



COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF PUBLIC WELFARE

Division of Procurement  
Room 525, Health & Welfare Building  
Commonwealth Avenue & Forster Street  
PO Box 2675  
Harrisburg, PA 17120

Daniel R. Boyd  
Director

Telephone 717-783-3767  
Fax 717-787-3560

June 24, 2010

**SUBJECT: RFP 02-10 Program Integrity Retrospective Review, Recovery & Data Exchange**

Dear Prospective Bidder:

You are invited to submit a proposal for the above subject Request for Proposal (RFP) for the Commonwealth of Pennsylvania, Department of Public Welfare in accordance with the attached RFP.

All proposals must be submitted as follows: One (1) original and twenty (20) paper copies of the Technical Submittal. In addition, one (1) original and two (2) paper copies for each of the following Submittals: Cost, Disadvantaged Business, Contractor Partnership Program and Mentor Protégé Program. The aforementioned documents are to be submitted to the Pennsylvania Department of Public Welfare, Division of Procurement, Room 525, Health and Welfare Building, Commonwealth Avenue and Forster Street, Harrisburg, PA 17120. **Proposals must be received at the above address no later than 2:00 P.M. on August 24, 2010. Late proposals will not be considered regardless of the reason.**

All questions should be directed to **Tracie Gray, Project Officer, Department of Public Welfare, Office of Administration** via e-mail [rfp-02-10@state.pa.us](mailto:rfp-02-10@state.pa.us) no later than July 15, 2010. In addition, a Pre-Proposal Conference will be held at 10:00 A.M. on Thursday, July 15, 2010, at the Pennsylvania Department of Agriculture, Room 309, 2301 North Cameron Street, Harrisburg, PA 17110. After the Pre-Proposal Conference, answers to all prospective bidders' questions will be posted to the Department of General Services (DGS) website <http://www.emarketplace.state.pa.us/Search.aspx>.

Proposals **must** be signed by an official authorized to bind the vendor to its provisions. Also, please include your Federal Identification Number, SAP Vendor Number and the point of contact's e-mail address on the cover sheet of your proposal. Evaluation of proposals and selection of vendors will be completed as quickly as possible after receipt of the proposals.

Sincerely,

A handwritten signature in black ink, appearing to read 'Daniel R. Boyd'.

Daniel R. Boyd, Director  
DPW Division of Procurement

**REQUEST FOR PROPOSALS FOR**

**PROGRAM INTEGRITY RETROSPECTIVE REVIEW,  
RECOVERY & DATA EXCHANGE**

**ISSUING OFFICE**

**COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF PUBLIC WELFARE  
BUREAU OF FINANCIAL OPERATIONS  
DIVISION OF PROCUREMENT  
ROOM 525 HEALTH AND WELFARE BUILDING  
COMMONWEALTH AVENUE AND FORSTER STREETS  
HARRISBURG, PA 17120**

**RFP NUMBER**

**02-10**

**DATE OF ISSUANCE**

**[06/21/2010]**

## TABLE OF CONTENTS

APPENDICES.....	iv
GLOSSARY OF TPL TERMS.....	v
CALENDAR OF EVENTS.....	vii

### **PART I GENERAL INFORMATION**

I-1. PURPOSE .....	1
I-2. ISSUING OFFICE .....	1
I-3. SCOPE .....	1
I-4. METHOD OF AWARD.....	1
I-5. PROBLEM STATEMENT .....	1
I-6. TYPE OF CONTRACT .....	2
I-7. REJECTION OF PROPOSALS.....	2
I-8. INCURRING COSTS .....	2
I-9. PRE-PROPOSAL CONFERENCE .....	2
I-10. QUESTIONS & ANSWERS .....	2
I-11. ADDENDA TO THE RFP.....	3
I-12. RESPONSE DATE .....	3
I-13. PROPOSALS .....	3
I-14. DISADVANTAGED BUSINESS INFORMATION.....	4
I-15. INFORMATION CONCERNING SMALL BUSINESS IN ENTERPRISE ZONE 5	5
I-16. CONTRACTOR PARTNERSHIP PROGRAM (CPP) .....	6
I-17. MENTOR PROTÉGÉ PROGRAM (MPP) .....	7
I-18. ECONOMY OF PREPARATION.....	8
I-19. ALTERNATE PROPOSALS.....	8
I-20. DISCUSSIONS FOR CLARIFICATION.....	8
I-21. PRIME CONTRACTOR RESPONSIBILITIES .....	8
I-22. PROPOSAL CONTENTS.....	9
I-23. BEST AND FINAL OFFERS .....	9
I-24. NEWS RELEASE .....	10
I-25. RESTRICTION OF CONTACT.....	10
I-26. DEBRIEFING CONFERENCES.....	10
I-27. DEPARTMENT PARTICIPATION.....	10
I-28. TERM OF CONTRACT .....	10
I-29. OFFEROR’S REPRESENTATION AND AUTHORIZATIONS.....	11
I-30. NOTIFICATION OF SELECTION.....	12
I-31. RFP PROTEST PROCEDURE.....	12
I-32. USE OF ELECTRONIC VERSIONS OF THIS RFP.....	12
I-33. LIQUIDATED DAMAGES.....	12
I-34. CONTRACT PROVISIONS – RIGHT TO KNOW LAW.....	13

### **PART II PROPOSAL REQUIREMENTS**

II-1. STATEMENT OF THE PROBLEM .....	16
II-2. MANAGEMENT SUMMARY .....	16
II-3. WORK PLAN.....	16

II-4.	PRIOR EXPERIENCE .....	17
II-5.	PERSONNEL .....	18
II-6.	TRAINING .....	20
II-7.	FINANCIAL CAPABILITY .....	21
II-8.	OBJECTIONS & ADDITIONS TO STANDARD TERMS & CONDITIONS.....	21
II-9.	DISADVANTAGED BUSINES SUBMITTAL.....	22
II-10.	COST SUBMITTAL .....	27
II-11.	DOMESTIC WORKFORCE UTILIZATION CERTIFICATION .....	28
II-12.	CONTRACTOR PARTNERSHIP PROGRAM SUBMITTAL.....	28
II-13.	MENTOR PROTÉGÉ PROGRAM SUBMITTAL.....	29
II-14.	INNOVATIVE SOLUTIONS SUBMITTAL.....	30

### **PART III CRITERIA FOR SELECTION**

III-1.	MANDATORY RESPONSIVENESS REQUIREMENTS .....	31
III-2.	TECHNICAL NONCONFORMING PROPOSALS .....	31
III-3.	EVALUATION .....	31
III-4.	CRITERIA FOR SELECTION .....	31

### **PART IV WORK STATEMENT**

#### ***LOT 1 TPL DATA EXCHANGE & RECOVERY SERVICES***

IV-1.	OBJECTIVES .....	35
IV-2.	NATURE AND SCOPE OF THE PROJECT.....	35
IV-3.	REQUIREMENTS .....	36
IV-4.	TASKS .....	41
IV-5.	CONTRACT TRANSITION .....	48
IV-6.	REPORTS AND PROJECT CONTROL.....	49
IV-7.	CONTRACT REQUIREMENTS.....	49
IV-8.	CPP REPORTING REQUIREMENTS .....	50
IV-9.	MENTOR PROTÉGÉ PROGRAM REPORTING REQUIREMENTS .....	51

#### ***LOT 2 CASUALTY INSURER DATA REPORTING OF PERSONAL INJURY CLAIMS***

IV-1.	OBJECTIVES .....	53
IV-2.	NATURE AND SCOPE OF PROJECT.....	53
IV-3.	REQUIREMENTS .....	53
IV-4.	TASKS .....	55
IV-5.	CONTRACT TRANSITION .....	56
IV-6.	REPORTS AND PROJECT CONTROL.....	57
IV-7.	CONTRACT REQUIREMENTS.....	57
IV-8.	CPP REPORTING REQUIREMENTS .....	58
IV-9.	MENTOR PROTÉGÉ PROGRAM REPORTING REQUIREMENTS .....	59

#### ***LOT 3 RETROSPECTIVE PROVIDER REVIEWS***

IV-1.	OBJECTIVES .....	61
IV-2.	NATURE AND SCOPE OF PROJECT.....	61
IV-3.	REQUIREMENTS .....	62
IV-4.	TASKS.....	64
IV-5.	CONTRACTOR ACTIVITIES.....	67
IV-6.	CONTRACT TRANSITION.....	68

IV-7. REPORTS AND PROJECT CONTROL.....69

IV-8. INVOICING REQUIREMENTS.....69

IV-9. LEGAL COUNSEL FOR APPEALS .....70

IV-10. CONTRACT REQUIREMENTS.....70

IV-11. CPP REPORTING REQUIREMENTS.....71

IV-12. MENTOR PROTÉGÉ PROGRAM REPORTING REQUIREMENTS .....72

**LOT 4 NURSING FACILITY FINANCIAL REVIEWS**

IV-1. BACKGROUND.....74

IV-2. OBJECTIVES .....74

IV-3. REQUIREMENTS .....75

IV-4. TASKS .....76

IV-5. CONTRACT TRANSITION .....77

IV-6. INVOICING REQUIREMENTS .....78

IV-7. REPORTS AND PROJECT CONTROL.....78

IV-8. LEGAL COUNSEL FOR APPEALS .....79

IV-9. CONTRACT REQUIREMENTS .....79

IV-10. CPP REPORTING REQUIREMENTS .....80

IV-11. MENTOR PROTÉGÉ PROGRAM REPORTING REQUIREMENTS .....81

**APPENDICES**

APPENDIX A, STANDARD CONTRACT TERMS AND CONDITIONS

APPENDIX B, DPW ADDENDUM TO STANDARD TERMS AND CONDITIONS

APPENDIX C, DOMESTIC WORKFORCE UTILIZATION CERTIFICATION

APPENDIX D, AUDIT CLAUSE

APPENDIX D1, AUDIT CLAUSE ADDENDUM #1

APPENDIX E, LOBBYING CERTIFICATION FORM and DISCLOSURE OF LOBBYING ACTIVITIES

APPENDIX F, FORMAT FOR QUESTIONS

APPENDIX G, CWOPA BUSINESS ASSOCIATE (HIPAA)

APPENDIX H, RFP PROTEST PROCEDURES

APPENDIX I, COST SUBMITAL (PRICING WORKSHEETS)

APPENDIX J, PROPOSAL COVER SHEET

APPENDIX K, CORPORATE REFERENCE QUESTIONNAIRE

APPENDIX L, TPL RESOURCE IDENTIFICATION LAYOUT

APPENDIX M, TPL INSURANCE COVERAGE TYPE AND CARRIER CODE

APPENDIX N, PENNSYLVANIA MANDATED CARRIER LISTING

## GLOSSARY OF TPL TERMS

### **Beneficiary Data Exchange (BENDEX)**

A file used in a data exchange match between the Department and the Social Security Administration providing information regarding persons receiving Social Security benefits including accretions and deletions to the file.

### **Civilian Health and Medical Program of the Uniformed Services (CHAMPUS)**

A program that provides coverage for medical care provided to certain veterans of the armed services and their dependents.

### **Centers for Medicare & Medicaid Services (CMS)**

The United States federal agency that is responsible for administering Medicare, Medicaid, and the Children's Health Insurance Program.

### **Defense Enrollment Eligibility Reporting System (DEERS)**

A computerized database of military sponsors, families and others worldwide who are entitled under the law to TRICARE benefits.

### **Data Use Agreement (DUA)**

A contractual document used for the transfer of data that has been developed by an entity, where the data is nonpublic or is otherwise subject to some restrictions on its use.

### **Encounters**

Any health care service provided to a physical or behavioral Medicaid Managed Care Organization member. An encounter occurs each time a recipient is seen by a provider.

### **Explanation of Benefits (EOB)**

A report of the medical benefits paid or reason for non-payment for a medical service.

### **Health Insurance Portability and Accountability Act of 1996 (HIPAA)**

Individuals, organizations, and agencies that meet the definition of a covered entity under HIPAA must comply with the Rules' requirements to protect the privacy and security of health information and must provide individuals with certain rights with respect to their health information.

### **Intermediary**

A third party who facilitates a decision between two other parties.

### **MA Managed Care Organization (MCO)**

Mandatory and voluntary managed care programs that provide Medical Assistance benefits to recipients in Pennsylvania.

**Medicaid Management Information System (MMIS)**

The information technology platform and system primarily responsible for the electronic processing and payment of Medicaid claims.

**Medical Assistance (MA)**

Pennsylvania's publicly funded health care program.

**Pennsylvania Child Support Enforcement System (PACSES)**

An automated statewide child support enforcement system that is designed to facilitate child support collections, increase the rate of paternity establishment, and assure compliance with federal, state and local rules and regulations.

**Pharmacy Benefit Manager (PBM)**

A company under contract with managed care organizations, self-insured companies, and government programs to manage pharmacy network management, drug utilization review, outcomes management, and disease management. The ultimate goal of a PBM is to provide plan members with access to a broad spectrum of medically necessary drugs while still keeping costs to a minimum. A pharmacy benefit manager may, for example, fill drug prescriptions by mail order as part of a corporate health insurance plan.

**Primary Recovery Activity**

A recovery in which the selected Offeror has exclusive right of recovery on claims associated with the targeted resources (TRICARE/CHAMPUS and pharmacy).

**Recipient**

Individual who has been determined eligible to receive Medicaid benefits.

**Reconciliation File**

A claim file that will allow recovered claims dollars by a third party to be properly posted to a paid claim.

**Request for Proposals (RFP)**

Document which establishes the bidding and contract requirements and solicits bid proposals to meet the purchase needs of the using Agencies as identified herein.

**Secondary Recovery Activity**

A recovery in which the selected Offeror performs come behind efforts where the Department has first right of recovery on claims associated with the targeted resources (Medicare A&B and all Commercial (including the Blues).

**Third Party Liability (TPL)**

Includes any individual, entity or program that is or may be liable to pay all or part of the expenditures for care and service furnished under the Medicaid program.

**TRICARE/CHAMPUS** A regionally managed health care program for Active Duty, Activated Guard and Reserves, Retired members of the uniformed services, their families, and survivors.

## CALENDAR OF EVENTS

The Commonwealth will make every effort to adhere to the following schedule:

Activity	Responsibility	Date
Deadline to submit Questions via email to: <b>RFP-02-10@state.pa.us.</b>	Offerors	<b>7/9/10</b>
Pre-proposal Conference—Location: Pennsylvania Department of Agriculture Room 309 2301 North Cameron Street Harrisburg, PA 17110	DPW/ Offerors	<b>7/15/10, 10AM</b>
Answers to Potential Offeror questions posted to the DGS website <a href="http://www.emarketplace.state.pa.us/Search.aspx">http://www.emarketplace.state.pa.us/Search.aspx</a> no later than this date.	DPW	<b>7/30/10</b>
Please monitor website for all communications regarding the RFP.	Potential Offerors	<b>7/9/10-8/17/10</b>
Sealed proposal must be received by the Issuing Office at <b>Room 525, Health &amp; Welfare Building, Harrisburg, PA 17120</b>	Offerors	<b>8/24/10, 2PM</b>



## PART I

### GENERAL INFORMATION

**I-1. Purpose.** This request for proposals (RFP) provides those interested in submitting proposals (“Offerors”) sufficient information to enable them to prepare and submit proposals for the Department of Public Welfare’s (“Department” or “DPW”) consideration on behalf of the Commonwealth of Pennsylvania (“Commonwealth”) to satisfy a need for Program Integrity Retrospective Review, Recovery & Data Exchange (“Project”).

**I-2. Issuing Office.** The Bureau of Financial Operations, Division of Procurement (“Issuing Office”) has issued this RFP on behalf of the Commonwealth. The sole point of contact in the Commonwealth for this RFP shall be **Tracie Gray**, Petry Building #17, DGS Annex Complex, 116 East Azalea Drive, P.O. Box 8486, Harrisburg, PA., 17105-8486, rfp-02-10@state.pa.us, the Project Officer for this RFP. Please refer all inquiries to the Project Officer.

**I-3. Scope.** This RFP contains instructions governing the requested proposals, including the requirements for the information and material to be included; a description of the service to be provided; requirements which Offerors must meet to be eligible for consideration; general evaluation criteria; and other requirements specific to this RFP.

The scope of work in RFP 02-10 is divided into four (4) separate lots:

- Lot #1 – TPL Data Exchange and Recovery Services
- Lot #2 – Casualty Insurer Data Reporting of Personal Injury Claims
- Lot #3 – Retrospective Provider Reviews
- Lot #4 - Nursing Facility Financial Reviews

**I-4. Method of Award.** Offerors may propose on one, all or any combination of the four lots. Each lot should be submitted as a separate proposal.

**I-5. Problem Statement.** The Department is the single state agency responsible for administering Pennsylvania’s Medicaid program, known as the Medical Assistance (MA) Program. The MA Program provides benefits to approximately 2.1 million individuals in Pennsylvania. The Department must administer the MA Program in accordance with requirements of Federal and state laws and regulations, including Title XIX of the Social Security Act, 42 U.S.C. §§ 396, 455,456,482 and the Public Welfare Code, Act of June 13, 1967, P.L. 31, No. 21, 62 P.S. §§ 101 et seq. Under both Federal and state laws, the MA Program is the payor of last resort, 42 U.S.C. §1396a(a)(25); 62 P.S. §1409. As part of this requirement, the Department must take reasonable measures to determine the legal liability of third parties. In addition, the Department is responsible for the retrospective review of MA services to identify and investigate suspected cases of fraud, abuse and waste, and to ensure services are provided and paid for in compliance with Federal and State regulations. The Department requires the following services of the selected Offeror:

- Conduct data exchanges and post payment recoveries

- Review and recover MA expenditures for provider overpayments/underpayments/credit balances
- Supplement the Department's recovery activities
- Identify new casualty/liability cases
- Perform retrospective reviews of provider services
- Nursing facility financial reviews

Detailed Offeror responsibilities are presented in Parts II, III and IV of this RFP.

**I-6. Type of Contract.** It is proposed that if the Department enters into a contract as a result of this RFP, Lots 1, 3 and 4 will be a contingency fee for services contract and Lot 2 will be a flat fee per match contract. The final contract(s) shall include at a minimum, all appendices and attachments of this RFP, as well as the selected Offeror's proposal.

The Department, in its sole discretion, may undertake negotiations with Offerors whose proposals, in the judgment of the Department, show them to be qualified, responsible and capable of performing the Project.

**I-7. Rejection of Proposals.** The Department reserves the right, in its sole and complete discretion, to reject any proposal received as a result of this RFP. Furthermore, the Department, in its sole discretion, may reject any proposals for any individual lot and may cancel, rebid or procure any lot or combination of lots if it is deemed to be in the Commonwealth's best interests.

**I-8. Incurring Costs.** The Department is not liable for any costs the Offeror incurs in preparation and submission of its proposal, in participating in the RFP process or in anticipation of award of the contract.

**I-9. Pre-proposal Conference.** The Department will hold a pre-proposal conference as specified in the Calendar of Events. The purpose of this conference is to provide opportunity for clarification of the RFP. Offerors should forward all questions to the Project Officer in accordance with **Part I, Section I-10** to ensure adequate time for analysis before the Project Officer provides an answer. Offerors may also ask questions at the conference. In view of the limited facilities available for the conference, Offerors should limit their representation to (2) two individuals per Offeror. The pre-proposal conference is for information only. Any answers furnished during the conference will not be official until they have been verified, in writing, by the Issuing Office. All questions and written answers will be posted on the Department of General Services' (DGS) website as an addendum to, and shall become part of, this RFP. Attendance at the pre-proposal conference is optional.

**I-10. Questions & Answers.** If an Offeror has any questions regarding this RFP, the Offeror must submit the questions by email (**with the subject line "RFP 02-10 Question"**) to the Project Officer named in **Part I, Section I-2** of the RFP. If the Offeror has questions, they must be submitted via email **no later than** the date indicated on the Calendar of Events. The format for questions shall be submitted to the Project Officer as outlined in **Appendix F**. The Offeror shall not attempt to contact the Project Officer by any other means. The Issuing Office

shall post the answers to the questions on the DGS website by the date stated on the Calendar of Events.

All questions and responses as posted on the DGS website are considered as an addendum to, and part of, this RFP in accordance with RFP **Part I, Section I-9**. Each Offeror shall be responsible to monitor the DGS website for new or revised RFP information. The Department shall not be bound by any verbal information nor shall it be bound by any written information that is not either contained within the RFP or formally issued as an addendum by the Issuing Office. The Department does not consider questions to be a protest of the specifications or of the solicitation. The required protest process for Commonwealth procurements is described on the DGS website.

**I-11. Addenda to the RFP.** If the Department deems it necessary to revise any part of this RFP before the proposal response date, the Issuing Office will post an addendum to the DGS website at: <http://www.dgsweb.state.pa.us/RTA/Search.aspx>. It is the Offeror's responsibility to periodically check the website for any new information or addenda to the RFP. Answers to the questions asked during the Questions & Answers period also will be posted to the website as an addendum to the RFP.

**I-12. Response Date.** To be considered for selection, hard copies of proposals must arrive at the Issuing Office on or before the time and date specified in the RFP Calendar of Events. The Issuing Office will **not** accept proposals via email or facsimile transmission. Offerors who send proposals by mail or other delivery service should allow sufficient delivery time to ensure timely receipt of their proposals. If, due to inclement weather, natural disaster, or any other cause, the Commonwealth office location to which proposals are to be returned is closed on the proposal response date, the deadline for submission will be automatically extended until the next Commonwealth business day on which the office is open, unless the Issuing Office otherwise notifies Offerors. The hour for submission of proposals shall remain the same. The Issuing Office will reject unopened, any late proposals.

**I-13. Proposals.** To be considered, Offerors should submit a complete response to this RFP to the Issuing Office using the format provided in **Part II**, providing **one (1) original and 20 paper copies of the Technical Submittal; one (1) original and two (2) paper copies of the Cost Submittal; one (1) original and two (2) paper copies of the Disadvantaged Business Submittal, one (1) original and two (2) paper copies of the Contractor Partnership Program Submittal and one (1) original and two (2) paper copies of the Mentor Protégé Program Submittal**. In addition to the paper copies of the proposal, Offerors shall submit two **complete and exact** copies of the entire proposal (Technical, Cost, Disadvantaged Business, and Contractor Partnership Program Submittal along with all requested documents) on CD-ROM or Flash Drive in Microsoft Office or Microsoft Office-compatible format. The electronic copy must be a mirror image of the paper copy and any spreadsheets must be in Microsoft Excel. The Offerors may not lock or protect any cells or tabs. Offerors should ensure that there is no costing information in the technical submittal. Offerors should not reiterate technical information in the cost submittal. The CD or Flash Drive should clearly identify the Offeror and include the name and version number of the virus scanning software that was used to scan the CD or Flash Drive before it was submitted. The Offeror shall make

no other distribution of its proposal to any other Offeror or Commonwealth official or Commonwealth consultant. Each proposal page should be numbered for ease of reference. An official authorized to bind the Offeror to its provisions must sign the proposal. If the official signs the Proposal Cover Sheet (**Appendix J** to this RFP) and the Proposal Cover Sheet is attached to the Offeror's proposal, the requirement will be met. For this RFP, the proposal must remain valid until a contract is fully executed. If the Department selects the Offeror's proposal for award, the contents of the selected Offeror's proposal will become, except to the extent the contents are changed through Best and Final Offers or negotiations, contractual obligations. The information in the proposal will become a public record upon contract execution, except as limited by Section 106 (b)(1) of the *Commonwealth Procurement Code*, 62 Pa. C.S. § 106 (b)(1).

Each Offeror submitting a proposal specifically waives any right to withdraw or modify it, except that the Offeror may withdraw its proposal by written notice received at the Issuing Office's address for proposal delivery prior to the exact hour and date specified for proposal receipt. An Offeror or its authorized representative may withdraw its proposal in person prior to the exact hour and date set for proposal receipt, provided the withdrawing person provides appropriate identification and signs a receipt for the proposal. An Offeror may modify its submitted proposal prior to the exact hour and date set for proposal receipt only by submitting a new sealed proposal or sealed modification which complies with the RFP requirements.

**I-14. Disadvantaged Business Information.** The Department encourages participation by small disadvantaged businesses as prime contractors, joint ventures and subcontractors/suppliers and by socially disadvantaged businesses as prime contractors.

Small Disadvantaged Businesses are small businesses that are owned or controlled by a majority of persons, not limited to members of minority groups, who have been deprived of the opportunity to develop and maintain a competitive position in the economy because of social disadvantages. The term includes:

- a. Department of General Services Bureau of Minority and Women Business Opportunities (BMWBO)-certified minority business enterprises (MBEs) and women business enterprises (WBEs) that qualify as small businesses; and
- b. United States Small Business Administration-certified small disadvantaged businesses or 8(a) small disadvantaged business concerns.
- c. Businesses that BMWBO determines meet the Small Business Administration criteria for designation as a small disadvantaged business.

Small businesses are businesses in the United States that are independently owned, are not dominant in their field of operation, employ no more than 100 persons and earn less than \$20 million in gross annual revenues (\$25 million in gross annual revenues for those businesses in the information technology sales or service business).

Socially disadvantaged businesses are businesses in the United States that BMWBO determines are owned or controlled by a majority of persons, not limited to members of minority groups, who are subject to racial or ethnic prejudice or cultural bias, but which do not qualify as small businesses. In order for a business to qualify as “socially disadvantaged,” the Offeror must include in its proposal clear and convincing evidence to establish that the business has personally suffered racial or ethnic prejudice or cultural bias stemming from the business person’s color, ethnic origin or gender.

Questions regarding this Program can be directed to:

Department of General Services  
Bureau of Minority and Women Business Opportunities  
Room 611, North Office Building  
Harrisburg, PA 17125  
Phone: (717) 787-6708  
Fax: (717) 772-0021  
Email: [gs-bmwbo@state.pa.us](mailto:gs-bmwbo@state.pa.us)

A database of BMWBO-certified minority- and women-owned businesses can be accessed at <http://www.dgsweb.state.pa.us/mbewbe/VendorSearch.aspx>. The federal vendor database can be accessed at <http://www.ccr.gov> by clicking on *Dynamic Small Business Search* (certified companies are so indicated).

**I-15. Information Concerning Small Businesses in Enterprise Zones.** The Department encourages participation by small businesses, whose primary or headquarters facility is physically located in areas the Commonwealth has identified as *Designated Enterprise Zones*, as prime contractors, joint ventures and subcontractors/suppliers.

The definition of headquarters includes, but is not limited to, an office or location that is the administrative center of a business or enterprise where most of the important functions of the business are conducted or concentrated and location where employees are conducting the business of the company on a regular and routine basis so as to contribute to the economic development of the geographical area in which the office or business is geographically located.

Small businesses are businesses in the United States that are independently owned, are not dominant in their field of operation, employ no more than 100 persons and earn less than \$20 million in gross annual revenues (\$25 million in gross annual revenues for those businesses in the information technology sales or service business).

There is no database or directory of small businesses located in Designated Enterprise Zones. Information on the location of *Designated Enterprise Zones* can be obtained by contacting:

Aldona M. Kartorie  
Center for Community Building  
PA Department of Community and Economic Development  
4<sup>th</sup> Floor, Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120-0225

Phone: (717) 720-7409  
Fax: (717) 787-4088  
Email: [akartorie@state.pa.us](mailto:akartorie@state.pa.us)

## **I-16. Contractor Partnership Program (CPP).**

### **a. Overview**

The Contractor Partnership Program (CPP) was created by Pennsylvania's Department of Public Welfare (DPW) to create additional employment opportunities within the Commonwealth. The CPP is designed to leverage the economic resources of the Department to create jobs for individuals currently receiving Temporary Assistance for Needy Families (TANF) cash assistance by maximizing the recruitment, hiring and retention of those individuals by Commonwealth contractors, subcontractors and grantees. The CPP utilizes its partnerships with the local Workforce Investment Agencies (WIAs), County Assistance Offices (CAOs), service delivery providers and other community action agencies to advance this goal.

