

ARKANSAS DEPARTMENT OF HUMAN SERVICES
FINAL PERFORMANCE BASED CONTRACTING

Note: Updates to this final **PERFORMANCE BASED CONTRACTING** are designated by red font.

Pursuant to Ark. Code Ann. 19-11-1010 et. seq., the selected contractor shall comply with performance based standards. Following are the performance based standards that will be a part of the contract and with which the contractor must comply for acceptable performance to occur under the contract.

- I. The contractor must comply with all statutes, regulations, codes, ordinances, and licensure or certification requirements applicable to the contractor or to the contractor's agents and employees and to the subject matter of the contract. Failure to comply shall be deemed unacceptable performance.
- II. Except as otherwise required by law, the contractor agrees to hold the contracting Division/Office harmless and to indemnify the contracting Division/Office for any additional costs of alternatively accomplishing the goals of the contract, as well as any liability, including liability for costs or fees, which the contracting Division/Office may sustain as a result of the contractor's performance or lack of performance.
- III. During the term of the contract, the division/office will complete sufficient performance evaluation(s) to determine if the contractor's performance is acceptable.
- IV. The State **shall** have the right to modify, add, or delete Performance Standards throughout the term of the contract, should the State determine it is in its best interest to do so. Any changes or additions to performance standards will be made in good faith following acceptable industry standards, and may include the input of the vendor so as to establish standards that are reasonably achievable
- V. The contract program deliverables and performance indicators to be performed by the contractor are:

Service Criteria ⁱ	Acceptable Performance	Damages for Insufficient Performance ⁱⁱ
<p>A. Develop and Maintain UAT Project Plan</p> <ol style="list-style-type: none"> 1. Vendor shall provide a User Acceptance Testing (UAT) project plan for Arkansas Department of Human Services (DHS) approval in a format acceptable to DHS. 2. The UAT project plan must include, but is not limited to: <ul style="list-style-type: none"> • Resource onboarding • Internal training schedule (familiarity with supported tools) • Standards and documentation review • FTI and Privacy training • Eligibility application training 3. The UAT project plan must identify the estimated completion date for each item and indicate any dependencies (predecessor or successor tasks) associated with each item. 4. A draft/outline UAT project plan must be delivered within fifteen (15) calendar days of the contract's actual onsite start date 5. A final UAT project plan must be delivered within thirty (30) calendar days of the contract's actual onsite start date. 6. Vendor shall adhere to Vendor's DHS-approved project plan at all times throughout the contracted term. 7. All changes to Vendor's DHS-approved project plan must be approved in advance and in writing by DHS. 	<p>Acceptable performance is defined as one hundred (100%) compliance with all service criteria.</p>	<ol style="list-style-type: none"> 1. A fifty percent (50%) penalty shall be assessed in the following months' payments to the Vendor for each thirty (30) day period the Vendor is not in full compliance with these Service Criteria. The fifty percent (50%) penalty shall be calculated from the total payment for the identified month in which the deficiency took place. 2. If the initial UAT project plan is not delivered sixty-one (61) calendar days after the contract's actual start date, DHS reserves the right to impose additional penalties including but not limited to: withholding payment on future invoices until Vendor is in full compliance, a substandard Vendor Performance Report (VPR) maintained in DHS' Vendor file, and contract termination.
<p>B. Knowledge of DHS Functional Requirements</p> <ol style="list-style-type: none"> 1. Vendor shall make a formal presentation to DHS summarizing Vendor's understanding of the following: <ul style="list-style-type: none"> • The intent and scope of work for 	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria as determined by DHS.</p>	<ol style="list-style-type: none"> 1. A fifty percent (50%) penalty shall be assessed in the following months' payments to the Vendor for each thirty (30) day period the Vendor is not in full compliance with these Service Criteria. The fifty percent (50%) penalty

