REVISED ARKANSAS DEPARTMENT OF HUMAN SERVICES
CUSTOMER SERVICE CENTER PERFORMANCE BASED CONTRACTING

Contractor shall comply with the following performance-based standards which will be part of the Contract.

I. Contractor's failure to comply with Contract obligations, any applicable State and federal laws, regulations, and policies in performance of the Contract services shall be deemed insufficient and unacceptable performance.

II. During the term of the contract, the State will complete sufficient performance evaluation(s) to determine if the Contractor's performance is acceptable. The State's determination of "Acceptable Performance" as defined herein shall be final and controlling. In the event a Performance Standard is not met, the Contractor will have the opportunity to defend, respond to, or cure the insufficiency to the satisfaction of the State.

III. Failure to meet the minimum Performance Standards as specified may result in the assessment of damages as set forth below. At the State's sole discretion, the State may waive damages if it determines there were extenuating factors beyond the Contractor's control that hindered the performance of services if it is in the best interest of the State. Contractor shall follow the State's instruction regarding payment of any compensation due to the State for the assessment of damages. The damages 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 Contractor input so as to establish standards that are reasonably achievable.

The contract program deliverables and performance indicators to be performed by the Contractor are:

Service Criteria[1]	**Acceptable Performance**	**Damages for Insufficient Performance[2]**
Applicable for All Below Service Criteria 1. 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. 2. Penalties will be calculated from the total payment for the month in which the deficiency took place and assessed in a future months' payment to Contractor.		

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3. Upon DHS request, a Corrective Action Plan (CAP) acceptable shall be submitted for DHS approval within ten (10) business days of the request. 4. DHS reserves the right to impose additional penalties to those stated below, including without limitation: withholding payment on future invoices until the Contractor is in full compliance; maintaining a below standard Vendor Performance Report (VPR) in the vendor file for the Contractor; and terminating the contract.		
Business Continuity & Contingency (Req BCDR-002). The Contractor shall resolve any Incidents within the established timeframes based on the incident severity level. An incident is any unexpected disruption, failure, or degradation affecting a software application, computer system, or its components, resulting in reduced functionality, diminished performance, security vulnerabilities, or service interruptions. This includes the CSC System (the CRM and telephony)	Critical: Full module outage; must be resolved within eight (8) hours High: Large business impact to a single functional area or multiple users or multiple functional areas; must be resolved within twenty-four (24) hours Medium: Medium business impact or urgency; must be resolved within three (3) business days. Low: Low business impact or urgency; must be resolved within fifteen (15) business days Time to resolution is calculated as the difference between date and time the incident is discovered (start time), and the date and time the incident is corrected, and no longer considered an incident.	Liquidated Damages: **Severity Level Critical & High** Two thousand dollars ($2,000) per hour of noncompliance with the Performance Standard. **Severity Level Medium** One thousand dollars ($1,000) per calendar day of noncompliance with the Performance Standard. **Severity Level Low** Five hundred dollars ($500) per calendar day of noncompliance with the Performance standard.
Business Continuity & Contingency (Req BCDR-003).	**Initial discovery:**	Liquidated Damages:

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The Contractor shall notify DHS and Contractor designee(s) of the initial discovery of an incident and provide status updates within the specified timeframes.	Critical, High or Medium Level incident: within ten (10) minutes of the initial discovery Low Level incident: within one (1) hour of the initial discovery Status updates must be submitted based on Severity Level as follows: 1. Critical: every two (2) hours 2. High: every four (4) hours 3. Medium and Low: every twenty-four (24) hours. An Incident Report must be submitted the same day of incident discovery unless otherwise approved by DHS. The Contractor shall use the DHS Incident Report template and process for reporting the Incident Report. The method for notifications will be determined during the development of the Disaster Recovery / Business Continuity & Contingency Plan and updated annually, or if changes occur to the DHS or Contractor Staff designated for	One thousand ($1,000) dollars per instance of failure to notify DHS and Contractor designees of the incident discovery and/or provide status updates as required by the Performance Standard. One thousand dollars ($1,000) per calendar day for failure to submit an Incident Report and/or status update per the Performance Standard.