The CPP requires all individuals contracting with the Department to make a commitment to fill their vacancies and new positions with individuals currently receiving TANF cash assistance. The CPP will work cooperatively with contractors to assist in these efforts by coordinating the resources of local service providers to assist in the identification of qualified individuals for employment opportunities. While the CPP will provide assistance, the Contractor is ultimately responsible for ensuring the goal is met.

Through CPP, the Department expects not only to increase the employment rate for individuals receiving TANF cash assistance, but to continue to contribute to the economic growth of the Commonwealth.

### **b. Eligibility Requirements**

In order for Contractors to receive credit toward meeting the CPP contract requirements they must hire individuals currently receiving TANF cash assistance from the Department. This includes but it is not limited to individuals currently participating in any of the Department's employment and training programs such as EARN (Work Support and Career Development), Supported Work, Supported Engagement, Industry Specific Initiatives, KEYS, as well as, those individuals in self initiated activities at the CAO. Individuals receiving medical assistance and/or food stamps only are not eligible.

For more information about the Contractor Partnership Program, please contact:

Contractor Partnership Program  
PA Department of Public Welfare  
Health & Welfare Building  
2nd Floor West  
7<sup>th</sup> & Forster Streets  
Harrisburg PA 17105  
Phone: 1-866-840-7214/Fax: (717) 787-4106  
Email: [RA-BETPCPP@state.pa.us](mailto:RA-BETPCPP@state.pa.us)

**I-17. Mentor Protégé Program (MPP).****a. Mentor Protégé Program Overview:**

The MPP is a key element of the Department of Public Welfare's (DPW) contracting goal to mentor and develop skills related to the services identified in this RFP and to assure that **Commonwealth of PA CERTIFIED** Minority and Woman Owned Business Enterprises and Disadvantaged Businesses are provided access to opportunities generated under this contract. The MPP has been launched to achieve that objective.

The MPP requires all individuals contracting with DPW to make a commitment to establish a formal Mentor Protégé Program that will further develop the skills related to the services in this RFP with regard to the capacity and capability of **Commonwealth of PA CERTIFIED** Minority and Woman Owned Business Enterprises and Disadvantaged Businesses. DPW is committed to assisting prime contractors who undertake this important small business growth and development initiative. Each contractor electing to participate in this program will identify **Commonwealth of PA Certified** Minority and woman Owned Business Enterprises and Disadvantaged Businesses to receive mentorship assistance.

Refer to the Department of General Services for a listing of Commonwealth of PA CERTIFIED Minority and Woman Owned Business Enterprises and Disadvantaged Businesses:

Department of General Services  
Bureau of Minority and Women Business Opportunities  
611 North Office Building  
Harrisburg, PA  
Phone: (717) 783-3119.  
E-mail: [gs-bmwbo@state.pa.us](mailto:gs-bmwbo@state.pa.us)  
Website: [www.dgs.state.pa.us](http://www.dgs.state.pa.us)

Contractors are encouraged to seek input and guidance from DPW's Bureau of Equal Opportunity – Mentor Protégé Plan (DPW BEO - MPP) in selecting participants for mentorship by contacting:

Merry-Grace Majors, Director  
Bureau of Equal Opportunity (DPW BEO – MPP)  
Mentor Protégé Program  
Department of Public Welfare  
Commonwealth of Pennsylvania  
Phone: (717) 787-3336  
E-mail: [mmajors@state.pa.us](mailto:mmajors@state.pa.us)

DPW BEO - MPP will also assist contractors who are unable to identify minority or women owned enterprises or disadvantaged businesses for participation. Contractors should document their efforts to ensure consideration of **Commonwealth of PA CERTIFIED** Minority and Woman Owned Business Enterprise or Disadvantaged Business proteges prior to the award of any affected contract. While DPW BEO - MPP will provide assistance, the Offeror is ultimately responsible for ensuring the goal is met.

**b. Eligibility Requirements:**

In order for Contractors to receive credit toward meeting the MPP contract requirements, they must prepare a Mentor Protégé Program Plan for any business that is Commonwealth of PA CERTIFIED Minority or Woman Owned Business Enterprise or Disadvantaged Business as defined by the Department of General Services, Bureau of Minority and Women Owned Business Opportunities.

For more information about the Mentor Protégé Program, you may contact:

Merry-Grace Majors, Director  
Bureau of Equal Opportunity (DPW BEO – MPP)  
Mentor Protégé Program  
Department of Public Welfare  
Commonwealth of Pennsylvania  
Phone: (717) 787-3336  
E-mail: [mmajors@state.pa.us](mailto:mmajors@state.pa.us)

**I-18. Economy of Preparation.** Offerors should prepare proposals simply and economically, providing a straightforward, concise description of the Offeror's ability to meet the requirements of the RFP. Proposals shall be printed single sided.

**I-19. Alternate Proposals.** The Department has identified the basic approach to meeting its requirements, allowing Offerors to be creative and propose their best solution to meeting these requirements. The Department will not accept alternate proposals. However, in addition to the required technical submittal(s), Offerors are encouraged but not required to submit an innovative solution(s) submittal for Lot 1 only as described in Section II-14.

**I-20. Discussions for Clarification.** Offerors may be required to make an oral or written clarification of their proposals to the Issuing Office to ensure thorough mutual understanding and Offeror responsiveness to the solicitation requirements. The Project Officer will initiate requests for clarification.

**I-21. Prime Contractor Responsibilities.** The contract will require the selected Offeror to assume responsibility for all services offered in its proposal whether it produces them itself or by subcontract. The Department will consider the selected Offeror to be the sole point of contact with regard to contractual matters.



**I-22. Proposal Contents.**

- a. **Confidential Information.** The Commonwealth is not requesting, and does not require, confidential proprietary information or trade secrets to be included as part of Offerors' submissions in order to evaluate proposals submitted in response to this RFP. Accordingly, except as provided herein, Offerors should not label proposal submissions as confidential or proprietary or trade secret protected. Any Offeror who determines that it must divulge such information as part of its proposal must submit the signed written statement described in subsection c. below and must additionally provide a redacted version of its proposal, which removes only the confidential proprietary information and trade secrets, for required public disclosure purposes.
- b. **Commonwealth Use.** All material submitted with the proposal shall be considered the property of the Commonwealth of Pennsylvania and may be returned only at the Issuing Office's option. The Commonwealth has the right to use any or all ideas not protected by intellectual property rights that are presented in any proposal regardless of whether the proposal becomes part of a contract. Notwithstanding any Offeror copyright designations contained on proposals, the Commonwealth shall have the right to make copies and distribute proposals internally and to comply with public record or other disclosure requirements under the provisions of any Commonwealth or United States statute or regulation, or rule or order of any court of competent jurisdiction.
- c. **Public Disclosure.** After the award of a contract pursuant to this RFP, all proposal submissions are subject to disclosure in response to a request for public records made under the Pennsylvania Right-to-Know-Law, 65 P.S. § 67.101, et seq. If a proposal submission contains confidential proprietary information or trade secrets, a signed written statement to this effect must be provided with the submission in accordance with 65 P.S. § 67.707(b) for the information to be considered exempt under 65 P.S. § 67.708(b)(11) from public records requests. Financial capability information submitted in response to Part II, Section II-8 of this RFP is exempt from public records disclosure under 65 P.S. § 67.708(b)(26).

**I-23. Best and Final Offers.** The Department reserves the right to conduct discussions with Offerors for the purpose of obtaining "best and final offers." To obtain best and final offers from Offerors, the Department may do one or more of the following:

- i. Enter into pre-selection negotiations,
- ii. Schedule oral presentations; and
- iii. Request revised proposals.

The Department will limit any discussions to responsible Offerors (those that have submitted responsive proposals and possess the capability to fully perform the contract requirements in all respects and the integrity and reliability to assure good faith performance) whose proposals the Department has determined to be reasonably susceptible of being selected for award. The Criteria for Selection found in Part III, Section III-4, shall also be used to evaluate the best and final offers. Price reductions shall have no effect upon the Offeror's Technical Submittal. Dollar commitments to Disadvantaged Businesses and Enterprise Zone Small Businesses can

be reduced only in the same percentage as the percent reduction in the total price offered through negotiations. However, Offerors are encouraged to maintain or increase their commitment to Disadvantage Business during the best and final offer process and negotiations.

**I-24. News Releases.** Offerors shall not issue news releases, internet postings, advertisements or any other public communications pertaining to this Project without prior written approval of the Department, and then only in coordination with the Department.

**I-25. Restriction of Contact.** From the issue date of this RFP until the Department selects a proposal for award, the Project Officer is the sole point of contact concerning this RFP. Any violation of this condition may be cause for the Department to reject the offending Offeror's proposal. If the Department later discovers that the Offeror has engaged in any violations of this condition, the Department may reject the offending Offeror's proposal or rescind its contract award. Offerors must agree not to distribute any part of their proposals beyond the Department. An Offeror who shares information contained in its proposal with other Commonwealth personnel and/or competing Offeror personnel may be disqualified.

**I-26. Debriefing Conferences.** Offerors whose proposals are not selected will be notified of the name of the selected Offeror and given the opportunity to be debriefed. The Project Officer will schedule the time and location of the debriefing. The debriefing will not compare the Offeror with other Offerors, other than the position of the Offeror's proposal in relation to all other Offeror proposals. An Offeror's exercise of the opportunity to be debriefed does not constitute the filing of a protest.

**I-27. Department Participation.** Offerors shall provide all services, supplies, facilities, and other support necessary to complete the identified work, except as otherwise provided in this **Part I, Section I-27.** The Bureau of Program Integrity together with Bureau of Information Systems and the Medicaid Management Information System (MMIS) contractor will participate to a limited extent in various phases of the development and implementation of the contracted services, only to ensure that the selected Offeror has access to the proper documentation that the Department agrees to provide. The extent of Commonwealth participation is dependent upon the task involved. The Department will not provide programmers or programming support to the selected Offeror throughout the duration of any contract. The Project Officer or their designee(s) will be responsible to monitor the contract. For Lot 1 the Commonwealth will provide one (1) office cubicle for the selected Offeror's staff to perform on site duties as required. The selected Offeror for Lot 1 will have access to the Department's copier for the purpose of copying checks, explanations of benefits or other related documentation.

**I-28. Term of Contract.** The term of the contract(s) will commence on the Effective Date and will be three (3) years. Subject to the performance of the Offeror, the Department may renew the contract(s) on the same terms and conditions for one (1) two-year period. The Department will notify the Offeror of its intent to renew prior to the expiration of the contract(s). The Department will determine the Effective Date after the contract(s) have been fully executed by the selected Offeror(s) and by the Commonwealth and all approvals required by Commonwealth contracting procedures have been obtained. The selected Offeror(s) shall not start the performance of any work prior to the Effective Date of the contract(s) and the

Commonwealth shall not be liable to pay the selected Offeror(s) for any service or work performed or expenses incurred before the Effective Date of the contract(s).

**I-29. Offeror's Representations and Authorizations.** By submitting its proposal, each Offeror understands, represents, and acknowledges that:

- a. All of the Offeror's information and representations in the proposal are material and important, and the Issuing Office may rely upon the contents of the proposal in awarding the contract(s). The Commonwealth shall treat any misstatement, omission or misrepresentation as fraudulent concealment of the facts relating to the Proposal submission, punishable pursuant to 18 Pa. C.S. § 4904.
- b. The Offeror has arrived at the price(s) and amounts in its proposal independently and without consultation, communication, or agreement with any other Offeror or potential Offeror.
- c. The Offeror has not disclosed the price(s), the amount of the proposal, nor the approximate price(s) or amount(s) of its proposal to any other firm or person who is an Offeror or potential Offeror for this RFP, and the Offeror shall not disclose any of these items on or before the proposal submission deadline specified in the Calendar of Events of this RFP.
- d. The Offeror has not attempted, nor will it attempt, to induce any firm or person to refrain from submitting a proposal on this contract, or to submit a proposal higher than this proposal, or to submit any intentionally high or noncompetitive proposal or other form of complementary proposal.
- e. The Offeror makes its proposal in good faith and not pursuant to any agreement or discussion with, or inducement from, any firm or person to submit a complementary or other noncompetitive proposal.
- f. To the best knowledge of the person signing the proposal for the Offeror, the Offeror, its affiliates, subsidiaries, officers, directors, and employees are not currently under investigation by any governmental agency and have not in the last four years been convicted or found liable for any act prohibited by State or Federal law in any jurisdiction, involving conspiracy or collusion with respect to bidding or proposing on any public contract, except as the Offeror has disclosed in its proposal.
- g. To the best of the knowledge of the person signing the proposal for the Offeror and except as the Offeror has otherwise disclosed in its proposal, the Offeror has no outstanding, delinquent obligations to the Commonwealth including, but not limited to, any state tax liability not being contested on appeal or other obligation of the Offeror that is owed to the Commonwealth.
- h. The Offeror is not currently under suspension or debarment by the Commonwealth, any other state or the federal government, and if the Offeror cannot so certify, then it shall

submit along with its proposal a written explanation of why it cannot make such certification.

- i. The Offeror has not made, under separate contract with the Department, any recommendations to the Department concerning the need for the services described in its proposal or the specifications for the services described in the proposal.
- j. Each Offeror, by submitting its proposal, authorizes Commonwealth agencies to release to the Commonwealth information concerning the Offeror's Pennsylvania taxes, unemployment compensation and workers' compensation liabilities.
- k. Until the selected Offeror receives a fully executed and approved written contract from the Department, there is no legal and valid contract, in law or in equity, and the Offeror shall not begin to perform.

**I-30. Notification of Selection.** The Issuing Office will notify the selected Offeror in writing of its selection for negotiation after the Department has determined, taking into consideration all of the evaluation factors, the proposal that is the most advantageous to the Department.

**I-31. RFP Protest Procedure.** Offerors and prospective Offerors who are aggrieved in connection with the solicitation or award of a contract under this RFP may file a protest with DPW. Any such protest must be in writing and must comply with the requirements set forth in the Commonwealth Procurement Code at 62 Pa.C.S. §1711.1.

Any protest filed in relation to this RFP must be delivered to:

Department of Public Welfare  
Division of Procurement  
Room 525 Health and Welfare Building  
Commonwealth Avenue and Forster Street  
Harrisburg, Pennsylvania 17120  
Attn: Daniel R. Boyd  
Email address: [dboyd@state.pa.us](mailto:dboyd@state.pa.us)  
Fax: 717-787-3560

Offerors and prospective Offerors may file a protest electronically or by facsimile but also must simultaneously send a hard copy of the protest to the address listed above,

**I-32. Use of Electronic Versions of this RFP.** This RFP is being made available by electronic means. If an Offeror electronically accepts the RFP, the Offeror acknowledges and accepts full responsibility to ensure that no changes are made to the RFP. In the event of a conflict between a version of the RFP in the Offeror's possession and the Issuing Office's version of the RFP, the Issuing Office's version shall govern.

**I-33. Liquidated Damages.** The selected Offeror agrees that its failure to meet certain contract requirements as defined in this section will result in damage to the Department; however, it is impractical and extremely difficult to establish the actual amount of damage to the Department.

In the event, the selected contractor fails to meet a contract requirement as defined in this section; in addition to any other remedies the Department may have, the Department may assess the amounts described in the contract as liquidated and agreed upon damages. The Department will provide the selected Offeror with written notification of each failure. The selected Offeror shall have ten (10) business days from receipt of written notification to correct the failure. Additional business days can be approved if deemed necessary by the Department. If the failure is not corrected in the prescribed time period, liquidated damages may be imposed retroactively to the date of failure to perform. The imposition of liquidated damages is not in lieu of any other remedy available to the Department.

If the Department elects to not exercise the liquidated damages clause, this decision shall not be construed as a waiver of the Commonwealth's right to pursue future assessment of that performance requirement and associated damages.

- a. **Assessment of Liquidated Damages** – the Department, in its sole discretion, may assess liquidated damages. Liquidated damages shall be paid by the selected Offeror and collected by the Department by deducting them from the invoices submitted under the contract, or any other contract the selected Offeror has with the Commonwealth, by collecting them through performance security, if any, or by billing the selected Offeror as a separate item.
- b. **Delays** – The Department may not assess liquidated damages if the selected Offeror's failure to satisfy the contract requirement is caused by the Department or if the delay arises out of causes beyond the control and without fault or negligence of the selected Offeror, its subcontractors, consultants or agents.
- c. **Disadvantaged Business Commitment** – the selected contractor must fulfill its agreed upon commitment to Disadvantaged Business as defined in its final work plan approved by the Department. The Department may impose liquidated damages up to the maximum amount set forth in this section for the selected contractor's failure to meet this agreed upon commitment, including the agreed upon time frames. In the event the selected contractor fails to meet its agreed upon commitment, The Department may assess up to the amount of 10% of the amount of the selected contractor's Disadvantaged Business commitment.
- d. **Contractor Partnership Program** – The selected contractor must fulfill its agreed upon commitment to the Contractor Partnership Program as defined in its final work plan approved by the Department. The Department may impose liquidated damages up to the maximum amount set forth in this section for the selected contractor's failure to meet this agreed upon commitment, including the agreed upon time frames. In the event the selected contractor fails to meet its agreed upon commitment to the Contractor Partnership Program, the amount assessed will be a percentage of the total value of the contract as determined prior to contract execution.

#### **I-34. Contract Provisions - Right to Know Law. (RTKL)**

- a. The Pennsylvania Right-to-Know Law, 65 P.S. §§ 67.101-3104, applies to this Contract.

- b. Unless the Contractor provides the Commonwealth, in writing, with the name and contact information of another person, the agency shall notify the Contractor using the Contractor information provided by the Contractor in SRM [or “the legal contact information provided in this Contract”] if the agency needs the Contractor’s assistance in any matter arising out of the Right to Know Law. The Contractor shall notify the agency in writing of any change in the name or the contact information within a reasonable time prior to the change.
- c. Upon notification to the Contractor that the Commonwealth has received a request for records under the RTKL, the Contractor shall fully assist the Commonwealth in responding to the request. Such assistance shall include providing the Commonwealth within three (3) days, access to, and copies of, any document or information arising out of the Contract in the Contractor’s possession that the Commonwealth deems a Public Record (“Requested Information”) and providing such other assistance as the Commonwealth may request in order to comply with the RTKL. If the Contractor is unable to provide the Requested Information within three (3) days for one of the reasons specified in the RTKL, the Contractor must immediately notify the Commonwealth that it will need up to an additional twenty-five (25) days, and must provide in writing the reason the additional time is needed. If the Contractor fails to provide the Requested Information to the Commonwealth within the period specified in this provision, the failure shall be considered an event of default and the Contractor shall pay, indemnify and hold the Commonwealth harmless for any damages, penalties, detriment or harm that the Commonwealth may incur as a result of the Contractor’s failure. If the Office of Open Records or the Pennsylvania Courts determines that a record in the possession of the Contractor is a public record, liquidated damages of \$500 per day will be assessed for each calendar day beyond the date the Contractor was required to provide the record.
- d. The Commonwealth’s determination as to whether the Requested Information is a public record is dispositive of the question as between the parties. Contractor agrees not to challenge the Commonwealth’s decision to deem the Requested Information a Public Record. If the Contractor considers the Requested Information to be a Trade Secret or Confidential Proprietary Information, as those terms are defined by the RTKL, the Contractor will immediately notify the Commonwealth, and will provide a written statement signed by a representative of the Contractor explaining why the requested material is exempt from public disclosure under the RTKL within five (5) days. If, upon review of the Contractor’s written statement, the Commonwealth still decides to provide the Requested Information, Contractor will not challenge or in any way hold liable the Commonwealth for such a decision.
- e. The Commonwealth will reimburse the Contractor for any costs associated with complying with this provision only to the extent allowed under the fee schedule established by the Office of Open Records or as otherwise provided by the RTKL if the fee schedule is inapplicable.
- f. Contractor agrees to abide by any decision to release a record to the public made by the Office of Open Records, or by the Pennsylvania Courts. The Contractor agrees to waive all rights or remedies that may be available to it as a result of the Commonwealth’s

disclosure of Requested Information pursuant to the RTKL. Contractor's duties relating to the RTKL are continuing duties that survive the expiration of this Contract and shall continue as long as the Contractor has Requested Information in its possession.

## PART II

### PROPOSAL REQUIREMENTS

Offerors must submit their proposals in the format, including heading descriptions, outlined below. To be considered, the proposal must respond to all requirements in this part of the RFP. Offerors should provide any other information thought to be relevant, but not applicable to the enumerated categories, as an appendix to the Proposal. All cost data relating to this proposal and all Disadvantaged Business cost data should be kept separate from and not included in the Technical Submittal. Each Proposal must consist of the following **five** separately sealed submittals with a sixth being possible for Lot 1 only:

- a. Technical Submittal, which shall be a response to RFP **Part II, Sections II-1 through II-8** and Domestic Workforce Utilization Certification Submittal **II-11**;
- b. Disadvantaged Business Submittal, in response to RFP **Part II, Section II-9**;
- c. Cost Submittal, in response to RFP **Part II, Section II-10**;
- d. Contractor Partnership Program Submittal in response to RFP **Part II, Section II-12**; and
- e. Mentor Protégé Program Submittal, in response to the RFP **Part II, Section II-13**.
- f. Innovative Solutions Submittal (Optional and only applies to Lot 1), in response to RFP **Part II, Section II-14**.

The Department reserves the right to request additional information that, in the Department's opinion, is necessary to ensure that the Offeror's competence, number of qualified employees, business organization, and financial resources are adequate to perform according to the RFP.

The Department may make investigations as deemed necessary to determine the ability of the Offeror to perform the Project, and the Offeror shall furnish to the Department all requested information and data. The Department reserves the right to reject any proposal if the evidence submitted by, or investigation of, such Offeror fails to satisfy the Department that such Offeror is properly qualified to carry out the obligations of the RFP and to complete the Project as specified.

**II-1. Statement of the Problem.** State in succinct terms your understanding of the problem presented or the service required by this RFP.

**II-2. Management Summary.** Include a narrative description of the proposed effort and a list of the items to be delivered or services to be provided.

**II-3. Work Plan.** Describe in narrative form your technical plan for accomplishing the work. Use the task descriptions in **Part IV** of this RFP as your reference point. Modifications of the task descriptions are permitted; however, reasons for changes should be fully explained.



Indicate the number of person hours allocated to each task. Include a Program Evaluation and Review Technique (PERT) or similar type display, time related, showing each event. If more than one approach is apparent, comment on why you chose this approach.

**Work Plan – Disadvantaged Business.** Provide a work plan for meeting your proposed Disadvantaged Business commitment, including time frames. Please describe any mentoring that will be provided to the Disadvantaged Businesses.

**II-4. Prior Experience.** Include experience in data exchanges, post-payment recoveries, identification of potential casualty cases, retrospective reviews for fraud, abuse and waste and conducting annual financial reviews of nursing facilities' records for accuracy and compliance as addressed in Lots 1-4. Also, include any Medicaid specific experience with the aforementioned items. Experience shown should be work done by individuals who will be assigned to this project as well as that of your company. Studies or projects referred to must be identified and the name of the customer shown, including the name, address, and telephone number of the responsible official of the customer, company, or agency who may be contacted.

- a. **Corporate Background.** The Offeror must describe the corporate history and relevant experience of the Offeror and any subcontractors. This section must detail information on the ownership of the company (names and percent of ownership), the date the company was established, the date the company began operations, the physical location of the company, and the current size of the company. The Offeror must provide a corporate organizational chart as part of this section.

Offerors must identify any current contracting or subcontracting relationship(s) that may result in a conflict of interest with the requirements of this RFP. Offerors must also abide by the Department's conflict of interest standards identified in **Appendix A**, Standard Contract Terms and Conditions and **Appendix B**, Department of Public Welfare Addendum to Standard Terms and Conditions.

- b. **Corporate Experience.** The Offeror must describe experience providing similar services, the name of the customer shown, including the name, address, and telephone number of the responsible official of the customer, company, or agency who may be contacted. This section of the proposal must include a description of the Offeror's experience in: data exchanges, post-payment recoveries, identification of potential casualty cases, retrospective reviews for fraud, abuse and waste and conducting annual financial reviews of nursing facilities' records for accuracy and compliance as addressed in Lots 1-4.
- c. **References.** The Offeror must provide a list of at least three (3) relevant contracts within the past three (3) years to serve as corporate references. This list shall include the following for each reference:
  - i. Name of contractor
  - ii. Type of contract
  - iii. Contract description, including type of service provided
  - iv. Total contract value

- v. Contracting officer's name and telephone number
- vi. Role of subcontractor(s) (if any)
- vii. Time period in which service was provided

The Offeror must submit **Appendix K, Corporate Reference Questionnaire**, directly to the contacts listed. The references should return completed questionnaires in sealed envelopes to the Offeror. The Offeror must include these sealed references with its proposal.

Offerors should describe their experience in relation to Disadvantaged Business commitments, including the amounts committed and amounts actually paid to each Disadvantaged Business. This experience is not limited to the Disadvantaged Business program in the Commonwealth but may include similar programs.

**II-5. Personnel.** Include the number of executive and professional personnel, analysts, auditors, researchers, programmers, consultants, etc., who will be engaged in the work. Show where these personnel will be physically located during the time they are engaged in the Project. For key personnel, specifically, project manager and systems support staff, include a description of their relevant experience and qualifications for the role for which they are proposed, include a resume or similar document. Indicate the responsibilities each individual will have in this Project and how long each has been with your company. Identify by name any subcontractors you intend to use and the services they will perform.

a. Specific to **Lots 1, 2, and 4**

Individuals performing the following functions will be considered key personnel:

**Project Manager:**

Although not all-inclusive, the Project Manager must:

- Have a thorough knowledge of the contract requirements;
- Be totally responsible for all operations;
- Provide executive direction for the accomplishment of work under the contract;
- Have authority for staffing and operations decisions;
- Possess the knowledge/skills/ability to plan, conduct, and supervise work to be completed under this contract;
- Possess the knowledge/skills/ability to apply new management practices and innovative methods and procedures for managing all aspects of the contract.

**Information Technology (IT) Support Staff:**

Although not all-inclusive, IT Support Staff must:

- Have a thorough knowledge of the technical requirements of the contract;
- Be responsible for all technical operations, and;
- Have at least one year of experience in providing technical support to end users.

b. Specific to **Lots 3 and 4**

The Offeror must indicate the legal counsel to be utilized to include in house or outside party and include qualifications related to representing medical and/or Medicaid cases.

c. Specific to **Lot 3**

Individuals performing the following functions will be considered key personnel:

**Project Director:**

Although not all-inclusive, the Project Director must:

- Have a thorough knowledge of the contract requirements;
- Be totally responsible for all operations;
- Provide executive direction for the accomplishment of work under the contract;
- Have authority for staffing and operations decisions;
- Possess the knowledge/skills/ability to plan, conduct, and supervise work to be completed under this contract;
- Possess the knowledge/skills/ability to apply new management practices and innovative methods and procedures for managing all aspects of the contract; and;
- Conduct periodic telephonic and face-to-face meetings with DPW Project Officer.

**PA State Government Liaison:**

The PA State Government Liaison should have background in health care administration, nursing, or medical information administration, and should possess professional experience in overpayment investigation/detection or a related field that demonstrates expertise in reviewing, analyzing, and developing information and making appropriate decisions. The Department prefers an individual with strong coding experience and knowledge of Diagnosis Related Groups (DRGs).

