payment Summary Reports
Y	n/a	13	Monthly Membership, Applications Processed, Applicant Appeals Details, and Call Center Service Level Metrics Reports
Y	n/a	14	SPDAP Application Waitlist Processing Flowchart
Y	n/a	15	SPDAP Application and Application Fulfillment Packets Processed Chart
Y	n/a	16	Demographic Data List
Additional Submissions			
Y	5 Business Days after recommended award		Evidence of meeting insurance requirements (see **Section 3.6**); 1 copy
Y	10 Business Days after recommended award		PEP; 1 copy

Attachment A. Pre-Proposal Conference Response Form

Solicitation Number 20-18357

Senior Prescription Drug Assistance Program

A Pre-Proposal conference will be held on October 21 at 10:00am, at 201 West Preston Street, Baltimore, MD 21201 Room L-3.

Please return this form by October 17, 2019, advising whether or not your firm plans to attend. The completed form should be returned via e-mail or fax to the Procurement Coordinator at the contact information below:

Akia Wheeler
MDH
Health Care Financing
201 West Preston Street
Baltimore, Maryland 21201
E-mail: akia.wheeler@maryland.gov

Please indicate:

_____ Yes, the following representatives will be in attendance.
Attendees (Check the RFP for limits to the number of attendees allowed):
1.
2.
3.

_____ No, we will not be in attendance.

Please specify whether any reasonable accommodations are requested (see RFP § 4.1"Pre-Proposal conference"):

Offeror: _____
Offeror Name (please print or type)

By: _____
Signature/Seal

Printed Name: _____
Printed Name

Title: _____
Title

Date: _____
Date

Attachment B. Financial Proposal Instructions & Form

B-1 Financial Proposal Instructions

In order to assist Offerors in the preparation of their Financial Proposal and to comply with the requirements of this solicitation, Financial Proposal Instructions and a Financial Proposal Form have been prepared. Offerors shall submit their Financial Proposal on the Financial Proposal Form in accordance with the instructions on the Financial Proposal Form and as specified herein. Do not alter the Financial Proposal Form or the Proposal may be determined to be not reasonably susceptible of being selected for award. The Financial Proposal Form is to be signed and dated, where requested, by an individual who is authorized to bind the Offeror to the prices entered on the Financial Proposal Form.

The Financial Proposal Form is used to calculate the Offeror's TOTAL Proposal PRICE. Follow these instructions carefully when completing your Financial Proposal Form:

A) All Unit and Extended Prices must be clearly entered in dollars and cents, e.g., $24.15. Make your decimal points clear and distinct.

B) All Unit Prices must be the actual price per unit the State will pay for the specific item or service identified in this RFP and may not be contingent on any other factor or condition in any manner.

C) All calculations shall be rounded to the nearest cent, e.g., .344 shall be .34 and .345 shall be .35.

D) Any goods or services required through this RFP and proposed by the vendor at **No Cost to the State** must be clearly entered in the Unit Price, if appropriate, and Extended Price with **$0.00**.

E) Every blank in every Financial Proposal Form shall be filled in. Any changes or corrections made to the Financial Proposal Form by the Offeror prior to submission shall be initialed and dated.

F) Except as instructed on the Financial Proposal Form, nothing shall be entered on or attached to the Financial Proposal Form that alters or proposes conditions or contingencies on the prices. Alterations and/or conditions may render the Proposal not reasonably susceptible of being selected for award.

G) It is imperative that the prices included on the Financial Proposal Formhave been entered correctly and calculated accurately by the Offeror and that the respective total prices agree with the entries on the Financial Proposal Form. Any incorrect entries or inaccurate calculations by the Offeror will be treated as provided in COMAR 21.05.03.03.F, and may cause the Proposal to be rejected.

H) If option years are included, Offerors must submit pricing for each option year. Any option to renew will be exercised at the sole discretion of the State and comply with all terms and conditions in force at the time the option is exercised. If exercised, the option period shall be for a period identified in the RFP at the prices entered in the Financial Proposal Form.

I) All Financial Proposal prices entered below are to be fully loaded prices that include all costs/expenses associated with the provision of services as required by the RFP. The Financial Proposal price shall include, but is not limited to, all: labor, profit/overhead, general operating, administrative, and all other expenses and costs necessary to perform the work set forth in the solicitation. No other amounts will be paid to the Contractor. If labor rates are requested, those amounts shall be fully-loaded rates; no overtime amounts will be paid.

J) Unless indicated elsewhere in the RFP, sample amounts used for calculations on the Financial Proposal Form are typically estimates for evaluation purposes only. Unless stated otherwise in the RFP, the Department does not guarantee a minimum or maximum number of units or usage in the performance of the Contract.

K) Failure to adhere to any of these instructions may result in the Proposal being determined not reasonably susceptible of being selected for award.

B-1 Financial Proposal Form

The Financial Proposal Form shall contain all price information in the format specified on these pages. Complete the Financial Proposal Form only as provided in the Financial Proposal Instructions. Do not amend, alter or leave blank any items on the Financial Proposal Form. If option years are included, Offerors must submit pricing for each option year. Failure to adhere to any of these instructions may result in the Proposal being determined not reasonably susceptible of being selected for award.

See separate Excel Financial Proposal Form labeled SPDAP RFP Price Sheet.xls.

Attachment C. Proposal Affidavit

See link at http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/AttachmentC-Bid_Proposal-Affidavit.pdf.

Attachment D. Minority Business Enterprise (MBE) Forms

See link at http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/05/AttachmentDMBE-Forms-1.pdf.

This solicitation includes a Minority Business Enterprise (MBE) participation goal of 15 percent and no subgoals.

Attachment E. Veteran-Owned Small Business Enterprise (VSBE) Forms

See link at http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/AttachmentE-VSBEForms.pdf.

This solicitation includes a VSBE participation goal of 1%.

Attachment F. Maryland Living Wage Affidavit of Agreement for Service Contracts

See link at http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/AttachmentF-LivingWageAffidavit.pdf to complete the Affidavit.

A. This contract is subject to the Living Wage requirements under Md. Code Ann., State Finance and Procurement Article, Title 18, and the regulations proposed by the Commissioner of Labor and Industry (Commissioner). The Living Wage generally applies to a Contractor or subcontractor who performs work on a State contract for services that is valued at $100,000 or more. An employee is subject to the Living Wage if he/she is at least 18 years old or will turn 18 during the duration of the contract; works at least 13 consecutive weeks on the State Contract and spends at least one-half of the employee's time during any work week on the State Contract.

B. The Living Wage Law does not apply to:

(1) A Contractor who:

(a) Has a State contract for services valued at less than $100,000, or

(b) Employs 10 or fewer employees and has a State contract for services valued at less than $500,000.

(2) A subcontractor who:

(a) Performs work on a State contract for services valued at less than $100,000,

(b) Employs 10 or fewer employees and performs work on a State contract for services valued at less than $500,000, or

(c) Performs work for a Contractor not covered by the Living Wage Law as defined in B(1)(b) above, or B (3) or C below.

(3) Service contracts for the following:

(a) Services with a Public Service Company;

(b) Services with a nonprofit organization;

(c) Services with an officer or other entity that is in the Executive Branch of the State government and is authorized by law to enter into a procurement ("Unit"); or

(d) Services between a Unit and a County or Baltimore City.

C. If the Unit responsible for the State contract for services determines that application of the Living Wage would conflict with any applicable Federal program, the Living Wage does not apply to the contract or program.

D. A Contractor must not split or subdivide a State contract for services, pay an employee through a third party, or treat an employee as an independent Contractor or assign work to employees to avoid the imposition of any of the requirements of Md. Code Ann., State Finance and Procurement Article, Title 18.

E. Each Contractor/subcontractor, subject to the Living Wage Law, shall post in a prominent and easily accessible place at the work site(s) of covered employees a notice of the Living Wage Rates, employee rights under the law, and the name, address, and telephone number of the Commissioner.

F. The Commissioner shall adjust the wage rates by the annual average increase or decrease, if any, in the Consumer Price Index for all urban consumers for the Washington/Baltimore metropolitan area, or any successor index, for the previous calendar year, not later than 90 days after the start of each fiscal year. The Commissioner shall publish any adjustments to the wage rates on the Division of Labor and Industry's website. An employer subject to the Living Wage Law must comply with the rate requirements during the initial term of the contract and all subsequent renewal periods, including any increases in the wage rate, required by the Commissioner, automatically upon the effective date of the revised wage rate.

G. A Contractor/subcontractor who reduces the wages paid to an employee based on the employer's share of the health insurance premium, as provided in Md. Code Ann., State Finance and Procurement Article, §18-103(c), shall not lower an employee's wage rate below the minimum wage as set in Md. Code Ann., Labor and Employment Article, §3-413. A Contractor/subcontractor who reduces the wages paid to an employee based on the employer's share of health insurance premium shall comply with any record reporting requirements established by the Commissioner.

H. A Contractor/subcontractor may reduce the wage rates paid under Md. Code Ann., State Finance and Procurement Article, §18-103(a), by no more than 50 cents of the hourly cost of the employer's contribution to an employee's deferred compensation plan. A Contractor/subcontractor who reduces the wages paid to an employee based on the employer's contribution to an employee's deferred compensation plan shall not lower the employee's wage rate below the minimum wage as set in Md. Code Ann., Labor and Employment Article, §3-413.

I. Under Md. Code Ann., State Finance and Procurement Article, Title 18, if the Commissioner determines that the Contractor/subcontractor violated a provision of this title or regulations of the Commissioner, the Contractor/subcontractor shall pay restitution to each affected employee, and the State may assess liquidated damages of $20 per day for each employee paid less than the Living Wage.

J. Information pertaining to reporting obligations may be found by going to the Division of Labor and Industry website http://www.dllr.state.md.us/labor/prev/livingwage.shmtl and clicking on Living Wage for State Service Contracts.

Attachment G. Federal Funds Attachments

This solicitation does not include a Federal Funds Attachment.

Attachment H. Conflict of Interest Affidavit and Disclosure

See link at http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/05/AttachmentH-Conflict-of-InterestAffidavit.pdf.

Attachment I. Non-Disclosure Agreement (Contractor)

See link at http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/Attachment-I-Non-DisclosureAgreementContractor.pdf.

Attachment J. HIPAA Business Associate Agreement

See link at http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/Attachment-J-HIPAABusinessAssociateAgreement.pdf.

Attachment K. Mercury Affidavit

This solicitation does not include the procurement of products known to likely include mercury as a component.

Attachment L. Location of the Performance of Services Disclosure

See link at http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/Attachment-L-PerformanceofServicesDisclosure.pdf.

Attachment M. Contract

MARYLAND DEPARTMENT OF HEALTH (MDH)

"Senior Prescription Drug Assistance Program"

20-18357

THIS CONTRACT (the "Contract") is made this ____ day of _____, 20__ by and between _____ (the "Contractor") and the STATE OF MARYLAND, acting through the MARYLAND DEPARTMENT OF HEALTH ("MDH" or the "Department").

In consideration of the promises and the covenants herein contained, the adequacy and sufficiency of which are hereby acknowledged by the parties, the parties agree as follows:

1. Definitions

In this Contract, the following words have the meanings indicated:

1.1 "COMAR" means Code of Maryland Regulations.