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	notification.	
Business Continuity & Contingency (Req BCDR-004). Contractor shall provide a timely final root cause analysis upon final resolution of a reported incident. If all root cause information is not available within the required timeframe, a target date for a complete report must be provided and approved by DHS.	Contractor shall provide a final Root Cause Analysis within timeframes based on the severity: 1. Severity levels of Critical, High, or Medium: Within twenty-four (24) hours. 2. Severity level of Low: Within seventy-two (72) hours.	Liquidated Damages: One thousand ($1,000) dollars per instance of failure to notify within the Performance Standard or receive DHS approval of a longer timeframe.
Business Continuity & Contingency (Req BCDR-007). In the event of an automatic failover (as defined in the BCDR plan) or a DHS-declared failover, the Contractor solution for all production Infrastructure must automatically reroute to an alternate site. The Contractor shall state the failover site in the DR/BCCP deliverable.	Should a failover occur, the Contractor shall ensure no more than a maximum of four (4) hour Recovery Time Objective (RTO) and a maximum of one (1) hour for Recovery Point Objective (RPO).	Liquidated Damages: One thousand dollars ($1,000) per hour of non-compliance for each of the RTO and RPO Performance Standards plus any additional FTE or processing required to meet the RTO and RPO.
Business Continuity & Contingency (Req BCDR-008). Annual DR Testing is required. The test results and summary report must be submitted to DHS. Testing must exercise the DR infrastructure and functionally test critical applications, not solely be a tabletop drill. In scope applications must be forecasted and approved by DHS to ensure all critical applications are exercised.	Annual DR testing is required and shall be completed within one (1) year of the prior DR test's completion date. In rare cases with appropriate business justification (*e.g.* Infrastructure migration in progress), a DHS approved extension, not to exceed ninety (90) calendar days, may be provided. The raw, non-redacted	Liquidated Damages: One thousand dollars ($1,000) per calendar day past deadline for last annual test, past deadline for reporting, and each calendar day of impact to the business. If a DHS-approved extension was provided for the annual test date, damages will be assessed beginning the day after extension expires.

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	test results and summary report must be submitted to DHS within thirty (30) calendar days after test completion and received prior to the end of calendar year for approval.	
Certification (Req CRT-001). The Contractor shall ensure that federal certification is achieved or maintained retroactive to the first day of Operations and continued throughout the life of the Contract. The Contractor shall follow the CMS 22 Standards and Conditions, per 42 CFR 433.112 (and any other more current federal or DHS certification related requirements), which is necessary to ensure initial and continued federal certification for the operation of the system and to receive the maximum allowable Federal Financial Participation (FFP) and Federal Medical Assistance Percentage (FMAP) funding. The Contractor shall be responsible for meeting any new or modified federal standards necessary to ensure initial and continued federal certification, provided that to the extent those standards or requirements are not outside the scope of the RFP and do not result in a material cost impact on Contractor, otherwise the Contractor shall only be required to meet them if and to the extent the parties agree to do so through the Change Control process.	The Contractor is responsible for CMS certification. The Contractor will provide all support requested by DHS during certification and any recertification conducted by CMS and by DHS. The support will include developing artifacts and evidence to support the certification review. This includes participation in the Operational Readiness Review (ORR) and the certification review.	Liquidated Damages: The Contractor must pay DHS the actual damages incurred by DHS related to the certification if CMS does not fully compensate DHS at the maximum allowable FFP rate and the FMAP for the system as delivered by the Contractor. The actual damages are the difference between the total sums of money received from CMS by DHS and the total of the sums of money that could have been received by DHS at maximum allowable FFP and the FMAP rate.
Contract Management (Req. CTM-	The Contractor shall obtain prior written	Liquidated Damages:

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001). The Contractor shall ensure any publicity concerning this Contract, including notices, information pamphlets, press releases, research, reports, signs, Web postings, and similar public notices prepared by or for the Contractor, will contain a statement indicating sponsorship by the Contractor and DHS. The language of the statement will be specified by DHS after the Contract is awarded.	approval from DHS before issuing any new publicity associated with the Contract or using DHS's logo or statement on any publicity.	The payment may be twelve thousand, five hundred dollars ($12,500) per incident in which DHS approval is not obtained prior to issuing any publicity associated with the new Contract or using DHS's logo or statement.
Contract Management (Req CTM-003). The Contractor must provide Deliverables in line with State requirements.	The Contractor must provide Deliverables according to the approved Deliverables schedule	Liquidated Damages: One thousand dollars ($1,000) for each business day the Deliverable is late. Excludes waived Deliverables determined in advance of start-date or DHS granted extensions.
Contract Management (Req CTM-004). The Contractor must submit an acceptable documented risk mitigation plan.	The Contractor shall have an acceptable documented risk mitigation plan submitted to DHS within five (5) calendar days of risk identification of high or critical project risks.	Liquidated Damages: One thousand dollars ($1,000) per calendar day beyond the Performance Standard for high or critical project risk without the submission of an acceptable risk mitigation plan.
Contract Management (Req CTM-005). The Contractor must submit a documented issue mitigation plan to DHS ensuring all such issues are addressed within the required timeframe. DHS will assess each project issue's level of criticality in consultation with the Contractor.	The documented issue mitigation plan shall be submitted to DHS within three (3) business days of identifying critical severity issues and within five (5) business days for high severity issues.	Liquidated Damages: One thousand dollars ($1,000) per business day beyond the Performance Standard for high or critical severity issues without the submission of an acceptable issue mitigation plan.

