

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

Pursuant to Ark. Code Ann. 19-11-267 et. seq., the selected contractor shall comply with performance-based standards. Following are the performance-based standards that will be a part of the contract and with which 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. The damages set forth below are not exclusive and shall in no way exclude or limit any remedies available at law or in equity.
  
- IV. The State **shall** have the right to modify, add, or delete Performance Standards throughout the 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:

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| <p><b>PROCESSING</b><br/>DHS/DCO requires print and mail processing of a variety of mail on a daily, monthly, annual, and ad hoc basis. Processing requirements include the following:</p> <ul style="list-style-type: none"> <li>• ability to complete large-scale projects in a timely, transparent, and efficient manner.</li> <li>• receipt of files via secure method as approved by DCO</li> <li>• single-sided and duplex printing.</li> <li>• black and white, grayscale, and color printing.</li> <li>• printing variable data throughout multipage files.</li> <li>• Optical Character Reader (OCR) print/copy capabilities and software.</li> <li>• binding by stapling or booklet.</li> <li>• sorting Multiline Optical-Character Reader (MLOCR)</li> <li>• bar coding.</li> <li>• folding.</li> <li>• inserting.</li> <li>• metering.</li> <li>• delivery to mailing entities.</li> <li>• address and return address printing on envelopes and/or labels.</li> </ul> <p>DCO requires receiving services, inventory management, and storage of DHS provided supplies (such as envelopes and forms required for inserts).</p> | <p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p> <p>All processed items must either be picked up by the mailing entity or delivered to the mailing entity for same day processing.</p>            | <p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A ten percent (10%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The ten percent (10%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, monetary damages, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p> |
| <p><b>TRANSITIONING</b><br/>Upon contract award, the Contractor must work with DHS/DCO and other organizations and staff as designated by DHS to ensure an orderly transition of services and responsibilities. Contractor <b>shall</b> be fully operational by October 1, 2023. Contractor may be subject to contractual nonperformance damages determined by DHS. DHS, within its sole discretion, may amend the above deadline.</p> <p>Upon expiration, termination, or cancellation of the contract, the Contractor shall assist DHS/DCO to ensure an orderly and smooth transfer of responsibility and continuity of those services required under the terms of the contract to an organization designated by DHS.</p>  | <p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p> <p>For the purposes of performance, DHS considers "fully operational" to be Contractor's ability to accept and completely process DHS orders</p> | <p>Should Contractor not be fully operational on or before October 1, 2023 or by any DHS pre-approved amended deadline, DHS will assess damages under a tiered approach based upon Contractor's operational readiness. DHS, within its sole discretion, will assign Contractor to one of the following tiers:<br/>Tier 1: If Contractor is 0-50% operational, a 10% penalty will be assessed and calculated against the total contract amount<br/>Tier 2: If Contractor is 50-75% operational, a 5% penalty will be assessed and calculated against the total contract amount<br/>Tier 3: If Contractor is 75-99% operational, a 2% penalty will be</p>   |

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|  | <p>in full to include printing, stuffing and mailing</p> <p>For the purposes of performance in this Service Criteria, DHS will assess damages against the following t</p>                               | <p>assessed and calculated against the total contract amount. DHS reserves the right to amend the above penalty amount(s) as DHS deems necessary. This operational tiered damages approach may be applied at any time throughout the contract if Contractor's operational capabilities fall below what DHS considers to be fully operational. Upon expiration, termination, or cancellation of the contract, Contractor's failure to cooperate and assist DHS/DCO to ensure an orderly and smooth transfer of responsibility and continuity of those services may result in DHS withholding final payment and/or filing of a Vendor Performance Report (VPR), or exercising any rights under law or equity.</p>  |
| <p><b>INSURANCE</b></p> <p>The Contractor must maintain the following insurance coverages throughout the duration of the contract:</p> <ul style="list-style-type: none"> <li>• Umbrella/Excess Liability (Each occurrence and aggregate) \$2,000,000</li> <li>• Business/Automobile Liability (Each accident): \$1,000,000</li> <li>• Commercial General Liability (Each occurrence): \$1,000,000</li> <li>• Crime/Fidelity (Theft, Forgery, &amp; Property Crime): \$1,000,000</li> <li>• Workers Compensation in compliance with Arkansas law</li> </ul> <p>The Contractor shall provide certificate of insurance upon request by DHS.</p> <p>The Contractor shall provide written notice of cancellation or policy changes to DHS thirty (30) days prior to the cancellation or change(s).</p> | <p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p> | <p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A ten percent (10%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The ten percent (10%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, monetary damages, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract</p> |