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<p>Arkansas' IE-BM system integration RFP # SP-17-0012 as published at http://www.arkansas.gov/dfa/procurement/bids/bid_info.php?bid_number=SP-17-0012</p> <ul style="list-style-type: none"> • The intent and scope of work for the existing Curam eligibility system. • The DHS program policies, procedures and manuals relevant to UAT of the new Integrated Eligibility and Benefit Management (IE-BM) system, plus the existing Curam and reporting functions. • Submitted and approved UAT Project Plan. <p>2. This presentation must be delivered within forty-five (45) calendar days of the contract's actual onsite start date.</p>		<p>shall be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>2. If the formal presentation is not delivered within ninety-one (91) calendar days after the contract's actual start date, DHS reserves the right to impose additional penalties including but not limited to: withholding payment on future invoices until Vendor is in full compliance, a substandard Vendor Performance Report (VPR) maintained in DHS' Vendor file, and contract termination.</p>
<p>C. Weekly UAT Reporting</p> <p>1. Vendor shall provide a weekly status report on all activities performed.</p> <ul style="list-style-type: none"> • The report will be submitted on a mutually agreed upon time. • The report must be in a format approved by DHS. <p>2. Each report shall include, but is not limited to:</p> <ul style="list-style-type: none"> • Resource status • Project status • Accomplishments • Risks or Issues • Concerns <p>3. DHS may amend the required content of each report at any time. DHS may also request additional information or data in relation to a report that has already been submitted.</p>	<p>Acceptable performance is defined as one hundred (100%) percent compliance with all service criteria as determined by DHS.</p>	<p>1st Incident: A Corrective Action Plan, acceptable to DHS, shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A twenty percent (20%) penalty shall be assessed in the following months' payments to the Vendor for each thirty (30) day period the Vendor is not in full compliance with these Service Criteria. The twenty percent (20%) penalty shall be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>The total of all damage credits in any given month shall not exceed one hundred percent (100%) of the monthly invoice unless a 3rd incident occurs for any of the Service Criteria.</p> <p>3rd incident: DHS reserves</p>

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<p>4. UAT project plan will be incorporated into the Integrated Master Schedule maintained by the IEBM System Integrator and updated weekly.</p>		<p>the right to impose additional penalties including but not limited to: withholding payment on future invoices until Vendor is in full compliance, a substandard Vendor Performance Report (VPR) maintained in DHS' Vendor file, and contract termination.</p>
<p>D. Meetings</p> <p>1. Vendor shall continuously participate in ongoing project meetings and conduct stakeholder interviews to understand the processes, procedures, and tools used in the project environments.</p>	<p>Acceptable performance is defined as one hundred (100%) compliance with all service criteria throughout the contract term as determined by DHS.</p>	<p>1st Incident: A Corrective Action Plan, acceptable to DHS, shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A twenty percent (20%) penalty shall be assessed in the following months' payments to the Vendor for each thirty (30) day period the Vendor is not in full compliance with these Service Criteria. The twenty percent (20%) penalty shall be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>The total of all damage credits in any given month shall not exceed one hundred percent (100%) of the monthly invoice unless a 3rd incident occurs for any of the Service Criteria.</p> <p>3rd incident: DHS reserves the right to impose additional penalties including but not limited to: withholding payment on future invoices until Vendor is in full compliance, a substandard Vendor Performance Report (VPR) maintained in DHS' Vendor file, and contract termination.</p>
<p>E. Training</p> <p>1. Vendor shall continuously</p>	<p>Acceptable performance is defined as one hundred (100%) compliance with all</p>	<p>1st Incident: A Corrective Action Plan, acceptable to DHS, shall be due to DHS</p>

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<p>participate in all ongoing training and certifications required by the IE-BM project.</p> <p>2. ALL Vendor UAT Personnel must participate in and successfully complete all training offered by the State. ALL Vendor UAT Personnel must pass any written or verbal tests given by DHS regarding the materials presented in trainings.</p>	<p>service criteria throughout the contract term as determined by DHS.</p>	<p>within ten (10) business days of the request.</p> <p>2nd incident: A twenty percent (20%) penalty shall be assessed in the following months' payments to the Vendor for each thirty (30) day period the Vendor is not in full compliance with these Service Criteria. The twenty percent (20%) penalty shall be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>The total of all damage credits in any given month shall not exceed one hundred percent (100%) of the monthly invoice unless a 3rd incident occurs for any of the Service Criteria.</p> <p>3rd incident: DHS reserves the right to impose additional penalties including but not limited to: withholding payment on future invoices until Vendor is in full compliance, a substandard Vendor Performance Report (VPR) maintained in DHS' Vendor file, and contract termination.</p>
<p>F. UAT Support for the CMS MEELC and MEET</p> <p>1. Vendor shall follow the current MEELC and complete all UAT portions of the MEET published at https://www.medicaid.gov/medicaid/data-and-systems/meet/index.html Vendor shall deliver all UAT input required for these reviews to DHS.</p>	<p>Acceptable performance is defined as one hundred (100%) compliance with all service criteria throughout the contract term as determined by DHS.</p>	<p>1st Incident: A Corrective Action Plan, acceptable to DHS, shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A fifty percent (50%) penalty shall be assessed in the following months' payments to the Vendor for each thirty (30) day period the Vendor is not in full compliance with these Service Criteria. The fifty percent (50%) penalty shall be calculated from the total payment for the identified</p>

