

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>Contractor must provide, at a minimum, an Asset Verification System (AVS) that meets all the requirements of Section 1940 of the Social Security Act (42 U.S.C §1396w) and any guidance issued by the Centers for Medicare and Medicaid Services (CMS), DHS policies, and all applicable State and Federal laws, rules, and regulations. Any changes to the interface or secure web portal solution that are required by CMS or law, shall be provided by the Contractor at no additional cost to the State.</p> <p>The Contractor must send secure verification inquiries electronically on behalf of DHS via the internet or similar means from the AVS to the financial institutions or entities that maintain data on behalf of financial institutions. Secure verification inquiries must be sent immediately upon receipt unless otherwise approved by DCO. The Contractor shall notify DHS of any delays. The system must have the capability to provide for both electronic submission requests and electronic receipt of responses from financial institutions.</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 five percent (5%) 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 five percent (5%) 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>WORK PLAN</p> <p>Contractor must develop and submit a preliminary work plan within thirty (30) calendar days from contract start date. The work plan is subject to DHS review and approval prior to being finalized. The Contractor shall coordinate revisions with DHS and receive DHS approval on the final work plan. The Contractor shall provide DHS with a work plan that includes the following:</p> <ol style="list-style-type: none"> 1. Establishment of a comprehensive network of Financial Institutions (FIs). 2. Implementation and operation of an electronic Asset Verification System (AVS). 	<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>A one-hundred-dollar (\$100) penalty will be assessed in the implementation fee to the provider for each day the Vendor is not in full compliance with all requirements of the contract. The one-hundred-dollar (\$100) penalty for each day will be calculated from the total implementation payment.</p> <p>In addition to the above</p>

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<p>3. Tracking and reporting of verification activity.</p> <p>4. Manuals and training on system use with a Train-the-Trainer framework.</p> <p>5. Deliverables and milestones.</p>		<p>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>BACK-UP AND DISASTER RECOVERY PLAN</p> <p>Within thirty (30) calendar days of contract start date, the Contractor shall provide a preliminary back-up and disaster recovery plan to maintain business functions. For each potential interruption type, the Contractor shall, at a minimum, have a plan that details the steps to be taken to survive and recover from the interruption.</p> <p>The plan must include provisions to ensure that asset verification continues to be accessible. In addition, the Contractor must outline the resources committed to the plan. The Contractor may include resources outside the State of Arkansas but within the United States.</p> <p>The Backup and Disaster Recovery Plan is subject to DHS review and approval prior to being finalized. The Contractor shall coordinate revisions with DHS and receive DHS approval on the final plan.</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>A one-hundred-dollar (\$100) penalty will be assessed in the implementation fee to the provider for each day the Vendor is not in full compliance with all requirements of the contract. The one-hundred-dollar (\$100) penalty for each day will be calculated from the total implementation payment.</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>RISK ASSESSMENT</p> <p>Within thirty (30) calendar days of the contract start date, the Contractor must conduct a Risk Assessment and develop a Risk Assessment Plan to mitigate identified</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for</p>	<p>A one-hundred-dollar (\$100) penalty will be assessed in the implementation fee to the provider for each day the Vendor is not in full</p>

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<p>risks. The Contractor shall list and prioritize identified risk items from most important to least important that could cause the project to fail to meet DHS objectives, increase costs or impact on the schedule. For each identified risk, the Contractor should explain how the risk could impact the project and propose a solution to mitigate each risk.</p> <p>The Risk Assessment plan is subject to DHS review and approval prior to being finalized. The Contractor shall coordinate revisions with DHS and receive DHS approval on the final plan.</p>	<p>acceptable performance throughout the contract term as determined by DHS.</p>	<p>compliance with all requirements of the contract. The one-hundred-dollar (\$100) penalty for each day will be calculated from the total implementation payment.</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>STAFFING REQUIREMENTS</p> <p>The Contractor shall designate a Project Director (PD) with day-to-day responsibility for the services required under this IFB and all staff necessary to perform the services required under this IFB. The Contractor must communicate any staffing changes along with the position of Project Director (PD), The PD and any other staffing changes is subject to DHS approval throughout the duration 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>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>CRIMINAL BACKGROUND CHECKS</p> <p>The Vendor will perform criminal background checks on all proposed staff members. Pursuant to those background checks, no staff member shall be staffed on this project if they have committed an offense that would preclude State employment as a “designated</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract</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 five</p>