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| <p><b>COMPLIANCE</b></p> <p>A. The Contractor must comply with all current and subsequent USPS rules, policies, and procedures, as well as State and Federal statutes that apply to handling mail.</p> <p>B. Services shall be performed using the best practices methodology in accordance with all applicable laws, statutes, and procedures in providing mail services and mail related ancillary services.</p> <p>C. The Contractor must adhere to printing and document management best practices and meet minimum industry standards for full-service printing and mail processing.</p> <p>D. Contractor, subcontractor(s), and personnel must comply with federal and state laws and regulations, including without limitation: Health Insurance Portability Accountability Act (HIPAA), Arkansas Personal Information Protection Act, Health Information Technology for Economic and Clinical Health Act (HITECH), Americans with Disabilities Act (ADA), and Privacy Act.</p> <p>E. If any federal or state statute or regulation is enacted which requires a change in this IFB or any attachment, both parties will deem this contract and any attachment automatically amended to comply with the newly enacted statute or regulation as of its effective date.</p> <p>F. In the event of a conflict between these standards and other applicable state, local, or federal laws, rules, or standards, the stricter requirement shall apply.</p> | <p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p> | <p>termination.</p> <p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A ten percent (10%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The ten percent (10%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, monetary damages, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p> |
| <p><b>PRINTING</b></p> <p>The Contractor must print, sort, fold, insert, and mail documents as requested by DHS. Items to be digitally printed may include, without limitation: Aries Notices, basic client notices, fliers, multi-part mailers, and ad hoc requests.</p> <p>Aries Notices<br/>Daily (200,000)</p>  | <p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the</p>                                     | <p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A ten percent (10%) penalty will be assessed for each day (the Vendor is not in full compliance with all</p>   |

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| <p>Monthly (5,000,000)</p> <p>Contractor must complete DHS ARIES Notices requests within the same business day, unless otherwise specified by DHS</p> <p>Ad Hoc and Annual Requests<br/>The Contractor shall complete ad hoc and annual requests that may include eligibility system and related notices. Ad Hoc and Annual Requests must be printed and mailed within twenty-four (24) hours of receipt of request:</p> <p>Any other special request that must be printed and mailed at the request of DHS.</p>  | <p>contract term as determined by DHS.</p>  | <p>requirements of the contract. The ten percent (10%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, monetary damages, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p>   |
| <p><b>QUALITY</b></p> <p>All material provided shall be of good quality. Concise registration, consistent ink coverage and density, and accurate folding. Accurate trimming is to be even with no jagged or torn edges. Obvious production defects are reasons for possible rejection of materials.</p> <p>DHS reserves the right to inspect printed materials and determine if it meets the quality requirements, and standards of the contract. If, in the opinion of DHS, the material is unacceptable, DHS may request to reprint the material within a specified time frame.</p> | <p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p> | <p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A ten percent (10%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The ten percent (10%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, monetary damages, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p> |
| <p><b>MAILING: OUTBOUND AND INBOUND PROCESSING</b></p>  | <p>Acceptable performance is</p>  | <p>1st Incident: A Corrective Action Plan (CAP) acceptable</p>  |