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Contract Management (Req CTM-006). The Contractor shall always maintain and grant access to its project records upon request by DHS, OMIG, MFCU, or federal government entities.	The Contractor shall make requested project records available to DHS, other DHS staff or state/ federal government entities one hundred percent (100%) of the time within three (3) business days (or as mutually agreed upon) of request.	Liquidated Damages: One thousand ($1,000) per request, per business day past the allowed Performance Standard.
Customer Service (CUS-001). The monthly average speed to answer time for CSC agents must align with State expectations.	Across all calls, the monthly average speed to answer time for CSC agents to answer incoming calls shall not exceed 150 seconds (2 minutes, 30 seconds)	Liquidated Damages: One thousand dollars ($1,000) per month the Performance Standard is not met.
Customer Service (CUS-002). CSC agents must answer calls in alignment with State expectations.	Across all calls, a CSC agent shall answer 80% of incoming calls in a given month within 60 seconds (1 minute).	Liquidated Damages: One thousand dollars ($1,000) per month the Performance Standard is not met.
Customer Service (CUS-003). The abandonment rate must align with State expectations. An abandoned call is a call that is discontinued by the customer while waiting for a CSC agent after completion of any IVR messages.	Across all calls, the monthly average abandonment rate shall not exceed 5%. In any given calendar week, the average abandonment rate shall not exceed 7%. Calls abandoned within the first fifteen (15) seconds following completion of any IVR messages are excluded from these measurements.	Liquidated Damages: One thousand dollars ($1,000) per month the monthly abandonment Performance Standard is not met. Five hundred dollars ($500) per week the weekly abandonment Performance Standard is not met.

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Customer Service (CUS-004). The Contractor shall develop a Customer Satisfaction Survey to be randomly shared with individuals making contact with the CSC, with individuals rating their interaction on a one (1) to five (5) scale. The State shall establish a monthly average customer satisfaction level at a time to be determined following contract award.	Contractor shall meet State's established monthly average customer satisfaction level.	Liquidated Damages: Ten thousand dollars ($10,000) per month the Performance Standard is not met.
Defect Management (Req DFM-001). Contractor meet expectation for Priority 1 Critical defect notification.	The Contractor shall notify DHS of all Priority 1 Critical defects within one (1) hour.	Liquidated Damages: For Priority 1 Production Defects: Five thousand dollars ($5,000) for each instance the Performance Standard is not met.
General Technical Standards (Req GTS-001). The Contractor shall meet or exceed the operational system performance standards.	1. The Contractor shall complete nightly refreshes to be completed each morning by a time established by DHS. 2. The Contractor shall complete the weekend refreshes by Monday morning at 6:00 AM (central time).	Liquidated Damages: One thousand dollars ($1,000) per hour that Contractor does not meet the Performance Standard.
Reporting Management (Req RPT-001). All standard reports, including Status Reports, must be available online for review by DHS staff pursuant to the schedule (unless otherwise addressed in the Contract provisions).	1. Daily reports – by 10:00 AM of the following business day. 2. Weekly and Biweekly reports – by 10:00 AM of the next business day after the scheduled date. 3. Monthly reports – by 10:00 AM of	Liquidated Damages: One thousand dollars ($1,000) for each business day the reports are not submitted timely or are unacceptable to DHS.