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<p>position”, if applicable to the underlying contracted services, under Ark. Code Ann. §21-15-102 or, otherwise as a “designated financial or information technology position” pursuant to Ark. Code Ann.§ 21- 15-111.</p> <p>Prior to the contract award and throughout the term of the contract the Contractor must provide the DHS with Criminal Background Check for each employee or subcontractor with the permission of each employee . This includes any employees or subcontractors that may be added at a later date.</p>	<p>term as determined by DHS</p>	<p>percent (5%) 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 five percent (5%) 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>SYSTEM REQUIREMENTS</p> <p>The AVS shall operate twenty-four hours a day, seven days a week, 365 days a year except during limited periods for maintenance and occurrences outside the control of the Contractor. Routine service interruptions shall not be scheduled during normal business hours. Notifications for routine service interruptions shall be provided in writing to DHS and scheduled during agreed upon down times. The Contractor shall notify DHS within fifteen (15) minutes of any unscheduled interruption. DHS reserves the right to request changes to configurations. All configurations shall be approved by DHS.</p> <p>Contractor shall provide the following types of configurations for communication:</p> <p>DHS to Vendor Asset Verification Requests</p> <ol style="list-style-type: none"> 1. Implementation of electronic asset verification requests. The format for these requests must, at minimum, 	<p>Acceptable performance is defined as ninety-nine percent (99%) 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 five percent (5%) 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 five percent (5%) 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</p>

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<p>include the cross-platform XML data exchange format.</p> <ol style="list-style-type: none"> 2. A single web service request will potentially contain multiple requests for verification for distinct individuals (bundling or batching); 3. Transactions with the web service between DHS and the Vendor will be conducted using secure SSL encryption technology to ensure protection of sensitive data; and 4. Upon receipt of a request, the web service must immediately return a response code or message indicating successful receipt of the request. The AVS must allow initiated verification requests to be sent to FIs other than those identified by the applicant or recipient. The AVS must provide an option for DHS to submit and receive a response for specified FI request. <p>Contractor to FI Communication The technologies and processes selected for communication between the Contractor and the various FI's should be selected and implemented with the following factors in mind:</p> <ol style="list-style-type: none"> a. Compliance with federal, state, and local regulations related to the financial industry and consumer information. b. Implementation of secure technologies and processes to protect the sensitive financial information being exchanged; and <p>Note: The Contractor shall ensure the highest level of security in compliance with State and Federal laws, rules, and regulations.</p> <ol style="list-style-type: none"> c. Implementation of strategies and technology that encourage the broadest participation of FI's in the vendor network. <p>Contractor shall submit requests as received from DHS to FIs requesting verification of assets for an Arkansas Medicaid recipient or applicant and the spouse, if applicable. The request shall include information on both open and closed accounts, going back for a period of up to five (5) years as requested by DHS. The Contractor may be required to send electronic requests to multiple FIs depending on the information received during the</p>		<p>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>application process; multiple FI locations may be required based on the geographic location to the Member or applicant's residence or other reasonable factors including DHS's designation of the FI;</p> <p>Request shall allow for the specification of one (1) or more variables within the same request that may include without limitation the following:</p> <ul style="list-style-type: none"> a. Date range of account ownership and monthly statement balances b. Disclosed FIs and types of accounts c. Medicaid category of the applicant or recipient d. Indicator of SNAP participation by applicant or recipient. <p>Request shall include verification of assets contained in any of the following types of accounts:</p> <ul style="list-style-type: none"> a. Checking b. Savings c. Investment accounts, d. Individual retirement accounts (IRAs) e. Treasury notes f. Certificates of deposit g. Annuities h. Bonds i. Other assets that may be held by the FI. <p>Contractor to DHS Asset Verification Responses:</p> <ol style="list-style-type: none"> 1. Upon aggregation of the asset information from the various FI's, the Contractor must send a response file to DHS containing the requested information and documentation that the search was conducted but no assets held or managed by the FI. The format and method of delivery of that response file will be negotiated between DHS and the vendor with final determination made by DHS. 2. Response transactions between the Contractor and DHS will be conducted using secure encryption technology to ensure protection of sensitive data. 3. The Contractor shall provide the response file to DHS no later than five (5) calendar days after receipt of the response from the FI. The average 		