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		<p>month in which the deficiency took place. The total of all damage credits in any given month shall not exceed one hundred percent (100%) of the monthly invoice unless a 3rd incident occurs for any of the Service Criteria.</p> <p>3rd incident: DHS reserves the right to impose additional penalties including but not limited to: withholding payment on future invoices until Vendor is in full compliance, a substandard Vendor Performance Report (VPR) maintained in DHS' Vendor file, and contract termination.</p>
<p>G. Organization and Staffing</p> <p>1. Vendor shall provide the following staff positions without limitation:</p> <ul style="list-style-type: none"> • First Lead at contract start. • Second Lead within the first fifteen (15) days from contract start • Third Lead within the first thirty (30) days from contract start • Seven (7) UAT Testers, two (2) of the Testers must be bi-lingual (Spanish), within the first forty-five (45) days from contract start. • Allocation Fund resources provided within Six Weeks from Charge Request issuance or mutually agreed upon timeframe. See section 2.7 of the UAT IFB <p>2. Vendor shall provide a proposed organizational chart for DHS approval showing all proposed personnel by job title, lines of supervision, and indicating whether each person will be assigned full-time or part-time</p>	<p>Acceptable performance is defined as one hundred (100%) compliance with all service criteria throughout the contract term as determined by DHS.</p>	<p>1st Incident: A Corrective Action Plan, acceptable to DHS, shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A thirty percent (30%) penalty shall be assessed in the following months' payments to the Vendor for each thirty (30) day period the Vendor is not in full compliance with these Service Criteria. The thirty percent (30%) penalty shall be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>3rd incident: DHS reserves the right to impose additional penalties including but not limited to: withholding payment on future invoices until Vendor is in full compliance, a substandard Vendor Performance Report (VPR) maintained in DHS' Vendor file, and contract termination.</p>

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<p>capacity. The organizational chart must display the overall business structure.</p> <p>3. This organizational chart shall be delivered to DHS within thirty (30) calendar days of the contract's actual onsite start date.</p>		
<p>H. Personnel</p> <p>1. The UAT Leads named in the Vendor's proposal must be dedicated to this contract one hundred percent (100%) of the time.</p> <p>2. All resources associated with this project are expected to work on site, at a minimum, from 8:00 am to 5:00 pm Monday through Friday, and must be able to support, within reason, additional hours outside of the normal schedule when required to accommodate business needs. Afterhours work will consist of onsite and remote access (work from home to support implementation activities)</p> <p>3. Vendor shall commit to using the personnel identified in the contract and agree to DHS' right to approve proposed personnel changes during the term of the contract.</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria throughout the contract term as determined by DHS.</p>	<p>1st Incident: A Corrective Action Plan, acceptable to DHS, shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A thirty percent (30%) penalty shall be assessed in the following months' payments to the Vendor for each thirty (30) day period the Vendor is not in full compliance with these Service Criteria. The thirty percent (30%) penalty shall be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>The total of all damage credits in any given month shall not exceed one hundred percent (100%) of the monthly invoice unless a 3rd incident occurs for any of the Service Criteria.</p> <p>3rd incident: DHS reserves the right to impose additional penalties including but not limited to: withholding payment on future invoices until Vendor is in full compliance, a substandard Vendor Performance Report (VPR) maintained in DHS' Vendor file, and contract termination.</p>
<p>I. Personnel Requirements</p> <p>1. Vendor shall disclose to the DHS Project Manager any other projects or regular duties outside of the IE-BM UAT work included in this IFB to which</p>	<p>Acceptable performance is defined as one hundred (100%) compliance with all service criteria throughout the contract term as determined by DHS.</p>	<p>1st Incident: A Corrective Action Plan, acceptable to DHS, shall be due to DHS within ten (10) business days of the request.</p>