1.2 "Contractor" means the entity first named above whose principal business address is (Contractor's primary address) and whose principal office in Maryland is (Contractor's local address), whose Federal Employer Identification Number or Social Security Number is (Contractor's FEIN), and whose eMaryland Marketplace vendor ID number is (eMM Number).

1.3 "Financial Proposal" means the Contractor's Financial Proposal dated _____(Financial Proposal date), as modified by any Best and Final Offer thereto.

1.4 Minority Business Enterprise (MBE) – Any legal entity certified as defined at COMAR 21.01.02.01B (54) which is certified by the Maryland Department of Transportation under COMAR 21.11.03.

1.5 "RFP" means the Request for Proposals for Senior Prescription Drug Assistance Program, Solicitation # 20-18357, and any amendments, addenda, and attachments thereto issued in writing by the State.

1.6 "State" means the State of Maryland.

1.7 "Technical Proposal" means the Contractor's Technical Proposal dated. _____ (Technical Proposal date), as modified and supplemented by the Contractor's responses to requests clarifications and requests for cure, and by any Best and Final Offer.

1.8 "Veteran-owned Small Business Enterprise" (VSBE) means A business that is verified by the Center for Verification and Evaluation (CVE) of the United States Department of Veterans Affairs as a veteran-owned small business. See Code of Maryland Regulations (COMAR) 21.11.13.

1.9 Capitalized terms not defined herein shall be ascribed the meaning given to them in the RFP.

2. Scope of Contract

2.1 The Contractor shall perform in accordance with this Contract and Exhibits A-D, which are listed below and incorporated herein by reference. If there is any conflict between this Contract and the Exhibits, the terms of the Contract shall control. If there is any conflict among the Exhibits, the following order of precedence shall determine the prevailing provision:

Exhibit A – The RFP

Exhibit B – The Contract Affidavit, executed by the Contractor and dated (date of Attachment C)

Exhibit C – The Technical Proposal

Exhibit D – The Financial Proposal

2.2 The Procurement Officer may, at any time, by written order, make unilateral changes in the work within the general scope of the Contract. No other order, statement, or conduct of the Procurement Officer or any other person shall be treated as a change or entitle the Contractor to an equitable adjustment under this section. Except as otherwise provided in this Contract, if any change under this section causes an increase or decrease in the Contractor's cost of, or the time required for, the performance of any part of the work, whether or not changed by the order, an equitable adjustment in the Contract price shall be made and the Contract modified in writing accordingly. The Contractor must assert in writing its right to an adjustment under this section within thirty (30) days of receipt of written change order and shall include a written statement setting forth the nature and cost of such claim. No claim by the Contractor shall be allowed if asserted after final payment under this Contract. Failure to agree to an adjustment under this section shall be a dispute under the Disputes clause. Nothing in this section shall excuse the Contractor from proceeding with the Contract as changed.

2.3 Without limiting the rights of the Procurement Officer under Section 2.2 above, the Contract may be modified by mutual agreement of the parties, provided: (a) the modification is made in writing; (b) all parties sign the modification; and (c) all approvals by the required agencies as described in COMAR Title 21, are obtained.

3. Period of Performance

3.1 The term of this Contract begins on the date the Contract is signed by the Department following any required prior approvals, including approval by the Board of Public Works, if such approval is required (the "Effective Date") and shall continue until _____ ("Initial Term").

3.2 In its sole discretion, the Department shall have the unilateral right to extend the Contract for two, successive two-year renewal options (each a "Renewal Term") at the prices established in the Contract. "Term" means the Initial Term and any Renewal Term(s).

3.3. The Contractor's performance under the Contract shall commence as of the date provided in a written NTP.

3.4 The Contractor's obligation to pay invoices to subcontractors providing products/services in connection with this Contract, as well as the audit; confidentiality; document retention; patents, copyrights & intellectual property; warranty; indemnification obligations; and limitations of liability under this Contract; and any other obligations specifically identified, shall survive expiration or termination of the Contract.

4. Consideration and Payment

4.1 In consideration of the satisfactory performance of the work set forth in this Contract, the Department shall pay the Contractor in accordance with the terms of this Contract and at the prices quoted in the Financial Proposal. Unless properly modified (see above Section 2), payment to the Contractor pursuant to this Contract, including the Initial Term and any Renewal Term, shall not exceed the Contracted amount.

For time and materials Contracts, IDIQ Contracts, or Contracts which include either or both a time and materials or IDIQ element(s), total payments to the Contractor pursuant to this Contract for the time and materials and IDIQ portion(s) may not exceed $_____ (the "NTE Amount"), which includes $_____ for the Initial Term and $_____ for the Renewal Term(s).

Contractor shall notify the Contract Monitor, in writing, at least sixty (60) days before payments reach the NTE Amount. After notification by the Contractor, if the State fails to increase the Contract amount, the Contractor shall have no obligation to perform under this Contract after payments reach the stated amount; provided, however, that, prior to the stated amount being reached, the Contractor shall: (a) promptly consult and work in good faith with the Department to establish a plan of action to assure that every reasonable effort is undertaken by the Contractor to complete State-defined critical work in progress prior to the date the NTE Amount will be reached; and (b) when applicable secure databases, systems, platforms, and applications on which the Contractor is working in an industry standard manner so as to prevent damage or vulnerabilities to any of the same due to the existence of any such unfinished work.

4.2 Unless a payment is unauthorized, deferred, delayed, or set-off under COMAR 21.02.07, payments to the Contractor pursuant to this Contract shall be made no later than 30 days after the Department's receipt of a proper invoice from the Contractor as required by RFP section 3.3.

a) The Contractor may be eligible to receive late payment interest at the rate of 9% per annum if:

(1) The Contractor submits an invoice for the late payment interest within thirty days after the date of the State's payment of the amount on which the interest accrued; and

(2) A contract claim has not been filed under State Finance and Procurement Article, Title 15, Subtitle 2, Annotated Code of Maryland.

b) The State is not liable for interest:

(1) Accruing more than one year after the 31st day after the agency receives the proper invoice; or

(2) On any amount representing unpaid interest. Charges for late payment of invoices are authorized only as prescribed by Title 15, Subtitle 1, of the State Finance and Procurement Article, Annotated Code of Maryland, or by the Public Service Commission of Maryland with respect to regulated public utilities, as applicable.

c) Final payment under this Contract will not be made until after certification is received from the Comptroller of the State that all taxes have been paid.

d) Electronic funds transfer shall be used by the State to pay Contractor pursuant to this Contract and any other State payments due Contractor unless the State Comptroller's Office grants Contractor an exemption.

4.3 In addition to any other available remedies, if, in the opinion of the Procurement Officer, the Contractor fails to perform in a satisfactory and timely manner, the Procurement Officer may refuse or limit approval of any invoice for payment, and may cause payments to the Contractor to be reduced or withheld until such time as the Contractor meets performance standards as established by the Procurement Officer.

4.4 Payment of an invoice by the Department is not evidence that services were rendered as required under this Contract.

5. Rights to Records

5.1 The Contractor agrees that all documents and materials including, but not limited to, software, reports, drawings, studies, specifications, estimates, tests, maps, photographs, designs, graphics, mechanical, artwork, computations, and data prepared by the Contractor for purposes of this Contract shall be the sole property of the State and shall be available to the State at any time. The

State shall have the right to use the same without restriction and without compensation to the Contractor other than that specifically provided by this Contract.

5.2 The Contractor agrees that at all times during the term of this Contract and thereafter, works created as a Deliverable under this Contract (as defined in **Section 7.2**), and services performed under this Contract shall be "works made for hire" as that term is interpreted under U.S. copyright law. To the extent that any products created as a Deliverable under this Contract are not works made for hire for the State, the Contractor hereby relinquishes, transfers, and assigns to the State all of its rights, title, and interest (including all intellectual property rights) to all such products created under this Contract, and will cooperate reasonably with the State in effectuating and registering any necessary assignments.

5.3 The Contractor shall report to the Contract Monitor, promptly and in written detail, each notice or claim of copyright infringement received by the Contractor with respect to all data delivered under this Contract.

5.4 The Contractor shall not affix any restrictive markings upon any data, documentation, or other materials provided to the State hereunder and if such markings are affixed, the State shall have the right at any time to modify, remove, obliterate, or ignore such warnings.

5.5 Upon termination or expiration of the Contract, the Contractor, at its own expense, shall deliver any equipment, software or other property provided by the State to the place designated by the Procurement Officer.

6. Exclusive Use

6.1 The State shall have the exclusive right to use, duplicate, and disclose any data, information, documents, records, or results, in whole or in part, in any manner for any purpose whatsoever, that may be created or generated by the Contractor in connection with this Contract. If any material, including software, is capable of being copyrighted, the State shall be the copyright owner and Contractor may copyright material connected with this project only with the express written approval of the State.

6.2 Except as may otherwise be set forth in this Contract, Contractor shall not use, sell, sub-lease, assign, give, or otherwise transfer to any third party any other information or material provided to Contractor by the Department or developed by Contractor relating to the Contract, except as provided for in **Section 8**. **Confidential or Proprietary Information and Documentation**.

7. Patents, Copyrights, and Intellectual Property

7.1. All copyrights, patents, trademarks, trade secrets, and any other intellectual property rights existing prior to the Effective Date of this Contract shall belong to the party that owned such rights immediately prior to the Effective Date ("Pre-Existing Intellectual Property"). If any design, device, material, process, or other item provided by Contractor is covered by a patent or copyright or which is proprietary to or a trade secret of another, the Contractor shall obtain the necessary permission or license to permit the State to use such item or items pursuant to its rights granted under the Contract.

7.2 Except for (1) information created or otherwise owned by the Department or licensed by the Department from third parties, including all information provided by the Department to Contractor; (2) materials created by Contractor or its subcontractor(s) specifically for the State under the Contract ("Deliverables"), except for any Contractor Pre-Existing Intellectual Property included therein; and (3) the license rights granted to the State, all right, title, and interest in the intellectual property embodied in the solution, including the know-how and methods by which the solution is provided and the processes that make up the solution, will belong solely and exclusively to Contractor and its licensors, and the Department will have no rights to the same except as expressly

granted in this Contract. Any SaaS Software developed by Contractor during the performance of the Contract will belong solely and exclusively to Contractor and its licensors. For all Software provided by the Contractor under the Contract, Contractor hereby grants to the State a nonexclusive, irrevocable, unlimited, perpetual, non-cancelable, and non-terminable right to use and make copies of the Software and any modifications to the Software. For all Contractor Pre-Existing Intellectual Property embedded in any Deliverables, Contractor grants to the State a license to use such Contractor Pre-Existing Intellectual Property in connection with its permitted use of such Deliverable. During the period between delivery of a Deliverable by Contractor and the date of payment therefor by the State in accordance with this Contract (including throughout the duration of any payment dispute discussions), subject to the terms and conditions contained herein, Contractor grants the State a royalty-free, non-exclusive, limited license to use such Deliverable and to use any Contractor Materials contained therein in accordance with this Contract.