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<p>response time must be within two (2) business days.</p>		
<p>SYSTEM SECURITY The Contractor shall protect system data using the strictest of accepted principles to ensure the safety and security of all information, data, procedures, methods, and funds involved in the performance under the contract, and shall require the same from all subcontractor(s) and employees. Contractor shall not release any data or information relating to the Arkansas Medicaid Program. Contractor shall protect system data to ensure that system and confidential information is not disclosed for unauthorized purposes. At a minimum, the Contractor shall comply with the following data security controls:</p> <ol style="list-style-type: none"> 1. Contractor shall ensure that designated users from DHS may only access the system 2. Contractor shall ensure that any sensitive information made available in any format shall be used only for the purpose of carrying out the provisions of this contract. 3. Contractor shall provide adequate internal controls through separation of duties. 4. Contractor shall provide backup procedures to allow DHS access when the Contractor's computer, system or communications are not operational. 5. The Contractor shall move to a backup system within thirty (30) minutes of system disruption. 6. Contractor shall maintain adequate documentation of system operating procedures, and requirements. 7. Contractor shall provide DHS a security features user guide to describe the security features provided by the system, how to use them and how they interact with one (1) another. 8. Contractor shall ensure that the application that enforces access controls is continuously protected against tampering and/or unauthorized changes. 9. System shall support secure data exchange between multiple clients as defined by DHS/OIT Security as referenced in Attachment K ARDHS-OIT Standard IT Requirements and Compliance with NIST 800-53 v5 (or 	<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 five percent (5%) 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 five percent (5%) 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>subsequent versions) and at the Moderate level at a minimum.</p> <p>10. The system must meet all electronic Protected Health Information (PHI) requirements (e.g., The Health Insurance Portability and Accountability Act of 1996 (HIPPA)), and Personally Identifiable Information (PII) delivered over the internet or other known open networks via supported encryption technologies needed to meet CMS and NIST requirements for encryption of PHI and PII data, in addition to other State and Federal information security standards. Contractor shall sign and comply with the terms of a Business Associate Agreement (Attachment F).</p> <p>11. The Contractor shall ensure designated users are physically located within the continental United States.</p> <p>The Contractor must provide a system security plan (SSP) within thirty (30) calendar days of contract start date and shall be updated semi-annually. The Contractor shall coordinate revisions with DHS and reactive DHS approval on the final plan. The SSP must include documentation supporting ongoing system risk mitigation for any system that interfaces with the DHS system. The SSP shall comply with the Minimum Acceptable Risk Standards for Exchanges (MARS-E v2.2) as defined by the Centers for Medicare and Medicaid Services.</p> <p>The Contractor shall immediately notify DHS of any changes, breaches, and any other critical events regarding system security.</p>		
<p>TECHNICAL REQUIREMENTS</p> <p>The Contractor shall provide a AVS that meets the following functional requirements:</p> <p>The AVS shall provide a user interface from which an active user may electronically request a Financial Asset Verification report for an applicant or a responsible party that will identify accounts, whether an account is open or closed, in which the applicant or a responsible party held an ownership interest and that had a positive account balance within a specified date range. The user interface shall request the following information from the active user:</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 five percent (5%) 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</p>