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| <p>Notices must be inserted into envelopes and mailed directly to the homes of Arkansans in accordance with DHS policies governing the schedule.</p> <p>Contractor must use U.S. Postal Service certification software or equivalent for presorting of mail.</p> <p>Over the period of this contract DHS may add additional forms; delete forms, increase quantities, decrease quantities, and change processing schedule. The Contractor should state any anticipated limitations in meeting such changing needs.</p> <p>The Contractor must ensure all processed items are either picked up by the mailing entity or delivered to the mailing entity the same business day. To date, all mailed materials have been delivered via the United States Postal Service (USPS) but the Contractor must be able to accommodate other reasonable mailing entities (UPS or FedEx). Any/all related transportation charges (pick-up, deliver, etc.) will be the Contractor's responsibility and must be included as part of their response.</p> <p>The Contractor must have the ability to accept postage warrants from DHS to apply postage to mailings either using the DHS Postal Permit number or by applying postage directly. The Contractor must have the ability to report postage by job and to provide DHS with sufficient (at least one (1) week) notice when postage account reimbursement is required, if applicable.</p> <p>The Contractor must identify the date mailed on each piece of mail.</p> | <p>defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>                           | <p>to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A ten percent (10%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The ten percent (10%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, monetary damages, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p> |
| <p><b>GENERAL REQUIREMENTS</b></p> <p>The Contractor must absorb all one-time costs associated with accepting this contract, including but not limited to, moving forms stored at the current Vendor's location to the successful Contractor's location prior to the beginning of the contract.</p>  | <p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p> | <p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A ten percent (10%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the</p>  |

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|   |   | <p>contract. The ten percent (10%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, monetary damages, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p>   |
| <p><b>EQUIPMENT AND SUPPLIES</b><br/> The Contractor shall provide all personnel, equipment, software, supplies, transportation, and all other items necessary to perform this contract for print and mail processing services. Equipment and machinery shall include, but not limited to all necessary equipment for mail processing; high volume inserters, high volume mail sorters, mailing machines, postage meters, folders, postage tracking systems, printers with at least 250 PPM capacity, and other machines that offer automated processing. Contractor must ensure that print equipment has the necessary built-in or add-on capability for OCR characters. The Contractor will document which processes are completed manually by staff.</p> <p>The Contractor shall be responsible for maintaining all equipment in good working order in accordance with the manufacturer's specifications and/or industry standard.</p> <p>The Contractor shall provide and be responsible for all appropriate vehicles, licensure, registrations, gasoline and maintenance of vehicles and all associated costs with the operation of vehicles.</p> <p>The Contractor shall assume full responsibility for the mail and its contents from the time of pick-up until such time as the mail is in the possession of the United States Postal Service (USPS).</p> | <p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p> | <p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A ten percent (10%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The ten percent (10%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, monetary damages, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p> |

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| <p>The Contractor must ensure that the best possible class selection is chosen for all outgoing mail based on cost, policy, timeliness, and delivery requirements. In no circumstances shall the Contractor charge more postage per mail piece than currently approved by USPS.</p> <p>The Contractor must accept deliveries of DCO mail processing supplies at the Contractor's location. DCO will notify the Contractor of items to be delivered, the approximate quantity, and the approximate delivery time. The Contractor must notify the appropriate contact below when deliveries are received and forward any receipts or related paperwork to DCO within five (5) calendar days of receipt. Receipts can be mailed, delivered in person, or faxed.</p>  |   |   |
| <p><b>ENVELOPES</b></p> <p>Upon request, the Contractor must provide the following printed envelopes for mailing ARIES and ad hoc notices (Refer to Attachment H)</p> <p>1. #10 all-purpose, commercial window envelope: 4 1/8" width x 9 1/2" length single window</p> <ul style="list-style-type: none"> <li>• Adhesive: dry gum (no self-seal)</li> <li>• Commercial Flap (on top)</li> <li>• Weight: 24#</li> <li>• Window size: 3" x 4 1/2"</li> <li>• Window Position: 1/2" from left fold – 5/8" from bottom fold</li> <li>• Inside Tint: Standard Black Security Tint required</li> <li>• Print Color: 193 Red</li> <li>• Print Font: 14 pt. Calibri</li> </ul> <p>2. White booklet with vertical window envelope: 9" length x 12" width</p> <ul style="list-style-type: none"> <li>• Adhesive: dry gum (no self-seal)</li> <li>• Flap on top</li> <li>• Weight: 28#</li> <li>• Window size: 2.875" x 4.5"</li> <li>• Window Placement: 1" from the left-hand side and 1.375" from the top of the envelope</li> <li>• Inside Tint: Standard Black Security Tint required</li> <li>• Print Ink: 193 Red</li> <li>• Print Placement (front only): .5" from window and 2.2" from top of envelope</li> <li>• Note: DHS reserves the right to</li> </ul> | <p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p> | <p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A ten percent (10%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The ten percent (10%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, monetary damages, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p> |