The selected Contractor's PA State Government Liaison will have the following responsibilities:

- Act as single point of contact for all project-related matters;
- Plan, schedule, and track the project on a day-to-day basis in coordination with the Project Director;
- Facilitate meetings between DPW personnel and the vendor staff, where required;
- Provide status reports to DPW Project Officer including periodic on-site meetings at interval determined by the DPW;
- Report any issues that are causing delays and/or problems on the Project;
- Resolve issues reported by the DPW Project Officer in a timely Manner; and
- Escalate critical issues to senior management for resolution and notify DPW of those issues

**Information Technology (IT) Project Manager:**

The Commonwealth considers it beneficial if the IT Project Manager is part of the selected Offeror's implementation team and has technical experience with an existing fraud and abuse detection system. Although not all inclusive, the IT Project Manager must:

- Have a thorough knowledge of the technical requirements of the contract,
- Be responsible for all technical operations, and
- Have at least one year of experience in providing technical support to end users.

**Additional Requirement:**

The Offeror's medical review staff will consist of Registered Nurses, Certified Coders and United States Board Certified physicians in specialties approved by the Department.

**d. Key Staff Diversions or Replacement**

Once key staff (Offeror and subcontractor staff) are approved by the Department, the Offeror may not divert or replace personnel without approval of the Department's Project Officer or their designee and in accordance with the following procedures.

The Offeror must provide notice of a proposed diversion or replacement to the Department's Project Officer or their designee at least thirty (30) days in advance and provide the name, qualifications, and background check of the person who will replace the diverted or removed staff. The Department's Project Officer or their designee will notify the Offeror within ten (10) days of the diversion notice whether the proposed diversion is acceptable and if the replacement is approved.

Divert or diversion is defined as the transfer of personnel by the Offeror or its subcontractor to another assignment within the control of either the Offeror or subcontractor. Advance notification and approval does not include changes in key personnel due to resignations, death, and disability, dismissal for cause or dismissal as a result of the termination of a subcontract or any other causes that is beyond the control of the selected Offeror or its subcontractor. However, the Department must approve the replacement staff.

The Department's Project Officer may request that the selected Offeror remove its staff person from this project at any time. In the event that the selected Offeror staff person is removed from the project, the selected Offeror will have thirty (30) days to fill the vacancy with a staff person acceptable in terms of experience and skills, subject to the approval of the Department's Project Officer.

**II-6. Training.** If appropriate, indicate recommended training of agency personnel. Include the agency personnel to be trained, the number to be trained, duration of the program, place of

training, curricula, training materials to be used, number and frequency of sessions, and number and level of instructors.

**II-7. Financial Capability.** Offerors must submit information about the financial conditions of the company in this section. For ease in assembling the proposal, the Offeror should append its financial documentation rather than including it in the main body of the proposal. The Offeror must provide the following information:

- a. The identity of each entity that owns at least five percent (5%) of the Offeror.
- b. For the Offeror and for each entity that owns at least five percent (5%) of the Offeror:
  - i. Audited financial statements for the two (2) most recent fiscal years for which statements are available. The statements must include a balance sheet, statement of revenue and expense and a statement of cash flow. Statements must include the auditor's opinion and the notes to the financial statements submitted by the auditor to the Offeror. If audited financial statements are not available, explain why and submit unaudited financial statements.
  - ii. Unaudited financial statements for the period between the last month covered by the audited statements and the month before the proposal is submitted.
  - iii. Documentation about available lines of credit, including maximum credit amount and amount available thirty (30) business days prior to the submission of the proposal.

If any information requested is not applicable or not available, provide an explanation. Offerors may submit appropriate documentation to support information provided.

- c. The full name and address of any proposed subcontractor in which the Offeror has five percent (5%) or more ownership interest. The Offeror must provide a copy of the proposed subcontractor's Financial and Accounting Policies and Procedures.
- d. The full name and address of any organizations with which the Offeror proposes to subcontract for any tasks to be performed for this Contract and for administrative or related services.
- e. A list of any financial interests the subcontractor may have in the Offeror's organization or any financial interest the Offeror's organization has in proposed subcontractors.
- f. Information about any pending litigation.

**II-8. Objections and Additions to Standard Contract Terms and Conditions.** The Offeror will identify which, if any, of the terms and conditions (contained in **Appendix A and B**) it would like to negotiate and what additional terms and conditions the Offeror would like to

add to the standard contract terms and conditions. The Offeror's failure to make a submission under this paragraph will result in its waiving its right to do so later, but the Department may consider late objections and requests for additions if to do so, in the Department's sole discretion, would be in the best interest of the Commonwealth. The Department may, in its sole discretion, accept or reject any requested changes to the standard contract terms and conditions. The Offeror shall not request changes to the other provisions of the RFP, nor shall the Offeror request to completely substitute its own terms and conditions for **Appendix A and B**. All terms and conditions must appear in one integrated contract. The Department will not accept references to the Offeror's, or any other, online guides or online terms and conditions contained in any proposal.

Regardless of any objections set out in its proposal, the Offeror must submit its proposal, including the cost proposal, on the basis of the terms and conditions set out in **Appendix A and B**. The Department will reject any proposal that is conditioned on the negotiation of the terms and conditions set out in **Appendix A and B** or to other provisions of the RFP as specifically identified above.

## **II-9. Disadvantaged Business Submittal.**

### **a. Disadvantaged Business Information.**

- i. To receive credit for being a Small Disadvantaged Business or a Socially Disadvantaged Business or for entering into a joint venture agreement with a Small Disadvantaged Business or for subcontracting with a Small Disadvantaged Business (including purchasing supplies and/or services through a purchase agreement), an Offeror must include proof of Disadvantaged Business qualification in the Disadvantaged Business Submittal of the proposal, as indicated below:
  - 1) A Small Disadvantaged Businesses certified by BMWBO as an MBE/WBE must provide a photocopy of their BMWBO certificate.
  - 2) Small Disadvantaged Businesses certified by the U.S. Small Business Administration pursuant to Section 8(a) of the *Small Business Act* (15 U.S.C. § 636(a)) as an 8(a) or small disadvantaged business must submit proof of U.S. Small Business Administration certification. The owners of such businesses must also submit proof of United States citizenship.
  - 3) Businesses, which assert that they meet the U.S. Small Business Administration criteria for designation as a small disadvantaged business, must submit: a) self-certification that the business meets the Small Business Administration criteria and b) documentary proof to support the self-certification. The owners of such businesses must also submit proof of United States citizenship, and

provide any relevant small disadvantaged business certifications by other certifying entities.

- 4) All businesses claiming Small Disadvantaged Business status, whether as a result of BMWBO certification, or U.S. Small Business Administration certification as an 8(a) or self-certification as a U.S. Small Business Administration small disadvantaged business, must attest to the fact that the business has no more than 100 full-time or full-time equivalent employees.
  - 5) All businesses claiming Small Disadvantaged Business status, whether as a result of BMWBO certification or U.S. Small Business Administration certification as an 8(a) or self-certification as a U.S. Small Business Administration small disadvantaged business, must submit proof that their gross annual revenues are less than \$20,000,000 (\$25,000,000 for those businesses in the information technology sales or service business). This can be accomplished by including a recent tax return or audited financial statement.
- ii. All businesses claiming status as a Socially Disadvantaged Business must include in the Disadvantaged Business Submittal of the proposal clear and convincing evidence to establish that the business has personally suffered racial or ethnic prejudice or cultural bias stemming from the business person's color, ethnic origin or gender. The submitted evidence of prejudice or bias must:
- 1) Be rooted in treatment that the business person has experienced in American society, not in other countries
  - 2) Show prejudice or bias that is chronic and substantial, not fleeting or insignificant
  - 3) Indicate that the business person's experience with the racial or ethnic prejudice or cultural bias has negatively impacted his or her entry into and/or advancement in the business world.

BMWBO shall determine whether the Offeror has established that a business is socially disadvantaged by clear and convincing evidence.

- iii. In addition to the above verifications, the Offeror must include in the Disadvantaged Business Submittal of the proposal the following information:
- 1) Those Small Disadvantaged Businesses submitting a proposal as the Offeror, must include a numerical percentage which represents

the total percentage of the work (as a percentage of the total cost in the Cost Submittal) to be performed by the Offeror and not by subcontractors and suppliers.

- 2) Those Small Disadvantaged Businesses submitting a proposal as a part of a joint venture partnership, must include a numerical percentage which represents the total percentage of the work (as a percentage of the total cost in the Cost Submittal) to be performed by the Small Disadvantaged Business joint venture partner and not by subcontractors and suppliers or by joint venture partners who are not Small Disadvantaged Businesses. Offeror must also provide:
  - a) The amount of capital, if any, each Small Disadvantaged Business joint venture partner will be expected to provide
  - b) A copy of the joint venture agreement signed by all parties
  - c) The business name, address, name and telephone number of the primary contact person for the Small Disadvantaged Business joint venture partner
  
- 3) **All** Offerors must include a numerical percentage which represents the total percentage of the total cost in the Cost Submittal that the Offeror commits to paying to Small Disadvantaged Businesses as subcontractors. To support its total percentage DB subcontractor commitment, Offeror must also include:
  - a) The dollar amount of each subcontract commitment to a Small Disadvantaged Business.
  - b) The name of each Small Disadvantaged Business. The Offeror will not receive credit for stating that after the contract is awarded it will find a Small Disadvantaged Business.
  - c) The services or supplies each Small Disadvantaged Business will provide, including the timeframe for providing the services or supplies.
  - d) The location where each Small Disadvantaged Business will perform services.
  - e) The timeframe for each Small Disadvantaged Business to provide or deliver the goods or services.
  - f) A signed subcontract or letter of intent for each Small Disadvantaged Business. The subcontract or letter of intent must identify the specific work, goods or services the Small Disadvantaged Business will perform and how the work, goods or services relates to the project.
  - g) The name, address and telephone number of the primary contact person for each Small Disadvantaged Business.



- 4) The total percentages and each subcontractor commitment will become contractual obligations once the contract is fully executed.
  - 5) The name and telephone number of the Offeror's project (contact) person for the Small Disadvantaged Business information.
- iv. The Offeror is required to submit **two** copies of its Disadvantaged Business Submittal. The submittal shall be clearly identified as Disadvantaged Business information and sealed in its own envelope, separate from the remainder of the proposal.
  - v. A Small Disadvantaged Business can be included as a subcontractor with as many prime contractors as it chooses in separate proposals.
  - vi. An Offeror that qualifies as a Small Disadvantaged Business and submits a proposal as a prime contractor is not prohibited from being included as a subcontractor in separate proposals submitted by other Offerors.

**b. Enterprise Zone Small Business Participation.**

- i. To receive credit for being an enterprise zone small business or entering into a joint venture agreement with an enterprise zone small business or subcontracting with an enterprise zone small business, an Offeror must include the following information in the Disadvantaged Business Submittal of the proposal:
  - 1) Proof of the location of the business' headquarters (such as a lease or deed or Department of State corporate registration), including a description of those activities that occur at the site to support the other businesses in the enterprise zone.
  - 2) Confirmation of the enterprise zone in which it is located (obtained from the local enterprise zone office).
  - 3) Proof of United States citizenship of the owners of the business.
  - 4) Certification that the business employs no more than 100 full-time or full-time equivalent employees.
  - 5) Proof that the business' gross annual revenues are less than \$20,000,000 (\$25,000,000 for those businesses in the information technology sales or service business). This can be accomplished by including a recent tax return or audited financial statement.
  - 6) Documentation of business organization, if applicable, such as

articles of incorporation, partnership agreement or other documents of organization.

- ii. In addition to the above verifications, the Offeror must include in the Disadvantaged Business Submittal of the proposal the following information:
- 1) The name and telephone number of the Offeror's project (contact) person for the Enterprise Zone Small Business.
  - 2) The business name, address, name and telephone number of the primary contact person for each Enterprise Zone Small Business included in the proposal. The Offeror must specify each Enterprise Zone Small Business to which it is making commitments. The Offeror will not receive credit for stating that it will find an Enterprise Zone Small Business after the contract is awarded or for listing several businesses and stating that one will be selected later.
  - 3) The specific work, goods or services each Enterprise Zone Small Business will perform or provide.
  - 4) The total cost amount submitted in the Offeror's cost proposal and the estimated dollar value of the contract to each Enterprise Zone Small Business.
  - 5) Of the estimated dollar value of the contract to each Enterprise Zone Small Business, the percent of the total value of services or products purchased or subcontracted that each Enterprise Zone Small Business will provide.
  - 6) The location where each Enterprise Zone Small Business will perform these services.
  - 7) The timeframe for each Enterprise Zone Small Business to provide or deliver the goods or services.
  - 8) The amount of capital, if any, each Enterprise Zone Small Business will be expected to provide.
  - 9) The form and amount of compensation each Enterprise Zone Small Business will receive.
  - 10) For a joint venture agreement, a copy of the agreement, signed by all parties.
  - 11) For a subcontract, a signed subcontract or letter of intent.

- iii. The dollar value of the commitment to each Enterprise Zone Small Business must be included in the same sealed envelope with the Disadvantaged Business Submittal of the proposal. The following will become a contractual obligation once the contract is fully executed:
  - 1) The amount of the selected Offeror’s Enterprise Zone Small Business commitment;
  - 2) The name of each Enterprise Zone Small Business; and
  - 3) The services each Enterprise Zone Small Business will provide, including the timeframe for performing the services.

**II-10. Cost Submittal.** The information requested in this **Part II, Section II-10 and Appendix I** shall constitute the Cost Submittal portion of the proposal. The cost submittal shall be placed in a separate, sealed envelope within the sealed proposal and kept separate from the technical portion of the proposal. The total proposed cost shall be broken down into the relevant Lots and Offerors should **not** include any assumptions in their cost submittals. If the Offeror includes assumptions in its cost submittal, the Department may reject the proposal. Offerors should direct any questions about this Section in writing to Project Officer pursuant to **Part I, Section I-10**. All Offerors will then have the benefit of the Department’s written answer.

**The cost proposal should be bound and sealed separately from the remainder of the proposal. No pricing information should be included in the technical proposal.**

**LOTS 1 and 4**

The Offeror must provide their proposed percentage contingency fee for performance of the requested services. This fee will be a percentage of the amounts recovered that are directly attributable to the actions of the contractor.

Offerors should propose contingency fee percentages for the following amounts of recoveries for Lots 1 and 4 on an annual basis as described in **Section IV, Work Statement, LOTS 1 and 4** to commence on the contract effective date.

**LOT 2**

Offerors should propose a fee per match price as described in **Section IV, Work Statement, LOT 2** of the work statement, to commence on the contract effective date.

Lot No.	Project Name	Payment Methodology	Cost Per Match
Lot 2	Casualty Insurer Data Reporting of Personal Injury Claims	Fee per match	

**LOT 3**

The selected Offeror must provide their proposed percentage contingency fee for performance of the requested services. This fee will be a percentage of the amounts recovered that are directly attributable to the actions of the contractor.

Selected Offerors should propose contingency fee percentages for the following amounts of overpayments identified and recovered on an annual basis as described in **Section IV, Work Statement, LOT 3**, to commence on the contract effective date.

Lot No.	Project Name	Payment Methodology	Cumulative SFY Annualized Recoveries (For Lot 3, Annualized Cost Savings)
Lot 1	TPL Data Exchange and Recovery services	Contingency fee	\$0-\$10,000,000 \$10,000,001-\$16,000,000 \$16,000,001-\$20,000,000 \$20,000,001-\$25,000,000 \$25,000,001 -
Lot 3	Retrospective Provider Reviews	Contingency fee	\$0-\$10,000,000 \$10,000,001-\$16,000,000 \$16,000,001-\$20,000,000 \$20,000,001-\$25,000,000 \$25,000,001 -
Lot 4	Nursing Facility Financial Reviews	Contingency Fee	\$0 - \$750,000 \$750,001 - \$1,500,000 \$1,500,001 - \$2,250,000 \$2,250,000 -

**NOTE: For Lots 3 and 4, Offerors should propose a separate contingency fee for all recoveries from appeals handled by the Offeror, as determined by the Department. These fees are separate and apart from other fees recovered, and will not be used in the computation of the cumulative recovery bands.**

The Department will reimburse the selected Offeror for work satisfactorily performed after execution of a written contract and the start of the contract term, in accordance with contract requirements, and only after the Department has issued a notice to proceed.

**II-11. Domestic Workforce Utilization Program Submittal.** Complete and sign the Domestic Workforce Utilization Certification contained in **Appendix C** of this RFP. Offerors who seek consideration for this criterion must submit in hardcopy, the signed Domestic Workforce Utilization Certification Form in a sealed envelope with the Technical Submittal.

**II-12. Contractor Partnership Program Submittal.** The following general information must be included in the Contractor Partnership Program Submittal of the proposal:

- a. Offeror's name, telephone number and mailing address
- b. County where the Offeror's headquarters is located if in Pennsylvania

- c. The name, title, telephone number, mailing and email addresses of the contact person for the Contractor Partnership Program
- d. Mailing address for all satellite offices located in Pennsylvania including the county
- e. Type of business entity. (i.e. not for profit, government entity, public corporation, university etc.)
- f. If a subcontractor will provide the primary service of the contract, list the company name and mailing address for offices located in Pennsylvania including the county
- g. Type of services being provided
- h. Type of positions needed for this project. Please specify management vs. non-management positions

In addition to the above requested information; in order to receive credit for a response to the Contractor Partnership Program, Offerors must provide a written narrative that addresses the following statements and include the information in the Contractor Partnership Submittal of the proposal. All of the statements listed below pertain to the hiring of individuals that are currently receiving TANF cash assistance.

1. Identify the anticipated number of employees that will be assigned to this project including vacancies.
2. Identify the number of management and non-management employees.
3. State the number of TANF cash assistance recipients that will be hired. Please **do not** include percentages.
4. Describe the strategy that will be employed to identify and recruit individuals that meet the eligibility requirements for the Contractor Partnership Program.
5. Describe the methods that will be used to retain TANF recipients once they are employed.
6. Provide a brief explanation of the efforts that will be made to ensure TANF hiring commitments are met and remain in effect throughout the existence of the contract.

### **II-13. Mentor Protégé Program (MPP) Submittal.**

To receive credit for a response to the MPP, the following information must be included in the MPP Submittal of the Proposal:

- a. Offeror's name, telephone number and mailing address
- b. County where the Offeror's headquarters is located
- c. The name, title, telephone number, mailing and e-mail address of the contact person for the MPP.
- c. Mailing address for all satellite offices located in Pennsylvania including county.
- d. Type of business entity: (i.e. not for profit, government entity, public corporation, university, etc.)

In addition to the above requested information; in order to receive credit for a response to the MPP, Offerors **must provide a written Mentor Protégé Plan that must include:**

- (1) The Protégé company's name and address

- (2) Protégé company's contact person, title, telephone number, mailing and e-mail address
- (3) A Mentor Protégé Plan addressing the following areas to include meeting dates, time frames, goal setting, performance expectations and outcomes:

(a) **Technical Assistance**. Assistance in technical areas.

(b) **Budget Infrastructure**. Assistance pertaining to general business management or corporate infrastructure, provided by the Mentor, may include the following:

- (1) Organizational planning management: strategic planning, business planning, legal/risk management, proposal development
- (2) Business development/marketing/sales: market research, product forecasting, web-based marketing, e-commerce
- (3) Human Resource management
- (4) Financial management
- (5) Contract management
- (6) Facilities and plant management: security, health and safety
- (7) Any other assistance designed to develop the capabilities of the Protégé

**II-14. Innovative Solution(s) Submittal (Optional and only applies to Lot 1).** In addition to the required technical submittal, Offerors are encouraged, but not required, to submit an innovative solution(s) submittal that increases the overall value to the Commonwealth above and beyond that supplied in the required technical proposal. An innovative solution(s) submittal may consist of no more than three (3) individual innovative solution(s). The innovative solution(s) should reasonably align with the Department's objectives and scope of work as described in the RFP. If an Offeror submits an optional innovative solution(s), there should be no overlap between the innovative solution(s) and the technical and cost responses submitted by the Offeror in response to the mandatory requirements of the RFP in **Sections II-1. – II-13.**

## PART III

### CRITERIA FOR SELECTION

**III-1. Mandatory Responsiveness Requirements.** To be eligible for selection, a proposal must be:

- a. Timely received from an Offeror;
- b. Properly signed by the Offeror.

**III-2. Technical Nonconforming Proposals.** The Department reserves the right, in its sole discretion, to waive technical or immaterial nonconformities in an Offeror's proposal.

**III-3. Evaluation.** The Department has selected a committee of qualified personnel to review and evaluate timely submitted proposals. Independent of the committee, BMWBO and the CPP will evaluate the Disadvantaged Business, Mentor Protégé Program and CPP Submittals respectively, and provide the Department with a rating for this component of each proposal. The Department will notify in writing of its selection for negotiation the responsible Offeror whose proposal is determined to be the most advantageous to the Commonwealth as determined by the Department after taking into consideration all of the evaluation factors. The Department will award a contract only to an Offeror determined to be responsible in accordance with the most current version of Commonwealth Management Directive 215.9, *Contractor Responsibility Program*.

**III-4. Criteria for Selection.** The following criteria will be used in evaluating each proposal. In order for a proposal to be considered for selection for best and final offers or selection for contract negotiations, the total score for the technical submittal of the proposal must be greater than or equal to 70% of the highest scoring technical submittal.

#### Lots 1-4

- Technical– 50%
  - Cost - 30%
  - Disadvantaged Business Participation – 20%
  - Domestic Workforce Utilization– 3% Bonus
  - Contractor Partnership Program – 5% Bonus
  - Mentor Protégé Program – 5% Bonus
  - Innovative Solutions (Lot 1 only) – 4% Bonus
- a. **Technical:** The Department has established the weight for the Technical criterion for this RFP as 50% of the total points. Evaluation will be based upon the following in order of importance:
1. Soundness of Approach
  2. Offeror Qualifications and Resources
  3. Personnel Qualifications
  4. Understanding the Problem

- b. **Cost:** The Department has established the weight for the Cost criterion for this RFP as 30% of the total points.
- c. **Disadvantaged Business Participation:** BMWBO has established the weight for the Disadvantaged Business Participation criterion for this RFP as 20% of the total points. Evaluation will be based upon the following in order of priority:

**Priority Rank 1** Proposals submitted by Small Disadvantaged Businesses.

**Priority Rank 2** Proposals submitted from a joint venture with a Small Disadvantaged Business as a joint venture partner.

**Priority Rank 3** Proposals submitted with subcontracting commitments to Small Disadvantaged Businesses.

**Priority Rank 4** Proposals submitted by Socially Disadvantaged Businesses.

Each proposal will be rated for its approach to enhancing the utilization of Small Disadvantaged Businesses and/or Socially Disadvantaged Businesses. Each approach will be evaluated, with Priority Rank 1 receiving the highest score and the succeeding options receiving scores in accordance with the above-listed priority ranking.

To the extent that an Offeror qualifies as a Small Disadvantaged Business or a Socially Disadvantaged Business, the Small Disadvantaged Business or Socially Disadvantaged Business cannot enter into subcontract arrangements for more than **40%** of the total estimated dollar amount of the contract. If a Small Disadvantaged Business or a Socially Disadvantaged Business subcontracts more than **40%** of the total estimated dollar amount of the contract to other contractors, the Disadvantaged Business Participation scoring shall be proportionally lower for that proposal.

- d. **Enterprise Zone Small Business Participation:** In accordance with the priority ranks listed below, bonus points in addition to the total points for this RFP, will be given for the Enterprise Zone Small Business Participation criterion. The maximum bonus points for this criterion are 3% of the total points for this RFP. The following options will be considered as part of the final criteria for selection:

**Priority Rank 1** Proposals submitted by an Enterprise Zone Small Business will receive three percent bonus for this criterion.

**Priority Rank 2** Proposals submitted by a joint venture with an Enterprise Zone Small Business as a joint venture partner will receive two percent bonus for this criterion.

**Priority Rank 3** Proposals submitted with a subcontracting commitment to an Enterprise Zone Small Business will receive the one percent bonus for this criterion.



**Priority Rank 4** Proposals with no Enterprise Zone Small Business Utilization shall receive no points under this criterion.

To the extent that an Offeror is an Enterprise Zone Small Business, the Offeror cannot enter into contract or subcontract arrangements for more than 40% of the total estimated dollar amount of the contract in order to qualify as an Enterprise Zone Small Business for purposes of this RFP.

- e. **Contractor Partnership Program (CPP):** During the evaluation process, CPP will evaluate each Submittal for its approach in enhancing employment opportunities for eligible CPP participants. Any points received for the CPP criterion are bonus points in addition to the total points for this RFP. The maximum bonus points for this criterion are 5% of the total points for this RFP.
- f. **Mentor Protégé Program (MPP)** During the evaluation process, DPW BEO – MPP will evaluate each Submittal for its approach to mentoring and developing skills related to the services identified in this RFP. Any points received for the MPP criterion are bonus points in addition to the total points for this RFP. The maximum bonus points for this criterion is 5% of the total technical points for this RFP.
- g. **Domestic Workforce Utilization:** Each proposal will be scored for its commitment to use domestic workforce in the fulfillment of the contract. Maximum consideration will be given to those Offerors who will perform the contracted direct labor exclusively within the geographical boundaries of the United States. Those who propose to perform a portion of the direct labor outside of the United States will receive a correspondingly smaller score for this criterion. Offerors who seek consideration for this criterion must submit in hardcopy the signed Domestic Workforce Utilization Certification Form in a sealed envelope with the Technical Submittal. The certification will be included as a contractual obligation when the contract is executed.
- h. **Innovative Solution(s):** Offerors are encouraged, but not required, to submit an innovative solution(s) submittal for Lot 1 only that increases the overall value to the Commonwealth above and beyond that supplied in the required technical proposal. An innovative solution(s) submittal will be evaluated based on the criteria identified in Part II of this RFP.

Offeror's will receive a maximum of 400 bonus points based on the feasibility for the Commonwealth and cost savings associated with the Innovative Solution(s). A maximum of three Innovative Solution(s) Submittals will be scored independently but in no case will the score for all Innovative Solution(s) Submittals exceed 400 points. Solution(s) where savings or revenues generated are less than or equal to five percent of the total contract value can receive a maximum of 200 points. Submittals where cost savings or revenues generated are greater than five percent (5%) of the total contract value can receive a maximum of 400 points.

If any proposed innovative solution is selected to be implemented, that solution would then become a part of the scope of work and any costs to implement this solution must remain valid for the term of the contract. Only innovative solutions that are accepted by the Commonwealth and part of an executed contract will be reimbursed.

## **LOT 1**

### **TPL Data Exchange & Recovery Services**

#### **PART IV**

#### **WORK STATEMENT**

##### **IV-1. Objectives.**

The objectives of Lot 1 of the RFP are to (1) utilize data exchanges to identify other health care coverage that is primary to MA, in order to enable the Department to cost-avoid claims where primary coverage is available; (2) recover reimbursement from primary health care coverage where MA payment has already been made; and (3) identify and report health care coverage available for child support cases. The Department urges Offerors to present recovery or verification ideas as defined in the Innovative Solutions section of this RFP.

##### **IV-2. Nature and Scope of the Project.**

The Division of Third Party Liability has data exchange agreements with the PA Blue Cross and Blue Shield plans. The selected Offeror will be performing the data match against the recipient eligibility database for these plans and process post payment recoveries. The resource information will be used to update the Department's third party resource file. The selected Offeror shall be primarily responsible for the exchange of eligibility data with the Defense Enrollment Eligibility Reporting System (DEERS) to provide TRICARE resource information. In addition, the selected Offeror shall be primarily responsible for the exchange of eligibility data with pharmacy and commercial health insurance carriers that have the largest market share in Pennsylvania (PA) as listed in **Appendix N**. The selected Offeror shall, based on eligibility information gathered from these carriers, submit paid MA claims for recovery to the carriers and their Pharmacy Benefit Managers (PBMs).