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	the fifth (5th) business day after month end cycle. 4. Quarterly reports – by 10:00 AM of the fifth (5th) business day after quarterly cycle. 5. Annual reports – by 10:00 AM of the tenth (10th) business day after year end cycle (DHS fiscal year, federal fiscal year, waiver year or calendar year). 6. The Contractor is expected to identify and correct any errors on reports. For report errors identified by DHS, the Contractor has ten (10) business days to correct the error.	
Security Management (Req SEC-005). For all Contractor maintained systems, controls and services, the Contractor is liable for all penalties that DHS is assessed for failure to meet all federal regulations regarding standards for privacy, security, and individually identifiable Protected Health Information (PHI) as identified in Health Insurance Portability and Accountability Act (HIPAA), ARC-AMPE (applicable overlay), the Health Information Technology for Economic and Clinical Health Act (HITECH) or any government agency with authority	Compliance with all federal regulations regarding standards for privacy, security, and PHI, HIPPA, ARC-AMPE (applicable overlay), HITECH or any government agency with authority over the information system and services provided under the Contract. Reimbursement for all penalties must be made within	Liquidated Damages: One hundred percent (100%) of the penalty assessed to DHS in the timeframe as stated in the Performance Standard.

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over the information system and services provided under the Contract.	thirty (30) business days from when DHS receives notice from a federal agency.	
Security Management (Req SEC-006). The Contractor shall complete comprehensive white-box internal and external Penetration Testing in accordance with State expectations.	The Contractor shall complete comprehensive white-box internal and external Penetration Testing according to both ARC-AMPE and Penetration Testing Execution Standard (PTES), forty-five (45) calendar days prior to operational readiness, and annually thereafter. The Contractor shall provide complete, unaltered, non-redacted results to DHS within ten (10) business days after Penetration test completion. Reporting shall include all elements of ARC-AMPE as required in the Deliverable.	Liquidated Damages: Five thousand dollars ($5,000) for each instance and for each task (code scans, reporting) that does not meet the Performance Standard.
Security Management (Req SEC-008). Contractor shall produce all system scans, static code scans, dynamic code scans, system hardening scans, system vulnerability scans, and network vulnerability scans, on all solution environments that contain member data according to the most stringent, up to date federal ARC-AMPE, (applicable overlay), guidance.	Unedited, non-redacted, and complete results shall be delivered to DHS within two (2) business days of completing the testing or scan. If using a SaaS solution, the Contractor shall produce all available scans and results and also allow DHS to	Liquidated Damages: Five thousand dollars ($5,000) for each instance that does not meet the Performance Standard.

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	conduct secondary scans.	
Security Management (Req SEC-010). The Contractor shall conduct Center for Internet Security (CIS) Hardening Scans level 1 before server acceptance and on an annual basis (determined by date the first hardening scans have been performed and accepted).	Conduct CIS Hardening Scans level 1 with zero finding before server acceptance and annually thereafter. The Contractor shall provide complete, unaltered, non-redacted results to DHS within two (2) business days after completion.	Liquidated Damages: Five thousand dollars ($5,000) for each instance that does not meet the Performance Standard.
Security Management (Req SEC-011). The Contractor shall submit a Plan of Actions and Milestones (POA&M) to document when any software, systems or components become out of date, unmaintained, reliant on uncontrolled components, reliant on components that are not updatable, or out of current Contractor support.	The Contractor shall ensure all software, systems, and components, including code frameworks, are maintained to the latest version (N, N-1, or N-2) and within current Contractor support.	Liquidated Damages: One thousand dollars ($1,000) for each instance (instance being defined as each software package on each server) that Contractor does not meet the Performance Standard.
Security Management (Req SEC-018). The Contractor shall maintain ciphers in accordance with State expectations.	The Contractor shall maintain ciphers for encryption as required by the most stringent, up-to-date federal FIPS 140-3, ARC-AMPE, (applicable overlay)guidance.	Liquidated Damages: One thousand dollars ($1,000) for each instance that does not meet the Performance Standard.
Security Management (Req SEC-019). The Contractor shall perform ARC-AMPE (applicable overlay) corrections to mitigate security vulnerabilities according to the vulnerability priority or	1. Urgent: within twenty-four (24) hours, 2. Critical priority: within seven (7) calendar days,	Liquidated Damages: Two thousand dollars ($2,000) per occurrence that Contractor does not meet the Performance Standard.