7.3. Subject to the terms of **Section 10**, Contractor shall defend, indemnify and hold harmless the State and its agents and employees, from and against any and all claims, costs, losses, damages, liabilities, judgments and expenses (including without limitation reasonable attorneys' fees) arising out of or in connection with any third party claim that the Contractor-provided products/services infringe, misappropriate or otherwise violate any third party intellectual property rights. Contractor shall not enter into any settlement involving third party claims that contains any admission of or stipulation to any guilt, fault, liability or wrongdoing by the State or that adversely affects the State's rights or interests, without the State's prior written consent.

7.4 Without limiting Contractor's obligations under Section 5.3, if an infringement claim occurs, or if the State or the Contractor believes such a claim is likely to occur, Contractor (after consultation with the State and at no cost to the State): (a) shall procure for the State the right to continue using the allegedly infringing component or service in accordance with its rights under this Contract; or (b) replace or modify the allegedly infringing component or service so that it becomes non-infringing and remains compliant with all applicable specifications.

7.5 Except as otherwise provided herein, Contractor shall not acquire any right, title or interest (including any intellectual property rights subsisting therein) in or to any goods, Software, technical information, specifications, drawings, records, documentation, data or any other materials (including any derivative works thereof) provided by the State to the Contractor. Notwithstanding anything to the contrary herein, the State may, in its sole and absolute discretion, grant the Contractor a license to such materials, subject to the terms of a separate writing executed by the Contractor and an authorized representative of the State as well as all required State approvals.

7.6 Without limiting the generality of the foregoing, neither Contractor nor any of its subcontractors shall use any Software or technology in a manner that will cause any patents, copyrights or other intellectual property which are owned or controlled by the State or any of its affiliates (or for which the State or any of its subcontractors has received license rights) to become subject to any encumbrance or terms and conditions of any third party or open source license (including, without limitation, any open source license listed on http://www.opensource.org/licenses/alphabetical) (each an "Open Source License"). These restrictions, limitations, exclusions and conditions shall apply even if the State or any of its subcontractors becomes aware of or fails to act in a manner to address any violation or failure to comply therewith. No act by the State or any of its subcontractors that is undertaken under this Contract as to any Software or technology shall be construed as intending to cause any patents, copyrights or other intellectual property that are owned or controlled by the State (or for which the State has received license rights) to become subject to any encumbrance or terms and conditions of any open source license.

7.7 The Contractor shall report to the Department, promptly and in written detail, each notice or claim of copyright infringement received by the Contractor with respect to all Deliverables delivered under this Contract.

7.8 The Contractor shall not affix (or permit any third party to affix), without the Department's consent, any restrictive markings upon any Deliverables that are owned by the State, and if such markings are affixed, the Department shall have the right at any time to modify, remove, obliterate, or ignore such warnings.

8. Confidential or Proprietary Information and Documentation

8.1 Subject to the Maryland Public Information Act and any other applicable laws including, without limitation, HIPAA, the HI-TECH Act, and the Maryland Medical Records Act and regulations promulgated pursuant thereto, all confidential or proprietary information and documentation relating to either party (including without limitation, any information or data stored within the Contractor's computer systems or cloud infrastructure, if applicable) shall be held in confidence by the other party. Each party shall, however, be permitted to disclose, as provided by and consistent with applicable law, relevant confidential information to its officers, agents, and Contractor Personnel to the extent that such disclosure is necessary for the performance of their duties under this Contract. Each officer, agent, and Contractor Personnel to whom any of the State's confidential information is to be disclosed shall be advised by Contractor provided that each officer, agent, and Contractor Personnel to whom any of the State's confidential information is to be disclosed shall be advised by Contractor of the obligations hereunder, and bound by, confidentiality at least as restrictive as those of set forth in this Contract..

8.2 The provisions of this section shall not apply to information that: (a) is lawfully in the public domain; (b) has been independently developed by the other party without violation of this Contract; (c) was already rightfully in the possession of such party; (d) was supplied to such party by a third party lawfully in possession thereof and legally permitted to further disclose the information; or (e) which such party is required to disclose by law.

9. Loss of Data

9.1 In the event of loss of any State data or records where such loss is due to the act or omission of the Contractor or any of its subcontractors or agents, the Contractor shall be responsible for restoring or recreating, as applicable, such lost data in the manner and on the schedule set by the Contract Monitor. The Contractor shall ensure that all data is backed up and recoverable by the Contractor. At no time shall any Contractor actions (or any failures to act when Contractor has a duty to act) damage or create any vulnerabilities in data bases, systems, platforms, and applications with which the Contractor is working hereunder.

9.2 In accordance with prevailing federal or state law or regulations, the Contractor shall report the loss of non-public data as directed in **RFP Section 3.7**.

9.3 Protection of data and personal privacy (as further described and defined in RFP Section 3.8) shall be an integral part of the business activities of the Contractor to ensure there is no inappropriate or unauthorized use of State information at any time. To this end, the Contractor shall safeguard the confidentiality, integrity and availability of State information and comply with the conditions identified in **RFP Section 3.7**.

10. Indemnification and Notification of Legal Requests

10.1 At its sole cost and expense, Contractor shall (i) indemnify and hold the State, its employees and agents harmless from and against any and all claims, demands, actions, suits, damages, liabilities, losses, settlements, judgments, costs and expenses (including but not limited to attorneys' fees and costs), whether or not involving a third party claim, which arise out of or relate to the Contractor's,

or any of its subcontractors', performance of this Contract and (ii) cooperate, assist, and consult with the State in the defense or investigation of any such claim, demand, action or suit. Contractor shall not enter into any settlement involving third party claims that contains any admission of or stipulation to any guilt, fault, liability or wrongdoing by the State or that adversely affects the State's rights or interests, without the State's prior written consent.

10.2 The State has no obligation: (i) to provide legal counsel or defense to the Contractor or its subcontractors in the event that a suit, claim or action of any character is brought against the Contractor or its subcontractors as a result of or relating to the Contractor's obligations or performance under this Contract, or (ii) to pay any judgment or settlement of any such suit, claim or action. Notwithstanding the foregoing, the Contractor shall promptly notify the Procurement Officer of any such claims, demands, actions, or suits.

10.3 Notification of Legal Requests. In the event the Contractor receives a subpoena or other validly issued administrative or judicial process, or any discovery request in connection with any litigation, requesting State Pre-Existing Intellectual Property, of other information considered to be the property of the State, including but not limited to State data stored with or otherwise accessible by the Contractor, the Contractor shall not respond to such subpoena, process or other legal request without first notifying the State, unless prohibited by law from providing such notice The Contractor shall promptly notify the State of such receipt providing the State with a reasonable opportunity to intervene in the proceeding before the time that Contractor is required to comply with such subpoena, other process or discovery request. .

11. Non-Hiring of Employees

No official or employee of the State, as defined under Md. Code Ann., General Provisions Article, § 5-101, whose duties as such official or employee include matters relating to or affecting the subject matter of this Contract, shall, during the pendency and term of this Contract and while serving as an official or employee of the State, become or be an employee of the Contractor or any entity that is a subcontractor on this Contract.

12. Disputes

This Contract shall be subject to the provisions of Md. Code Ann., State Finance and Procurement Article, Title 15, Subtitle 2, and COMAR 21.10 (Administrative and Civil Remedies). Pending resolution of a claim, the Contractor shall proceed diligently with the performance of the Contract in accordance with the Procurement Officer's decision. Unless a lesser period is provided by applicable statute, regulation, or the Contract, the Contractor must file a written notice of claim with the Procurement Officer within thirty (30) days after the basis for the claim is known or should have been known, whichever is earlier. Contemporaneously with or within thirty (30) days of the filing of a notice of claim, but no later than the date of final payment under the Contract, the Contractor must submit to the Procurement Officer its written claim containing the information specified in COMAR 21.10.04.02.

13. Maryland Law Prevails

13.1 This Contract shall be construed, interpreted, and enforced according to the laws of the State of Maryland.

13.2 The Maryland Uniform Computer Information Transactions Act (Commercial Law Article, Title 22 of the Annotated Code of Maryland) does not apply to this Contract or any purchase order, task order, or Notice to Proceed issued thereunder, or any software, or any software license acquired hereunder.

13.3 Any and all references to the Maryland Code, annotated and contained in this Contract shall be construed to refer to such Code sections as are from time to time amended.

14. Nondiscrimination in Employment

The Contractor agrees: (a) not to discriminate in any manner against an employee or applicant for employment because of race, color, religion, creed, age, sex, sexual orientation, gender identification, marital status, national origin, ancestry, genetic information, or any otherwise unlawful use of characteristics, or disability of a qualified individual with a disability unrelated in nature and extent so as to reasonably preclude the performance of the employment, or the individual's refusal to submit to a genetic test or make available the results of a genetic test; (b) to include a provision similar to that contained in subsection (a), above, in any underlying subcontract except a subcontract for standard commercial supplies or raw materials; and (c) to post and to cause subcontractors to post in conspicuous places available to employees and applicants for employment, notices setting forth the substance of this clause.

15. Contingent Fee Prohibition

The Contractor warrants that it has not employed or retained any person, partnership, corporation, or other entity, other than a bona fide employee, bona fide agent, bona fide salesperson, or commercial selling agency working for the Contractor to solicit or secure the Contract, and that the Contractor has not paid or agreed to pay any person, partnership, corporation, or other entity, other than a bona fide employee, bona fide agent, bona fide salesperson, or commercial selling agency, any fee or any other consideration contingent on the making of this Contract.

16. Non-Availability of Funding

If the General Assembly fails to appropriate funds or if funds are not otherwise made available for continued performance for any fiscal period of this Contract succeeding the first fiscal period, this Contract shall be canceled automatically as of the beginning of the fiscal year for which funds were not appropriated or otherwise made available; provided, however, that this will not affect either the State's or the Contractor's rights under any termination clause in this Contract. The effect of termination of the Contract hereunder will be to discharge both the Contractor and the State from future performance of the Contract, but not from their rights and obligations existing at the time of termination. The Contractor shall be reimbursed for the reasonable value of any nonrecurring costs incurred but not amortized in the price of the Contract. The State shall notify the Contractor as soon as it has knowledge that funds may not be available for the continuation of this Contract for each succeeding fiscal period beyond the first.

17. Termination for Default

If the Contractor fails to fulfill its obligations under this Contract properly and on time, or otherwise violates any provision of the Contract, the State may terminate the Contract by written notice to the Contractor. The notice shall specify the acts or omissions relied upon as cause for termination. All finished or unfinished work provided by the Contractor shall, at the State's option, become the State's property. The State shall pay the Contractor fair and equitable compensation for satisfactory performance prior to receipt of notice of termination, less the amount of damages caused by the Contractor's breach. If the damages are more than the compensation payable to the Contractor, the Contractor will remain liable after termination and the State can affirmatively collect damages. Termination hereunder, including the termination of the rights and obligations of the parties, shall be governed by the provisions of COMAR 21.07.01.11B.

18. Termination for Convenience

The performance of work under this Contract may be terminated by the State in accordance with this clause in whole, or from time to time in part, whenever the State shall determine that such termination is in the best interest of the State. The State will pay all reasonable costs associated with this Contract that the Contractor has incurred up to the date of termination, and all reasonable costs associated with

termination of the Contract. However, the Contractor shall not be reimbursed for any anticipatory profits that have not been earned up to the date of termination. Termination hereunder, including the determination of the rights and obligations of the parties, shall be governed by the provisions of COMAR 21.07.01.12A (2).