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<ol style="list-style-type: none"> 1. Name of applicant and/or responsible party 2. Social security number of the named individual 3. Address for named individual (provide addresses the individual has resided in within the last five (5) years prior to the date of the application, if available) 4. User ID of the requestor <p>The AVS shall match information concerning both open and closed accounts for a sixty (60) month lookback period from the date determined by DHS. The AVS shall match identifying information including cross reference from other customer names provided by DHS to determine if any such information appears or appeared on any account as a single or joint owner. FI information shall be provided to DHS for opened and closed account balances as of 12:01 a.m. before any deposits are made on the first day of the month. The Contractor shall add the balance as of the day the form is completed.</p> <p>The Financial Asset Certification Report must be prepared in Adobe PDF format and made available for download on the AVS within ten (10) business days following the request. If the AVS does not identify any financial assets for named individual, the Financial Asset Verification Report must indicate no records were found.</p> <p>The AVS shall provide secure web-based access to users over the internet. The Contractor shall maintain records of each active user including username, ID, supervisor's name/ID, and the user's county office number. Upon request, the Contractor shall provide DHS with a list of active users.</p> <p>The AVS shall be available for authorized users to access over the internet during normal State business hours. Users attempting to access the information outside of normal State business hours must have enhanced security credentials as mutually agreed upon between DHS and Contractor. Contractor must schedule periodic, planned service outages outside Normal State Business Hours for purposes of system maintenance and upgrades.</p>		<p>requirements of the contract. The five percent (5%) 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 AVS shall make all completed Financial Asset Verification Reports available for download on the AVS throughout the duration of the contract resulting from this solicitation, and the download method must adhere to DHS security requirements/encryption standards.</p> <p>The AVS must provide users with search tools to locate the status of, and to download completed Asset Verification Reports within the AVS using the Social Security Number.</p> <p>The Contractor must provide data transmission and reports to the State via the State's Secure File Transfer Protocol (SFTP) or web portal solution.</p> <p>The Contractor must ensure seamless transmission of data between the State, Financial Institutions, and other systems necessary.</p> <p>The Contractor must configure / program their system to support the existing daily batch interface from DHS' Arkansas Integrated Eligibility System (ARIES) to electronically query AVS. The Contractor must return responses from AVS in the existing format that ARIES accepts. The batch file coming from ARIES can have multiple requests in the same file, and the response file must support multiple responses in the same file. This batch interface requires utilizing Advanced Encryption Standard (AES) to transmit and receive files.</p>		
<p>TESTING The Contractor shall coordinate with DHS on the interface development and testing. DHS and the Contractor shall perform interface testing on all components and functions of the AVS system before and after delivery of the system. The Contractor must provide final training materials to DHS prior to being introduced into the production environment.</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>DHS may withhold payment until all testing is complete and final training materials are received.</p> <p>In addition to the above, 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</p>

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		Performance Report (VPR) in the vendor file and contract termination.
<p>TRAINING The Contractor shall provide training for DHS and FI staff using a train-the-trainer model prior to implementation and as changes are made The Contractor must provide additional training as needed upon DHS request.</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 five percent (5%) 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 five percent (5%) 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>IMPLEMENTATION The Contractor shall be responsible for implementation and maintenance of the AVS. During implementation, the Contractor must submit weekly risk reports to DHS that identifies risks tied to or potentially impacting milestone attainment and timeliness of deliverables.</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 five percent (5%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day</p>

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		<p>period the Vendor is not in full compliance with all requirements of the contract. The five percent (5%) 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>TECHNICAL SUPPORT The Contractor shall provide technical support to DHS and FI staff. The Contractor must provide support and shall be available twenty-four (24) hours a day, seven (7) days per week.</p>	<p>Acceptable performance is defined as ninety-nine percent (99%) 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>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>REPORTING REQUIREMENTS The Contractor shall submit:</p> <p>Monthly and annual summary of requests, responses, and assets (both disclosed and undisclosed) identified by recipient or applicant (or spouse if applicable) from all</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance</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>

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<p>Fls. These reports must include at a minimum the following:</p> <ol style="list-style-type: none"> 1. Response rate analysis; and 2. Medicaid category of the applicant or recipient 3. Indicator of SNAP participation by applicant or recipient; and 4. The above data aggregated as necessary <p>Security Incidents and Reporting</p> <p>A security incident shall be defined as results or incidents from intentional or unintentional actions and may include loss and/or theft of computer media, introduction of malicious code, unauthorized attempts to gain access to information, or failed performance of the system security function.</p> <p>The Contractor shall establish and maintain incident management responsibilities and procedures to ensure a quick, effective, and orderly response to security incidents. Procedures shall cover all potential types of security incidents, including but not limited to the following:</p> <ol style="list-style-type: none"> a. Discovered viral infection b. Discovered malicious code e.g., viruses, trap doors, logic bombs, worms, and Trojan horses c. Uncovered hacker activity d. Discovered system vulnerabilities e. Unauthorized attempt, successful or unsuccessful, to access the EBT System f. Deviation from security policy g. Other unusual activities h. In addition to normal contingency plans (designed to recover systems or services as quickly as possible), the procedures shall also cover the following: <ol style="list-style-type: none"> i. Analysis and identification of the cause of the incident ii. Planning and implementation of remedies to prevent recurrence, if necessary iii. Collection of audit trails and similar evidence iv. Communication with those affected by or involved with recovery from the incident v. Report incidents as required by the System Security Plan, but in any case, no more than twenty-four (24) hours 	<p>throughout the contract term as determined by DHS.</p>	<p>2nd incident: A five percent (5%) 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 five percent (5%) 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>after discovery of the action to DHS Security and the DHS Privacy Office.</p>		
<p>RECORD KEEPING Contractor must maintain all records of findings for auditing purposes including documentation that the search was conducted and must provide upon request.</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 each audit finding related to record keeping:</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 five-thousand-dollar (\$5,000) penalty will be assessed in the following months' payment to the provider due to noncompliance. The five-thousand-dollar (\$5,000) 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>PAYMENT AND INVOICE PROVISIONS All invoices shall be forwarded to: oppdfinancial@dhs.arkansas.gov</p> <p>DHS will send the Contractor a spreadsheet containing all transactions and the Contractor must bill based on the data provided.</p> <p>Invoices must be submitted by the 15th of each month.</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 five percent (5%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day</p>