The selected Offeror shall supplement the Department's data exchanges, including but not limited to Medicare Parts A & B, Blue Cross, Highmark and commercial carriers, by conducting data exchange and recovery activities after the Department has conducted its primary data exchanges and recoveries. The selected Offeror shall avoid duplicate data exchanges and subsequent billings. The selected Offeror shall submit claims for recovery of MA benefits paid to liable third parties, except when the provider of service must bill the primary carrier. TPL generally performs four (4) Medicare and four (4) commercial recoveries each year.

The selected Offeror shall perform a data exchange using a file supplied by the Department's Bureau of Child Support Enforcement PACSES information system. At a minimum, the selected Offeror shall compare the Department's file with the beneficiary files of health insurance carriers listed in **Appendix N**. The selected Offeror shall provide the Department/PACSES an electronic response file of health insurance coverage for records on PACSES.

### **IV-3. Requirements.**

#### **A. GENERAL REQUIREMENTS:**

- 1) Preserve all Department files and papers supplied to them according to all applicable Federal and State laws, regulations and policies.
- 2) Avoid duplication of the Department's recovery activities.
- 3) Within thirty (30) calendar days of the contract effective date, the selected Offeror shall make available all methodologies for recovery and data exchange processes.
- 4) Protect the confidentiality of patient, client, provider and Departmental records in compliance with Federal and State laws, regulations and policies.
- 5) Submit written information and testify, as necessary, at administrative appeals relating to claims identified by the selected Offeror for reimbursement to the Medical Assistance Program when so requested by the Department.
- 6) The selected Offeror must inform the Project Officer, or their designee of all meetings scheduled between the selected Offeror, provider organizations, commercial insurance carriers, TRICARE, Department or any state agencies, at least five (5) calendar days before the meeting is scheduled so that the Department can have representation.
- 7) Make available to the Department, at the conclusion of the contract period, and before final settlement, all records, files, and any supplemental documentation which the Department would require in order to process future recoveries of the same nature as those processed by the contractor during the course of this contract.
- 8) Ensure, through careful planning and consideration, that the processing of recoveries under the contract are performed timely in accordance with the approved work plan and that the scheduled intervals between various recoveries are such that the Department may expect a steady flow of revenue throughout the course of the contract period.
- 9) Adhere to all other conditions, provisions, and/or requirements as addressed throughout this RFP.
- 10) Upon request of the Department, the selected Offeror shall provide a duplicate copy of any billing that is being submitted to a carrier.
- 11) The selected Offeror shall provide ad hoc reports upon request at no additional cost to the Department.

- 12) The selected Offeror shall keep informed of all Federal and State legislative initiatives resulting in necessary changes to recoveries and data exchanges and provide ongoing impact analysis to TPL.

**B. DOCUMENTATION AND RECORD KEEPING REQUIREMENTS:**

- 1) The selected Offeror must submit a chart of proposed recoveries for the contract period to TPL for review. This chart shall be submitted within thirty (30) calendar days of the effective date and the Department's notification of renewal.
- 2) The selected Offeror must maintain records including comprehensive written documentation supporting all MA recoveries billed to third parties. The selected Offeror must receive written approval from TPL prior to all submissions of recoveries billed to commercial health insurance carriers, TRICARE and the Blue Cross plans.
- 3) The selected Offeror shall review, copy and forward checks received as a result of recovery activities to TPL within five (5) calendar days of receipt. Checks being processed by the Offeror must remain on the Department's premises. (See Section I-27)
- 4) The selected Offeror must review all documentation submitted by insurers and providers relating to recovery activities within ten (10) calendar days of the date the selected Offeror receives the information. If upon review of a insurer's/provider's documentation, the selected Offeror decides that more information is necessary in order to resolve the claim(s), the selected Offeror shall contact the insurer/provider immediately to obtain necessary documentation.
- 5) The selected Offeror must maintain and store all records relating to recovery and billing related activities. The records shall be stored and readily retrievable for five (5) years from the last payment date by the Commonwealth or until any audit or litigation resolution.

If any litigation, claims or audits are started before the expiration of the retention period, the records shall be retained until such litigation, claims, audits are complete, or the audit findings involving the records are resolved.

- 6) The selected Offeror must provide the Department access and training to their accounts receivable system for research purposes.
- 7) Correspondence from MA providers forwarded to the Department by the selected Offeror shall list the provider's MA number with service location and the name of a provider contact person.
- 8) The selected Offeror must document all incoming and outgoing communications (whether written or oral) concerning contract activities and tasks between

insurance carriers, providers and the selected Offeror (including the selected Offeror's on-site staff) and must include at a minimum, the time(s), date(s), participants and the substance of what was discussed or agreed. This log shall be available to the Department upon request. The selected Offeror shall also maintain supporting documentation (including email and hard copy correspondence and/or file notes documenting the verbal communication) for this log. The selected Offeror shall also date stamp incoming hard copy communications.

- 9) Liquidated damages may be assessed in an amount of \$500 (five hundred dollars) per business day when the contractor fails to provide the deliverable(s) within the aforementioned time frame(s).

### C. REPORTING REQUIREMENTS:

- 1) The selected Offeror shall submit a separate monthly invoice to TPL as outlined within the agreement, containing the following information:
  - Total amount of monthly recoveries, by claim type and total invoice amount
  - A listing of the remittance explanations (RE's) reflected in the monthly report (RE's are supplied to the selected Offeror by the Department and reflect deposits made to State Treasury)
  - The fee amount for each recovery
  - The total fee for that monthly period
- 2) The selected Offeror shall deduct amounts from their invoice when instances of the following occur: co-insurance or deductibles paid to providers; reimbursements to insurance carriers, any other reimbursements that are determined to be an error of the selected Offeror and assessed liquidated damages.
- 3) The selected Offeror shall be responsible for receiving eligibility data; performing data match process, and submitting of resources in the required carrier code/coverage type format. This applies to all insurance carriers listed in **Appendix N**. This process must be completed within fourteen (14) calendar days of receipt of the file from the carrier.
- 4) For all data exchanges, within fourteen (14) calendar days of identification, the selected Offeror shall submit a file to the Department containing newly identified resources, coverage for other household members, addition of a coverage type, changes to existing resources, including termination of coverage and changes to coverage dates. The selected Offeror shall verify inconclusive resource information by collateral contact with the carriers within 24 hours of notification by the Department that the resource information is in dispute.
- 5) The selected Offeror shall report project statuses during a weekly meeting. Weekly teleconferences may alternate with on-site visits by the selected Offeror.

The selected Offeror shall submit a weekly status report one (1) day prior to the meeting. Specific sections within the report shall include:

- Accomplishments/Deliverables
  - Next Steps
  - Issues
  - Updated Work plan
- 6) Based on the experiences with the Department's TPL processes and systems, the selected Offeror shall submit to the Department a list of all recommendations for improving the effectiveness of the Department's TPL practices and identification/validation processes. This report is to be summarized, modified as appropriate based on additional experience, and submitted within thirty (30) calendar days of the end of a contract year.
  - 7) Sixty (60) calendar days prior to the expiration or cancellation of the contract, the selected Offeror shall supply a full written description of the methodologies for resource identification and recovery, sufficiently detailed so that it can be used by the Division of TPL in order to process future recoveries.
  - 8) Reconciliation file – the selected Offeror shall submit to the Department within thirty (30) calendar days of the completion of a recovery a reconciliation file in a format acceptable to TPL or their designated contractor. This will allow recovered claim dollars to be properly posted to the paid claims history file.
  - 9) During the term of the contract the selected Offeror must report to TPL, for approval, any TPL related contracts with a Pennsylvania MA Managed Care Organization (MCO). The selected Offeror must also inform the Department of its intent to seek any contracts relating to TPL related activities with any other MCO plan or insurer doing business with the Commonwealth and its success or failure in the aforementioned bids.
  - 10) During the term of the contract the selected Offeror must report to TPL; any contract(s) with any Pennsylvania state governmental agencies or offices.
  - 11) Liquidated damages may be assessed in an amount of \$500 (five hundred dollars) per business day when the contractor fails to provide the deliverable(s) within the aforementioned time frame(s).

**D. DATA EXCHANGE/RECOVERY NEGOTIATIONS AND PROJECT IMPLEMENTATION:**

The selected Offeror shall schedule the data exchange and recovery negotiations with the various health insurance carriers. The selected Offeror will also be responsible for completing all sub-components of the data exchange and recovery activities in the contract.

The selected Offeror shall provide a status of ongoing data exchange activities and report all issues and proposed resolutions. In addition, the selected Offeror shall include the Department on all communications regarding data exchanges and recovery negotiations.

**E. SYSTEMS PROGRAMMING:**

The Department will not alter or reformat files to accommodate the selected Offeror. Throughout the term of the contract, the selected Offeror shall make any accommodations necessary at no charge to the Department, so that the files supplied by the Department can be used by the selected Offeror.

The selected Offeror shall ensure that data in any media, or information returned to the Department as part of the contract are prepared in a format that is compatible with the Department's current system and ready for immediate use. At no time shall the selected Offeror provide any electronic data to the Department, of any kind, that would require the Department to implement programming changes in order to read or use the data.

**F. EMERGENCY PREPAREDNESS:**

To support continuity of operations during an emergency, including a pandemic, the Commonwealth needs a strategy for maintaining operations for an extended period of time. One part of this strategy is to ensure that essential contracts that provide critical business services to the Commonwealth have planned for such an emergency and put contingencies in place to provide needed goods and services.

- 1) Describe how you anticipate such a crisis will impact your operations.
- 2) Describe your emergency response continuity of operations plan. Please attach a copy of your plan, or at a minimum, summarize how your plan addresses the following aspects of pandemic preparedness:
  - employee training (describe your organization's training plan, and how frequently your plan will be shared with employees)
  - identified essential business functions and key employees (within your organization) necessary to carry them out
  - contingency plans for:
    - How your organization will handle staffing issues when a portion of key employees are incapacitated due to illness.
    - How employees in your organization will carry out the essential functions if contagion control measures prevent them from coming to the primary workplace.
  - How your organization will communicate with staff and suppliers when primary communications systems are overloaded or otherwise fail, including key contacts, chain of communications (including suppliers), etc.
  - How and when your emergency plan will be tested, and if the plan will be tested by a third-party.



#### IV-4. Tasks.

##### A. TARGETED PRIMARY RECOVERY & RESOURCE IDENTIFICATION ACTIVITIES:

A primary recovery activity is a recovery in which the selected Offeror has exclusive right of recovery on claims associated with the targeted resources (TRICARE/ CHAMPUS and pharmacy). The Offeror shall perform primary third party liability recovery activities including resource identification for the following:

- 1) TRICARE/CHAMPUS
- 2) Pharmacy

These recovery activities represent the minimum primary recovery requirements. In addition to these targeted recoveries, the Department may require additional verification and recovery activities during the contract term.

The goals, suggested tasks and deliverable for each activity are listed below. The Offeror may suggest alternative methodologies for achieving the stated goals but should keep in mind that the Department will not develop and/or implement any supportive system changes.

##### 1. TRICARE/CHAMPUS:

###### GOALS:

Identify TRICARE/CHAMPUS resources that are currently available to MA recipients as well as those resources which were available during targeted dates of service but may no longer be in effect; identify claims which were paid by the Department while these resources were available; and recover MA expenditures that were paid when these resources were in effect.

###### TASKS:

Upon notice by the Center for Medicare & Medicaid Services (CMS), the selected Offeror will match the Department's Recipient Eligibility database with the DEERS database, and establish the population for MA recipients with potential TRICARE/CHAMPUS coverage.

The selected Offeror will match the file with the Department's paid claims history file to identify those claims paid by the Commonwealth where there may have been or currently is, TRICARE/CHAMPUS coverage available. Using the results from this exchange, the selected Offeror will create a data file to be sent to the intermediary for payment. The selected Offeror shall instruct the intermediary that all remittances shall be made payable to the Department. An electronic file of verified TRICARE/CHAMPUS resources shall be supplied to the Department by the selected Offeror in a format designated by the Department.

The selected Offeror shall instruct the intermediary to send reimbursements and/or denials of liability (Explanation of Benefits) directly to TPL. The selected Offeror shall copy any checks and provide the original to TPL.

**The selected Offeror shall utilize all HIPAA standard billing transactions unless precluded by the carrier/intermediary.**

**DELIVERABLES:**

For all MA paid claims for which coverage may exist, the selected Offeror shall file claims on behalf of the Department with the intermediary. The selected Offeror shall instruct the intermediary that all reimbursements shall be payable to the Department.

The selected Offeror will resolve any claim discrepancy with the intermediary. This includes, but is not limited to, providing missing data required for proper disposition or billing of identified claims, answering questions related to claim selection or claim identification and documenting the provider and/or carrier responses in a timely manner.

The selected Offeror shall forward all TRICARE/CHAMPUS resource information within fourteen (14) calendar days following the receipt of the DEERS exchange file per the file layout in **Appendix L**. Any coverage which is identified as court ordered must be identified.

Within thirty (30) calendar days of the completion of the recovery, the selected Offeror shall prepare a claim detail level reconciliation file of paid claims for posting to the Department's claims processing system.

Liquidated damages may be assessed in an amount of \$500 (five hundred dollars) per business day when the contractor fails to provide the deliverable(s) within the aforementioned time frame(s).

**2. PHARMACY:**

**GOALS:**

Identify pharmacy resources that are currently available to MA recipients as well as those resources which were available during targeted dates of service but may no longer be in effect; identify claims which were paid by the Department while these resources were available; and recover MA expenditures that were paid when these resources were in effect.

**TASKS:**

Upon identification of a pharmacy and/or Major Medical resource from the selected Offeror's data exchanges, the Department's recipient eligibility database or other source, the selected Offeror shall match the Department's paid claims history file where pharmacy coverage was available. Using the results from this exchange, the selected Offeror will create a data file to be sent to the carrier for payment.

The selected Offeror shall instruct the carrier to send reimbursements and/or denials of liability (Explanation of Benefits) directly to TPL. The selected Offeror shall copy any checks and provide the original to TPL.

**The selected Offeror shall utilize all HIPAA standard billing transactions unless precluded by the carrier/intermediary.**

**DELIVERABLES:**

For all MA paid claims for which pharmacy coverage may exist, the selected Offeror shall file claims on behalf of the Department with the pharmacy carrier. The selected Offeror shall instruct the carrier that all reimbursements shall be payable to the Department.

The selected Offeror will resolve any claim discrepancy with the insurance carrier(s) or with the providers of service. This includes, but is not limited to, providing missing data required for proper disposition or billing of identified claims, answering questions related to claim selection or claim identification and documenting the provider and/or carrier responses in a timely manner.

The selected Offeror shall forward all pharmacy resource information within fourteen (14) calendar days of identification per the file layout in **Appendix L**. Any coverage that is identified as court ordered must be identified.

Within thirty (30) calendar days of the completion of the recovery, the selected Offeror shall prepare a claim detail level reconciliation file of paid claims for posting to the Department's claims processing system.

Liquidated damages may be assessed in an amount of \$500 (five hundred dollars) per business day when the contractor fails to provide the deliverable(s) within the aforementioned time frame(s).

**B. TARGETED SECONDARY RECOVERY & RESOURCE IDENTIFICATION ACTIVITIES:**

A secondary recovery is a recovery in which the selected Offeror performs come behind efforts where the Department has first right of recovery on claims associated with the targeted resources (Medicare A&B and all Commercial (including the Blues)).

The selected Offeror shall perform secondary third party liability recovery activities including the identification of resources during the recovery process. The targeted secondary resources are:

- 1) Medicare A & B
- 2) Commercial Carriers

**1. MEDICARE A&B:**

**GOALS:**

The selected Offeror shall identify Medicare resources that were available to MA recipients during targeted dates of service, file claims for the recovery of MA benefits paid, and receive reimbursement from the provider of service.

**TASKS:**

Within thirty (30) calendar days after the initiation of a recovery project by the Division of Third Party Liability, the selected Offeror shall begin a secondary recovery.

The selected Offeror shall use the Department's recipient eligibility database, the carrier's/fiscal intermediary's subscriber/beneficiary files, the Beneficiary and Earnings Data Exchange System (BENDEX) files, CMS' Eligibility Database (EDB) file and any other resources the selected Offeror has available, to create a match file of eligible recipients with available resource files.

The selected Offeror shall use this file to match against the Department's paid claims history files to identify claims which were paid by the Department but for which coverage may exist. The Department will provide the selected Offeror with dates of Department initiated recoveries which the selected Offeror will use to eliminate duplicate recoveries. When a duplicate billing occurs, the selected Offeror shall delete the involved claim(s) from its recovery activity.

The selected Offeror shall obtain approval from the Department on selected providers for recovery. The Department will provide guidance to the selected Offeror regarding providers that should be added or deleted from the selected provider list.

The following items will be the responsibility of the selected Offeror pending approval by the Department: compile and mail notification package to providers that shall include, notification letter, instruction letter, and list of paid claims. The selected Offeror will send the notification package to the providers of service, on behalf of the Department. The providers of service will be expected to bill the appropriate fiscal intermediary(s) for processing.

The selected Offeror shall instruct providers to identify those claims where recovery is appropriate. If the provider submits proper documentation which indicates it billed the carrier and was denied payment, the selected Offeror will not forward the claim to the Department for claim adjustment.

If subsequent to the recovery, the provider is owed co-insurance or deductible, the selected Offeror must process through the Department's MMIS system, claims for repayment to the provider for co-insurance and deductibles. These amounts must be deducted from the selected Offeror's next monthly invoice.

**DELIVERABLES:**

Within thirty (30) calendar days of the completion of a recovery, the selected Offeror shall prepare a file of all claims to be adjusted and shall forward this to the MMIS contractor.

The selected Offeror shall resolve any claim discrepancy with the provider of service. This includes, but is not limited to, providing missing data required for proper disposition or billing of identified claims, answering questions related to claim selection or claim identification, and documenting the provider and/or carrier responses in a timely manner.

The selected Offeror shall forward to the Department all Medicare resource changes and/or updates within fourteen (14) calendar days of identification.

Liquidated damages may be assessed in an amount of \$500 (five hundred dollars) per business day when the contractor fails to provide the deliverable(s) within the aforementioned time frame(s).

## **2. COMMERCIAL CARRIERS:**

### **GOALS:**

The selected Offeror shall identify health insurance resources that were available to MA recipients during targeted dates of service, file claims for the recovery of MA benefits paid, and receive reimbursement from the health insurance carrier.

### **TASKS:**

TPL generally performs four (4) Medicare and four (4) commercial recoveries each year. Within thirty (30) calendar days after the initiation of a recovery project by the Division of Third Party Liability, the selected Offeror shall begin a secondary recovery.

The selected Offeror shall use the Department's recipient eligibility database, the carrier's eligibility files, the selected Offeror's resource database or any other resource the selected Offeror has available, to create a match file of eligible recipients with available resource files.

The selected Offeror shall use this file to match against the Department's paid claims history file to identify claims which were paid by the Department but for which coverage may exist. The Department will provide the selected Offeror with dates of the Department initiated recoveries which the selected Offeror will use to eliminate duplicate recoveries. When a duplicate billing occurs, the selected Offeror shall delete the involved claim(s) from its recovery activity.

The selected Offeror will submit claims (preferably electronically) to the insurance carrier for processing. The selected Offeror shall instruct the insurance carrier that all reimbursements shall be made payable to the Department. The selected Offeror shall instruct the insurance carrier to send reimbursements and/or denials of liability (Explanation of Benefits) directly to TPL. The selected Offeror shall copy any checks and provide the original to TPL. When it is determined by the Department that a commercial carrier has made a payment in error to TPL, the Department will process a reimbursement to the carrier. This payment must be deducted from a future invoice as indicated in Section IV-3-C-2.

**The selected Offeror shall utilize all HIPAA standard billing transactions unless precluded by the insurance carrier.**

### **DELIVERABLES:**

Within thirty (30) calendar days of the completion of a recovery, the selected Offeror shall prepare a file of all claims to be adjusted and shall forward this to the MMIS contractor.

The selected Offeror shall resolve any claim discrepancy with the provider of service. This includes, but is not limited to, providing missing data required for proper disposition or billing

of identified claims, answering questions related to claim selection or claim identification, and documenting the provider and/or carrier responses in a timely manner.

The selected Offeror shall forward to the Department all insurance information within fourteen (14) calendar days of identification per the file layout in **Appendix L**. Any coverage which is identified as court ordered must be identified.

Liquidated damages may be assessed in an amount of \$500 (five hundred dollars) per business day when the contractor fails to provide the deliverable(s) within the aforementioned time frame(s).

### **C. TARGETED DATA EXCHANGES:**

- 1) PACSES
- 2) PA BlueCross/BlueShield Plans
- 3) Commercial Carriers

#### **1. PACSES:**

##### GOALS:

The goal is to identify and report insurance coverage/policy data for support records from the Department's statewide child support enforcement system, the Pennsylvania Child Support Enforcement System (PACSES).

##### TASKS:

The selected Offeror will identify commercial health insurance coverage available for support records from PACSES through a data exchange process. The Department/PACSES will submit to the selected Offeror an initial universe of approximately 1.2 million support records. Thereafter, on a monthly schedule, the Department/PACSES will provide an insurance inquiry file of support records to the selected Offeror. The selected Offeror shall treat each insurance inquiry file from the Department/PACSES separately; the selected Offeror shall return each inquiry file to the Department/PACSES.

The selected Offeror will, at a minimum, perform the exchange by comparing the Insurance Inquiry File supplied by the Department/PACSES with beneficiary files of the health insurance carriers listed in **Appendix N**. The insurance inquiry file supplied by the Department/PACSES will contain the following data elements and, at the suggestion of the selected Offeror, any additional elements available from PACSES:

- Social Security Number (SSN)
- Last, Middle & First name
- PACSES Member ID (when available)

##### DELIVERABLES:

The selected Offeror shall provide to the Department/PACSES an electronic response file of health insurance coverage for records on PACSES. The response file will be in a compatible

format to properly update the Department's statewide child support enforcement system, PACSES, and will include as much of the following data as the selected Offeror can provide:

- SSN of subscriber
- DOB of subscriber
- Last, Middle & First name of subscriber
- Address of subscriber
- Employer name of subscriber
- Employer address of subscriber
- SSNs of covered dependent children of subscribers
- Last, Middle & First name of covered dependent children of subscribers
- Insurance carrier name
- Insurance carrier address
- Insurance carrier policy number
- Insurance carrier group number
- Begin and end dates of coverage
- TPL insurance Coverage Type and Carrier Code from **Appendix M**
- Co-payment amount

## 2. **PA BLUECROSS/BLUESHIELD PLANS:**

### GOALS:

The goal is to identify PA BlueCross/BlueShield non-Medicare covered health insurance resources to include but not limited to, vision, dental, pharmacy and autism coverage available to MA recipients.

### TASKS:

The Department will maintain agreements with PA BlueCross/BlueShield plans to receive eligibility data. The data will be electronically transmitted via a mutually agreed upon method between the BlueCross/BlueShield plans and the selected Offeror. The selected Offeror shall use the BlueCross/BlueShield data exchange files to match against the Department's recipient eligibility database to identify recipients with insurance coverage. The selected Offeror shall submit a resource file using both the Department's file layout in **Appendix L** and insurance carrier codes in **Appendix M**.

The selected Offeror must upon identification of issues or problems with the data, notify both the Department and the affected carrier. Notification must occur within fourteen (14) calendar days of identification of the issue or problem.

### DELIVERABLE:

The selected Offeror shall forward all PA BlueCross/BlueShield resource information within fourteen (14) calendar days of identification per the file layout in **Appendix L**. Any coverage which is identified as court ordered must be identified.

Liquidated damages may be assessed in an amount of \$500 (five hundred dollars) per business day when the contractor fails to provide the deliverable(s) within the aforementioned time frame(s).

### **3. COMMERCIAL CARRIERS:**

#### **GOALS:**

The goals are to identify non-Medicare covered health insurance resources to include but not limited to, vision, dental, pharmacy and autism coverage available to MA recipients.

#### **TASKS:**

The selected Offeror shall, at a minimum, have established data exchanges with all insurance carriers listed in **Appendix N** within 60 days from the effective date of the contract. The selected Offeror will match the insurance carrier files to the Department's recipient eligibility database to identify recipients with insurance coverage.

The selected Offeror shall notify the Department of any deletions or additions of insurance carriers to **Appendix N** within 10 days of discovery. The selected Offeror will justify to the Department the removal of carriers from the listing. The selected Offeror will also provide an annual comprehensive listing of all insurance carriers with whom the selected Offeror is performing data exchanges.

The selected Offeror shall use the insurance carrier data exchange files to match against the Department's recipient eligibility database to identify recipients with insurance coverage. The selected Offeror shall submit a resource file using both the Department's file layout in **Appendix L** and insurance carrier codes in **Appendix M**.

#### **DELIVERABLE:**

The selected Offeror shall forward all insurance information within fourteen (14) calendar days following the receipt of the data exchange. Any coverage which is identified as court ordered must be identified per the file layout in **Appendix L**.

Liquidated damages may be assessed in an amount of \$500 (five hundred dollars) per business day when the contractor fails to provide the deliverable(s) within the aforementioned time frame(s).

**IV-5. Contract Transition.** Upon expiration or termination of the Contract, the selected Offeror shall provide for a smooth and timely transition of its services to the Department and its contractors, as applicable. In addition, the selected Offeror must:

- a. Provide a final detailed description of the transition plan for approval by the Department and initiated four (4) months prior to the last day of the contract.
- b. Cooperate with the Department and supply the Department and/or its contractor with all information required by the Department and/or its contractor during the transition process.



- c. Pay all costs related to the transfer of materials and responsibilities as a normal part of doing business with the Department.

#### **IV-6. Reports and Project Control.**

- a. Status Report. The selected Offeror shall provide a weekly status report covering activities, problems and recommendations.
- b. Problem Identification Report. The selected Offeror shall provide an “as required” report, identifying problem areas. The report should describe the problem and its impact on the overall project and on each affected task. It should list possible courses of action with advantages and disadvantages of each, and include the selected Offeror’s recommendations/solutions.
- c. Recovery Projection Report. The selected Offeror shall provide, within 60 days of the end of the state fiscal year or as requested, their projections for all recovery activities for the next state fiscal year.
- d. Meeting Notification. The selected Offeror shall inform the Project Officer, or their designee of all meetings scheduled between the selected Offeror, provider organizations, commercial insurance carriers, TRICARE, Department or any state agencies, at least five (5) business days before the meeting is scheduled so that the Department can have representation.
- e. Ad Hoc Reports. The selected Offeror shall provide ad hoc reports upon request at no additional cost to the Department.

#### **IV-7. Contract Requirements—Disadvantaged Business Participation and Enterprise Zone Small Business Participation.**

All contracts containing Disadvantaged Business participation and/or Enterprise Zone Small Business participation must also include a provision requiring the selected contractor to meet and maintain those commitments made to Disadvantaged Businesses and/or Enterprise Zone Small Businesses at the time of proposal submittal or contract negotiation, unless a change in the commitment is approved by the BMWBO. All contracts containing Disadvantaged Business participation and/or Enterprise Zone Small Business participation must include a provision requiring Small Disadvantaged Business subcontractors, Enterprise Zone Small Business subcontractors and Small Disadvantaged Businesses or Enterprise Zone Small Businesses in a joint venture to perform at least **50%** of the subcontract or Small Disadvantaged Business/Enterprise Zone Small Business participation portion of the joint venture.

The selected contractor’s commitments to Disadvantaged Businesses and/or Enterprise Zone Small Businesses made at the time of proposal submittal or contract negotiation shall be maintained throughout the term of the contract. Any proposed change must be submitted to BMWBO, which will make a recommendation to the Contracting Officer regarding a course of action.

If a contract is assigned to another contractor, the new contractor must maintain the Disadvantaged Business participation and/or Enterprise Zone Small Business participation of the original contract.