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<p>key personnel will be assigned and shall indicate the time allocated for each project. Vendor shall not assign any projects or duties outside the scope of work for this IFB without the written consent of the DHS Project Manager.</p> <p>2. Vendor shall obtain DHS approval before replacing, reassigning or adding key personnel during the contract period. All replacement personnel must have skills that DHS agrees are equal to or superior to the individual(s) being replaced. Should a key personnel position be vacated, the Vendor must deliver to DHS resumes of the potential replacement candidates and allow DHS the opportunity to interview and approve replacement(s) for the vacated position(s).</p> <p>3. Vendor shall change project personnel as requested by DHS and must provide DHS an opportunity to interview and approve potential replacement candidates.</p> <p>4. Vendor shall provide a staffing continuity plan for DHS approval within thirty (30) calendar days of the contract's actual start date that includes, but is not limited to the following topics:</p> <ul style="list-style-type: none"> ● Identify Vendor's policies and plans for maintaining continuity of personnel assignments throughout the performance of any contract resulting from this IFB. ● Identify the Vendor's contingency plans to avoid and minimize the impact of any unexpected personnel changes. ● Identify planned backup resources for key personnel. <p>5. Vendor shall provide laptops, any other hardware, and any other software Vendor deems necessary to support its work.</p>		<p>2nd incident: A thirty percent (30%) penalty shall be assessed in the following months' payments to the Vendor for each thirty (30) day period the Vendor is not in full compliance with these Service Criteria. The thirty percent (30%) penalty shall be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>The total of all damage credits in any given month shall not exceed one hundred percent (100%) of the monthly invoice unless a 3rd incident occurs for any of the Service Criteria.</p> <p>3rd incident: DHS reserves the right to impose additional penalties including but not limited to: withholding payment on future invoices until Vendor is in full compliance, a substandard Vendor Performance Report (VPR) maintained in DHS' Vendor file, and contract termination.</p>
J. Conflict of Interest Mitigation	The Vendor must maintain	The Vendor will be fined five

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<p>1. During the term of this contract, the Vendor shall comply with the terms of the DHS Organizational or Personal Conflict of Interest provisions. The Vendor shall disclose all actual, apparent, or potential conflicts of interest to the Department of Human Services (DHS) within five (5) calendar days of having knowledge of them. The Vendor shall develop a mitigation plan as requested by DHS which must be approved and accepted by DHS. Any changes to the approved mitigation plan must be approved in advance by DHS.</p>	<p>one hundred percent (100%) compliance with this item at all times throughout the term of the contract</p>	<p>thousand dollars (\$5,000) per day for each day past five (5) calendar days for each actual, apparent, or potential conflict of interest it fails to disclose. The Vendor shall be fined one hundred thousand dollars (\$100,000) for the first failure to comply with the mitigation plan developed by the Vendor and approved by DHS. Each subsequent violation of the mitigation plan shall be twice the amount of the immediately preceding violation fine.</p>
<p>K. Exit Transition Plan</p> <p>1. Ninety (90) calendar days prior to the contract end date, the vendor shall submit to DHS a detailed plan for transitioning all contracted services to DHS, or to another vendor selected by DHS to provide the contracted services.</p> <p>2. The transition plan shall include provisions for the delivery of all proprietary data collected and/or created during the life of the contract to DHS thirty (30) calendar days prior to the contract end date. All proprietary data collected and/or created during the final thirty (30) calendar days of the contract, or any proprietary data not captured in the initial delivery, shall be delivered to DHS no more than fifteen (15) calendar days following the contract end date.</p>	<p>The Vendor must maintain one hundred percent (100%) compliance with this item at all times throughout the term of the contract.</p>	<p>If the Vendor fails to meet the acceptable performance standard, DHS may issue a below standard Vendor Performance Report (VPR) maintained in the vendor file. Final payment may be withheld from the vendor until the all elements of the transition are satisfied as determined by DHS.</p>

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

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

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

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

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