19. Delays and Extensions of Time

19.1 The Contractor agrees to prosecute the work continuously and diligently and no charges or claims for damages shall be made by it for any delays or hindrances from any cause whatsoever during the progress of any portion of the work specified in this Contract.

19.2 Time extensions will be granted only for excusable delays that arise from unforeseeable causes beyond the control and without the fault or negligence of the Contractor, including but not restricted to, acts of God, acts of the public enemy, acts of the State in either its sovereign or contractual capacity, acts of another Contractor in the performance of a contract with the State, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, or delays of subcontractors or suppliers arising from unforeseeable causes beyond the control and without the fault or negligence of either the Contractor or the subcontractors or suppliers.

20. Suspension of Work

The State unilaterally may order the Contractor in writing to suspend, delay, or interrupt all or any part of its performance for such period of time as the Procurement Officer may determine to be appropriate for the convenience of the State.

21. Pre-Existing Regulations

In accordance with the provisions of Section 11-206 of the State Finance and Procurement Article, Annotated Code of Maryland, the regulations set forth in Title 21 of the Code of Maryland Regulations (COMAR 21) in effect on the date of execution of this Contract are applicable to this Contract.

22. Financial Disclosure

The Contractor shall comply with the provisions of Section13-221 of the State Finance and Procurement Article of the Annotated Code of Maryland, which requires that every business that enters into contracts, leases, or other agreements with the State or its agencies during a calendar year under which the business is to receive in the aggregate, $100,000 or more, shall within 30 days of the time when the aggregate value of these contracts, leases or other agreements reaches $100,000, file with the Secretary of State of Maryland certain specified information to include disclosure of beneficial ownership of the business.

23. Political Contribution Disclosure

The Contractor shall comply with Election Law Article, Title 14, Annotated Code of Maryland, which requires that every person that enters into a procurement contract with the State, a county, or a municipal corporation, or other political subdivision of the State, during a calendar year in which the person receives a contract with a governmental entity in the amount of $200,000 or more, shall file with the State Board of Elections statements disclosing: (a) any contributions made during the reporting period to a candidate for elective office in any primary or general election; and (b) the name of each candidate to whom one or more contributions in a cumulative amount of $500 or more were made during the reporting period. The statement shall be filed with the State Board of Elections: (a) before execution of a contract by the State, a county, a municipal corporation, or other political subdivision of the State, and shall cover the 24 months prior to when a contract was awarded; and (b) if the contribution is made after the execution of a contract, then twice a year, throughout the contract term, on or before: (i) May 31, to cover the six (6) month period ending April 30; and (ii) November 30, to cover the six (6) month period ending October 31. Additional information is available on the State Board of Elections website: http://www.elections.state.md.us/campaign_finance/index.html.

24. Retention of Records

The Contractor and subcontractors shall retain and maintain all records and documents in any way relating to this Contract for (i) three (3) years after final payment by the State hereunder, or (ii) any applicable federal or State retention requirements (such as HIPAA) or condition of award, , whichever is longer, and shall make them available for inspection and audit by authorized representatives of the State, as designated by the Procurement Officer, at all reasonable times. The Contractor shall provide copies of all documents requested by the State, including, but not limited to itemized billing documentation containing the dates, hours spent and work performed by the Contractor and its subcontractors under the Contract. All records related in any way to the Contract are to be retained for the entire time provided under this section.

25. Right to Audit

25.1 The State reserves the right, at its sole discretion and at any time, to perform an audit of the Contractor's performance under this Contract. An audit is defined as a planned and documented independent activity performed by qualified personnel, including but not limited to State and federal auditors, to determine by investigation, examination, or evaluation of objective evidence from data, statements, records, operations and performance practices (financial or otherwise) the Contractor's compliance with the Contract, including but not limited to adequacy and compliance with established procedures and internal controls over the services performed pursuant to the Contract.

25.2 Upon three (3) Business Days' notice, the State shall be provided reasonable access to Contractor's records to perform any such audits. The Department may conduct these audits with any or all of its own internal resources or by securing the services of a third party accounting or audit firm, solely at the Department's election. The Department may copy any record related to the services performed pursuant to the Contract. The Contractor agrees to fully cooperate and assist in any audit conducted by or on behalf of the State, including, by way of example only, making records and employees available as, where, and to the extent requested by the State and by assisting the auditors in reconciling any audit variances. Contractor shall not be compensated for providing any such cooperation and assistance.

25.3 The right to audit shall include any of the Contractor's subcontractors including but not limited to any lower tier subcontractor(s). The Contractor shall ensure the Department has the right to audit such subcontractor(s).

26. Compliance with Laws

The Contractor hereby represents and warrants that:

a. It is qualified to do business in the State and that it will take such action as, from time to time hereafter, may be necessary to remain so qualified;

b. It is not in arrears with respect to the payment of any monies due and owing the State, or any department or unit thereof, including but not limited to the payment of taxes and employee benefits, and that it shall not become so in arrears during the Term;

c. It shall comply with all federal, State and local laws, regulations, and ordinances applicable to its activities and obligations under this Contract; and

d. It shall obtain, at its expense, all licenses, permits, insurance, and governmental approvals, if any, necessary to the performance of its obligations under this Contract.

27. Cost and Price Certification

27.1 The Contractor, by submitting cost or price information certifies that, to the best of its knowledge, the information submitted is accurate, complete, and current as of the date of its Proposal.

27.2 The price under this Contract and any change order or modification hereunder, including profit or fee, shall be adjusted to exclude any significant price increases occurring because the Contractor furnished cost or price information which, as of the date of its Proposal, was inaccurate, incomplete, or not current.

28. Subcontracting; Assignment

The Contractor may not subcontract any of its obligations under this Contract without obtaining the prior written approval of the Procurement Officer, nor may the Contractor assign this Contract or any of its rights or obligations hereunder, without the prior written approval of the Procurement Officer, each at the State's sole and absolute discretion; provided, however, that a Contractor may assign monies receivable under a contract after written notice to the State. Any subcontracts shall include such language as may be required in various clauses contained within this Contract, exhibits, and attachments. The Contract shall not be assigned until all approvals, documents, and affidavits are completed and properly registered. The State shall not be responsible for fulfillment of the Contractor's obligations to its subcontractors.

29. Limitations of Liability

29.1 Contractor shall be liable for any loss or damage to the State occasioned by the acts or omissions of Contractor, its subcontractors, agents or employees as follows:

(a) For infringement of patents, trademarks, trade secrets and copyrights as provided in **Section 5 "Patents, Copyrights, Intellectual Property"** of this Contract;

(b) Without limitation for damages for bodily injury (including death) and damage to real property and tangible personal property; and

(c) For all other claims, damages, loss, costs, expenses, suits or actions in any way related to this Contract and regardless of the basis on which the claim is made, Contractor's liability shall be unlimited.

(d) In no event shall the existence of a subcontract operate to release or reduce the liability of Contractor hereunder. For purposes of this Contract, Contractor agrees that all subcontractors shall be held to be agents of Contractor.

29.2 Contractor's indemnification obligations for Third party claims arising under Section 6 ("Indemnification") of this Contract are included in this limitation of liability only if the State is immune from liability. Contractor's indemnification liability for third party claims arising under Section 6 of this Contract shall be unlimited if the State is not immune from liability for claims arising under Section 6.

29.3. In no event shall the existence of a subcontract operate to release or reduce the liability of Contractor hereunder. For purposes of this Contract, Contractor agrees that it is responsible for performance of the services and compliance with the relevant obligations hereunder by its subcontractors.

30. Commercial Nondiscrimination

30.1 As a condition of entering into this Contract, Contractor represents and warrants that it will comply with the State's Commercial Nondiscrimination Policy, as described under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland. As part of such compliance, Contractor may not discriminate on the basis of race, color, religion, ancestry, national origin, sex, age, marital status, sexual orientation, sexual identity, genetic information or an individual's refusal to submit to a genetic test or make available the results of a genetic test or on the basis of disability, or otherwise unlawful forms of discrimination in the solicitation, selection, hiring, or commercial treatment of subcontractors, vendors, suppliers, or commercial customers, nor shall Contractor retaliate against any person for reporting instances of such discrimination. Contractor shall provide

equal opportunity for subcontractors, vendors, and suppliers to participate in all of its public sector and private sector subcontracting and supply opportunities, provided that this clause does not prohibit or limit lawful efforts to remedy the effects of marketplace discrimination that have occurred or are occurring in the marketplace. Contractor understands that a material violation of this clause shall be considered a material breach of this Contract and may result in termination of this Contract, disqualification of Contractor from participating in State contracts, or other sanctions. This clause is not enforceable by or for the benefit of, and creates no obligation to, any third party.

30.2 As a condition of entering into this Contract, upon the request of the Commission on Civil Rights, and only after the filing of a complaint against Contractor under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland, as amended from time to time, Contractor agrees to provide within 60 days after the request a complete list of the names of all subcontractors, vendors, and suppliers that Contractor has used in the past four (4) years on any of its contracts that were undertaken within the State of Maryland, including the total dollar amount paid by Contractor on each subcontract or supply contract. Contractor further agrees to cooperate in any investigation conducted by the State pursuant to the State Commercial Nondiscrimination Policy as set forth under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland, and to provide any documents relevant to any investigation that are requested by the State. Contractor understands that violation of this clause is a material breach of this Contract and may result in Contract termination, disqualification by the State from participating in State contracts, and other sanctions.

30.3 The Contractor shall include the language from 30.1, or similar clause approved in writing by the Department, in all subcontracts.

31. Prompt Pay Requirements

31.1 If the Contractor withholds payment of an undisputed amount to its subcontractor, the Department, at its option and in its sole discretion, may take one or more of the following actions:

(a) Not process further payments to the Contractor until payment to the subcontractor is verified;

(b) Suspend all or some of the Contract work without affecting the completion date(s) for the Contract work;

(c) Pay or cause payment of the undisputed amount to the subcontractor from monies otherwise due or that may become due to the Contractor;

(d) Place a payment for an undisputed amount in an interest-bearing escrow account; or

(e) Take other or further actions as appropriate to resolve the withheld payment.

31.2 An "undisputed amount" means an amount owed by the Contractor to a subcontractor for which there is no good faith dispute. Such "undisputed amounts" include, without limitation: (a) retainage which had been withheld and is, by the terms of the agreement between the Contractor and subcontractor, due to be distributed to the subcontractor; and (b) an amount withheld because of issues arising out of an agreement or occurrence unrelated to the agreement under which the amount is withheld.

31.3 An act, failure to act, or decision of a Procurement Officer or a representative of the Department concerning a withheld payment between the Contractor and a subcontractor under this **section 31**, may not:

(a) Affect the rights of the contracting parties under any other provision of law;

(b) Be used as evidence on the merits of a dispute between the Department and the Contractor in any other proceeding; or

(c) Result in liability against or prejudice the rights of the Department.

31.4 The remedies enumerated above are in addition to those provided under COMAR 21.11.03.13 with respect to subcontractors that have contracted pursuant to the MBE program.