The selected contractor shall complete the Prime Contractor's Quarterly Utilization Report (or similar type document containing the same information) and submit it to the contracting officer of the Issuing Office and BMWBO within 10 workdays at the end of each quarter the contract is in force. This information will be used to determine the actual dollar amount paid to Small Disadvantaged Business and/or Enterprise Zone Small Business subcontractors and suppliers, and Small Disadvantaged Business and/or Enterprise Zone Small Business participants involved in joint ventures. Also, this information will serve as a record of fulfillment of the commitment the selected contractor made and for which it received Disadvantaged Business and Enterprise Zone Small Business points. If there was no activity during the quarter then the form must be completed by stating "No activity in this quarter."

If the selected contractor fails to meet its Disadvantaged Business commitment as provided in its agreed upon work plan, the Department may assess liquidated damages as provided in the contract.

NOTE: EQUAL EMPLOYMENT OPPORTUNITY AND CONTRACT COMPLIANCE STATEMENTS REFERRING TO COMPANY EQUAL EMPLOYMENT OPPORTUNITY POLICIES OR PAST CONTRACT COMPLIANCE PRACTICES DO NOT CONSTITUTE PROOF OF DISADVANTAGED BUSINESSES STATUS OR ENTITLE AN OFFEROR TO RECEIVE CREDIT FOR DISADVANTAGED BUSINESSES UTILIZATION.

#### **IV-8. CPP Reporting Requirements.**

The approved hiring commitment will become a contractual obligation included in the contract. Hiring commitments shall be maintained throughout the term of the contract, including any renewal or extensions. In the event of a renewal or extension of the original contract term and upon request of CPP, the selected Contractor will submit an updated plan. Any proposed change must be submitted to the Contractor Partnership Program, which will make a recommendation to the Contracting Officer regarding course of action. Upon approval of the Department, this updated plan will become part of the contract. If a contract is assigned to another contractor, the new contractor must maintain the CPP recruiting and hiring plan of the original contract. Upon request of CPP the Contractor will submit a revised plan. Upon approval, this plan will become a part of the contract.

Upon award of the contract, the selected Offeror is required to complete and submit the PA 1540 Quarterly Employment Report Form on a quarterly basis to document the number of TANF cash assistance recipients hired for that quarter. The form must be completed in its entirety and forwarded to the Contractor Partnership Program, with a copy sent to the Department Contract Monitor, by the fifteenth day of the following month after the quarter ends. If the 15<sup>th</sup> falls on a weekend or state holiday the report is due the next business day. The quarters are based on the Department of Public Welfare's fiscal year and are as follows:

Quarters	Begin Date	End Date	Reports Due
1 – First	July 1	September 30	October 15
2 – Second	October 1	December 31	January 15
3 – Third	January 1	March 31	April 15
4 – Fourth	April 1	June 30	July 15

The selected Offeror, regardless of its contract Effective Date, must submit the PA 1540 based on the schedule above. If a contract begins in the middle of a quarter the information reported will be based on activity that occurred from the contract Effective Date through the end of the quarter. If no activity occurred the form must be completed by stating “No Activity in this Quarter with the Contractor’s comments. This report must be signed by the entity that holds the contract with the Department; it may not be signed by a subcontractor.

The information submitted on this report will be audited for its accuracy and the findings will be utilized to determine if the selected Offeror is meeting its hiring requirements.

Verification

The Contractor Partnership Program will review the PA 1540 Form for accuracy and completeness. In addition, the individuals reported on the 1540 Form as TANF cash assistance recipients will be verified through the Department’s Client Information System (CIS). The Department will take a statistical sample of all public assistance hires reported to determine if the selected Offeror will receive credit. The results of the sample will determine if additional verification measures are needed. If the selected Offeror is found to report inaccurate information on a consistent basis, it will be reported to the Contracting Officer for appropriate action.

**\*Please note that the PA 1540 Form will be mailed to the Contractor after their contract is executed.**

**IV-9. Mentor Protégé Program (MPP) Reporting Requirements.**

The approved Plan commitment will become a contractual obligation included in the contract. Mentor Protégé Plan commitment shall be maintained throughout the term of the contract, including any renewals or extension of the original contract term and upon request of DPW BEO – MPP, the selected Contractor will submit an updated plan. Any proposal change must be submitted to the Department of Public Welfare, Bureau of Equal Opportunity, Mentor Protégé Program, which will make a recommendation to the Contracting Officer regarding course of action. Upon approval of the Department, this updated plan will become part of the contract. If a contract is assigned to another contractor, the new contractor must maintain the Mentor Protégé Plan commitment. Upon request of DPW, BEO – MPP the Contractor will submit a revised plan. Upon approval this plan will become part of the contract.

Upon award of the contract, the selected Offeror is required to provide a copy of the signed agreement between the Mentor and the Protégé. The Offeror is required to provide a written

narrative to DPW BEO – MPP on a quarterly basis with an update of the Mentor Protege Program Plan with a copy sent to the DPW Contract Monitor, by the fifteenth day of the following month after the quarter ends. If the 15<sup>th</sup> falls on a weekend or state holiday, the report is due the next business day. The quarters are based on the Department of Public Welfare’s fiscal year and are as follows:

Quarters	Begin Date	End Date	Reports Due
1 – First	July 1	September 30	October 15
2 – Second	October 1	December 31	January 15
3 – Third	January 1	March 31	April 15
4 – Fourth	April 1	June 30	July 15

The selected Offeror, regardless of its contract Effective Date, must submit the written narrative based on the schedule above. If a contract begins in the middle of a quarter the information reported will be based on activity that occurred from the contract Effective Date through the end of the quarter. If no activity occurred, the written narrative must provide an explanation. This written narrative must be signed by the entity that holds the contract with DPW; it **MAY NOT** be signed by the Protégé.

The information submitted on this report will be audited for its accuracy and the findings will be utilized to determine if the selected Offeror is meeting its Mentor Protégé Program Plan.

#### Verification

The Department of Public Welfare, Bureau of Equal Opportunity – Mentor Protégé Plan will review the written narrative to ensure it is consistent with the Mentor Protégé Program Plan. In addition, DPW BEO – MPP may contact the Protégé to ensure compliance with Mentor Protégé Program Plan. The results will determine if additional verification measures are needed. If the selected Offeror is found to report inaccurate information on a consistent basis, it will be reported to the Contracting Officer for appropriate action.

## **LOT 2 Casualty Insurer Data Reporting of Personal Injury Claims**

### **PART IV**

#### **WORK STATEMENT**

##### **IV-1. Objectives.**

The objectives of Lot 2 of the RFP are to obtain injury claims data from a centralized database for personal injury claims that have been filed with casualty/liability insurers so the Department can contact the insurer and obtain reimbursement of MA expenditures from available insurance.

##### **IV-2. Nature and Scope of the Project.**

Currently the Division of Third Party Liability (TPL) is dependant on recipients, attorneys, providers and others to notify us of an accident/incident where a MA recipient was injured and the Department paid the medical expenses. In addition, TPL utilizes a Trauma Code Tracking (TCT) questionnaire process to identify any potential third party liability source(s).

Pennsylvania mandated the reporting of claims by casualty/liability insurers via Act 2008-44. Many of the casualty/liability carriers have chosen to report data through a centralized data reporting service.

The selected Offeror shall perform a data match of MA recipients against a centralized database of claims filed with casualty/liability insurers. There are approximately 2.1 million active MA recipients.

##### **IV-3. Requirements:**

###### **A. GENERAL REQUIREMENTS:**

- 1) Preserve all Department files and papers supplied to them according to all applicable Federal and State laws, regulations and policies.
- 2) Protect the confidentiality of recipient and Departmental records in compliance with Federal and State laws, regulations and policies.
- 3) The selected Offeror will store the information in a secure data facility. The selected Offeror will receive regular updates to the files and maintain the data, assuring that only authorized personnel will have access to the data. The selected Offeror will execute a business associate agreement with appropriate confidentiality and security requirements in accordance with HIPAA.

- 4) Make available to the Department, at the conclusion of the contract period, and before final payment, all records, files and data matching methodologies.
- 5) Adhere to all other conditions, provisions, and/or requirements as addressed throughout this RFP.

**B. DOCUMENTATION AND RECORD KEEPING REQUIREMENTS:**

- 1) The selected Offeror must maintain records relating to their work that is easily retrievable for up to thirty (30) days for TPL to review.
- 2) The selected Offeror will ensure that technical, administrative and physical measures are in effect to safeguard the recipient's personal information. The selected Offeror will be fully HIPAA compliant.

**C. REPORTING REQUIREMENTS:**

- 1) The selected Offeror shall provide the following information quarterly on each recipient matched:
  - Recipient's name
  - Recipient's address
  - Recipient's date of birth
  - Recipient's social security number
  - Recipient identification number (RID)
  - Carrier name, address and phone number
  - Claim number
  - Attorney name, address and phone number
  - Date of incident or loss
  - Type of injury
  - Date claim closed (if applicable)

The data file must be sent to TPL via secure electronic transfer or other agreed secure communication method.

- 2) The selected Offeror shall submit a quarterly statement/invoice containing, at a minimum, the following information:
  - Total number by RID of matches unduplicated by date of incident
  - The selected Offeror's fee per match
  - Total invoice amount
- 3) During the term of the contract, the selected Offeror must report to TPL:
  - Any similar contracts with a Pennsylvania MA Managed Care Organization (MCO)

- Its intent to seek such a contract with any other PA state governmental agencies

#### **D. EMERGENCY PREPAREDNESS:**

To support continuity of operations during an emergency, including a pandemic, the Commonwealth needs a strategy for maintaining operations for an extended period of time. One part of this strategy is to ensure that essential contracts that provide critical business services to the Commonwealth have planned for such an emergency and put contingencies in place to provide needed goods and services.

- 1) Describe how you anticipate such a crisis will impact your operations.
- 2) Describe your emergency response continuity of operations plan. Please attach a copy of your plan, or at a minimum, summarize how your plan addresses the following aspects of pandemic preparedness:
  - employee training (describe your organization's training plan, and how frequently your plan will be shared with employees)
  - identified essential business functions and key employees (within your organization) necessary to carry them out
  - contingency plans for:
    - How your organization will handle staffing issues when a portion of key employees are incapacitated due to illness.
    - How employees in your organization will carry out the essential functions if contagion control measures prevent them from coming to the primary workplace.
  - How your organization will communicate with staff and suppliers when primary communications systems are overloaded or otherwise fail, including key contacts, chain of communications (including suppliers), etc.
  - How and when your emergency plan will be tested, and if the plan will be tested by a third-party.

#### **IV-4. Tasks.**

##### **CASUALTY INSURER DATA MATCH**

The selected Offeror must have access to a centralized claims database of personal injury claims filed with casualty/liability insurers and perform matches against the Department's eligibility file. All matches with MA recipients must be sent to the Department. The technical portion of the Offeror's proposal must include a listing of the casualty/liability insurers that regularly report claims to its centralized claims database.

The Department may require additional verification activities regarding casualty insurer data during the contract term.

The goals, suggested tasks and deliverables for each activity are listed below. The selected

Offeror may suggest alternative methodologies for achieving the stated goals but should keep in mind that the Department shall not develop and/or implement any supportive system changes.

GOALS:

Identify previously unknown casualty/liability claims filed by MA recipients.

TASKS:

The selected Offeror shall match a file of the Department's MA recipients against a centralized claims database of personal injury claims filed with casualty/liability insurers.

The selected Offeror shall unduplicate the match file by using a file of already identified casualty cases supplied by the Department.

The selected Offeror shall send the Department matches via secure electronic transfer or other agreed secure communication method.

The selected Offeror shall repeat the match process to identify all new/updated casualty recipients on a quarterly basis.

The selected Offeror shall store the information in a secure data facility. The selected Offeror will receive regular updates to the files and maintain the data, assuring that only authorized personnel will have access to the data. The selected Offeror shall execute a business associate agreement (**Appendix G**) with appropriate confidentiality and security requirements in accordance with HIPAA.

DELIVERABLES:

Within five (5) calendar days of the end of the previous quarter, the selected Offeror must provide a file of unduplicated casualty/liability cases in a mutually agreed upon file format via secure electronic transfer or other agreed secure communication method.

Liquidated damages may be assessed in an amount of \$500 (five hundred dollars) per business day when the selected Offeror fails to provide the deliverable(s) within aforementioned time frame(s).

**IV-5. Contract Transition.** Upon expiration or termination of the Contract, the selected Offeror shall provide for a smooth and timely transition of its services to the Department and its contractors, as applicable. In addition, the selected Offeror must:

- a. Provide a final detailed description of the transition plan for approval by the Department and initiated four (4) months prior to the last day of the contract.
- b. Cooperate with the Department and supply the Department and/or its contractor with all information required by the Department and/or its contractor during the transition process.



- c. Pay all costs related to the transfer of materials and responsibilities as a normal part of doing business with the Department.

#### **IV-6. Reports and Project Control.**

- a. Quarterly Match Report. The selected Offeror shall provide a quarterly report of the volume of casualty data matches.
- b. Problem Identification Report. The selected Offeror shall provide an “as required” report, identifying problem areas. The report should describe the problem and its impact on the overall project and on each affected task. It should list possible courses of action with advantages and disadvantages of each, and include the selected Offeror’s recommendations/solutions.
- c. Ad Hoc Reports. The selected Offeror shall provide ad hoc reports upon request at no additional cost to the Department.

#### **IV-7. Contract Requirements—Disadvantaged Business Participation and Enterprise Zone Small Business Participation.**

All contracts containing Disadvantaged Business participation and/or Enterprise Zone Small Business participation must also include a provision requiring the selected contractor to meet and maintain those commitments made to Disadvantaged Businesses and/or Enterprise Zone Small Businesses at the time of proposal submittal or contract negotiation, unless a change in the commitment is approved by the BMWBO. All contracts containing Disadvantaged Business participation and/or Enterprise Zone Small Business participation must include a provision requiring Small Disadvantaged Business subcontractors, Enterprise Zone Small Business subcontractors and Small Disadvantaged Businesses or Enterprise Zone Small Businesses in a joint venture to perform at least 50% of the subcontract or Small Disadvantaged Business/Enterprise Zone Small Business participation portion of the joint venture.

The selected contractor’s commitments to Disadvantaged Businesses and/or Enterprise Zone Small Businesses made at the time of proposal submittal or contract negotiation shall be maintained throughout the term of the contract. Any proposed change must be submitted to BMWBO, which will make a recommendation to the Contracting Officer regarding a course of action.

If a contract is assigned to another contractor, the new contractor must maintain the Disadvantaged Business participation and/or Enterprise Zone Small Business participation of the original contract.

The selected contractor shall complete the Prime Contractor’s Quarterly Utilization Report (or similar type document containing the same information) and submit it to the contracting officer of the Issuing Office and BMWBO within 10 workdays at the end of each quarter the contract is in force. This information will be used to determine the actual dollar amount paid to Small

Disadvantaged Business and/or Enterprise Zone Small Business subcontractors and suppliers, and Small Disadvantaged Business and/or Enterprise Zone Small Business participants involved in joint ventures. Also, this information will serve as a record of fulfillment of the commitment the selected contractor made and for which it received Disadvantaged Business and Enterprise Zone Small Business points. If there was no activity during the quarter then the form must be completed by stating “No activity in this quarter.”

If the selected contractor fails to meet its Disadvantaged Business commitment as provided in its agreed upon work plan, the Department may assess liquidated damages as provided in the contract.

**NOTE: EQUAL EMPLOYMENT OPPORTUNITY AND CONTRACT COMPLIANCE STATEMENTS REFERRING TO COMPANY EQUAL EMPLOYMENT OPPORTUNITY POLICIES OR PAST CONTRACT COMPLIANCE PRACTICES DO NOT CONSTITUTE PROOF OF DISADVANTAGED BUSINESSES STATUS OR ENTITLE AN OFFEROR TO RECEIVE CREDIT FOR DISADVANTAGED BUSINESSES UTILIZATION.**

**IV-8. CPP Reporting Requirements.**

The approved hiring commitment will become a contractual obligation included in the contract. Hiring commitments shall be maintained throughout the term of the contract, including any renewal or extensions. In the event of a renewal or extension of the original contract term and upon request of CPP, the selected Contractor will submit an updated plan. Any proposed change must be submitted to the Contractor Partnership Program, which will make a recommendation to the Contracting Officer regarding course of action. Upon approval of the Department, this updated plan will become part of the contract. If a contract is assigned to another contractor, the new contractor must maintain the CPP recruiting and hiring plan of the original contract. Upon request of CPP the Contractor will submit a revised plan. Upon approval, this plan will become a part of the contract.

Upon award of the contract, the selected Offeror is required to complete and submit the PA 1540 Quarterly Employment Report Form on a quarterly basis to document the number of TANF cash assistance recipients hired for that quarter. The form must be completed in its’ entirety and forwarded to the Contractor Partnership Program, with a copy sent to the Department’s Contract Monitor, by the fifteenth day of the following month after the quarter ends. If the 15<sup>th</sup> falls on a weekend or state holiday the report is due the next business day. The quarters are based on the Department of Public Welfare’s fiscal year and are as follows:

Quarters	Begin Date	End Date	Reports Due
1 – First	July 1	September 30	October 15
2 – Second	October 1	December 31	January 15
3 – Third	January 1	March 31	April 15
4 – Fourth	April 1	June 30	July 15

The selected Offeror, regardless of its contract Effective Date, must submit the PA 1540 based on the schedule above. If a contract begins in the middle of a quarter the information reported will be based on activity that occurred from the contract Effective Date through the end of the quarter. If no activity occurred, the form must be completed by stating “No Activity in this Quarter with the Contractor’s comments. This report must be signed by the entity that holds the contract with the Department; it may not be signed by a subcontractor.

The information submitted on this report will be audited for its accuracy and the findings will be utilized to determine if the selected Offeror is meeting its hiring requirements.

#### Verification

The Contractor Partnership Program will review the PA 1540 Form for accuracy and completeness. In addition, the individuals reported on the 1540 Form as TANF cash assistance recipients will be verified through the Department’s Client Information System (CIS). The Department will take a statistical sample of all public assistance hires reported to determine if the selected Offeror will receive credit. The results of the sample will determine if additional verification measures are needed. If the selected Offeror is found to report inaccurate information on a consistent basis, it will be reported to the Contracting Officer for appropriate action.

**\*Please note that the PA 1540 Form will be mailed to the Contractor after their contract is executed.**

#### **IV-9. Mentor Protégé Program (MPP) Reporting Requirements.**

The approved Plan commitment will become a contractual obligation included in the contract. Mentor Protégé Plan commitment shall be maintained throughout the term of the contract, including any renewals or extension of the original contract term and upon request of DPW BEO – MPP, the selected Contractor will submit an updated plan. Any proposal change must be submitted to the Department of Public Welfare, Bureau of Equal Opportunity, Mentor Protégé Program, which will make a recommendation to the Contracting Officer regarding course of action. Upon approval of the Department, this updated plan will become part of the contract. If a contract is assigned to another contractor, the new contractor must maintain the Mentor Protégé Plan commitment. Upon request of DPW, BEO – MPP the Contractor will submit a revised plan. Upon approval this plan will become part of the contract.

Upon award of the contract, the selected Offeror is required to provide a copy of the signed agreement between the Mentor and the Protégé. The Offeror is required to provide a written narrative to DPW BEO – MPP on a quarterly basis with an update of the Mentor Protégé Program Plan with a copy sent to the DPW Contract Monitor, by the fifteenth day of the following month after the quarter ends. If the 15<sup>th</sup> falls on a weekend or state holiday, the report is due the next business day. The quarters are based on the Department of Public Welfare’s fiscal year and are as follows:

Quarters	Begin Date	End Date	Reports Due
1 – First	July 1	September 30	October 15
2 – Second	October 1	December 31	January 15
3 – Third	January 1	March 31	April 15
4 – Fourth	April 1	June 30	July 15

The selected Offeror, regardless of its contract Effective Date, must submit the written narrative based on the schedule above. If a contract begins in the middle of a quarter the information reported will be based on activity that occurred from the contract Effective Date through the end of the quarter. If no activity occurred, the written narrative must provide an explanation. This written narrative must be signed by the entity that holds the contract with DPW; it **MAY NOT** be signed by the Protégé.

The information submitted on this report will be audited for its accuracy and the findings will be utilized to determine if the selected Offeror is meeting its Mentor Protégé Program Plan.

#### Verification

The Department of Public Welfare, Bureau of Equal Opportunity – Mentor Protégé Plan will review the written narrative to ensure it is consistent with the Mentor Protégé Program Plan. In addition, DPW BEO – MPP may contact the Protégé to ensure compliance with Mentor Protégé Program Plan. The results will determine if additional verification measures are needed. If the selected Offeror is found to report inaccurate information on a consistent basis, it will be reported to the Contracting Officer for appropriate action.

**LOT 3  
Retrospective Provider Reviews**

**PART IV**

**WORK STATEMENT**

**IV-1. Objectives.**

The objective of Lot 3 of the RFP is to obtain professional and specialized services to assist the Department of Public Welfare (Department) in provider review activities for services provided through the Medical Assistance (MA) Program.

**IV-2. Nature and Scope of the Project.**

The Department's Bureau of Program Integrity (BPI) is responsible for preventing, detecting, deterring, and correcting provider fraud, abuse and waste of Medical Assistance services; ensuring MA recipients receive quality services, taking appropriate administrative actions and referring cases of potential fraud to the appropriate enforcement agency. Specifically, the Department seeks a contractor that will use data mining software to select provider claims for review, request and review medical and financial records, identify over/underpayments for recovery, and testify in defense of the Department's administrative actions in the event of an appeal. The Department may, in its sole discretion, elect to use the retrospective claim review activities provided in this section of the RFP to comply with the mandate of the Patient Protection and Affordable Care Act for expansion of the Recovery Audit Contractor (RAC) program to Medicaid. In that case, the contractor will be expected to conform to Federally mandated RAC requirements when issued by the Federal government.

The selected Offeror will augment BPI's provider reviews for the Fee for Service Program, also referred to as "audits", for the following:

1. Inpatient hospital services to include Diagnosis Related Group (DRG) validation,
2. Inpatient/outpatient laboratory services,
3. Physician services,
4. Federally Qualified Health Centers (FQHC) and Rural Health Clinics (RHC) services,
5. Ambulatory Surgical Center (ASC) services,
6. Durable Medical Equipment (DME) services, and
7. Other services as identified by the Department.

**For purposes of responding to this RFP, Offerors are to assume that they will be provided with up to 48 months of claims data for the above-referenced provider types during the initial contract period.**

### **IV-3. Requirements.**

#### **A. GENERAL REQUIREMENTS:**

**The selected Offeror must:**

- 1) Retain all Department records according to applicable federal and state laws, regulations, and policies.
- 2) Protect the confidentiality of patient, client, provider, and Department records in compliance with federal and state laws, regulations, and policies.
- 3) Conduct and complete audits/reviews in accordance with the Department's approved work plan.
- 4) Obtain Department approval prior to all written correspondence with providers. Templates of any correspondence to be used during this project must be approved by the Department.
- 5) When requested by the Department, submit written information and testify, as necessary, at any administrative hearings relating to claims/reviews conducted by the selected Offeror.
- 6) Inform the Department's Project Officer or his/her designee of any and all meetings and teleconferences scheduled between the selected Offeror and audited providers at least five (5) business days before the meeting is scheduled so that the Department can have a representative present if desired.
- 7) At the conclusion of the contract period and before final settlement, make available to the Department all records, files, methodologies, and any supplemental documentation that the Department would require in order to process future recoveries or testify in administrative hearings of the same nature as those processed and performed by the selected Offeror during the course of this contract. All documentation must be in a file format acceptable to the Department.

#### **B. SPECIFIC REQUIREMENTS:**

- 1) The selected Offeror must use appropriate algorithms and edits to identify and select targeted atypical patterns of billing for the provider types/areas identified in IV-2. In addition, the selected Offeror's system must have the capability of accepting extracts of claims, provider, recipient, and reference information from PROMISE in electronic format which will be used for review activities.

- 2) The selected Offeror must be licensed to and use inpatient and outpatient InterQual criteria, as well as ICD-9-CM and ICD-10-CM when implemented and HCPCS codes for the appropriate year of review. The Offeror must also have access and use the current DRG grouper for the appropriate year of review consistent with the Department's use. Finally, the selected Offeror must subscribe to and use the American Hospital Association "Coding Clinic Guidelines".
- 3) The selected Offeror's system must have the capability of sending data files to the Department for automated recovery processing in a format specified by the Department.

### **C. SYSTEMS PROGRAMMING:**

The Department will not alter or reformat files to accommodate the selected Offeror. Throughout the term of the contract, the selected Offeror shall make any accommodations necessary at no charge to the Department, so that the files supplied by the Department can be used by the selected Offeror.

The selected Offeror shall ensure that data in any media, or information returned to the Department as part of the contract are prepared in a format that is compatible with the Department's current system and ready for immediate use. At no time shall the selected Offeror provide any electronic data to the Department, of any kind, that would require the Department to implement programming changes in order to read or use the data.

### **D. EMERGENCY PREPAREDNESS:**

To support continuity of operations during an emergency, including a pandemic, the Commonwealth needs a strategy for maintaining operations for an extended period of time. One part of this strategy is to ensure that essential contracts that provide critical business services to the Commonwealth have planned for such an emergency and put contingencies in place to provide needed goods and services.

- 1) Describe how you anticipate such a crisis will impact your operations.
- 2) Describe your emergency response continuity of operations plan. Please attach a copy of your plan, or at a minimum, summarize how your plan addresses the following aspects of pandemic preparedness:
  - employee training (describe your organization's training plan, and how frequently your plan will be shared with employees)
  - identified essential business functions and key employees (within your organization) necessary to carry them out
  - contingency plans for:
    - How your organization will handle staffing issues when a portion of key employees are incapacitated due to illness.

- How employees in your organization will carry out the essential functions if contagion control measures prevent them from coming to the primary workplace.
- How your organization will communicate with staff and suppliers when primary communications systems are overloaded or otherwise fail, including key contacts, chain of communications (including suppliers), etc.
- How and when your emergency plan will be tested, and if the plan will be tested by a third-party.

#### **IV-4. Tasks.**

The goals, suggested tasks and deliverables for each activity are listed below. The selected Offeror may suggest alternative methodologies for achieving the stated goals. Any supportive system changes would be at the discretion of the Department.

##### **1. Retrospective Reviews**

###### GOALS:

Identify providers through claims and medical record reviews that have billed for services provided to MA recipients not in compliance with State and Federal regulations and MA billing guidelines.

###### TASKS:

- A. The selected Offeror will be responsible for the following:
  - B. Request, and perform retrospective reviews of medical and financial records, payment information, and other information for hospital admissions, ambulatory surgical centers, inpatient and outpatient laboratory services, FQHCs, RHCs, DME physician and other services identified by the Department. These areas will be assessed for compliance with MA Program regulations.
  - C. Perform DRG validation by comparing medical record documentation to the ICD-9-CM and ICD-10-CM (when implemented) diagnosis and procedure codes, and discharge status codes and other information reported on inpatient claims to ensure accuracy for the paid DRG. Review lengths of stay and treatment rendered to ensure timely discharge of patients and necessity for inpatient services.
  - D. Pursuant to Department policy, all final recommendations to deny payment based on lack of medical necessity for the service or for inferior or substandard quality of care must be made by a board certified peer physician.
  - E. Validate through medical record documentation the appropriateness of the services paid under the MA Program.
  - F. Evaluate patterns of care services, using claims data, to identify potential providers for review.