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upon a mutually agreed upon time frame. The National Vulnerability Database (NVD) will be used to determine the level of priority. If the security vulnerability is not categorized in the NVD, DHS will assign the priority.	3. High priority: within thirty (30) calendar days, 4. Medium priority: within ninety (90) calendar days, 5. Low priority: within one hundred eighty (180) calendar days.	
Security Management (Req SEC-020). The Contractor shall prevent and prohibit shared accounts in accordance with State expectations.	Contractor shall prevent and prohibit any user or system administrator from having a shared account.	Liquidated Damages: One thousand dollars ($1,000) for each instance that does not meet the Performance Standard.
Security Management (Req SEC-025). The Contractor shall run Compliance Scans, using the most stringent, up to date federal ARC-AMPE, (applicable overlay) guidance upon major system change.	The Contractor shall provide complete, unaltered, non-redacted scan files to DHS within two (2) business days of completing the scan.	Liquidated Damages: One thousand dollars ($1,000) for each instance that does not meet the Performance Standard.
Security Management (Req SEC-033). The Contractor shall retain logs in accordance with State expectations.	The Contractor shall retain all logs related to security incidents for a minimum of ten (10) calendar years, or as prescribed by the most stringent, up-to-date federal ARC-AMPE, (applicable overlay), guidance. In the event an audit is performed, the Contractor may be required to retain the logs longer than the prescribed CMS or ARC-AMPE requires.	Liquidated Damages: One thousand dollars ($1,000) per incident and per month the Contractor does not set up logging or deletes logging (per log type and not individual log files) that were not set up as root capture logging on a database server, which was discovered during an audit. Regardless of the timeframe that the logging was not enabled, a month is counted as anytime between one (1) and thirty (30) days.

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Security Management (Req SEC-034). The Contractor shall document and track all Findings, Vulnerabilities, and Risk Acceptances in the Plan of Actions and Milestones (POA&M) as "issues" and resolve in a timeline per the most stringent, up to date federal ARC-AMPE, (applicable overlay), resolution guidance.	All security and vulnerabilities must be reviewed at least weekly by DHS and the Contractor. The Contractor shall use the most up-to-date CMS POA&M template and guidance.	Liquidated Damages: One thousand dollars ($1,000) for each instance that the Contractor does not document or update the POA&M as required.
Security Management (Req SEC-057). The Contractor shall meet all federal regulations regarding standards for privacy, security, and individually identifiable Protected Health Information (PHI) according to the most stringent, up to date federal ARC-AMPE, (applicable overlay), guidance, as identified in Health Insurance Portability and Accountability Act (HIPAA) and the Health Information Technology for Economic and Clinical Health Act (HITECH).	In instances when a suspected or confirmed security incident, privacy incident, or security breach occurs, the Contractor shall provide initial notification to DHS within two (2) hours, regardless of the time of day, with on-going communications and self-report to CMS for all systems in Enhanced Funding.	Liquidated Damages: Two thousand dollars ($2,000) per occurrence for failure to meet the federal regulations regarding standards for privacy, security and individually identifiable protected health information. In addition, one thousand dollars ($1,000) per hour past the deadline for failure to notify DHS or to self-report to CMS when a suspected or confirmed security incident, privacy incident or security breach occurs.
Security Management (Req SEC-078). The Contractor shall ensure the confidentiality, integrity, and availability of Electronic Protected Health Information (ePHI). Further, the Contractor will ensure the solution supports integrity controls to guarantee that transmitted ePHI is not improperly modified without detection.	Any confirmed attempts of improper modification of ePHI should be reported to DHS within four (4) hours of identification.	Liquidated Damages: Two thousand dollars ($2,000) per occurrence that does not meet the Performance Standard. In addition, one thousand dollars ($1,000) per hour past four (4) hours the Contractor fails to notify DHS of a confirmed attempt to improperly modify ePHI.
Security Management (Req SEC-084). The Contractor shall provide a corrective action plan to DHS following the identification of any Privacy	The Plan must be submitted to designated DHS staff within twenty-four (24) hours of identification of an incident and	Liquidated Damages: Two thousand dollars ($2,000) per occurrence that does not meet the Performance Standard.