31.5 To ensure compliance with certified MBE subcontract participation goals, the Department may, consistent with COMAR 21.11.03.13, take the following measures:

(a) Verify that the certified MBEs listed in the MBE participation schedule actually are performing work and receiving compensation as set forth in the MBE participation schedule. This verification may include, as appropriate:

i. Inspecting any relevant records of the Contractor;

ii. Inspecting the jobsite; and

iii. Interviewing subcontractors and workers.

Verification shall include a review of:

i. The Contractor's monthly report listing unpaid invoices over thirty (30) days old from certified MBE subcontractors and the reason for nonpayment; and

ii. The monthly report of each certified MBE subcontractor, which lists payments received from the Contractor in the preceding thirty (30) days and invoices for which the subcontractor has not been paid.

(b) If the Department determines that the Contractor is not in compliance with certified MBE participation goals, then the Department will notify the Contractor in writing of its findings, and will require the Contractor to take appropriate corrective action. Corrective action may include, but is not limited to, requiring the Contractor to compensate the MBE for work performed as set forth in the MBE participation schedule.

(c) If the Department determines that the Contractor is in material noncompliance with MBE Contract provisions and refuses or fails to take the corrective action that the Department requires, then the Department may:

i. Terminate the Contract;

ii. Refer the matter to the Office of the Attorney General for appropriate action; or

iii. Initiate any other specific remedy identified by the Contract, including the contractual remedies required by any applicable laws, regulations, and directives regarding the payment of undisputed amounts.

(d) Upon completion of the Contract, but before final payment or release of retainage or both, the Contractor shall submit a final report, in affidavit form under the penalty of perjury, of all payments made to, or withheld from, MBE subcontractors.

32. Living Wage

If a Contractor subject to the Living Wage law fails to submit all records required under COMAR 21.11.10.05 to the Commissioner of Labor and Industry at the Department of Labor, Licensing and Regulation, the Department may withhold payment of any invoice or retainage. The Department may require certification from the Commissioner on a quarterly basis that such records were properly submitted.

33. Use of Estimated Quantities

Unless specifically indicated otherwise in the State's solicitation or other controlling documents related to the Scope of Work, any sample amounts provided are estimates only and the Department does not guarantee a minimum or maximum number of units or usage in the performance of this Contract.

34. Risk of Loss; Transfer of Title

Risk of loss for conforming supplies, equipment, materials and Deliverables furnished to the State hereunder shall remain with the Contractor until such supplies, equipment, materials and Deliverables are received and accepted by the State, following which, title shall pass to the State.

35. Effect of Contractor Bankruptcy

All rights and licenses granted by the Contractor under this Contract are and shall be deemed to be rights and licenses to "intellectual property," and the subject matter of this Contract, including services, is and shall be deemed to be "embodiments of intellectual property" for purposes of and as such terms are used and interpreted under § 365(n) of the United States Bankruptcy Code ("Code") (11 U.S.C. § 365(n) (2010)). The State has the right to exercise all rights and elections under the Code and all other applicable bankruptcy, insolvency and similar laws with respect to this Contract (including all executory statement of works). Without limiting the generality of the foregoing, if the Contractor or its estate becomes subject to any bankruptcy or similar proceeding: (a) subject to the State's rights of election, all rights and licenses granted to the State under this Contract shall continue subject to the respective terms and conditions of this Contract; and (b) the State shall be entitled to a complete duplicate of (or complete access to, as appropriate) all such intellectual property and embodiments of intellectual property, and the same, if not already in the State's possession, shall be promptly delivered to the State, unless the Contractor elects to and does in fact continue to perform all of its obligations under this Contract.

36. Miscellaneous

36.1 Any provision of this Contract which contemplates performance or observance subsequent to any termination or expiration of this Contract shall survive termination or expiration of this Contract and continue in full force and effect.

36.2 If any term contained in this Contract is held or finally determined to be invalid, illegal, or unenforceable in any respect, in whole or in part, such term shall be severed from this Contract, and the remaining terms contained herein shall continue in full force and effect, and shall in no way be affected, prejudiced, or disturbed thereby.

36.3 The headings of the sections contained in this Contract are for convenience only and shall not be deemed to control or affect the meaning or construction of any provision of this Contract.

36.4 This Contract may be executed in any number of counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Signatures provided by facsimile or other electronic means, e,g, and not by way of limitation, in Adobe .PDF sent by electronic mail, shall be deemed to be original signatures.

37. Contract Monitor and Procurement Officer

37.1 The State representative for this Contract who is primarily responsible for Contract administration functions, including issuing written direction, invoice approval, monitoring this Contract to ensure compliance with the terms and conditions of the Contract, monitoring MBE and VSBE compliance, and achieving completion of the Contract on budget, on time, and within scope. The Contract Monitor may authorize in writing one or more State representatives to act on behalf of the Contract

Monitor in the performance of the Contract Monitor's responsibilities. The Department may change the Contract Monitor at any time by written notice to the Contractor.

37.2 The Procurement Officer has responsibilities as detailed in the Contract, and is the only State representative who can authorize changes to the Contract. The Department may change the Procurement Officer at any time by written notice to the Contractor.

38. Notices

All notices hereunder shall be in writing and either delivered personally or sent by certified or registered mail, postage prepaid, as follows:

If to the State:

Sean Stafford

300W. Preston Street, Rm. 410

Baltimore, MD 21201

Phone Number: 410-767-3480

E-Mail: sean.stafford@maryland.gov

With a copy to:

Afua Tisdale

Maryland Department of Health (MDH)

Office Of Procurement & Support Services

201 West Preston Street

Baltimore, Maryland 21201

Phone Number: 410-767-5083

E-Mail: afua.tisdale@maryland.gov

If to the Contractor:

(Contractor's Name)

(Contractor's primary address)

Attn: _____

[[Delete the following if a parent company guarantee is inapplicable:]]

Parent Company Guarantor

Contact: _____

Attn: _____

39. Liquidated Damages for MBE

39.1 The Contract requires the Contractor to comply in good faith with the MBE Program and Contract provisions. The State and the Contractor acknowledge and agree that the State will incur damages, including but not limited to loss of goodwill, detrimental impact on economic development, and diversion of internal staff resources, if the Contractor does not comply in good faith with the requirements of the MBE Program and MBE Contract provisions. The parties further acknowledge and agree that the damages the State might reasonably be anticipated to accrue as a result of such lack of compliance are difficult to ascertain with precision.

39.2 Therefore, upon issuance of a written determination by the State that the Contractor failed to comply in good faith with one or more of the specified MBE Program requirements or MBE Contract provisions, the Contractor shall pay liquidated damages to the State at the rates set forth below. The Contractor expressly agrees that the State may withhold payment on any invoices as a set-off against liquidated damages owed. The Contractor further agrees that for each specified violation, the agreed upon liquidated damages are reasonably proximate to the loss the State is anticipated to incur as a result of such violation.

(a) Failure to submit each monthly payment report in full compliance with COMAR 21.11.03.13B (3): $35.00 per day until the monthly report is submitted as required.

(b) Failure to include in its agreements with MBE subcontractors a provision requiring submission of payment reports in full compliance with COMAR 21.11.03.13B (4): $85.00 per MBE subcontractor.

(c) Failure to comply with COMAR 21.11.03.12 in terminating, canceling, or changing the scope of work/value of a contract with an MBE subcontractor and amendment of the MBE participation schedule: the difference between the dollar value of the MBE participation commitment on the MBE participation schedule for that specific MBE firm and the dollar value of the work performed by that MBE firm for the Contract.

(d) Failure to meet the Contractor's total MBE participation goal and sub goal commitments: the difference between the dollar value of the total MBE participation commitment on the MBE participation schedule and the MBE participation actually achieved.

(e) Failure to promptly pay all undisputed amounts to an MBE subcontractor in full compliance with the prompt payment provisions of the Contract: $100.00 per day until the undisputed amount due to the MBE subcontractor is paid.

39.2 Notwithstanding the assessment or availability of liquidated damages, the State reserves the right to terminate the Contract and exercise any and all other rights or remedies which may be available under the Contract or Law.

40. Parent Company Guarantee (If applicable)

If a Contractor intends to rely on its Parent Company in some manner while performing on the State Contract, the following clause should be included and completed for the Contractor's Parent Company to guarantee performance of the Contractor. The guarantor/Contractor's Parent Company should be named as a party and signatory to the Contract and should be in good standing with SDAT.

(Corporate name of Contractor's Parent Company) hereby guarantees absolutely the full, prompt, and complete performance by (Contractor) of all the terms, conditions and obligations contained in this Contract, as it may be amended from time to time, including any and all exhibits that are now or may become incorporated hereunto, and other obligations of every nature and kind that now or may in the future arise out of or in connection with this Contract, including any and all financial commitments, obligations, and liabilities. (Corporate name of Contractor's Parent Company) may not transfer this absolute guaranty to any other person or entity without the prior express written approval of the State, which approval the State may grant, withhold, or qualify in its sole and absolute subjective discretion. (Corporate name of Contractor's Parent Company) further agrees that if the State brings any claim, action, lawsuit or proceeding against (Contractor), (Corporate name of Contractor's Parent Company) may be named as a party, in its capacity as Absolute Guarantor.

41. Compliance with Federal Health Insurance Portability and Accountability Act (HIPAA) and State Confidentiality Law

41.1 The Contractor acknowledges its duty to become familiar with and comply, to the extent applicable, with all requirements of the federal Health Insurance Portability and Accountability Act (HIPAA), 42 U.S.C. § 1320d et seq., and implementing regulations including 45 C.F.R. Parts 160 and 164. The Contractor also agrees to comply with the Maryland Confidentiality of Medical Records Act (MCMRA), Md. Code Ann. Health-General §§ 4-301 et seq. This obligation includes:

(a) As necessary, adhering to the privacy and security requirements for protected health information and medical records under HIPAA and MCMRA and making the transmission of all electronic information compatible with the HIPAA requirements;

(b) Providing training and information to employees regarding confidentiality obligations as to health and financial information and securing acknowledgement of these obligations from employees to be involved in the Contract; and

(c) Otherwise providing good information management practices regarding all health information and medical records.

41.2 Based on the determination by the Department that the functions to be performed in accordance with the scope of work set forth in the solicitation constitute business associate functions as defined in HIPAA, the selected Offeror shall execute a business associate agreement as required by HIPAA regulations at 45 C.F.R. 164.504 and in the form as required by the Department.

41.3 "Protected Health Information" as defined in the HIPAA regulations at 45 C.F.R. 160.103 and 164.501, means information transmitted as defined in the regulations, that is individually identifiable; that is created or received by a healthcare provider, health plan, public health authority, employer, life insurer, school or university, or healthcare clearinghouse; and that is related to the past, present, or future physical or mental health or condition of an individual, to the provision of healthcare to an individual, or to the past, present, or future payment for the provision of healthcare to an individual. The definition excludes certain education records as well as employment records held by a covered entity in its role as employer.

42. Limited English Proficiency

The Contractor shall provide equal access to public services to individuals with limited English proficiency in compliance with Md. Code Ann., State Government Article, §§ 10-1101 et seq., and Policy Guidance issued by the Office of Civil Rights, Department of Health and Human Services, and MDH Policy 02.06.07.

SIGNATURES ON NEXT PAGE

IN WITNESS THEREOF, the parties have executed this Contract as of the date hereinabove set forth.