- G. Review medical and financial records and other pertinent information for compliance with MA regulations, bulletins, and manuals for the specific provider types reviewed.
- H. Make recommendations for action to be taken after review and approval by the Department, prepare correspondence for the Department to notify providers of review findings and over/under payment amount and any corrective action if indicated.
- I. Conduct telephone conferences or meetings with the provider, including peer-to-peer conferences upon request by the provider or the Department, to explain review findings.
- J. Assist in the preparation of and testify at administrative appeal hearings resulting from identified overpayments. These hearings are conducted telephonically or face-to-face.
- K. Refer suspected fraudulent practices to BPI.
- L. Cooperate with the Department in the claims flagging process.
- M. Work with the Department to reconcile claim adjustments.
- N. Attend meetings with Department representatives at a frequency determined by the Department, in person and by telephone, to provide status reports on the progress of the project and for startup activities and ongoing monitoring.
- O. Commence tasks immediately and maintain consistent operations throughout the contract period.
- P. Provide for transition at expiration or termination of contract.
- Q. Conduct other activities related to the identification of overpayments or underpayments.

**DELIVERABLES:**

The selected Offeree shall submit the required reports on a monthly, quarterly and annual basis.

The selected Offeror must provide a biweekly file of claims for adjustments or voids in a mutually agreed upon secure format for recovery of overpayments or correction of underpayments.

Liquidated damages may be assessed in an amount of \$500 (five hundred dollars) per business day when the selected Offeror fails to provide the deliverables(s) within the specified time frame (s).

## 2. Credit Balance Reviews

### GOALS:

The selected Offeror will review provider financial records to identify and recover MA overpayments due to credit balances. This shall be completed by using financial records from providers, data mining of the Department's paid claims, eligibility and patient paid histories, and other available data.

### TASKS:

- A. The selected Offeror shall perform overpayment/credit balance reviews and recommend recoveries to the Department by performing the following:
- B. Obtain and review applicable Department provider payment and billing regulations and policies, and meet with the Department prior to the start of the reviews to assess existing system edits and audits.
- C. Obtain approval from the Department on selected providers for overpayment/credit balance review. The Department will provide guidance to the selected Offeror regarding providers that should be added or deleted from the selected provider list. The selected Offeror will work with the Department to conduct outreach to affected provider organizations.
- D. Inform the Department of scheduled reviews and status of reviews with providers. The following items will be the responsibility of the selected Offeror pending approval by the Department: compile and mail notification package to providers that shall include, notification letter, instruction letter, and list of overpaid claims.
- E. The selected Offeror shall conduct conferences with the appropriate staff at each provider location to answer questions and provide additional information on the review process.
- F. The selected Offeror shall conduct and complete an on-site review of claims and identify overpayments/credit balances by utilizing provider's financial systems and other types of documentation as deemed appropriate.
- G. Results of reviews will be approved by the Department prior to notifying providers of the discrepancies. The selected Offeror will review findings with the provider and resolve discrepancies.
- H. Final reports will be approved by the Department prior to dissemination to providers.

### DELIVERABLES:

The selected Offeror shall provide a weekly status report on the progress of the project.

Within thirty (30) calendar days of the completion of the recovery, the selected Offeror shall prepare a claim detail level reconciliation file of paid claims for posting to the Department's claims processing system.

The selected Offeror shall provide a report of each provider, the amount identified through the overpayment/credit balance review and the actual recovered amount.

Liquidated damages may be assessed in an amount of \$500 (five hundred dollars) per business day when the contractor fails to provide the deliverable(s) within the aforementioned time frame(s).

#### **IV-5. Contractor Activities.**

Required Offeror activities include:

1. Match claims types such as:
  - Inpatient to professional claims
  - Outpatient to professional claims
  - Inpatient to outpatient services
  - By patient, disease classification or procedure code
2. Compare coding such as:
  - Cross-reference CPT/HCPCS to ICD-9-CM, or ICD-10-CM when implemented
  - Identify coding errors by provider type
3. Identify duplicate services billed between claim types such as:
  - Outpatient claims paid while patient was hospitalized
  - Duplicated services within and across claims for same recipient
  - Professional claims with technical service components incurred while recipient was hospitalized
4. Identify services not rendered by evaluation of:
  - Diagnosis codes
  - Procedure codes
  - Medical record review
  - Impossible days or other time related queries
5. Identify miscellaneous issues such as:
  - Non-covered services
  - Utilization of services performed outside of practitioner's specialty or scope of practice
6. Inpatient hospital claim algorithms such as:
  - Identification of diagnosis sequencing errors

- Validation and editing of all ICD-9-CM codes or ICD-10-CM when implemented
- Identification of clinical coding errors which impact DRG assignments and reimbursement
- Identification of each secondary diagnosis considered a complication/co-morbidity when paired with the primary diagnosis
- Identification of hospital readmissions within 14 days of discharge
- Edits to identify maximization of payment

7. Outpatient claims algorithms such as:

- Validation and editing of all ICD-9-CM codes or ICD-10-CM when implemented
- Cross-reference editing between ICD-9-CM procedure codes or ICD-10-CM when implemented and CPT/HCPCS procedure codes
- Identification of complex CPT/HCPCS codes to determine if a less complex code is more appropriate
- Possible unbundled procedures for coding accuracy
- Outpatient claims are cross checked with any associated physician claim to identify any coding errors
- Miscoded procedures
- Identify outpatient facility claims for procedures that can be safely performed in a physician's setting

8. Professional claim algorithms such as:

- CPT/HCPCS coding errors
- CPT/HCPCS unbundling
- Simple procedures up-coded to complex procedures
- Duplicate services across claims
- Duplicate technical component billing
- Complementary services missing a complementary claim

**IV-6. Contract Transition.** Upon expiration or termination of the Contract, the selected Offeror shall provide for a smooth and timely transition of its services to the Department and its contractors, as applicable. In addition, the selected Offeror must:

- a. Provide a final detailed description of the transition plan for approval by the Department and initiated four (4) months prior to the last day of the contract.
- b. Cooperate with the Department and supply the Department and/or its contractor with all information required by the Department and/or its contractor during the transition process.
- c. Pay all costs related to the transfer of materials and responsibilities as a normal part of doing business with the Department.

#### **IV-7. Reports and Project Control.**

The selected Offeror shall describe their overall plan and activities required to successfully complete this project within the proposed timeline. The selected Offeror must propose an approach that includes and describes the activities that will be in effect throughout the life of the contract. At a minimum, the following reports must be generated and reviewed with the Department at least monthly and management reports that the Commonwealth can access on demand with different dates of review fields must also be available:

- Monthly reports sorted by provider type and/or provider that identify:
  - the number of claims targeted for recovery
  - the number of records requested from each provider
  - the number of cases with and without overpayments
  - the number and type of letters sent to providers
  - the number of new appeals
  - the number of hearings held, determinations and monetary reconciliations
  - the number of providers audited with identified results
  - ICD-9-CM diagnosis and procedure codes billed, (or ICD-10-CM when implemented), for identified recoveries, from high to low
  - CPT/HCPCS codes billed from high to low
  - the dollar amount recovered and the identified recoveries by provider
  - summary of all written and verbal communications with MA providers

The selected Offeror must provide projections for all recovery activities for the next state fiscal year within 60 (sixty) days of the end of the state fiscal year or as requested by the Department. Ad hoc reports must be provided, as requested by the Department, at no additional cost to the Department.

The Department reserves the right to conduct peer review of final audits completed by the contractor. The Offeror may also be required to meet with the Department periodically to discuss audit results and make recommendations for program improvements.

#### **IV-8. Invoicing Requirements.**

- 1) The selected Offeror shall submit a separate monthly invoice to BPI containing the following information:
  - Total amount of monthly recoveries, by claim type, provider type and total invoiced amount
  - The total contingency fee by provider for that monthly period
- 2) The selected Offeror shall deduct amounts from their invoice when there have been any rescinds or appeals of decisions made in previous months.

- 3) The selected Offeror shall include detailed information on the invoice as necessary or requested by the Department for accurate invoicing and auditing purposes.

#### **IV-9. Legal Counsel for Appeals.**

- 1) Upon request of the Department, the successful Offeror must provide legal representation to the Department relative to any administrative appeal filed by a provider affected by an administrative action initiated by the Department upon the recommendation of the selected Offeror. Selection of outside counsel to provide such legal representation may be subject to advance written approval by the Department's Office of General Counsel.
- 2) Once an appeal is filed, the Department will decide, in its sole discretion, whether the selected Offeror will litigate the appeal. The selected Offeror or their counsel shall conduct no settlement discussions. Any settlement offers received from the Appellant shall immediately be forwarded to the Department.
- 3) The Department will compensate the selected Offeror under a separate contingency fee for moneys recovered as the result of the successful resolution (settlement or final determination) of any appeal handled by the selected Offeror. Both the selected Offeror's duty to handle appeals assigned by the Department and the Department's duty to compensate the selected Offeror for appeals filed prior to the termination or expiration shall survive the agreement.
- 4) These services will be in addition to the other litigation assistance and support that the selected Offeror must provide, such as witness testimony and exhibits.

#### **IV-10. Contract Requirements—Disadvantaged Business Participation and Enterprise Zone Small Business Participation.**

All contracts containing Disadvantaged Business participation and/or Enterprise Zone Small Business participation must also include a provision requiring the selected contractor to meet and maintain those commitments made to Disadvantaged Businesses and/or Enterprise Zone Small Businesses at the time of proposal submittal or contract negotiation, unless a change in the commitment is approved by the BMWBO. All contracts containing Disadvantaged Business participation and/or Enterprise Zone Small Business participation must include a provision requiring Small Disadvantaged Business subcontractors, Enterprise Zone Small Business subcontractors and Small Disadvantaged Businesses or Enterprise Zone Small Businesses in a joint venture to perform at least **50%** of the subcontract or Small Disadvantaged Business/Enterprise Zone Small Business participation portion of the joint venture.

The selected contractor's commitments to Disadvantaged Businesses and/or Enterprise Zone Small Businesses made at the time of proposal submittal or contract negotiation shall be maintained throughout the term of the contract. Any proposed change must be submitted to BMWBO, which will make a recommendation to the Contracting Officer regarding a course of action.

If a contract is assigned to another contractor, the new contractor must maintain the Disadvantaged Business participation and/or Enterprise Zone Small Business participation of the original contract.

The selected contractor shall complete the Prime Contractor's Quarterly Utilization Report (or similar type document containing the same information) and submit it to the contracting officer of the Issuing Office and BMWBO within **10** workdays at the end of each quarter the contract is in force. This information will be used to determine the actual dollar amount paid to Small Disadvantaged Business and/or Enterprise Zone Small Business subcontractors and suppliers, and Small Disadvantaged Business and/or Enterprise Zone Small Business participants involved in joint ventures. Also, this information will serve as a record of fulfillment of the commitment the selected contractor made and for which it received Disadvantaged Business and Enterprise Zone Small Business points. If there was no activity during the quarter then the form must be completed by stating "No activity in this quarter."

If the selected contractor fails to meet its Disadvantaged Business commitment as provided in its agreed upon work plan, the Department may assess liquidated damages as provided in the contract.

**NOTE:** EQUAL EMPLOYMENT OPPORTUNITY AND CONTRACT COMPLIANCE STATEMENTS REFERRING TO COMPANY EQUAL EMPLOYMENT OPPORTUNITY POLICIES OR PAST CONTRACT COMPLIANCE PRACTICES DO NOT CONSTITUTE PROOF OF DISADVANTAGED BUSINESSES STATUS OR ENTITLE AN OFFEROR TO RECEIVE CREDIT FOR DISADVANTAGED BUSINESSES UTILIZATION.

#### **IV-11. CPP Reporting Requirements.**

The approved hiring commitment will become a contractual obligation included in the contract. Hiring commitments shall be maintained throughout the term of the contract, including any renewal or extensions. In the event of a renewal or extension of the original contract term and upon request of CPP, the selected Contractor will submit an updated plan. Any proposed change must be submitted to the Contractor Partnership Program, which will make a recommendation to the Contracting Officer regarding course of action. Upon approval of the Department, this updated plan will become part of the contract. If a contract is assigned to another contractor, the new contractor must maintain the CPP recruiting and hiring plan of the original contract. Upon request of CPP the Contractor will submit a revised plan. Upon approval, this plan will become a part of the contract.

Upon award of the contract, the selected Offeror is required to complete and submit the PA 1540 Quarterly Employment Report Form on a quarterly basis to document the number of TANF cash assistance recipients hired for that quarter. The form must be completed in its entirety and forwarded to the Contractor Partnership Program, with a copy sent to the Department's Contract Monitor, by the fifteenth day of the following month after the quarter ends. If the 15<sup>th</sup> falls on a weekend or state holiday the report is due the next business day. The quarters are based on the Department of Public Welfare's fiscal year and are as follows:

Quarters	Begin Date	End Date	Reports Due
1 – First	July 1	September 30	October 15
2 – Second	October 1	December 31	January 15
3 – Third	January 1	March 31	April 15
4 – Fourth	April 1	June 30	July 15

The selected Offeror, regardless of its contract Effective Date, must submit the PA 1540 based on the schedule above. If a contract begins in the middle of a quarter the information reported will be based on activity that occurred from the contract Effective Date through the end of the quarter. If no activity occurred the form must be completed by stating “No Activity in this Quarter with the Contractor’s comments. This report must be signed by the entity that holds the contract with the Department; it **may not** be signed by a subcontractor.

The information submitted on this report will be audited for its accuracy and the findings will be utilized to determine if the selected Offeror is meeting its hiring requirements.

Verification

The Contractor Partnership Program will review the PA 1540 Form for accuracy and completeness. In addition, the individuals reported on the 1540 Form as TANF cash assistance recipients will be verified through the Department’s Client Information System (CIS). The Department will take a statistical sample of all public assistance hires reported to determine if the selected Offeror will receive credit. The results of the sample will determine if additional verification measures are needed. If the selected Offeror is found to report inaccurate information on a consistent basis, it will be reported to the Contracting Officer for appropriate action.

**\*Please note that the PA 1540 Form will be mailed to the Contractor after their contract is executed.**

**IV-12. Mentor Protégé Program (MPP) Reporting Requirements.**

The approved Plan commitment will become a contractual obligation included in the contract. Mentor Protégé Plan commitment shall be maintained throughout the term of the contract, including any renewals or extension of the original contract term and upon request of DPW BEO – MPP, the selected Contractor will submit an updated plan. Any proposal change must be submitted to the Department of Public Welfare, Bureau of Equal Opportunity, Mentor Protégé Program, which will make a recommendation to the Contracting Officer regarding course of action. Upon approval of the Department, this updated plan will become part of the contract. If a contract is assigned to another contractor, the new contractor must maintain the Mentor Protégé Plan commitment. Upon request of DPW, BEO – MPP the Contractor will submit a revised plan. Upon approval this plan will become part of the contract.

Upon award of the contract, the selected Offeror is required to provide a copy of the signed agreement between the Mentor and the Protégé. The Offeror is required to provide a written



narrative to DPW BEO – MPP on a quarterly basis with an update of the Mentor Protege Program Plan with a copy sent to the DPW Contract Monitor, by the fifteenth day of the following month after the quarter ends. If the 15<sup>th</sup> falls on a weekend or state holiday, the report is due the next business day. The quarters are based on the Department of Public Welfare’s fiscal year and are as follows:

Quarters	Begin Date	End Date	Reports Due
1 – First	July 1	September 30	October 15
2 – Second	October 1	December 31	January 15
3 – Third	January 1	March 31	April 15
4 – Fourth	April 1	June 30	July 15

The selected Offeror, regardless of its contract Effective Date, must submit the written narrative based on the schedule above. If a contract begins in the middle of a quarter the information reported will be based on activity that occurred from the contract Effective Date through the end of the quarter. If no activity occurred, the written narrative must provide an explanation. This written narrative must be signed by the entity that holds the contract with DPW; it **MAY NOT** be signed by the Protégé.

The information submitted on this report will be audited for its accuracy and the findings will be utilized to determine if the selected Offeror is meeting its Mentor Protégé Program Plan.

#### Verification

The Department of Public Welfare, Bureau of Equal Opportunity – Mentor Protégé Plan will review the written narrative to ensure it is consistent with the Mentor Protégé Program Plan. In addition, DPW BEO – MPP may contact the Protégé to ensure compliance with Mentor Protégé Program Plan. The results will determine if additional verification measures are needed. If the selected Offeror is found to report inaccurate information on a consistent basis, it will be reported to the Contracting Officer for appropriate action.

**LOT 4**  
**Nursing Facility Financial Reviews**

**PART IV**

**WORK STATEMENT**

**IV-1. Background.**

The Office of Long-Term Living (OLTL) is responsible for conducting annual financial reviews of nursing facilities' records for accuracy and compliance with Medical Assistance (MA) billing regulations, taking appropriate administration actions to resolve discrepancies and referring cases of potential fraud to the appropriate enforcement agency.

There are currently seven Field Operations Offices, one of which is in Philadelphia area. The Philadelphia area covers 3 counties (Philadelphia, Delaware and Chester) including 76 facilities with a total current census of 12,960 (7,270, 3,575 and 2,115 respectively).

The current OLTL nursing facility financial review process verifies the following using the systems noted along with data from PROMISe, Minimum Data Sets (MDS) and other required documentation to be provided from the nursing facility:

- Accuracy of MA status and service dates to determine if the billing census is accurate - Nursing Information System (NIS+)
- MA was not billed for newly admitted residents during a denial of payment for new admissions - Client Information System (CIS) and PA-162s
- Effective date for MA eligibility and correct billing for patient pay - PA-162s
- MA long-term care billing is correct and MA is the payer of last resort - PA-162s
- MA resident account credit balances by reviewing the accounts receivable aging report or credit balance report so recovery of any MA overpayments can be made
- Financial claim adjustments to recover overpayments made by MA to the nursing facility have been processed appropriately

The historical results of the financial reviews in the Philadelphia area are as follows:

SFY 05/06	5,929 claims	\$1,296,981.34
SFY 06/07	5,418 claims	\$1,503,907.87
SFY 07/08	6,161 claims	\$1,527,739.46
SFY 08/09	5,069 claims	\$1,369,198.78

**IV-2. Objectives.**

**A. GENERAL OBJECTIVES:**

The Department's purpose for this procurement is to competitively acquire the services of a qualified contractor to examine and verify accuracy and compliance of the record keeping and

billing practices of nursing facilities in the Philadelphia area that are associated with the financial management of Medical Assistance (MA) billing.

**B. SPECIFIC OBJECTIVES:**

The Department is seeking a qualified contractor to perform financial reviews in the Philadelphia area which will ensure proper utilization for MA expenditures by reviewing billing, collection and disbursement functions for accuracy and compliance with state and federal regulations (Title XIX of the Social Security Act and the Pennsylvania Code, 55 Pa. Chapters 1101, 1187, and 1189). This process should enhance the identification of billing discrepancies resulting in maximizing claim adjustments and/or fund recoveries with changes to the current methodology as needed through automation. In addition, the selected Offeror will testify in the defense of the Department's administrative actions in the event of any legal action.

**IV-3. Requirements.**

**A. GENERAL REQUIREMENTS:**

- 1) Retain all the Department records according to applicable federal and state laws, regulations, and policies.
- 2) Protect the confidentiality of patient, client, provider, and the Department's records in compliance with federal and state laws, regulations, and policies.
- 3) When requested by the Department, submit written information and testify, as necessary, at any administrative hearings relating to financial reviews conducted by the vendor.
- 4) Inform the Department Project Officer or his/her designee of any and all meetings and teleconferences scheduled between the selected contractor and audited providers at least five (5) working days before the meeting is scheduled so that DPW can have representation present if desired.
- 5) At the conclusion of the contract period and before final settlement, make available to the Department all records, files, methodologies, and any supplemental documentation which the Department would require in order to process future financial reviews or testify in administrative hearings of the same nature as those processed and performed by the selected Offerer during the course of this contract. All documentation must be in a file format acceptable to the Department.
- 6) The financial reviews must be conducted and completed in accordance with the approved work plan approved by the Department.

- 7) Obtain the Department's approval prior to all written correspondence with providers. Templates of other correspondence to be used during this project must be approved by the Department.

## **B. SYSTEMS PROGRAMMING:**

The Department will not alter or reformat files to accommodate the selected Offeror. Throughout the term of the contract, the selected Offeror shall make any accommodations necessary at no charge to the Department, so that the files supplied by the Department can be used by the selected Offeror.

The selected Offeror shall ensure that data in any media, or information returned to the Department as part of the contract are prepared in a format that is compatible with the Department's current system and ready for immediate use. At no time shall the selected Offeror provide any electronic data to the Department, of any kind, that would require the Department to implement programming changes in order to read or use the data.

## **SPECIFIC SYSTEMS:**

The selected Offeror must have system capabilities to be able to access:

- 1) CIS and PA-162 data
- 2) NIS+
- 3) PROMISe
- 4) MDS

## **IV-4. Tasks.**

The goal and suggested tasks are listed below. The selected Offeror may suggest alternative methodologies for achieving the stated goals but should keep in mind that the Department will not develop and/or implement any supportive system changes.

### GOAL:

Ensure nursing facilities are accurately billing for MA expenditures for the Philadelphia area.

### TASKS:

The selected Offeror shall conduct financial reviews by performing the following:

**Task 1** - A three year look back for (service dates in calendar years 2008, 2009 and 2010) additional claim adjustments and/or fund recoveries for the Philadelphia area.

**DELIVERABLE :** The selected Offeror shall provide from the nursing home a copy of a remittance advice showing a claim adjustment has been made.

**Task 2** – A one year (calendar year 2011) of a complete financial review process for all claim adjustments and/or fund recoveries for the Philadelphia area.

**DELIVERABLE :** The selected Offeror shall provide from the nursing home a copy of a remittance advice showing a claim adjustment has been made.

Both of these tasks should be completed by:

- Obtaining and reviewing applicable Department provider payment and billing regulations and policies, and meet with the Department prior to the start of the reviews.
- Working with the Department to conduct outreach to the nursing facilities.
- Informing the Department of scheduled reviews and status of reviews with nursing facilities.

The following items will be the responsibility of the selected Offeror pending approval by the Department:

- Prepare and mail notification letter to nursing facility.
- Conduct entrance conferences with the appropriate staff at each facility location to answer questions and provide additional information on the review process.
- Complete an annual review of each facility.
- Provide results of reviews to the Department for approval prior to notifying facilities of any findings.
- Conduct exit conference where findings are reviewed with the facility and discuss steps needed to resolve.
- Prepare a final report of the findings for the facility to be submitted to the Department.

**IV-5. Contract Transition.** Upon expiration or termination of the Contract, the selected Offeror shall provide for a smooth and timely transition of its services to the Department and its contractors, as applicable. In addition, the selected Offeror must:

- a. Provide a final detailed description of the transition plan for approval by the Department and initiated four (4) months prior to the last day of the contract.
- b. Cooperate with the Department and supply the Department and/or its contractor with all information required by the Department and/or its contractor during the transition process.

- c. Pay all costs related to the transfer of materials and responsibilities as a normal part of doing business with the Department.

#### **IV-6. Invoicing Requirements.**

- 1) The selected Offeror shall submit a separate invoice to OLTL containing the following information:
  - Total amount of monthly claim adjustments by nursing facility and applicable state fiscal year (SFY)
  - Copy of the remittance advices provided by the nursing facility showing claim adjustment has been made
  - Total contingency fee by SFY for that monthly period
- 2) The selected Offeror shall deduct amounts from their invoice when there have been any appeals of decisions made in previous months.
- 3) The selected Offeror shall include detailed information on the invoice as necessary or requested by the Department for accurate invoicing and auditing purposes.

#### **IV-7. Reports and Project Control.**

The selected Offeror shall propose all report formats and approved by the Department. At a minimum, the approved reports must be generated according to the due dates and reviewed with the Department at least monthly:

- **Individual facility report** - within 30 days of the completion of the review the selected Offeror shall prepare a report detailing:
  - procedural recommendations for the improvement to the facility
  - total number of claims for the facility
  - total dollar amount of the claims for the facility
  - number of claims reviewed
  - dollar amount of claims reviewed
  - number of claims to be adjusted
  - dollar amount of claims to be adjusted
- **Monthly reports** - The selected Offeror shall provide monthly progress reports by the fifteenth day of the following month after the month ends:
  - Year-to-Date Report - summary of all individual facility reports in alphabetical order with all detail listed above and in addition the following year-to-date information:
    - number of completed claims adjustments
    - total amount of claims adjusted
    - outstanding amount of claims adjustment
  - Monthly Claim Adjustment Report
  - facility in alphabetical order

- **Ad-hoc reports as requested**

The Department reserves the right to conduct peer review of financial reviews completed by the selected Offeror. The selected Offeror may also be required to meet with the Department periodically to discuss financial review results and make recommendations for program improvements.

Liquidated damages may be assessed in an amount of \$500 (five hundred dollars) per business day when the selected Offeror fails to provide the deliverable (s) within aforementioned time frame (s).

#### **IV-8. Legal Counsel for Appeals.**

- 1) Upon request of the Department, the successful Offeror must provide legal representation to the Department relative to any administrative appeal filed by a provider affected by an administrative action initiated by the Department upon the recommendation of the selected Offeror. Selection of outside counsel to provide such legal representation may be subject to advance written approval by the Department's Office of General Counsel.
- 2) Once an appeal is filed, the Department will decide, in its sole discretion, whether the selected Offeror will litigate the appeal. The selected Offeror or their counsel shall conduct no settlement discussions. Any settlement offers received from the Appellant shall immediately be forwarded to the Department.
- 3) The Department will compensate the selected Offeror under a separate contingency fee for moneys recovered as the result of the successful resolution (settlement or final determination) of any appeal handled by the selected Offeror. Both the selected Offeror's duty to handle appeals assigned by the Department and the Department's duty to compensate the selected Offeror for appeals filed prior to the termination or expiration shall survive the agreement.
- 4) These services will be in addition to the other litigation assistance and support that the selected Offeror must provide, such as witness testimony and exhibits.

#### **IV-9. Contract Requirements—Disadvantaged Business Participation and Enterprise Zone Small Business Participation.**

All contracts containing Disadvantaged Business participation and/or Enterprise Zone Small Business participation must also include a provision requiring the selected contractor to meet and maintain those commitments made to Disadvantaged Businesses and/or Enterprise Zone Small Businesses at the time of proposal submittal or contract negotiation, unless a change in the commitment is approved by the BMWBO. All contracts containing Disadvantaged Business participation and/or Enterprise Zone Small Business participation must include a provision requiring Small Disadvantaged Business subcontractors, Enterprise Zone Small Business subcontractors and Small Disadvantaged Businesses or Enterprise Zone Small

Businesses in a joint venture to perform at least **50%** of the subcontract or Small Disadvantaged Business/Enterprise Zone Small Business participation portion of the joint venture.

The selected contractor's commitments to Disadvantaged Businesses and/or Enterprise Zone Small Businesses made at the time of proposal submittal or contract negotiation shall be maintained throughout the term of the contract. Any proposed change must be submitted to BMWBO, which will make a recommendation to the Contracting Officer regarding a course of action.

If a contract is assigned to another contractor, the new contractor must maintain the Disadvantaged Business participation and/or Enterprise Zone Small Business participation of the original contract.

The selected contractor shall complete the Prime Contractor's Quarterly Utilization Report (or similar type document containing the same information) and submit it to the contracting officer of the Issuing Office and BMWBO within **10** workdays at the end of each quarter the contract is in force. This information will be used to determine the actual dollar amount paid to Small Disadvantaged Business and/or Enterprise Zone Small Business subcontractors and suppliers, and Small Disadvantaged Business and/or Enterprise Zone Small Business participants involved in joint ventures. Also, this information will serve as a record of fulfillment of the commitment the selected contractor made and for which it received Disadvantaged Business and Enterprise Zone Small Business points. If there was no activity during the quarter then the form must be completed by stating "No activity in this quarter."

If the selected contractor fails to meet its Disadvantaged Business commitment as provided in its agreed upon work plan, the Department may assess liquidated damages as provided in the contract.