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Incident, Security Incident, or Breach, detailing all actions taken concerning the incident and any identified future actions to be taken. A "Security Incident" does not include pings, port scans, unsuccessful log-on attempts, denials of service, other broadcast attacks on the Contractor's firewall, nor any combination of the above, so long as no such incident results in unauthorized access, use and/or disclosure of PHI; this includes communications to a defined list of personnel at DHS.	include specific steps and timeframes for resolution or indicate that it is continuing to be investigated. All artifacts, data, and steps taken both productive in resolution, or not productive in resolution, in an investigation must be made available to DHS upon request within two (2) business days.	In addition, one thousand dollars ($1,000) per business day past the designated timeframes contained in this Performance Standard.
Security Management (Req SEC-092). The Contractor shall certify that all DHS data will reside in data centers located in the continental United States. The only exceptions are to the extent that Cloud Service Providers and cloud software as a service (SaaS) Contractors (*e.g.* Informatica, Snowflake) may permit their services to be performed offshore as long as access to DHS data is prohibited from offshore. Additionally, this data will only be accessible by resources within the contiguous United States that have completed the necessary HIPAA and security training, as well as any additional training required by DMS.	No DHS data is to be accessed, stored, or transmitted outside the contiguous U.S.	Liquidated Damages: Ten thousand dollars ($10,000) per incident that does not meet the Performance Standard.
Security Management (Req SEC-118). The Contractor shall have Data Sharing Agreements (DSAs) in accordance with State expectations.	The Contractor shall have in place Data Sharing Agreements (DSAs), also known as Data Use Agreements (DUAs), that are required for all Contractors and their	Liquidated Damages: One thousand dollars ($1,000) per incident that the Contractor does not meet the Performance Standard.

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	sub-contractors before any exchanges of restricted data (PII, PHI, *etc.*).	
Security Management (Req SEC-119). The Contractor must test controls identified with DSA/DUA in accordance with State expectations.	The Contractor must test Security and Privacy controls identified within the DSA/DUA and present results to DHS for approval prior to sharing live data.	Liquidated Damages: One thousand dollars ($1,000) per incident that the Contractor does not meet the Performance Standard.
Security Management (Req SEC-120). The Contractor must review DSAs/DUAs in accordance with State expectations.	The Contractor must review the DSAs/DUAs on a periodic or event-driven basis, not to exceed a twelve (12) month period.	Liquidated Damages: One thousand dollars ($1,000) per incident that the Contractor does not meet the Performance Standard.
Security Management (Req SEC-121). The Contractor must maintain standards for enhanced funding status in accordance with State expectations.	The Contractor shall maintain all federally required security standards and requirements needed to achieve enhanced funding status.	Liquidated Damages: Penalty will be applied if enhanced funding is lost due in full or in part to the Contractor failing to meet federal security requirements. The Contractor must pay DHS the actual damages incurred by DHS related to the enhanced funding lost if CMS does not fully compensate DHS at the maximum allowable FFP rate and the FMAP for the Module as delivered by the Contractor. The actual damages are the difference between the total of the sums of money received from CMS, by DHS, and the total of the sums of money that could have been received by DHS at maximum allowable FFP and the FMAP rate.
Staffing Management (Req STF-001). The Contractor shall ensure positions	1. The Contractor shall notify DHS of Key Personnel vacancies within two (2) business	Liquidated Damages: One thousand dollars ($1,000) per business day for failure to meet the

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designated as Key Personnel meet the notification and replacement requirements:	days of the vacancy. 2. A temporary replacement acceptable to DHS must be named within ten (10) business days of the date the Key Personnel position becomes vacant. A temporary replacement cannot also maintain responsibilities for another position. 3. A permanent replacement must be named within sixty (60) business days of the date the position becomes vacant. 4. No position may be filled with a temporary appointee for more than sixty (60) calendar days in any single year period. This requirement does not relate to any annual leave taken by Key Personnel.	Performance Standard.
Staffing Management (Req STF-002). Contractor's Key Personnel must be available in accordance with State expectations. Considering Contractor's staff are expected to have the capability to work remotely, the inclement weather policy should not disrupt their scheduled work.	The Contractor's Key Personnel shall be available from 8:00 AM to 5:00 PM Central time every business day, with the exclusion of DHS-observed holidays and DHS-observed inclement weather policy during the Contractor's contract period (or as agreed upon with DHS in advance for Key Personnel schedule	Liquidated Damages: One thousand dollars ($1000) per hour after four (4) hours of no contact with Contractor's Key Personnel, either electronically in writing or by phone.