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| <p>request additional envelopes for stock purposes.</p> <p>Delivery: FOB Destination, Freight Paid, and Normal Inside Delivery<br/>All deliveries must be made during normal state work hours and within twenty (20) business days after receipt of the order unless otherwise arranged and coordinated with DHS and stated on the Official Bid Price Sheet. The Contractor must give DHS immediate notice of any anticipated delays that will affect the delivery. DHS may request a rush delivery of less than thirty (30) business days.</p> <ol style="list-style-type: none"> <li>1. All transportation expenses for delivery of the envelopes shall be the responsibility of the Contractor.</li> <li>2. Delivery location will be provided on each purchase order.</li> </ol> <p>Loss or damage that occurs prior to the order being received by DHS, is the Contractor's responsibility. All orders must be properly packaged to prevent damage.</p> |   |  |
| <p><b>MAILING FACILITIES</b></p> <p>The Contractor's facility must be operational, at minimum, five (5) days per week, ten (10) hours per day unless otherwise agreed upon with DHS. The Contractor must have the ability to work outside hours of operation to complete requests within the same business day.</p>  | <p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p> | <p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A ten percent (10%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The ten percent (10%) penalty will be calculated from the total payment for the identified month in which the deficiency took place. Upon review of circumstances related to nonperformance under this Service Criteria, DHS may apply the above tiered approach to damages as outlined above under Transitional service criteria.</p> <p>In addition to the above penalties, DHS reserves the right to impose additional</p> |

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|   |   | penalties including without limitation, monetary damages, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.  |
| <p><b>COMMUNICATION</b></p> <p>The Contractor must provide a central point of contact which shall include:</p> <ul style="list-style-type: none"> <li>• the contact individual's name,</li> <li>• office phone number,</li> <li>• cellphone number</li> <li>• and email address</li> </ul> <p>Sufficient backup contact information, (at least 2 contacts), must also be established so that inquiries concerning mail processing status are responded to within two (2) hours of contact by DCO. The contact information must be provided to DHS/DCO before the contract begins.</p> | <p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p> | <p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A ten percent (10%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The ten percent (10%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, monetary damages, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p> |
| <p><b>TIMELINESS REQUIREMENTS</b></p> <p>ARIES notices must be processed on the same business day of receipt of the file unless otherwise specified by DHS.</p> <p>Note: "Processed" for the purposes of this scope of work means printed, stuffed, and mailed.</p> <p>AD Hoc and annual requests must be processed within twenty-four (24) hours of receipt of the request unless otherwise specified by DHS. Along with ad hoc requests, regular mail must be processed the same day</p>  | <p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p> | <p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A ten percent (10%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the</p>  |

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| <p>as received.</p> <p>Most items processed by DHS are extremely time sensitive. If the Contractor is unable to meet this requirement, the Contractor must notify DCO's technical contact (and/or designee) by phone and email when the Contractor suspects a delay in service. The Contractor must provide detailed explanation in writing to describe reason(s) for delay and proposed resolution(s).</p>  |   | <p>contract. The ten percent (10%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, monetary damages, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p>   |
| <p><b>STORAGE AND INVENTORY MANAGEMENT</b></p> <p>The Contractor must provide ongoing climate-controlled storage at their facility to prevent damage to materials. DHS will not pay a separate storage or inventory management fee. The storage capacity must be based on the estimated volume of materials to accommodate DHS' processing needs. The Contractor must provide, on a weekly basis, an inventory listing of DHS' materials stored at their facility. The inventory report must be:</p> <ol style="list-style-type: none"> <li>1. In a format agreed upon by both DCO and the Contractor. Format must be provided in the same manner for each submission.</li> <li>2. Provided weekly every Tuesday by close of business or upon request to the DCO's technical contact person</li> </ol> | <p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p> | <p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A ten percent (10%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The ten percent (10%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, monetary damages, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p> |
| <p><b>DAILY LOG</b></p> <p>A. For auditing purposes, the Contractor <b>must</b> maintain a daily log of materials that are</p>   | <p>Acceptable performance is defined as one</p>   | <p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS</p>   |