**NOTE: EQUAL EMPLOYMENT OPPORTUNITY AND CONTRACT COMPLIANCE STATEMENTS REFERRING TO COMPANY EQUAL EMPLOYMENT OPPORTUNITY POLICIES OR PAST CONTRACT COMPLIANCE PRACTICES DO NOT CONSTITUTE PROOF OF DISADVANTAGED BUSINESSES STATUS OR ENTITLE AN OFFEROR TO RECEIVE CREDIT FOR DISADVANTAGED BUSINESSES UTILIZATION.**

#### **IV-10. CPP Reporting Requirements.**

The approved hiring commitment will become a contractual obligation included in the contract. Hiring commitments shall be maintained throughout the term of the contract, including any renewal or extensions. In the event of a renewal or extension of the original contract term and upon request of CPP, the selected Contractor will submit an updated plan. Any proposed change must be submitted to the Contractor Partnership Program, which will make a recommendation to the Contracting Officer regarding course of action. Upon approval of the Department, this updated plan will become part of the contract. If a contract is assigned to another contractor, the new contractor must maintain the CPP recruiting and hiring plan of the



original contract. Upon request of CPP the Contractor will submit a revised plan. Upon approval, this plan will become a part of the contract.

Upon award of the contract, the selected Offeror is required to complete and submit the PA 1540 Quarterly Employment Report Form on a quarterly basis to document the number of TANF cash assistance recipients hired for that quarter. The form must be completed in its' entirety and forwarded to the Contractor Partnership Program, with a copy sent to the Department's Contract Monitor, by the fifteenth day of the following month after the quarter ends. If the 15<sup>th</sup> falls on a weekend or state holiday the report is due the next business day. The quarters are based on the Department of Public Welfare's fiscal year and are as follows:

Quarters	Begin Date	End Date	Reports Due
1 – First	July 1	September 30	October 15
2 – Second	October 1	December 31	January 15
3 – Third	January 1	March 31	April 15
4 – Fourth	April 1	June 30	July 15

The selected Offeror, regardless of its contract Effective Date, must submit the PA 1540 based on the schedule above. If a contract begins in the middle of a quarter the information reported will be based on activity that occurred from the contract Effective Date through the end of the quarter. If no activity occurred the form must be completed by stating "No Activity in this Quarter with the Contractor's comments. This report must be signed by the entity that holds the contract with the Department; it **may not** be signed by a subcontractor.

The information submitted on this report will be audited for its accuracy and the findings will be utilized to determine if the selected Offeror is meeting its hiring requirements.

#### Verification

The Contractor Partnership Program will review the PA 1540 Form for accuracy and completeness. In addition, the individuals reported on the 1540 Form as TANF cash assistance recipients will be verified through the Department's Client Information System (CIS). The Department will take a statistical sample of all public assistance hires reported to determine if the selected Offeror will receive credit. The results of the sample will determine if additional verification measures are needed. If the selected Offeror is found to report inaccurate information on a consistent basis, it will be reported to the Contracting Officer for appropriate action.

**\*Please note that the PA 1540 Form will be mailed to the Contractor after their contract is executed.**

#### **IV-11. Mentor Protégé Program (MPP) Reporting Requirements.**

The approved Plan commitment will become a contractual obligation included in the contract. Mentor Protégé Plan commitment shall be maintained throughout the term of the contract,

including any renewals or extension of the original contract term and upon request of DPW BEO – MPP, the selected Contractor will submit an updated plan. Any proposal change must be submitted to the Department of Public Welfare, Bureau of Equal Opportunity, Mentor Protégé Program, which will make a recommendation to the Contracting Officer regarding course of action. Upon approval of the Department, this updated plan will become part of the contract. If a contract is assigned to another contractor, the new contractor must maintain the Mentor Protégé Plan commitment. Upon request of DPW, BEO – MPP the Contractor will submit a revised plan. Upon approval this plan will become part of the contract.

Upon award of the contract, the selected Offeror is required to provide a copy of the signed agreement between the Mentor and the Protégé. The Offeror is required to provide a written narrative to DPW BEO – MPP on a quarterly basis with an update of the Mentor Protege Program Plan with a copy sent to the DPW Contract Monitor, by the fifteenth day of the following month after the quarter ends. If the 15<sup>th</sup> falls on a weekend or state holiday, the report is due the next business day. The quarters are based on the Department of Public Welfare’s fiscal year and are as follows:

Quarters	Begin Date	End Date	Reports Due
1 – First	July 1	September 30	October 15
2 – Second	October 1	December 31	January 15
3 – Third	January 1	March 31	April 15
4 – Fourth	April 1	June 30	July 15

The selected Offeror, regardless of its contract Effective Date, must submit the written narrative based on the schedule above. If a contract begins in the middle of a quarter the information reported will be based on activity that occurred from the contract Effective Date through the end of the quarter. If no activity occurred, the written narrative must provide an explanation. This written narrative must be signed by the entity that holds the contract with DPW; it **MAY NOT** be signed by the Protégé.

The information submitted on this report will be audited for its accuracy and the findings will be utilized to determine if the selected Offeror is meeting its Mentor Protégé Program Plan.

Verification

The Department of Public Welfare, Bureau of Equal Opportunity – Mentor Protégé Plan will review the written narrative to ensure it is consistent with the Mentor Protégé Program Plan. In addition, DPW BEO – MPP may contact the Protégé to ensure compliance with Mentor Protégé Program Plan. The results will determine if additional verification measures are needed. If the selected Offeror is found to report inaccurate information on a consistent basis, it will be reported to the Contracting Officer for appropriate action.

## **STANDARD CONTRACT TERMS AND CONDITIONS - SAP**

If an award is made to a Bidder, the Bidder shall receive a Contract that obligates Bidder to furnish the awarded item(s) in accordance with these Standard Contract Terms and Conditions - SAP:

### **1. TERM OF CONTRACT**

The term of the Contract shall commence on the Effective Date (as defined below) and shall end on the Expiration Date identified in the Contract, subject to the other provisions of the Contract.

The Effective Date shall be: a) the date the Contract has been fully executed by the Contractor and by the Commonwealth and all approvals required by Commonwealth contracting procedures have been obtained or b) the date referenced in the Contract, whichever is later. The Contract shall not be a legally binding contract until after the fully-executed Contract has been sent to the Contractor.

The fully executed Contract shall not contain "ink" signatures by the Commonwealth. The Contractor understands and agrees that the receipt of an electronically-printed Contract with the printed name of the Commonwealth purchasing agent constitutes a valid, binding contract with the Commonwealth. The printed name of the purchasing agent on the Contract represents the signature of that individual who is authorized to bind the Commonwealth to the obligations contained in the Contract. The printed name also represents that all approvals required by Commonwealth contracting procedures have been obtained.

The Contractor shall not start performance until all of the following have occurred: a. the Effective Date has arrived; b. the Contractor has received a copy of the fully-executed Contract; and c. the Contractor has received a Purchase Order. The Commonwealth shall not be liable to pay the Contractor for any supply furnished or work performed or expenses incurred before the Effective Date or before the Contractor receives a copy of the fully-executed Contract or before the Contractor has received a Purchase Order. Except as otherwise provided in Paragraph 3, no Commonwealth employee has the authority to verbally direct the commencement of any work or delivery of any supply under this Contract prior to the Effective Date.

### **2. PURCHASE ORDERS**

The Commonwealth may issue Purchase Orders against the Contract. These orders constitute the Contractor's authority to make delivery. All Purchase Orders received by the Contractor up to and including the expiration date of the Contract are acceptable and must be performed in accordance with the Contract. Contractors are not permitted to accept Purchase Orders which require performance extended beyond those performance time periods specified in the Contract but in no event longer than ninety (90) days after the expiration date of the Contract period. Each Purchase Order will be deemed to incorporate the terms and conditions set forth in the Contract.

Purchase Orders will not include an "ink" signature by the Commonwealth. The electronically-printed name of the purchaser represents the signature of that individual who has the authority, on behalf of the Commonwealth, to authorize the Contractor to proceed.

Purchase Orders may be issued electronically or through facsimile equipment. The electronic transmission of a purchase order shall require acknowledgement of receipt of the transmission by the Contractor. Receipt of the electronic or facsimile transmission of the Purchase Order shall constitute receipt of an order. Orders received by the Contractor after 4:00 p.m. will be considered received the following business day.

The Commonwealth and the Contractor specifically agree as follows:

- a. No handwritten signature shall be required in order for the Contract or Purchase Order to be legally enforceable.
- b. Upon receipt of a Purchase Order, the Contractor shall promptly and properly transmit an acknowledgement in return. Any order which is issued electronically shall not give rise to any obligation to deliver on the part of the Contractor, or any obligation to receive and pay for delivered products on the part of the Commonwealth, unless and until the Commonwealth transmitting the order has properly received an acknowledgement.

- c. The parties agree that no writing shall be required in order to make the order legally binding, notwithstanding contrary requirements in any law. The parties hereby agree not to contest the validity or enforceability of a genuine Purchase Order or acknowledgement issued electronically under the provisions of a statute of frauds or any other applicable law relating to whether certain agreements be in writing and signed by the party bound thereby. Any genuine Purchase Order or acknowledgement issued electronically, if introduced as evidence on paper in any judicial, arbitration, mediation, or administrative proceedings, will be admissible as between the parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither party shall contest the admissibility of copies of genuine Purchase Orders or acknowledgements under either the business records exception to the hearsay rule or the best evidence rule on the basis that the order or acknowledgement were not in writing or signed by the parties. A purchase order or acknowledgment shall be deemed to be genuine for all purposes if it is transmitted to the location designated for such documents.
- d. Each party will immediately take steps to verify any document that appears to be obviously garbled in transmission or improperly formatted to include re-transmission of any such document if necessary.

Purchase Orders under five thousand dollars (\$5,000) in total amount may also be made in person or by telephone using a Commonwealth Procurement VISA Card. When an order is placed by telephone, the Commonwealth agency shall provide the agency name, employee name, credit card number, and expiration date of the card. Contractors agree to accept payment through the use of the Commonwealth Procurement VISA card.

The Commonwealth reserves the right, upon notice to the Contractor, to extend the term of the Contract for up to three (3) months upon the same terms and conditions. This will be utilized to prevent a lapse in Contract coverage and only for the time necessary, up to three (3) months, to enter into a new contract.

### **3. INDEPENDENT CONTRACTOR**

In performing its obligations under the Contract, the Contractor will act as an independent contractor and not as an employee or agent of the Commonwealth.

### **4. COMPLIANCE WITH LAW**

The Contractor shall comply with all applicable federal and state laws and regulations and local ordinances in the performance of the Contract.

### **5. ENVIRONMENTAL PROVISIONS**

In the performance of the Contract, the Contractor shall minimize pollution and shall strictly comply with all applicable environmental laws and regulations.

### **6. POST-CONSUMER RECYCLED CONTENT**

Except as specifically waived by the Department of General Services in writing, any products which are provided to the Commonwealth as a part of the performance of the Contract must meet the minimum percentage levels for total recycled content as specified in Exhibits A-1 through A-8 to these Standard Contract Terms and Conditions - SAP.

### **7. COMPENSATION**

- a. The Contractor shall be required to perform at the price(s) quoted in the Contract. All items shall be performed within the time period(s) specified in the Contract. The Contractor shall be compensated only for items supplied and performed to the satisfaction of the Commonwealth. The Contractor shall not be allowed or paid travel or per diem expenses except as specifically set forth in the Contract.
- b. Unless the Contractor has been authorized by the Commonwealth for Evaluated Receipt Settlement or Vendor Self-Invoicing, the Contractor shall send an **invoice itemized by purchase order line item** to the address referenced on the Purchase Order promptly after

items are satisfactorily delivered. The invoice should include only amounts due under the Contract/Purchase Order. The Purchase Order number must be included on all invoices. In addition, the Commonwealth shall have the right to require the Contractor to prepare and submit a "Work In Progress" sheet that contains, at a minimum, the tasks performed, number of hours, hourly rates, and the purchase order or task order to which it refers.

## 8. PAYMENT

- a. The Commonwealth shall put forth reasonable efforts to make payment by the required payment date. The required payment date is: (a) the date on which payment is due under the terms of the Contract; (b) thirty (30) days after a proper invoice actually is received at the "Bill To" address if a date on which payment is due is not specified in the Contract (a "proper" invoice is not received until the Commonwealth accepts the service as satisfactorily performed); or (c) the payment date specified on the invoice if later than the dates established by (a) and (b) above. Payment may be delayed if the payment amount on an invoice is not based upon the price(s) as stated in the Contract. If any payment is not made within fifteen (15) days after the required payment date, the Commonwealth may pay interest as determined by the Secretary of Budget in accordance with Act No. 266 of 1982 and regulations promulgated pursuant thereto. Payment should not be construed by the Contractor as acceptance of the service performed by the Contractor. The Commonwealth reserves the right to conduct further testing and inspection after payment, but within a reasonable time after performance, and to reject the service if such post payment testing or inspection discloses a defect or a failure to meet specifications. The Contractor agrees that the Commonwealth may set off the amount of any state tax liability or other obligation of the Contractor or its subsidiaries to the Commonwealth against any payments due the Contractor under any contract with the Commonwealth.
- b. The Commonwealth shall have the option of using the Commonwealth purchasing card to make purchases under the Contract or Purchase Order. The Commonwealth's purchasing card is similar to a credit card in that there will be a small fee which the Contractor will be required to pay and the Contractor will receive payment directly from the card issuer rather than the Commonwealth. Any and all fees related to this type of payment are the responsibility of the Contractor. In no case will the Commonwealth allow increases in prices to offset credit card fees paid by the Contractor or any other charges incurred by the Contractor, unless specifically stated in the terms of the Contract or Purchase Order.
- c. The Commonwealth will make contract payments through Automated Clearing House (ACH).
  - 1) Within 10 days of award of the contract or purchase order, the contractor must submit or must have already submitted their ACH information within their user profile in the Commonwealth's procurement system (SRM).
  - 2) The contractor must submit a unique invoice number with each invoice submitted. The unique invoice number will be listed on the Commonwealth of Pennsylvania's ACH remittance advice to enable the contractor to properly apply the state agency's payment to the invoice submitted.
  - 3) It is the responsibility of the contractor to ensure that the ACH information contained in SRM is accurate and complete. Failure to maintain accurate and complete information may result in delays in payments.

## 9. TAXES

The Commonwealth is exempt from all excise taxes imposed by the Internal Revenue Service and has accordingly registered with the Internal Revenue Service to make tax free purchases under Registration No. 23740001-K. With the exception of purchases of the following items, no exemption certificates are required and none will be issued: undyed diesel fuel, tires, trucks, gas guzzler emergency vehicles, and sports fishing equipment. The Commonwealth is also exempt from Pennsylvania state sales tax, local sales tax, public transportation assistance taxes and fees and vehicle rental tax. The Department of Revenue regulations provide that exemption certificates are not required for sales made to governmental entities and none will be issued. Nothing in this paragraph is meant to exempt a construction contractor from the payment of

any of these taxes or fees which are required to be paid with respect to the purchase, use, rental, or lease of tangible personal property or taxable services used or transferred in connection with the performance of a construction contract.

## **10. WARRANTY**

The Contractor warrants that all items furnished and all services performed by the Contractor, its agents and subcontractors shall be free and clear of any defects in workmanship or materials. Unless otherwise stated in the Contract, all items are warranted for a period of one year following delivery by the Contractor and acceptance by the Commonwealth. The Contractor shall repair, replace or otherwise correct any problem with the delivered item. When an item is replaced, it shall be replaced with an item of equivalent or superior quality without any additional cost to the Commonwealth.

## **11. PATENT, COPYRIGHT, AND TRADEMARK INDEMNITY**

The Contractor warrants that it is the sole owner or author of, or has entered into a suitable legal agreement concerning either: a) the design of any product or process provided or used in the performance of the Contract which is covered by a patent, copyright, or trademark registration or other right duly authorized by state or federal law or b) any copyrighted matter in any report document or other material provided to the commonwealth under the contract. The Contractor shall defend any suit or proceeding brought against the Commonwealth on account of any alleged patent, copyright or trademark infringement in the United States of any of the products provided or used in the performance of the Contract. This is upon condition that the Commonwealth shall provide prompt notification in writing of such suit or proceeding; full right, authorization and opportunity to conduct the defense thereof; and full information and all reasonable cooperation for the defense of same. As principles of governmental or public law are involved, the Commonwealth may participate in or choose to conduct, in its sole discretion, the defense of any such action. If information and assistance are furnished by the Commonwealth at the Contractor's written request, it shall be at the Contractor's expense, but the responsibility for such expense shall be only that within the Contractor's written authorization. The Contractor shall indemnify and hold the Commonwealth harmless from all damages, costs, and expenses, including attorney's fees that the Contractor or the Commonwealth may pay or incur by reason of any infringement or violation of the rights occurring to any holder of copyright, trademark, or patent interests and rights in any products provided or used in the performance of the Contract. If any of the products provided by the Contractor in such suit or proceeding are held to constitute infringement and the use is enjoined, the Contractor shall, at its own expense and at its option, either procure the right to continue use of such infringement products, replace them with non-infringement equal performance products or modify them so that they are no longer infringing. If the Contractor is unable to do any of the preceding, the Contractor agrees to remove all the equipment or software which are obtained contemporaneously with the infringing product, or, at the option of the Commonwealth, only those items of equipment or software which are held to be infringing, and to pay the Commonwealth: 1) any amounts paid by the Commonwealth towards the purchase of the product, less straight line depreciation; 2) any license fee paid by the Commonwealth for the use of any software, less an amount for the period of usage; and 3) the pro rata portion of any maintenance fee representing the time remaining in any period of maintenance paid for. The obligations of the Contractor under this paragraph continue without time limit. No costs or expenses shall be incurred for the account of the Contractor without its written consent.

## **12. OWNERSHIP RIGHTS**

The Commonwealth shall have unrestricted authority to reproduce, distribute, and use any submitted report, data, or material, and any software or modifications and any associated documentation that is designed or developed and delivered to the Commonwealth as part of the performance of the Contract.

## **13. ASSIGNMENT OF ANTITRUST CLAIMS**

The Contractor and the Commonwealth recognize that in actual economic practice, overcharges by the Contractor's suppliers resulting from violations of state or federal antitrust laws are in fact borne by the Commonwealth. As part of the consideration for the award of the Contract, and intending to be legally bound, the Contractor assigns to the Commonwealth all right, title and interest in and to any claims the Contractor now has, or may acquire, under state or federal antitrust laws relating to the products and services which are the subject of this Contract.

#### **14. HOLD HARMLESS PROVISION**

The Contractor shall hold the Commonwealth harmless from and indemnify the Commonwealth against any and all claims, demands and actions based upon or arising out of any activities performed by the Contractor and its employees and agents under this Contract and shall, at the request of the Commonwealth, defend any and all actions brought against the Commonwealth based upon any such claims or demands.

#### **15. AUDIT PROVISIONS**

The Commonwealth shall have the right, at reasonable times and at a site designated by the Commonwealth, to audit the books, documents and records of the Contractor to the extent that the books, documents and records relate to costs or pricing data for the Contract. The Contractor agrees to maintain records which will support the prices charged and costs incurred for the Contract. The Contractor shall preserve books, documents, and records that relate to costs or pricing data for the Contract for a period of three (3) years from date of final payment. The Contractor shall give full and free access to all records to the Commonwealth and/or their authorized representatives.

#### **16. INSPECTION AND REJECTION**

No item(s) received by the Commonwealth shall be deemed accepted until the Commonwealth has had a reasonable opportunity to inspect the item(s). Any item(s) which is discovered to be defective or fails to conform to the specifications may be rejected upon initial inspection or at any later time if the defects contained in the item(s) or the noncompliance with the specifications were not reasonably ascertainable upon the initial inspection. It shall thereupon become the duty of the Contractor to remove rejected item(s) from the premises without expense to the Commonwealth within fifteen (15) days after notification. Rejected item(s) left longer than fifteen (15) days will be regarded as abandoned, and the Commonwealth shall have the right to dispose of them as its own property and shall retain that portion of the proceeds of any sale which represents the Commonwealth's costs and expenses in regard to the storage and sale of the item(s). Upon notice of rejection, the Contractor shall immediately replace all such rejected item(s) with others conforming to the specifications and which are not defective. If the Contractor fails, neglects or refuses to do so, the Commonwealth shall then have the right to procure a corresponding quantity of such item(s), and deduct from any monies due or that may thereafter become due to the Contractor, the difference between the price stated in the Contract and the cost thereof to the Commonwealth.

#### **17. DEFAULT**

- a. The Commonwealth may, subject to the provisions of Paragraph 18, Force Majeure, and in addition to its other rights under the Contract, declare the Contractor in default by written notice thereof to the Contractor, and terminate (as provided in Paragraph 19, Termination Provisions) the whole or any part of this Contract or any Purchase Order for any of the following reasons:
- 1) Failure to begin work within the time specified in the Contract or Purchase Order or as otherwise specified;
  - 2) Failure to perform the work with sufficient labor, equipment, or material to insure the completion of the specified work in accordance with the Contract or Purchase Order terms;
  - 3) Unsatisfactory performance of the work;
  - 4) Failure to deliver the awarded item(s) within the time specified in the Contract or Purchase Order or as otherwise specified;
  - 5) Improper delivery;
  - 6) Failure to provide an item(s) which is in conformance with the specifications referenced in the Contract or Purchase Order;
  - 7) Delivery of a defective item;
  - 8) Failure or refusal to remove material, or remove and replace any work rejected as defective or unsatisfactory;
  - 9) Discontinuance of work without approval;
  - 10) Failure to resume work, which has been discontinued, within a reasonable time after notice to do so;
  - 11) Insolvency or bankruptcy;
  - 12) Assignment made for the benefit of creditors;

- 13) Failure or refusal within 10 days after written notice by the Contracting Officer, to make payment or show cause why payment should not be made, of any amounts due for materials furnished, labor supplied or performed, for equipment rentals, or for utility services rendered;
  - 14) Failure to protect, to repair, or to make good any damage or injury to property; or
  - 15) Breach of any provision of the Contract.
- b. In the event that the Commonwealth terminates this Contract or any Purchase Order in whole or in part as provided in Subparagraph a. above, the Commonwealth may procure, upon such terms and in such manner as it determines, items similar or identical to those so terminated, and the Contractor shall be liable to the Commonwealth for any reasonable excess costs for such similar or identical items included within the terminated part of the Contract or Purchase Order.
- c. If the Contract or a Purchase Order is terminated as provided in Subparagraph a. above, the Commonwealth, in addition to any other rights provided in this paragraph, may require the Contractor to transfer title and deliver immediately to the Commonwealth in the manner and to the extent directed by the Issuing Office, such partially completed items, including, where applicable, reports, working papers and other documentation, as the Contractor has specifically produced or specifically acquired for the performance of such part of the Contract or Purchase Order as has been terminated. Except as provided below, payment for completed work accepted by the Commonwealth shall be at the Contract price. Except as provided below, payment for partially completed items including, where applicable, reports and working papers, delivered to and accepted by the Commonwealth shall be in an amount agreed upon by the Contractor and Contracting Officer. The Commonwealth may withhold from amounts otherwise due the Contractor for such completed or partially completed works, such sum as the Contracting Officer determines to be necessary to protect the Commonwealth against loss.
- d. The rights and remedies of the Commonwealth provided in this paragraph shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.
- e. The Commonwealth's failure to exercise any rights or remedies provided in this paragraph shall not be construed to be a waiver by the Commonwealth of its rights and remedies in regard to the event of default or any succeeding event of default.
- f. Following exhaustion of the Contractor's administrative remedies as set forth in Paragraph 20, the Contractor's exclusive remedy shall be to seek damages in the Board of Claims.

## **18. FORCE MAJEURE**

Neither party will incur any liability to the other if its performance of any obligation under this Contract is prevented or delayed by causes beyond its control and without the fault or negligence of either party. Causes beyond a party's control may include, but aren't limited to, acts of God or war, changes in controlling law, regulations, orders or the requirements of any governmental entity, severe weather conditions, civil disorders, natural disasters, fire, epidemics and quarantines, general strikes throughout the trade, and freight embargoes.

The Contractor shall notify the Commonwealth orally within five (5) days and in writing within ten (10) days of the date on which the Contractor becomes aware, or should have reasonably become aware, that such cause would prevent or delay its performance. Such notification shall (i) describe fully such cause(s) and its effect on performance, (ii) state whether performance under the contract is prevented or delayed and (iii) if performance is delayed, state a reasonable estimate of the duration of the delay. The Contractor shall have the burden of proving that such cause(s) delayed or prevented its performance despite its diligent efforts to perform and shall produce such supporting documentation as the Commonwealth may reasonably request. After receipt of such notification, the Commonwealth may elect to cancel the Contract, cancel the Purchase Order, or to extend the time for performance as reasonably necessary to compensate for the Contractor's delay.

In the event of a declared emergency by competent governmental authorities, the Commonwealth by notice to the Contractor, may suspend all or a portion of the Contract or Purchase Order.



## 19. TERMINATION PROVISIONS

The Commonwealth has the right to terminate this Contract or any Purchase Order for any of the following reasons. Termination shall be effective upon written notice to the Contractor.

- a. **TERMINATION FOR CONVENIENCE:** The Commonwealth shall have the right to terminate the Contract or a Purchase Order for its convenience if the Commonwealth determines termination to be in its best interest. The Contractor shall be paid for work satisfactorily completed prior to the effective date of the termination, but in no event shall the Contractor be entitled to recover loss of profits.
- b. **NON-APPROPRIATION:** The Commonwealth's obligation to make payments during any Commonwealth fiscal year succeeding the current fiscal year shall be subject to availability and appropriation of funds. When funds(state and/or federal) are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal year period, the Commonwealth shall have the right to terminate the Contract or a Purchase Order. The Contractor shall be reimbursed for the reasonable value of any nonrecurring costs incurred but not amortized in the price of the supplies or services delivered under the Contract. Such reimbursement shall not include loss of profit, loss of use of money, or administrative or overhead costs. The reimbursement amount may be paid for any appropriations available for that purpose
- c. **TERMINATION FOR CAUSE:** The Commonwealth shall have the right to terminate the Contract or a Purchase Order for Contractor default under Paragraph 17, Default, upon written notice to the Contractor. The Commonwealth shall also have the right, upon written notice to the Contractor, to terminate the Contract or a Purchase Order for other cause as specified in the Contract or by law. If it is later determined that the Commonwealth erred in terminating the Contract or a Purchase Order for cause, then, at the Commonwealth's discretion, the Contract or Purchase Order shall be deemed to have been terminated for convenience under the Subparagraph 19.a.

## 20. CONTRACT CONTROVERSIES

- a. In the event of a controversy or claim arising from the Contract, the Contractor must, within six months after the cause of action accrues, file a written claim with the contracting officer for a determination. The claim shall state all grounds upon which the Contractor asserts a controversy exists. If the Contractor fails to file a claim or files an untimely claim, the Contractor is deemed to have waived its right to assert a claim in any forum.
- b. The contracting officer shall review timely-filed claims and issue a final determination, in writing, regarding the claim. The final determination shall be issued within 120 days of the receipt of the claim, unless extended by consent of the contracting officer and the Contractor. The contracting officer shall send his/her written determination to the Contractor. If the contracting officer fails to issue a final determination within the 120 days (unless extended by consent of the parties), the claim shall be deemed denied. The contracting officer's determination shall be the final order of the purchasing agency.
- c. Within fifteen (15) days of the mailing date of the determination denying a claim or within 135 days of filing a claim if, no extension is agreed to by the parties, whichever occurs first, the Contractor may file a statement of claim with the Commonwealth Board of Claims. Pending a final judicial resolution of a controversy or claim, the Contractor shall proceed diligently with the performance of the Contract in a manner consistent with the determination of the contracting officer and the Commonwealth shall compensate the Contractor pursuant to the terms of the Contract.