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	changes or commitments).	
Turnover and Closeout Management (Req TNC-004). The Contractor shall cooperate with the successor Contractor while providing all required turnover services.	Turnover services will include, but are not limited to, attending all scheduled meetings and working effectively with the successor and devising work schedules that are agreeable for both DHS and the successor Contractor.	Liquidated Damages: One thousand dollars ($1,000) per business day in which the Performance Standard is not met.
Turnover and Closeout Management (Req TNC-009). The Contractor shall begin turnover in accordance with State expectations.	At the direction of DHS, but no less than eighteen (18) months prior to the final Contract year, including option years that have been exercised, and at least eighteen (18) months prior to the end of any Contract extension(s), the Contractor shall begin turnover. DHS reserves the right to request any turnover activities at any time during the Contract period, even if the Contract is not ending. DHS may also require that these services begin earlier than eighteen (18) months as needed for an orderly transition.	Liquidated Damages: One thousand dollars ($1,000) per business day in which the Performance Standard is not met.
Training Management (Req TRM-002). The Contractor shall update training materials and modules in accordance with State expectations. UAT shall not be considered complete until training	The Contractor shall update all training materials and online training modules and provide training to all users affected by	Liquidated Damages: One thousand dollars ($1,000) per business day that does not meet the Performance Standard.

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materials are finalized, approved by DHS, and distributed.	completed changes no later than thirty (30) business days after the implementation of the modification and/or enhancement.	
Testing Management (Req TSM-004). The Contractor shall conduct system integration test (SIT) walkthroughs, including test plans and test results, for all solution changes to demonstrate to DHS that all solution functions have been completely and accurately planned, developed, and tested. DHS reserves the right to request and review detailed evidence of all test results and the number of attempts made in retesting a change.	Conduct SIT for all solution changes and if defects are identified, the Contractor shall document, track, and resolve as validated by DHS.	Liquidated Damages: One thousand dollars ($1000) for each instance of evidence showing test results do not support declaration of testing success.
Testing Management (Req TSM-005). The Contractor must receive Implementation Acceptance approval from DHS for each scheduled Implementation / release no later than the Acceptance Date in the Implementation Plan. DHS reserves the right to extend UAT testing.	The Contractor must define and lock in the contents of a release at least ten (10) business days prior to UAT. Minimum UAT is ten (10) business days plus five (5) business days of regression testing. Upon mutual agreement, the testing window may be shortened or lengthened.	Liquidated Damages: One thousand dollars ($1,000) per business day in which the Performance Standard is not met for initial testing. Retesting of defects in UAT occurrence of retesting of a defect in UAT, over the initial retest (one retest), is One thousand dollars ($1,000) per business day in which the Performance Standard is not met.
Testing Management (Req TSM-006). The Contractor shall ensure that the System Implementation Plan allocates sufficient time to DHS' User Acceptance Testing (UAT) activities relative to the detailed scope of work,	The UAT environment must be available daily, Monday through Friday, between the hours of 7:00 AM to 7:00 PM.	Liquidated Damages: One thousand dollars ($1,000) per hour for every hour UAT is not available for use by DHS and DHS-specified staff.

Service Criteria[1]	Acceptable Performance	Damages for Insufficient Performance[2]
requirements and gaps, the number of manually executed test cases, and the complexity of module integration. The Contractor shall be responsible for extending the time allocated to UAT user acceptance testing if the proposed testing duration is not deemed sufficient and approved for DHS to validate the module.	All upgrades, deployments, patching, etc. must be completed outside this testing window.	
Verification & Outbound Contact Center (VOC-003). The CSC must be able to receive return contacts and log these in accordance with State expectations.	When an outbound communication requests a response, the CSC shall be equipped to receive that return contact through all available CSC modalities of communication (*e.g.* email, phone, text) and any information or documentation received as a result of these return contacts must be logged into the appropriate State systems (e.g. ARIES or CSC System) , including but not limited to the uploading of electronic document into a State system or in near-real time with the persons return contact. The CSC System must also log if this return contact satisfies any need for continued outbound contact.	Liquidated Damages: One thousand dollars ($1,000) per day for every day that information from return contacts resulting from outbound communication are not appropriately logged in State systems.
Verification & Outbound Contact Center (VOC-004).	Contractor must be able to automatically update its list of	Liquidated Damages: One thousand dollars ($1,000) per hour for every hour that the list of