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| <p>received and processed. This log <b>must</b> include, without limitation, the following limitation:</p> <ul style="list-style-type: none"> <li>• form number, form name, quantity received, receipt date and time, quantity processed, process completion date and time (time to Postal Service, if applicable)</li> <li>• a detailed description of the work completed since the last update</li> <li>• any challenges that were encountered</li> <li>• planned activities until the next scheduled update.</li> <li>• Number of envelopes</li> <li>• Number of notices</li> </ul> <p>B. A copy of this log <b>shall</b> be provided to DHS upon request.</p> | <p>hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>  | <p>within ten (10) business days of the request.</p> <p>2nd incident: A ten percent (10%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The ten percent (10%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, monetary damages, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p> |
| <p><b>REPORTING</b></p> <p>If requested, the Contractor <b>must</b> provide daily access to reports through a secure and protected server.</p>  | <p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p> | <p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A ten percent (10%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The ten percent (10%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, monetary damages,</p>   |

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|  |  | withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.  |
| <p><b>INFORMATIONTECHNOLOGY</b><br/>Contractors <b>shall</b> comply with and adhere to the State IT Security Policy and Standards. These policies may be revised from time to time and the Contractor <b>shall</b> comply with all such revisions. Updated and revised versions of the State IT Policy and Standards shall be made available to the Contractor.</p> <p>The Contractor shall not connect any of its own equipment to a State LAN/WAN without prior written approval by the State. The Contractor <b>shall</b> complete any necessary paperwork as directed and coordinated with the Agency Director to obtain approval by the State to connect Contractor-owned equipment to a State LAN/WAN.</p> | Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS. | <p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A ten percent (10%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The ten percent (10%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, monetary damages, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p> |
| <p><b>PAYMENT AND INVOICE PROVISIONS</b></p> <p>A. All invoices <b>must</b> be forwarded to the Arkansas Department of Human Services, Division of County Operations via email at: <a href="mailto:oppdfinancial@dhs.arkansas.gov">oppdfinancial@dhs.arkansas.gov</a> unless otherwise instructed by DHS. Mailed or faxed invoices will not be accepted.</p> <p>B. Invoices <b>must</b> be submitted within ten (10) calendar days of the end of each month. Each invoice <b>must</b> include:</p> <ul style="list-style-type: none"> <li>• Purchase Order Number</li> <li>• Form number(s) and form names that were processed</li> </ul>  | Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS. | <p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A ten percent (10%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The ten percent (10%) penalty will be</p>  |

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| <ul style="list-style-type: none"> <li>• Services utilized</li> <li>• Number of pieces processed</li> </ul> <p>C. All invoices <b>must</b> provide detailed information to meet DCO's cost allocation needs by each print job. If a correction to an invoice is required, the corrected invoice <b>must</b> be received within one (1) business day.</p> <p>D. This contract <b>must</b> allow DHS to take advantage of postal discounts. The Contractor <b>shall</b> credit fifty percent (50%) of the amount discounted by the USPS. Reimbursement payments <b>shall</b> be paid to the DHS/DCO. In addition, the Contractor <b>must</b> provide a monthly reimbursement report detailing the refund.</p> <p>E. If the United States Postal Service makes material changes to the postage rates or regulations, DHS may permit the fees for services which are directly affected thereby to be revised. Any such revision <b>shall</b> be limited to the actual amount of the direct cost caused by the United States Postal Service changes.</p>                                     |   | <p>calculated from the total payment for the identified month in which the deficiency took place.</p> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, monetary damages, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p>  |
| <p><b>Mandated Reporting</b><br/>Pursuant to Ark. Code Ann. §12-18-402 (b)(10) and Ark. Code Ann. §§ 12-12-1708(a)(1)(AA), Contractor and all of its employees, agents, and all Subcontractors and Subcontractor's employees and agents shall immediately make a report to the Child Abuse Hotline or the Adult Maltreatment Hotline (based on type of maltreatment) if Contractor or any of its employees, agents, or Subcontractors' employees and agents, while performing duties under this contract, have reasonable cause to suspect that:</p> <ol style="list-style-type: none"> <li>a. A child has been subjected to child maltreatment;</li> <li>b. A child died as a result of child maltreatment;</li> <li>c. A child died suddenly and unexpectedly; or</li> <li>d. Observe a child being subjected to conditions or circumstances that would reasonably result in child maltreatment. or</li> <li>e. An endangered person or an impaired person has been subjected to conditions or circumstances that constitute adult maltreatment or long-term care facility</li> </ol> | <p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p> | <p>For each failure to report, DHS may impose:</p> <ol style="list-style-type: none"> <li>1. A ten percent (10%) penalty, assessed in the following months' payment for each failure to report. The penalty will be calculated from the total payment for the identified month in which the deficiency took place; or</li> <li>2. A one percent (1%) penalty, assessed in the next payment for each failure to report. The penalty will be calculated from the projected total yearly contract amount for the contract, as determined by DHS. DHS may elect to calculate penalties/damages differently per occurrence.</li> </ol> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without</p> |