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		<p>period the Vendor is not in full compliance with all requirements of the contract. The five percent (5%) 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>Mandated Reporting 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"> a. A child has been subjected to child maltreatment; b. A child died as a result of child maltreatment; c. A child died suddenly and unexpectedly; or d. Observe a child being subjected to conditions or circumstances that would reasonably result in child maltreatment. or e. An endangered person or an impaired person has been subjected to conditions or circumstances that constitute adult maltreatment or long-term care facility resident maltreatment. <p>A privilege or contract shall not prevent a person from reporting maltreatment when</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 each failure to report, DHS may impose:</p> <ol style="list-style-type: none"> 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 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. <p>In addition to the above penalties, DHS reserves the</p>

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<p>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>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 Vendor Performance Report (VPR) in the vendor file and contract termination.</p>
<p>Performance Bonding The Contractor shall be required to obtain performance bonds to protect the State's interest as follows:</p> <ol style="list-style-type: none"> 1. The amount of the performance bonds shall be one hundred percent (100%) of the annual contract price, unless the State determines that a lesser amount would be adequate for the protection of the State. 2. The State shall require additional performance bond protection when a contract price is increased or modified. 3. The additional performance bond must be delivered to the Arkansas Department of Human Services Chief Procurement Officer within fourteen (14) calendar days of request. 4. The contractor shall notify the State of any changes, modification, or renewals for the performance bond during the term of the contract. The performance bond documentation must be provided to the State with each required notice. 	<p>Acceptable performance is defined as one hundred percent (100%) compliance with Service Criteria at all times throughout the contract term as determined by DHS.</p>	<p>Damages shall be one percent (1%) per day, calculated using the annual contract amount, for each day Vendor fails to meet the Performance Bonding Requirements specified in Service Criteria.</p> <p>In addition, Vendor's continued failure to meet Service Criteria, may result in a below standard Vendor Performance Report (VPR) maintained in the vendor file and contract termination.</p> <p>Failure to provide is a breach of contract and may result in immediate contract termination.</p>
<p>Conflict of Interest Mitigation During the term of this contract, the Vendor shall comply with the terms of the DHS</p>	<p>The Vendor must maintain one hundred percent (100%) compliance with</p>	<p>The Vendor will be fined one thousand dollars (\$1,000) per day for each</p>

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<p>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>this item at all times throughout the term of the contract.</p>	<p>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>Transition Planning 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 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>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>
<p>Arkansas Freedom of Information Act (Ark. Code Ann. §25-19-101 et seq.):</p> <ol style="list-style-type: none"> 1. Contractor shall cooperate with DHS requests for information and documents that DHS requires to fulfil an Arkansas Freedom of Information Act (FOIA) request. 2. Contractor shall timely provide all documents in its possession or control to DHS that match the request made by DHS. 3. Contractor is subject to Arkansas FOIA law pursuant to Ark. Code Ann. §25-19-103(7)(A). <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</p>	<ol style="list-style-type: none"> 1. For each failure to meet performance standard, DHS may impose: <ol style="list-style-type: none"> 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 b. A one percent

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	and provision of documents.	<p>(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.</p> <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 Vendor Performance Report (VPR) in the vendor file and contract termination.</p>

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

In the event a Performance Standard is not met, 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.