Service Criteria[1]	Acceptable Performance	Damages for Insufficient Performance[2]
Contractor must update the outbound contacts list in accordance with State expectations.	outbound contacts in near-real time.	outbound contacts is not properly up to date.
Verification & Outbound Contact Center (VOC-007). Contractor must send out texts to enrolled mothers in accordance with State expectations. This will be 1 text per month for 12 months for an estimated 25,000 women.	Contractor must send out monthly texts to newly enrolled mothers (for a maximum of 12 months for each enrollee).	Liquidated Damages: One thousand dollars ($1,000) per month for each month that monthly texts are not sent out to newly enrolled mothers.
Medicaid Advisory Committee and Beneficiary Advisory Council. The Contractor must support MAC and BAC meetings in accordance with State expectations.	The Contractor shall provide administrative support for the quarterly MAC and BAC meetings as required by DHS.	Liquidated Damages: Five hundred dollars ($500) per instance in which the Contractor fails to support the State in MAC and BAC meetings.
Performance Bonding. The Contractor shall be required to obtain performance bonds to protect DHS's interest.	1. The amount of the performance bonds shall be one hundred percent (100%) of the annual contract price, unless the State determines that a lesser amount would be adequate for the protection of the State. Such performance bond must be provided to DHS prior to signing the contract. 2. The State shall require additional performance bond protection when a contract price is increased or modified. 3. The Contractor shall submit documentation to the satisfaction of	Damages shall be one percent (1%) per day, calculated using the annual Contract amount, for each day Contractor fails to meet the Performance Bonding Requirements specified in this Service Criteria. Failure to provide is a breach of contract and may result in immediate contract termination, prohibition against future bidding with the State, the addition of Contractor to the DHS excluded provider list, *etc.*

Service Criteria[1]	Acceptable Performance	Damages for Insufficient Performance[2]
	the State that a performance bond has been obtained. The performance bond must be delivered to the Arkansas Department of Human Services Chief Procurement Officer within fourteen (14) calendar days of contract execution and within one calendar day of DHS request thereafter. 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. 5. The Contractor hereby represents and warrants to the State that there are no proceedings or investigations pending or threatened, before any court, regulatory body, administrative agency, or other governmental instrumentality having jurisdiction over the	

Service Criteria[1]	Acceptable Performance	Damages for Insufficient Performance[2]
	Contractor or its properties, including but not limited to, the United States Bankruptcy Court as of the date on the Response Signature Page. Additionally, Contractor shall provide immediate written notice to the State of any proceeding or investigation (i) seeking to prevent the consummation of any of the transactions contemplated by any resulting Contract; or (ii) seeking any determination or ruling that might materially and adversely affect the performance by the Contractor of its obligations hereunder, or the validity or enforceability of any resulting Contract. The State reserves the right, at any time prior to the resulting contract's execution, to disqualify Prospective Contractor(s) and rescind contract award to an Awardee subject to proceedings or investigations that may materially and adversely affect Contractor's ability to perform its	

Service Criteria[1]	Acceptable Performance	Damages for Insufficient Performance[2]
	obligations under the contract if it deems it to be in the best interest of the State. The State's determination shall be final and controlling.	
Conflict of Interest Mitigation. During the term of this Contract, the Contractor shall comply with the terms of DHS Organizational or Personal Conflict of Interest provisions.	The Contractor 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 Contractor 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.	The Contractor 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 Contractor shall be fined ten thousand dollars ($10,000) for the first failure to comply with the mitigation plan developed by the Contractor and approved by DHS. Each subsequent violation of the mitigation plan shall be twice the amount of the immediately preceding violation fine.
Arkansas Freedom of Information Act (Ark. Code Ann. §25-19-101 et seq.). 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. The Contractor shall timely provide all documents in its possession or control to DHS that match the	The Contractor shall respond to FOIA requests timely and accurately one hundred percent (100%) of the time. Contractor shall provide information and documents to DHS upon request in the timeframe specified in the	1. For each failure to meet performance standard, DHS may impose: a. Up to a ten percent (10%) penalty per day for each failure to timely and accurately provide the requested information and documents may be assessed at DHS sole discretion. The penalty will be calculated using the total payment for the identified month in which the deficiency took place.

Service Criteria[1]	Acceptable Performance	Damages for Insufficient Performance[2]
request made by DHS. 3. Contractor is subject to Arkansas FOIA law pursuant to Ark. Code Ann. §25-19-103(7)(A) 4. 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. For all FOIA requests received, the Contractor shall also notify DHS of the request at DHS.FOIA@arkansas.gov.	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.	DHS may elect to calculate penalties/damages differently per occurrence. b. Contractor shall be responsible for any penalties, fees, and costs imposed on DHS associated with Contractor's failure to timely and accurately provide the requested information and documents.