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| <p>resident maltreatment.</p> <p>A privilege or contract shall not prevent a person from reporting maltreatment when he or she is a mandated reporter and required to report under this section.</p> <p>An employer or supervisor of a mandated reporter shall not prohibit an employee or a volunteer from directly reporting maltreatment to the Hotline.</p> <p>An employer or supervisor of a mandated reporter shall not require an employee or a volunteer to obtain permission or notify any person, including an employee or a supervisor, before reporting maltreatment to the Hotline.</p> <p>Pursuant to Act 531 of 2019, Ark. Code Ann. §12-18-402 (b)(10) and Ark. Code Ann. §§ 12-12-1708(a)(1)(AA), Contractor and all of its employees, agents, and all Subcontractors and Subcontractor's employees and agents are mandated reporters.</p> |  | <p>limitation, requiring a Corrective Action Plan (CAP), withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p>   |
| <p><b>Conflict of Interest Mitigation</b><br/> 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) 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>The Vendor must maintain one hundred percent (100%) compliance with this item at all times throughout the term of the contract.</p> | <p>The Vendor will be fined one thousand dollars (\$1,000) per day for each day past five (5) days for each actual, apparent, or potential conflict of interest it fails to disclose. The Vendor shall be fined ten thousand dollars (\$10,000) 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><b>Transition Planning</b><br/> Ninety (90) 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>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) days prior to the contract end</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 all elements of the transition are satisfied as determined by DHS.</p>  |

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| <p>date. All proprietary data collected and/or created during the final thirty (30) days of the contract, or any proprietary data not captured in the initial delivery, shall be delivered to DHS no more than fifteen (15) days following the contract end date.</p>  |   |   |
| <p><b>Arkansas Freedom of Information Act (Ark. Code Ann. §25-19-101 et seq.):</b></p> <ol style="list-style-type: none"> <li>1. Contractor shall cooperate with DHS requests for information and documents that DHS requires to fulfil an Arkansas Freedom of Information Act (FOIA) request.</li> <li>2. Contractor shall timely provide all documents in its possession or control to DHS that match the request made by DHS.</li> <li>3. Contractor is subject to Arkansas FOIA law pursuant to Ark. Code Ann. §25-19-103(7)(A).</li> </ol> <p>Contractor shall timely and accurately respond to FOIA requests made directly to Contractor. See Ark. Code Ann. §25-19-101 et seq. for specific requirements.</p> | <p>Contractor shall respond to FOIA requests timely and accurately one hundred percent (100%) of the time.</p> <p>Contractor shall provide information and documents to DHS upon request in the timeframe specified in the request one hundred percent (100%) of the time. DHS shall have sole determination as to the sufficiency of Contractor's response and provision of documents.</p> | <ol style="list-style-type: none"> <li>1. For each failure to meet performance standard, DHS may impose: <ol style="list-style-type: none"> <li>a. A ten percent (10%) penalty, assessed in the following months' payment for each failure to report. The penalty will be calculated from the total payment for the identified month in which the deficiency took place; or</li> <li>b. A one percent (1%) penalty, assessed in the next payment for each failure to report. The penalty will be calculated from the projected total yearly contract amount for the contract, as determined by DHS.</li> </ol> </li> </ol> <p>DHS may elect to calculate penalties/damages differently per occurrence.</p> <p>In addition to the above, Contractor shall be responsible for any penalties, fees, and costs imposed on DHS associated with vendor's failure to timely and accurately provide the requested information and documents.</p> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, requiring a Corrective Action Plan (CAP), withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard</p> |



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|                               |                        | Vendor Performance Report (VPR) in the vendor file and contract termination. |

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.

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

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