Contractor	State of Maryland MARYLAND DEPARTMENT OF HEALTH (MDH)
By:	By: <<agencyContractSigner>>, <<agencyContractSignerTitle>>
Date	
PARENT COMPANY (GUARANTOR) (if applicable) _____	By: _____
By: _____	Date
Date	

Approved for form and legal sufficiency
this ____ day of _____, 20___.

_____
Assistant Attorney General

APPROVED BY BPW: _____ _____
(Date) (BPW Item #)

Attachment N. Contract Affidavit

See link at http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/Attachment-N-ContractAffidavit.pdf.

Attachment O. DHS Hiring Agreement

This solicitation does not require a DHS Hiring Agreement.

Appendix 1. – Abbreviations and Definitions

For purposes of this RFP, the following abbreviations or terms have the meanings indicated below:

A. Acceptable Use Policy (AUP) - A written policy documenting constraints and practices that a user must agree to in order to access a private network or the Internet.

B. Access – The ability or the means necessary to read, write, modify, or communicate data/information or otherwise use any information system resource.

C. Application Program Interface (API) – Code that allows two software programs to communicate with each other.

D. Business Day(s) – The official working days of the week to include Monday through Friday. Official working days excluding State Holidays (see definition of "Normal State Business Hours" below).

E. COMAR – Code of Maryland Regulations available on-line at http://www.dsd.state.md.us/COMAR/ComarHome.html.

F. Contract – The Contract awarded to the successful Offeror pursuant to this RFP. The Contract will be in the form of **Attachment M**.

G. Contract Monitor – The State representative for this Contract who is primarily responsible for Contract administration functions, including issuing written direction, invoice approval, monitoring this Contract to ensure compliance with the terms and conditions of the Contract, monitoring MBE and VSBE compliance, and achieving completion of the Contract on budget, on time, and within scope. The Contract Monitor may authorize in writing one or more State representatives to act on behalf of the Contract Monitor in the performance of the Contract Monitor's responsibilities. The Department may change the Contract Monitor at any time by written notice to the Contractor.

H. Contractor – The selected Offeror that is awarded a Contract by the State.

I. Contractor Personnel – Employees and agents and subcontractor employees and agents performing work at the direction of the Contractor under the terms of the Contract awarded from this RFP.

J. Data Breach – The unauthorized acquisition, use, modification or disclosure of State data, or other Sensitive Data.

K. Dual Eligible – Eligibility to receive benefits from both Medicare and Medicaid.

L. Generally Accepted Accounting Principles (GAAP) - commonly-followed accounting rules and standards for financial reporting.

M. eMMA – eMaryland Marketplace Advantage (see RFP **Section 4.2**).

N. Enterprise License Agreement (ELA) – An agreement to license the entire population of an entity (employees, on-site contractors, off-site contractors) accessing a software or service for a specified period of time for a specified value.

O. Information System – A discrete set of information resources organized for the collection, processing, maintenance, use, sharing, dissemination, or disposition of information.

P. Information Technology (IT) – All electronic information-processing hardware and software, including: (a) maintenance; (b) telecommunications; and (c) associated consulting services.

Q. Key Personnel – All Contractor Personnel identified in the solicitation as such that are essential to the work being performed under the Contract. See RFP **Sections 3.10**.

R. Local Time – Time in the Eastern Time Zone as observed by the State of Maryland. Unless otherwise specified, all stated times shall be Local Time, even if not expressly designated as such.

S. Maryland Department of Health or (MDH or the "Department").

T. Member – Legal resident of the State of Maryland who has submitted an application to the SPDAP and satisfies all eligibility requirements for enrollment into the SPDAP.

U. Minority Business Enterprise (MBE) – Any legal entity certified as defined at COMAR 21.01.02.01B (54) which is certified by the Maryland Department of Transportation under COMAR 21.11.03.

V. Normal State Business Hours - Normal State business hours are 8:00 a.m. – 5:00 p.m. Monday through Friday except State Holidays, which can be found at: www.dbm.maryland.gov – keyword: State Holidays.

W. Notice to Proceed (NTP) – A written notice from the Procurement Officer that work under the Contract, project, Task Order or Work Order (as applicable) is to begin as of a specified date. The NTP Date is the start date of work under the Contract, project, Task Order or Work Order. Additional NTPs may be issued by either the Procurement Officer or the Contract Monitor regarding the start date for any service included within this solicitation with a delayed or non-specified implementation date.

X. NTP Date – The date specified in a NTP for work on Contract, project, Task Order or Work Order to begin.

Y. Offeror – An entity that submits a Proposal in response to this RFP.

Z. Personally Identifiable Information (PII) – Any information about an individual maintained by the State, including (1) any information that can be used to distinguish or trace an individual identity, such as name, social security number, date and place of birth, mother's maiden name, or biometric records; and (2) any other information that is linked or linkable to an individual, such as medical, educational, financial, and employment information.

AA. Procurement Officer – Prior to the award of any Contract, the sole point of contact in the State for purposes of this solicitation. After Contract award, the Procurement Officer has responsibilities as detailed in the Contract (**Attachment M**), and is the only State representative who can authorize changes to the Contract. The Department may change the Procurement Officer at any time by written notice to the Contractor.

BB. Proposal – As appropriate, either or both of the Offeror's Technical or Financial Proposal.

CC. Protected Health Information (PHI) – Information that relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present, or future payment for the provision of health care to an individual; and (i) that identifies the individual; or (ii) with respect to which there is a reasonable basis to believe the information can be used to identify the individual.

DD. Request for Proposals (RFP) – This Request for Proposals issued by the Maryland Department of Health (Department), with the Solicitation Number and date of issuance indicated in the Key Information Summary Sheet, including any amendments thereto.

EE. Security Incident – A violation or imminent threat of violation of computer security policies, Security Measures, acceptable use policies, or standard security practices. "Imminent threat of

violation" is a situation in which the organization has a factual basis for believing that a specific incident is about to occur.

FF. Security or Security Measures – The technology, policy and procedures that a) protects and b) controls access to networks, systems, and data.

GG. Sensitive Data - Means PII; PHI; other proprietary or confidential data as defined by the State, including but not limited to "personal information" under Md. Code Ann., Commercial Law § 14-3501(e) and Md. Code Ann., St. Govt. § 10-1301(c) and information not subject to disclosure under the Public Information Act, Title 4 of the General Provisions Article; and information about an individual that (1) can be used to distinguish or trace an individual's identity, such as name, social security number, date and place of birth, mother's maiden name, or biometric records; or (2) is linked or linkable to an individual, such as medical, educational, financial, and employment information.

HH. Service Level Agreement (SLA) - Commitment by the Contractor to the Department that defines the performance standards the Contractor is obligated to meet.

II. SLA Activation Date - The date on which SLA charges commence under this Contract, which may include, but to, the date of (a) completion of Transition in, (b) a delivery, or (c) releases of work.

JJ. Software - The object code version of computer programs licensed pursuant to this Contract. Embedded code, firmware, internal code, microcode, and any other term referring to software that is necessary for proper operation is included in this definition of Software. Software includes all prior, current, and future versions of the Software and all maintenance updates and error corrections. Software also includes any upgrades, updates, bug fixes or modified versions or backup copies of the Software licensed to the State by Contractor or an authorized distributor.

KK. Software as a Service (SaaS) - A software licensing and delivery model in which software is licensed on a subscription basis and is centrally hosted. For the purposes of this RFP, the terms SaaS and PaaS are considered synonymous and the term SaaS will be used throughout this document.

LL. Solution - All Software, deliverables, services and activities necessary to fully provide and support the RFP scope of work. This definition of Solution includes all System Documentation developed as a result of this Contract. Also included are all Upgrades, patches, break/fix activities, enhancements and general maintenance and support of the Solution and its infrastructure.

MM. State – The State of Maryland.

NN. Source Code – Executable instructions for Software in its high level, human readable form which are in turn interpreted, parsed and/or compiled to be executed as part of a computing system.

OO. System Availability – The period of time the Solution works as required excluding non-operational periods associated with planned maintenance.

PP. System Documentation – Those materials necessary to wholly reproduce and fully operate the most current deployed version of the Solution in a manner equivalent to the original Solution including, but not limited to:

1) Source Code: This includes source code created by the Contractor or subcontractor(s) and source code that is leveraged or extended by the Contractor for use in the Contract;

2) All associated rules, reports, forms, templates, scripts, data dictionaries and database functionality;

3) All associated configuration file details needed to duplicate the run time environment as deployed in the current deployed version of the system;

4) All associated design details, flow charts, algorithms, processes, formulas, pseudo-code, procedures, instructions, help files, programmer's notes and other documentation;

5) A complete list of Third Party, open source, or commercial software components and detailed configuration notes for each component necessary to reproduce the system (e.g., operating system, relational database, and rules engine software);

6) All associated user instructions and/or training materials for business users and technical staff, including maintenance manuals, administrative guides and user how-to guides; and

7) Operating procedures.

QQ. Technical Safeguards – The technology and the policy and procedures for its use that protect State Data and control access to it.

RR. Third Party Software – Software and supporting documentation that:

1) are owned by a third party, not by the State, the Contractor, or a subcontractor;

2) are included in, or necessary or helpful to the operation, maintenance, support or modification of the Solution; and

3) are specifically identified and listed as Third Party Software in the Proposal.

SS. Total Proposal Price - The Offeror's total price for goods and services in response to this solicitation, included in Financial Proposal **Attachment B** – Financial Proposal Form.

TT. Upgrade - A new release of any component of the Solution containing major new features, functionality and/or performance improvements.

UU. Veteran-owned Small Business Enterprise (VSBE) – A business that is verified by the Center for Verification and Evaluation (CVE) of the United States Department of Veterans Affairs as a veteran-owned small business. See Code of Maryland Regulations (COMAR) 21.11.13.

Appendix 2 – Offeror Information Sheet

See link at http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/Appendix2-Bidder_OfferorInformationSheet.pdf.

Appendix 3 – SPDAP Enrollment Chart

SPDAP Membership 2015 - 2024			
Year	**Member Months**	**Average per Month**	**Basis**
2015	**339,824**	**28,319**	**Actual**
2016	**343,888**	**28,657**	**Actual**
2017	**346,301**	**28,858**	**Actual**
2018	**351,284**	**29,274**	**Estimated**
2019	**355,522**	**29,627**	**Estimated**
2020	**359,812**	**29,984**	**Estimated**
2021	**364,154**	**30,346**	**Estimated**
2022	**368,548**	**30,712**	**Estimated**
2023	**372,995**	**31,083**	**Estimated**
2024	**377,495**	**31,458**	**Estimated**

Appendix 4 – SPDAP Premium Subsidy Payments Volume Chart

Month	Premium Subsidy Payments Processed
January 2017	29,320
February 2017	29,121
March 2017	29,365
April 2017	29,537
May 2017	29,164
June 2017	29,166
July 2017	29,351
August 2017	29,165
September 2017	29,255
October 2017	28,992
November 2017	28,912
December 2017	28,738
CY2017 Total	**350,086**

Appendix 5 – SPDAP Coverage Gap Subsidy Payments (CY2016) Volume Chart

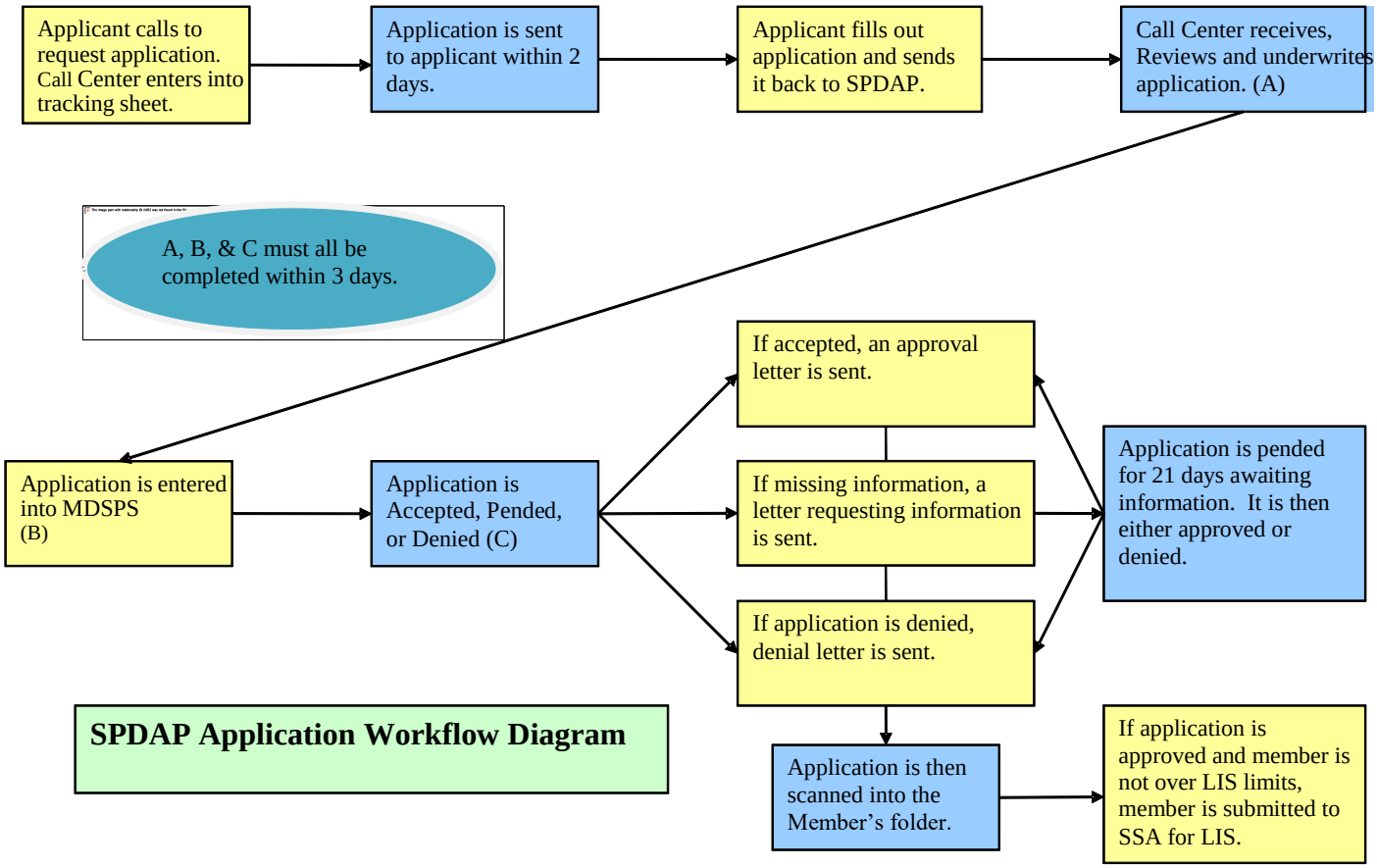
Month	CGS Submissions Processed for Payment	CGS Submissions Processed and Denied	Total CGS Submissions Processed
Jan-17	185	119	304
Feb-17	634	69	703
Mar-17	180	21	201
Apr-17	77	0	77
May-17	299	139	438
Jun-17	29	0	29
CY2016 Total	1,404	348	1,752

1. Members have until March 31st of the subsequent year to submit their end-of-year Monthly Prescription Drug Summary to the Contractor for determination of their eligibility to receive an SPDAP Coverage Gap subsidy. For the initial year (CY2016) of the new SPDAP Coverage Gap Subsidy Benefit the submission deadline was extended through May 31, 2017

2. Appeals from members concerning their eligibility for an SPDAP Coverage Gap subsidy may extend beyond the determined deadline for submissions to be received.

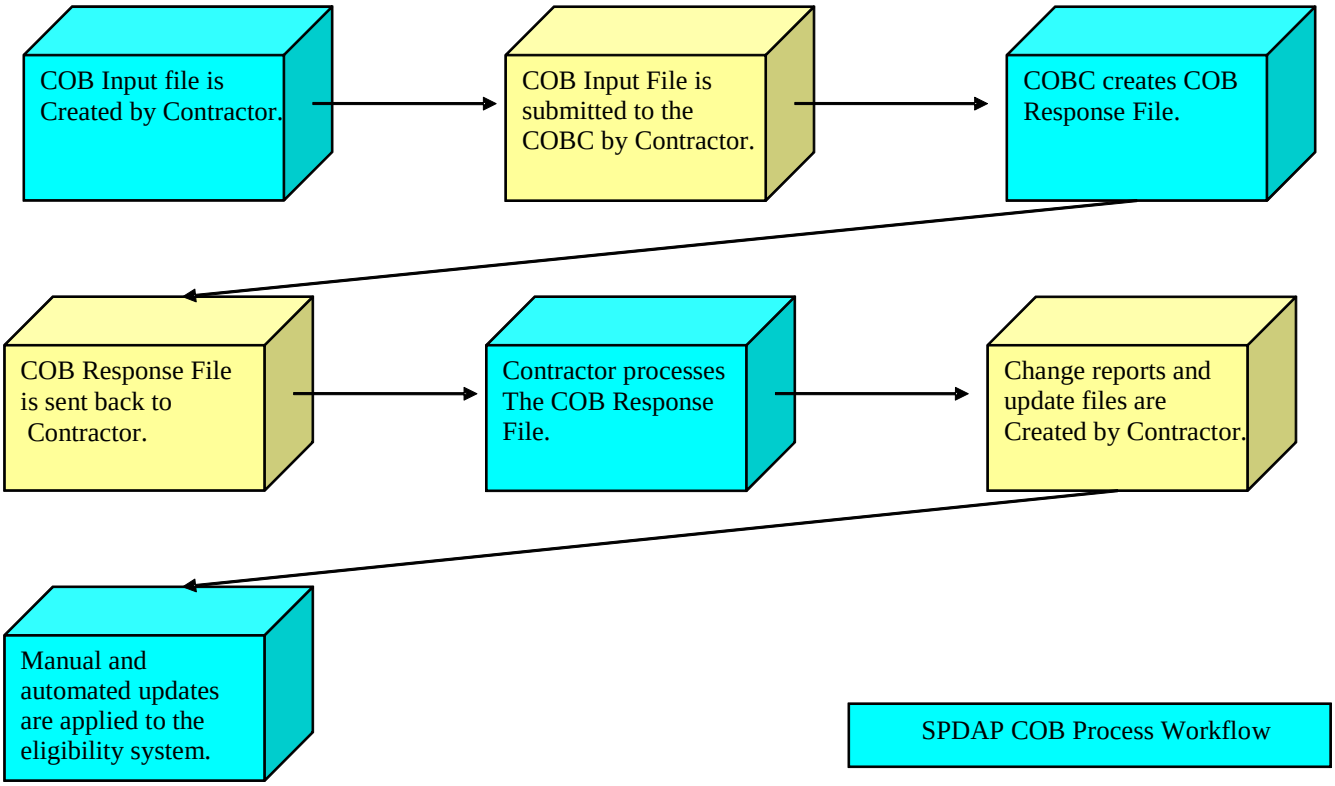
3. The SPDAP Coverage Gap subsidy was limited to a maximum of $600/per member for CY2016.

Appendix 6 – SPDAP Application Processing Flowchart

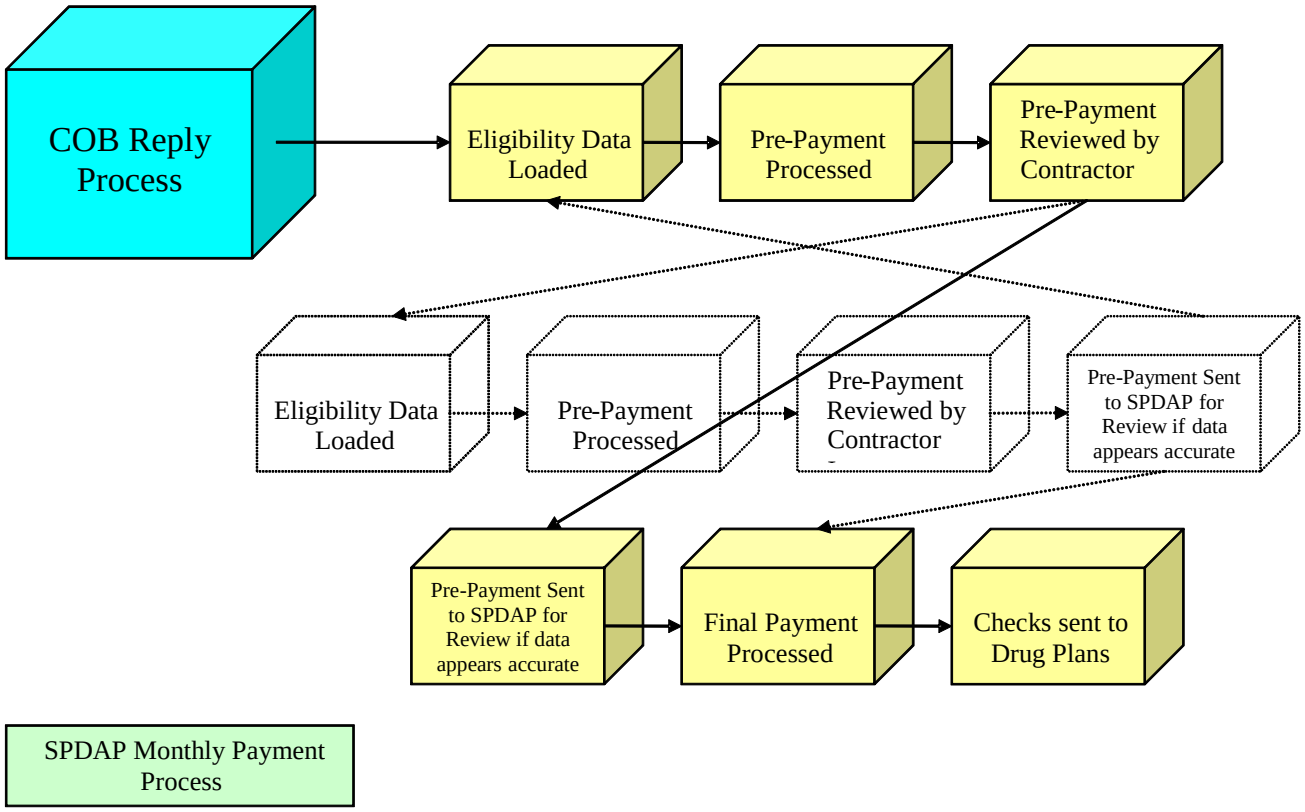


SPDAP Application Workflow Diagram

Appendix 7 – SPDAP COB Input and Response Processing Flowchart



Appendix 8 – SPDAP Premium Subsidy Payment Processing Flowchart



Appendix 9 – SPDAP Call Center and Web Site Stats Chart

SPDAP Calls Received/Web Site Data 2015 - 2016			
Month/Year	**Web Visitors**	**Web Pages Viewed**	**Calls Received**
Jan-15	1,087	5,659	2,315
Feb-15	821	4,123	1,506
Mar-15	1,076	4,251	1,476
Apr-15	830	3,716	1,073
May-15	749	2,711	956
Jun-15	824	3,832	1,332
Jul-15	807	3,594	1,517
Aug-15	700	828	950
Sep-15	699	3,813	938
Oct-15	1,376	11,074	1,846
Nov-15	1,424	10,931	2,019
Dec-15	1,405	8,514	2,732
Total	**11,798**	**63,046**	**18,660**
Jan-16	1,117	5,599	2,181
Feb-16	932	5,131	2,165
Mar-16	952	4,331	2,159
Apr-16	916	3,835	1,170
May-16	929	3,752	1,005
Jun-16	787	3,371	1,203
Jul-16	734	3,327	1230
Aug-16	755	3,320	1,285
Sep-16	826	3,720	910
Oct-16	1,146	7,134	1,501
Nov-16	1,317	7,336	1,699
Dec-16	1,146	6,219	1,926
Total	**11,557**	**57,075**	**18,434**

Appendix 10 – Reports Listing

The following lists the Standard/Canned Reports necessary to complete the Scope of Work as detailed in this RFP.

Report Name	Frequency
Membership Report – See **APPENDIX 13**	Monthly
Applications Processed Report – See **APPENDIX 13**	Monthly
Application Fulfillment Packets Fulfilled Report	Monthly
Applicant Appeals Details Report – See **APPENDIX 13**	Monthly
Call Center Service Level Metrics Report – See **APPENDIX 13**	Monthly
Premium Subsidy Pre-Capitation Report – See **APPENDIX 11**	Monthly
Premium Subsidy Final Payment Report – See **APPENDIX 11**	Monthly
Coverage Gap Subsidy Submissions Processed Summary Report – See **APPENDIX 12**	Monthly - Through End of Submission Period
Coverage Gap Subsidy Submissions Payment Summary Report – See **APPENDIX 12**	Monthly - Through End of Submission Period
SPDAP Annual Report	Annual - By end of January of subsequent year.

Appendix 11 – Monthly Subsidy Pre-Capitation and Final Payment Reports

The following lists the MDSPS data elements to be included in the Monthly Subsidy Pre-Capitation and Final Payment Reports. It includes, but is not limited to the following data items:

Item #	Data Element
1	Member's First Name
2	Member's Last Name
3	Member's Health Insurance Claim Number
4	Member's Social Security Number
5	Member's SPDAP ID #
6	Member's Medicare Part D PDP Contract ID
7	Member's Medicare Part D PDP Plan Benefit Package ID
9	Member's Federal Low-Income Subsidy Percentage
10	Member's Gender
11	Member's Date of Birth
12	Member's SPDAP Effective Date
13	Member's SPDAP Termination Date
14	Month in which SPDAP Premium payment was made
15	Month for which SPDAP Premium payment was made
16	Member Months
17	Amount of SPDAP premium payment

Appendix 12 – Monthly Coverage Gap Subsidy Submissions Processed Summary and Coverage Gap Subsidy Submissions Payment Summary Reports

COVERAGE GAP SUBSIDY SUBMISSION PROCESSED - REPORT							
Member ID	**Name**	**Payment Status**	**Date Received**	**Date Approved or Denied**	**Date Paid**	**SLA ?**	**Appeal ?**
1XXXX	John Doe	Paid or Rejected	XX/XX/XX	XX/XX/XX	XX/XX/XX	Yes or No	Yes or No

COVERAGE GAP SUBSIDY SUBMISSION PROCESSED - REPORT SUMMARY						
# Statements Received	**# Statements Approved**	**# Statements Denied**	**% Approved**	**% Denied**	**% Approved <= 5 business days**	**% Paid <= 5 business days**
XX	XX	XX	XX%	XX%	XX%	XX%

COVERAGE GAP SUBSIDY SUBMISSION PAYMENT - REPORT							
Payment Status	**Processed Date**	**Statement Date Year**	**Check #**	**Check Date**	**Payment Amount**	**Payee**	**Member ID**
Paid	XX/XX/XX	XX/XX/XX	99999	XX/XX/XX	$0.00	John Doe	1XXXXX

COVERAGE GAP SUBSIDY SUBMISSION PAYMENT - REPORT SUMMARY					
Batch Number	Payment Status	Processed Date	Benefit Year	Batch Total	Record Total
XX	Paid	XX/XX/XX	20XX	XX	XX

Appendix 13 – Monthly Membership, Applications Processed, Applicant Appeals Details and Call Center Service Level Metrics Reports

MEMBERSHIP REPORT	
Member ID	Effective Date
99999999	XX/XX/XX

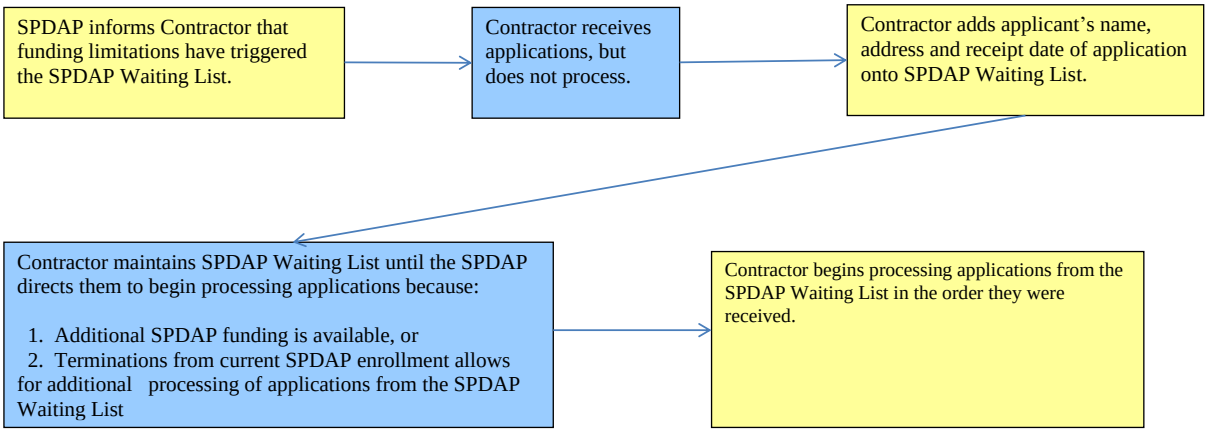
APPLICATIONS PROCESSED REPORT				
Month	**Year**	**Application Received Date**	**Document Control #**	**Application ID #**
6	201X	XX/XX/XX	99999	99999999

APPLICANT APPEALS DETAILS REPORT								
Appeal Grievance ID	**Member ID**	**Application ID #**	**Appeal Received Date**	**Appeal Notification Date**	**Days To Process**	**Appeal Type Description**	**Status ID**	**SLA Y/N**
9999	99999999	99999999	XX/XX/XX	XX/XX/XX	0		C	

CALL CENTER SERVICE LEVEL METRICS REPORT											
Year	**Mo**	**Members**	**Web Visitors**	**Web Pages Viewed**	**Calls Received**	**Calls Answered**	**% of Calls Answered**	**Average Speed of Answer**	**Calls Per Member**	**Total Contacts**	**Contacts per Member**
2016	Jan	28,061	1,117	5,599	2,181	2,161	99%	:14	0.08	3,298	0.12

Calls Answered equals calls received less calls abandoned.
Total Contacts equals calls received plus unique web visitors.
Unique web visitors are the number of unique visitors to the site, calculated by counting returning visitors as one.
Contacts Per Member equals Total Contacts/Total Members.

Appendix 14 – SPDAP Application Waitlist Processing Flowchart



SPDAP Application Waitlist Workflow Diagram

Appendix 15 – SPDAP Application and Application Fulfillment Packets Processed Chart

SPDAP Applications Processed 2015 - 2017			
Month/Year	**Applications Received and Processed**	**Application Fulfillment Packets Processed**	**# of Applications in Application Fulfillment Packets Processed**
Jan-15	392	124	585
Feb-15	416	94	499
Mar-15	369	95	494
Apr-15	346	93	224
May-15	333	86	139
Jun-15	335	97	452
Jul-15	343	104	179
Aug-15	321	92	271
Sep-15	293	104	235
Oct-15	426	218	1,247
Nov-15	828	197	480
Dec-15	807	207	720
Total	**5,209**	**1,511**	**5,525**
Jan-16	412	167	514
Feb-16	471	167	289
Mar-16	440	145	423
Apr-16	397	123	309
May-16	423	105	201
Jun-16	341	92	361
Jul-16	324	99	337
Aug-16	405	100	341
Sep-16	294	115	316
Oct-16	469	92	675
Nov-16	701	177	494
Dec-16	839	197	429
Total	**5,516**	**1,579**	**4,689**
Jan-17	509	216	659
Feb-17	420	139	348
Mar-17	383	153	292
Apr-17	381	116	276
May-17	350	112	355
Jun-17	333	96	177
Jul-17	293	123	239
Aug-17	374	93	194
Sep-17	282	88	314
Oct-17	487	217	757
Nov-17	821	161	405
Dec-17	844	150	406
Total	**5,477**	**1,664**	**4,442**

Appendix 16 – Demographic Data List

The following lists the Demographic data to be stored in the Membership Database of the MDSPS. It includes, but is not limited to the following data items:

Item #	Demographic Data Item
1	Date of Birth (DOB);
2	Date of Death (DOD);
3	Social Security Number (SSN);
4	Health Insurance Claim Number (HICN)*
5	Medicare Beneficiary Identifier (MBI) *
6	First Name;
7	Last Name;
8	Middle Initial;
9	Physical Address – to include Street Address, City, State, Zip Code and County;
10	Telephone Number;
11	Medicare Part D PDP Contract ID;
12	Medicare Part D PDP Plan Benefit Package (PBP) ID;
13	Medicare Part D Plan Enrollment Date;
14	Medicare Part D Plan Termination Date;
15	Medicare Part D Dual Eligible Start Date;
16	Medicare Part D Dual Eligible End Date;
17	Federal Low-Income Subsidy (LIS) Effective Date;
18	Federal Low-Income Subsidy (LIS) Termination Date;
19	Federal Low-Income Subsidy (LIS) Percentage;
20	SPDAP Effective Date;
21	SPDAP Termination Date;
*	The Medicare Access and CHIP Reauthorization Act (MACRA) of 2015, requires CMS to remove Social Security Numbers (SSNs) from all Medicare cards by April 2019. A new Medicare Beneficiary Identifier (MBI) will replace the SSN-based HICN on the new Medicare cards for Medicare transactions like billing, eligibility status, and claim status.