## 21. ASSIGNABILITY AND SUBCONTRACTING

- a. Subject to the terms and conditions of this Paragraph 21, this Contract shall be binding upon the parties and their respective successors and assigns.
- b. The Contractor shall not subcontract with any person or entity to perform all or any part of the work to be performed under this Contract without the prior written consent of the

Contracting Officer, which consent maybe withheld at the sole and absolute discretion of the Contracting Officer.

- c. The Contractor may not assign, in whole or in part, this Contract or its rights, duties, obligations, or responsibilities hereunder without the prior written consent of the Contracting Officer, which consent may b withheld at the sole and absolute discretion of the Contracting Officer.
- d. Notwithstanding the foregoing, the Contractor may, without the consent of the Contracting Officer, assign its rights to payment to be received under the Contract, provided that the Contractor provides written notice of such assignment to the Contracting Officer together with a written acknowledgement from the assignee that any such payments are subject to all of the terms and conditions of this Contract.
- e. For the purposes of this Contract, the term "assign" shall include, but shall not be limited to, the sale, gift, assignment, pledge, or other transfer of any ownership interest in the Contractor provided, however, that the term shall not apply to the sale or other transfer of stock of a publicly traded company.
- f. Any assignment consented to by the Contracting Officer shall be evidenced by a written assignment agreement executed by the Contractor and its assignee in which the assignee agrees to be legally bound by all of the terms and conditions of the Contract and to assume the duties, obligations, and responsibilities being assigned.
- g. A change of name by the Contractor, following which the Contractor's federal identification number remains unchanged, shall not be considered to be an assignment hereunder. The Contractor shall give the Contracting Officer written notice of any such change of name.

## **22. NONDISCRIMINATION/SEXUAL HARASSMENT CLAUSE**

During the term of the Contract, the Contractor agrees as follows:

- a. In the hiring of any employees for the manufacture of supplies, performance of work, or any other activity required under the Contract or any subcontract, the Contractor, subcontractor or any person acting on behalf of the Contractor or subcontractor shall not by reason of gender, race, creed, or color discriminate against any citizen of this Commonwealth who is qualified and available to perform the work to which the employment relates.
- b. Neither the Contractor nor any subcontractor nor any person on their behalf shall in any manner discriminate against or intimidate any employee involved in the manufacture of supplies, the performance of work or any other activity required under the Contract on account of gender, race, creed, or color.
- c. The Contractor and any subcontractors shall establish and maintain a written sexual harassment policy and shall inform their employees of the policy. The policy must contain a notice that sexual harassment will not be tolerated and employees who practice it will be disciplined
- d. The Contractor shall not discriminate by reason of gender, race, creed, or color against any subcontractor or supplier who is qualified to perform the work to which the contract relates.
- e. The Contractor and each subcontractor shall furnish all necessary employment documents and records to and permit access to its books, records, and accounts by the contracting officer and the Department of General Services' Bureau of Contract Administration and Business Development for purposes of investigation to ascertain compliance with the provisions of this Nondiscrimination/Sexual Harassment Clause. If the Contractor or any subcontractor does not possess documents or records reflecting the necessary information requested, it shall furnish such information on reporting forms supplied by the contracting officer or the Bureau of Contract Administration and Business Development

- f. The Contractor shall include the provisions of this Nondiscrimination/Sexual Harassment Clause in every subcontract so that such provisions will be binding upon each subcontractor.
- g. The Commonwealth may cancel or terminate the Contract, and all money due or to become due under the Contract may be forfeited for a violation of the terms and conditions of this Nondiscrimination/Sexual Harassment Clause. In addition, the agency may proceed with debarment or suspension and may place the Contractor in the Contractor Responsibility File.

### 23. CONTRACTOR INTEGRITY PROVISIONS

- a. For purposes of this clause only, the words "confidential information," "consent," "contractor," "financial interest," and "gratuity" shall have the following definitions.
  - 1) **Confidential information** means information that is not public knowledge, or available to the public on request, disclosure of which would give an unfair, unethical, or illegal advantage to another desiring to contract with the Commonwealth.
  - 2) **Consent** means written permission signed by a duly authorized officer or employee of the Commonwealth, provided that where the material facts have been disclosed, in writing, by prequalification, bid, proposal, or contractual terms, the Commonwealth shall be deemed to have consented by virtue of execution of this agreement.
  - 3) **Contractor** means the individual or entity that has entered into the Contract with the Commonwealth, including directors, officers, partners, managers, key employees and owners of more than a five percent interest.
  - 4) **Financial interest** means:
    - a) Ownership of more than a five percent interest in any business; or
    - b) Holding a position as an officer, director, trustee, partner, employee, or the like, or holding any position of management.
  - 5) **Gratuity** means any payment of more than nominal monetary value in the form of cash, travel, entertainment, gifts, meals, lodging, loans, subscriptions, advances, deposits of money, services, employment, or contracts of any kind.
- b. The Contractor shall maintain the highest standards of integrity in the performance of the Contract and shall take no action in violation of state or federal laws, regulations, or other requirements that govern contracting with the Commonwealth.
- c. The Contractor shall not disclose to others any confidential information gained by virtue of the Contract.
- d. The Contractor shall not, in connection with this or any other agreement with the Commonwealth, directly, or indirectly, offer, confer, or agree to confer any pecuniary benefit on anyone as consideration for the decision, opinion, recommendation, vote, other exercise of discretion, or violation of a known legal duty by any officer or employee of the Commonwealth.
- e. The Contractor shall not, in connection with this or any other agreement with the Commonwealth, directly or indirectly, offer, give, or agree or promise to give to anyone any gratuity for the benefit of or at the direction or request of any officer or employee of the Commonwealth.
- f. Except with the consent of the Commonwealth, neither the Contractor nor anyone in privity with him or her shall accept or agree to accept from, or give or agree to give to, any person, any gratuity from any person in connection with the performance of work under the Contract except as provided therein.

- g. Except with the consent of the Commonwealth, the Contractor shall not have a financial interest in any other contractor, subcontractor, or supplier providing services, labor, or material on this project.
- h. The Contractor, upon being informed that any violation of these provisions has occurred or may occur, shall immediately notify the Commonwealth in writing.
- i. The Contractor, by execution of the Contract and by the submission of any bills or invoices for payment pursuant thereto, certifies, and represents that he or she has not violated any of these provisions.
- j. The Contractor, upon the inquiry or request of the Inspector General of the Commonwealth or any of that official's agents or representatives, shall provide, or if appropriate, make promptly available for inspection or copying, any information of any type or form deemed relevant by the Inspector General to the Contractor's integrity or responsibility, as those terms are defined by the Commonwealth's statutes, regulations, or management directives. Such information may include, but shall not be limited to, the Contractor's business or financial records, documents or files of any type or form which refers to or concern the Contract. Such information shall be retained by the Contractor for a period of three years beyond the termination of the Contract unless otherwise provided by law.
- k. For violation of any of the above provisions, the Commonwealth may terminate this and any other agreement with the Contractor, claim liquidated damages in an amount equal to the value of anything received in breach of these provisions, claim damages for all expenses incurred in obtaining another Contractor to complete performance hereunder, and debar and suspend the Contractor from doing business with the Commonwealth. These rights and remedies are cumulative, and the use or nonuse of any one shall not preclude the use of all or any other. These rights and remedies are in addition to those the Commonwealth may have under law, statute, regulation, or otherwise.

## **24. CONTRACTOR RESPONSIBILITY PROVISIONS**

- a. The Contractor certifies, for itself and all its subcontractors, that as of the date of its execution of this Bid/Contract, that neither the Contractor, nor any subcontractors, nor any suppliers are under suspension or debarment by the Commonwealth or any governmental entity, instrumentality, or authority and, if the Contractor cannot so certify, then it agrees to submit, along with its Bid, a written explanation of why such certification cannot be made.
- b. The Contractor also certifies, that as of the date of its execution of this Bid/Contract, it has no tax liabilities or other Commonwealth obligations.
- c. The Contractor's obligations pursuant to these provisions are ongoing from and after the effective date of the contract through the termination date thereof. Accordingly, the Contractor shall have an obligation to inform the Commonwealth if, at any time during the term of the Contract, it becomes delinquent in the payment of taxes, or other Commonwealth obligations, or if it or any of its subcontractors are suspended or debarred by the Commonwealth, the federal government, or any other state or governmental entity. Such notification shall be made within 15 days of the date of suspension or debarment.
- d. The failure of the Contractor to notify the Commonwealth of its suspension or debarment by the Commonwealth, any other state, or the federal government shall constitute an event of default of the Contract with the Commonwealth.
- e. The Contractor agrees to reimburse the Commonwealth for the reasonable costs of investigation incurred by the Office of State Inspector General for investigations of the Contractor's compliance with the terms of this or any other agreement between the Contractor and the Commonwealth, which results in the suspension or debarment of the Contractor. Such costs shall include, but shall not be limited to, salaries of investigators, including overtime; travel and lodging expenses; and expert witness and documentary fees. The Contractor shall not be responsible for investigative costs for investigations that do not result in the Contractor's suspension or debarment.

- f. The Contractor may obtain a current list of suspended and debarred Commonwealth contractors by either searching the internet at <http://www.dgs.state.pa.us/> or contacting the:

Department of General Services  
Office of Chief Counsel  
603 North Office Building  
Harrisburg, PA 17125  
Telephone No. (717) 783-6472  
FAX No. (717) 787-9138

## 25. AMERICANS WITH DISABILITIES ACT

- a. Pursuant to federal regulations promulgated under the authority of The Americans With Disabilities Act, 28 C.F.R. § 35.101 et seq., the Contractor understands and agrees that it shall not cause any individual with a disability to be excluded from participation in this Contract or from activities provided for under this Contract on the basis of the disability. As a condition of accepting this contract, the Contractor agrees to comply with the "General Prohibitions Against Discrimination," 28 C.F.R. § 35.130, and all other regulations promulgated under Title II of The Americans With Disabilities Act which are applicable to all benefits, services, programs, and activities provided by the Commonwealth of Pennsylvania through contracts with outside contractors.
- b. The Contractor shall be responsible for and agrees to indemnify and hold harmless the Commonwealth of Pennsylvania from all losses, damages, expenses, claims, demands, suits, and actions brought by any party against the Commonwealth of Pennsylvania as a result of the Contractor's failure to comply with the provisions of subparagraph a above.

## 26. HAZARDOUS SUBSTANCES

The Contractor shall provide information to the Commonwealth about the identity and hazards of hazardous substances supplied or used by the Contractor in the performance of the Contract. The Contractor must comply with Act 159 of October 5, 1984, known as the "Worker and Community Right to Know Act" (the "Act") and the regulations promulgated pursuant thereto at 4 Pa. Code Section 301.1 et seq.

- a. Labeling. The Contractor shall insure that each individual product (as well as the carton, container or package in which the product is shipped) of any of the following substances (as defined by the Act and the regulations) supplied by the Contractor is clearly labeled, tagged or marked with the information listed in Paragraph (1) through (4):
- 1) Hazardous substances:
    - a) The chemical name or common name,
    - b) A hazard warning, and
    - c) The name, address, and telephone number of the manufacturer.
  - 2) Hazardous mixtures:
    - a) The common name, but if none exists, then the trade name,
    - b) The chemical or common name of special hazardous substances comprising .01% or more of the mixture,
    - c) The chemical or common name of hazardous substances consisting 1.0% or more of the mixture,
    - d) A hazard warning, and
    - e) The name, address, and telephone number of the manufacturer.
  - 3) Single chemicals:

- a) The chemical name or the common name,
  - b) A hazard warning, if appropriate, and
  - c) The name, address, and telephone number of the manufacturer.
- 4) Chemical Mixtures:
- a) The common name, but if none exists, then the trade name,
  - b) A hazard warning, if appropriate,
  - c) The name, address, and telephone number of the manufacturer, and
  - d) The chemical name or common name of either the top five substances by volume or those substances consisting of 5.0% or more of the mixture.

A common name or trade name may be used only if the use of the name more easily or readily identifies the true nature of the hazardous substance, hazardous mixture, single chemical, or mixture involved.

Container labels shall provide a warning as to the specific nature of the hazard arising from the substance in the container.

The hazard warning shall be given in conformity with one of the nationally recognized and accepted systems of providing warnings, and hazard warnings shall be consistent with one or more of the recognized systems throughout the workplace. Examples are:

- NFPA 704, Identification of the Fire Hazards of Materials.
- National Paint and Coatings Association: Hazardous Materials Identification System.
- American Society for Testing and Materials, Safety Alert Pictorial Chart.
- American National Standard Institute, Inc., for the Precautionary Labeling of Hazardous Industrial Chemicals.

Labels must be legible and prominently affixed to and displayed on the product and the carton, container, or package so that employees can easily identify the substance or mixture present therein.

- b. Material Safety Data Sheet. The contractor shall provide Material Safety Data Sheets (MSDS) with the information required by the Act and the regulations for each hazardous substance or hazardous mixture. The Commonwealth must be provided an appropriate MSDS with the initial shipment and with the first shipment after an MSDS is updated or product changed. For any other chemical, the contractor shall provide an appropriate MSDS, if the manufacturer, importer, or supplier produces or possesses the MSDS. The contractor shall also notify the Commonwealth when a substance or mixture is subject to the provisions of the Act. Material Safety Data Sheets may be attached to the carton, container, or package mailed to the Commonwealth at the time of shipment.

## **27. COVENANT AGAINST CONTINGENT FEES**

The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure the Contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the Commonwealth shall have the right to terminate the Contract without liability or in its discretion to deduct from the Contract price or consideration, or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee.

## **28. APPLICABLE LAW**

This Contract shall be governed by and interpreted and enforced in accordance with the laws of the Commonwealth of Pennsylvania (without regard to any conflict of laws provisions) and the decisions of the Pennsylvania courts. The Contractor consents to the jurisdiction of any court of the Commonwealth of Pennsylvania and any federal courts in Pennsylvania, waiving any claim or defense that such forum is not convenient or proper. The Contractor agrees that any such court shall have in personam jurisdiction over it, and consents to service of process in any manner authorized by Pennsylvania law.

## **29. INTEGRATION**

The RFQ - Invitation For Bids form, the Contract form, including all referenced documents, and any Purchase Order constitutes the entire agreement between the parties. No agent, representative, employee or officer of either the Commonwealth or the Contractor has authority to make, or has made, any statement, agreement or representation, oral or written, in connection with the Contract, which in any way can be deemed to modify, add to or detract from, or otherwise change or alter its terms and conditions. No negotiations between the parties, nor any custom or usage, shall be permitted to modify or contradict any of the terms and conditions of the Contract. No modifications, alterations, changes, or waiver to the Contract or any of its terms shall be valid or binding unless accomplished by a written amendment signed by both parties. All such amendments will be made using the appropriate Commonwealth form.

## **30. CHANGES**

The Commonwealth reserves the right to **make changes** at any time during the term of the Contract or any renewals or extensions thereof: 1) to increase or decrease the quantities resulting from variations between any estimated quantities in the Contract and actual quantities; 2) to make changes to the services within the scope of the Contract; 3) to notify the Contractor that the Commonwealth is exercising any Contract renewal or extension option; or 4) to modify the time of performance that does not alter the scope of the Contract to extend the completion date beyond the Expiration Date of the Contract or any renewals or extensions thereof. Any such **change shall be made by the Contracting Officer by notifying the Contractor in writing.** The **change** shall be effective as of the date **of** the **change**, unless the **notification of change** specifies a later effective date. Such increases, decreases, changes, or modifications will not invalidate the Contract, nor, if performance security is being furnished in conjunction with the Contract, release the security obligation. The Contractor agrees to provide the service in accordance with the change order. Any dispute by the Contractor in regard to the performance required **by any notification of change** shall be handled through Paragraph 19, "Contract Controversies".

**EXHIBIT A-1  
 CONSTRUCTION PRODUCTS  
 RECYCLED CONTENT**

**(A) REQUIREMENT**

All construction products offered by the bidder, or included in the final product offered by the bidder, and sold to the Commonwealth **must** contain the minimum percentage of post-consumer and recovered material content as shown below for the applicable products:

<b>Construction Products</b>	<b>Material</b>	<b>% of Post-Consumer Materials</b>	<b>% of Total Recovered Materials</b>
Structural Fiberboard	Recovered Materials	-	80
Laminated Paperboard	Post-consumer Paper	100	-
Rock Wool Insulation	Slag	-	75
Fiberglass Insulation	Glass Cullet	-	20
Cellulose Insulation (loose-fill and spray-on)	Post-consumer Paper	75	-
Perlite Composite Board Insulation	Post-consumer Paper	23	-
Plastic Rigid Foam, Polyisocyanurate/ Polyurethane: Rigid Foam Insulation	Recovered Material	-	9
Foam-in-Place Insulation	Recovered Material	-	5
Glass Fiber Reinforced Insulation	Recovered Material	-	6
Phenolic Rigid Foam Insulation	Recovered Material	-	5
Floor Tiles (heavy duty/commercial use)	Rubber	90	-
	Plastic	-	90
Patio Blocks	Rubber or Rubber Blends	90	-
	Plastic or Plastic Blends	-	90
Polyester Carpet Fiber Face	Polyethylene terephthalate (PET) resin	25	-
Latex Paint: --Consolidated <sup>1</sup> --Reprocessed <sup>2</sup> ----White, Off-White, Pastel Colors ----Grey, Brown, Earthtones, and Other Dark Colors	Recovered Material	100	-
	Recovered Material	20	-
	Recovered Material	50	-
Shower and Restroom Dividers/Partitions:	Plastic	20	-
	Steel <sup>4</sup>	16	9
		67	33
Carpet Cushion: --Bonded Polyurethane --Jute --Synthetic Fibers --Rubber	Old Carpet Cushion	15	-
	Burlap	40	-
	Carpet Fabrication Scrap	-	100
	Tire Rubber	60	-
Railroad Grade Crossing Surfaces --Concrete --Rubber <sup>3</sup> --Steel <sup>4</sup>	Coal Fly Ash	-	15
	Tire Rubber	-	85
	Steel	16	9
		67	33

"Post-consumer" material is "material or finished product that has served its intended use and has been diverted or recovered from waste destined for disposal, having completed its life as a consumer item. Post-consumer material is part of the broader category of recovered material."

"Recovered Materials" refers to waste materials and by-products which have been recovered or diverted from solid waste, but does not include those materials and by-products generated from, and commonly reused within, an original manufacturing process

<sup>1</sup> Consolidated latex paint used for covering graffiti, where color and consistency of performance are not primary concerns.

<sup>2</sup> Reprocessed latex paint used for interior and exterior architectural applications such as wallboard, ceiling, and trim; gutterboards; and concrete, stucco, masonry, wood, and metal surfaces.

<sup>3</sup>The recommended recovered materials content for rubber railroad grade crossing surfaces are based on the weight of the raw materials, exclusive of any additives such as binders or additives

<sup>4</sup> The recommended recovered materials content levels for steel in this table reflect the fact that the designated items can be made from steel manufactured from either a Basic Oxygen Furnace (BOF) or an Electric Arc Furnace (EAF). Steel from the BOF process contains 25-30% total recovered materials, of which 16% is post-consumer steel. Steel from the EAF process contains a total of 100% recovered steel, of which 67% is post-consumer.



(B) **BIDDER'S CERTIFICATION**

Bidder certifies that the construction product(s) which the bidder is offering contains the required minimum percentage of post-consumer and recovered material content as shown above for the product.

(C) **MANUFACTURER/MILL CERTIFICATION**

In addition to the Bidders Certification in Subsection (B), a manufacturer certification must be completed and signed by the manufacturer before payment will be made to the successful bidder for the delivered items. The enclosed Manufacturer/Mill Certification form must be used. Bidders are not required to submit the completed and signed Manufacturer/Mill Certification form with their bids. **THE COMMONWEALTH SHALL HAVE NO OBLIGATION TO PAY FOR THE ITEM(S) UNTIL A PROPERLY COMPLETED AND SIGNED MANUFACTURER/MILL CERTIFICATION IS SUBMITTED FOR THE DELIVERED ITEM.**

(D) **ENFORCEMENT**

Awarded bidders may be required, after delivery of the construction product(s), to provide the Commonwealth with documentary evidence that the construction product(s) were in fact produced with the required minimum percentage of post-consumer and recovered material content.

**EXHIBIT A-2  
VEHICULAR PRODUCTS  
RECYCLED CONTENT**

(A) **REQUIREMENT**

All vehicular products offered by the bidder, or included in the final product offered by the bidder, and sold to the Commonwealth **must** contain the minimum percentage of post-consumer and recovered material content as shown below for the applicable products:

Vehicular Product	Requirements
Re-Refined Oil	25% re-refined oil base stock for engine lubricating oils, hydraulic fluids, and gear oils.

"Post-consumer" material is "material or finished product that has served its intended use and has been diverted or recovered from waste destined for disposal, having completed its life as a consumer item. Post-consumer material is part of the broader category of recovered material."

"Recovered Materials" refers to waste materials and by-products which have been recovered or diverted from solid waste, but does not include those materials and by-products generated from, and commonly reused within, an original manufacturing process.

"Re-refined oil" is oil that is manufactured with a minimum of twenty-five percent basestock made from used oil that has been recovered and processed to make it reusable as oil. Once the oil has been refined, no difference can be detected between re-refined and virgin oil.

(B) **BIDDER'S CERTIFICATION**

Bidder certifies that the vehicular product(s) which the bidder is offering contains the required minimum percentage of post-consumer and recovered material content as shown above for the product.

(C) **MANUFACTURER/MILL CERTIFICATION**

In addition to the Bidders Certification in Subsection (B), a manufacturer certification must be completed and signed by the manufacturer before payment will be made to the successful bidder for the delivered items. The enclosed Manufacturer/Mill Certification form must be used. Bidders are not required to submit the completed and signed Manufacturer/Mill Certification form with their bids. **THE COMMONWEALTH SHALL HAVE NO OBLIGATION TO PAY FOR THE ITEM(S) UNTIL A PROPERLY COMPLETED AND SIGNED MANUFACTURER/MILL CERTIFICATION IS SUBMITTED FOR THE REFERENCED ITEM.**

(D) **ENFORCEMENT**

Awarded bidders may be required, after delivery of the vehicular product(s), to provide the Commonwealth with documentary evidence that the vehicular product(s) were in fact produced with the required minimum percentage of post-consumer and recovered material content.

**EXHIBIT A-3  
 PAPER PRODUCTS  
 RECYCLED CONTENT**

(A) **REQUIREMENT**

All paper offered by the bidder, or included in the final product offered by the bidder, and sold to the Commonwealth **must** contain the minimum percentage of post-consumer content as shown below for the applicable products:

Item	Notes	Post-Consumer Content (%)
<b>Printing and Writing Papers</b>		
Reprographic	Business papers such as bond, electrostatic, copy, mimeo, duplicator and reproduction	30
Offset	Used for book publishing, commercial printing, direct mail, technical documents, and manuals	30
Tablet	Office paper such as note pads and notebooks	30
Forms bond	Bond type papers used for business forms such as continuous, cash register, sales book, unit sets, and computer printout, excluding carbonless	30
Envelope	Wove Kraft, white and colored (including manila) Kraft, unbleached Excludes custom envelopes	30 10 10
Cotton fiber	High-quality papers used for stationery, invitations, currency, ledgers, maps, and other specialty items	30
Text and cover	Premium papers used for cover stock, books, and stationery and matching envelopes	30
Supercalendered	Groundwood paper used for advertising and mail order inserts, catalogs, and some magazines	10
Machine finished groundwood	Groundwood paper used in magazines and catalogs	10
Papeteries	Used for invitations and greeting cards	30
Check safety	Used in the manufacture of commercial and government checks	10
Coated	Used for annual reports, posters, brochures, and magazines. Have gloss, dull, or matte finishes	10
Carbonless	Used for multiple-impact copy forms	30
File folders	Manila or colored	30
Dyed filing products	Used for multicolored hanging folders and wallet files	20
Index and card stock	Used for index cards and postcards	20
Pressboard	High-strength paperboard used in binders and report covers	20
Tags and tickets	Used for toll and lottery tickets, licenses, and	20

	identification and tabulating cards	
<b>Newsprint</b>		
Newsprint	Groundwood paper used in newspapers	20
<b>Commercial Sanitary Tissue Products</b>		
Bathroom tissue	Used in rolls or sheets	20
Paper towels	Used in rolls or sheets	40
Paper napkins	Used in food service applications	30
Facial tissue	Used for personal care	10
General-purpose industrial wipers	Used in cleaning and wiping applications	40
<b>Paperboard and Packaging Products</b>		
Corrugated containers (<300 psi) (300 psi)	Used for packaging and shipping a variety of goods	25 25 40
Solid fiber boxes	Used for specialized packaging needs such as dynamite packaging and army ration boxes	40
Folding cartons	Used to package a wide variety of foods, household products, cosmetics, pharmaceuticals, detergent, and hardware	40
Industrial paperboard	Used to create tubes, cores, cans and drums	45
Miscellaneous	Includes "chipboard" pad backings, book covers, covered binders, mailing tubes, game boards, and puzzles	75
Padded mailers	Made from kraft paper that is usually brown but can be bleached white	5
Carrierboard	A type of folding carton designed for multipack beverage cartons	10
Brown papers	Used for bags and wrapping paper	5
<b>Miscellaneous Paper Products</b>		
Tray liners	Used to line food service trays. Often contain printed information.	50

"Post-consumer" content is "material or finished product that has served its intended use and has been diverted or recovered from waste destined for disposal, having completed its life as a consumer item. Post-consumer content is part of the broader category of recovered material."

The Commonwealth of Pennsylvania recognizes that paper products are universally made with scrap material recovered from the manufacturing process; use of such materials is a standard practice, both efficient and economical for the paper maker; therefore, bidders of paper products need not certify that their products are made with "pre-consumer," "recovered," or "secondary" paper fiber.

(B) **BIDDER'S CERTIFICATION**

Bidder certifies that the paper product(s) which the bidder is offering contains the required minimum percentage of post-consumer content as shown above for the product.

(C) **MANUFACTURER/MILL CERTIFICATION**

In addition to the Bidders Certification in Subsection (B), a mill certification must be completed and signed by the mill before payment will be made to the successful bidder for the delivered items. The enclosed Manufacturer/Mill Certification form must be used. Bidders are not required to submit the completed and signed Manufacturer/Mill Certification form with their bids. **THE COMMONWEALTH SHALL HAVE NO OBLIGATION TO PAY FOR THE ITEM(S) UNTIL A PROPERLY COMPLETED AND SIGNED MANUFACTURER/MILL CERTIFICATION IS SUBMITTED FOR THE DELIVERED ITEM.**

(D) **ENFORCEMENT**

Awarded bidders may be required, after delivery of the paper product(s), to provide the Commonwealth with documentary evidence that the paper product(s) were in fact produced with the required minimum percentage of post-consumer content.

**EXHIBIT A-4  
 LANDSCAPING PRODUCTS  
 RECYCLED CONTENT**

(A) **REQUIREMENT**

All landscaping products offered by the bidder, or included in the final product offered by the bidder, and sold to the Commonwealth **must** contain the minimum percentage of post-consumer and recovered material content as shown below for the applicable products:

Landscaping Products	Recovered Material Content
Hydraulic Mulch: -----Paper -----Wood/Paper	100% (post-consumer) 100% (total)
Compost Made From Yard Trimmings and/or Food Waste	Purchase or use compost made from yard trimmings, leaves, grass clippings and/or food wastes for applications such as landscaping, seeding of grass or other plants, as nutritious mulch under trees and shrubs, and in erosion control and soil reclamation. DGS further recommends implementing a composting system for these materials when agencies have an adequate volume and sufficient space.
Garden Hose: -----Rubber and/or Plastic  Soaker Hose: -----Rubber and/or Plastic	60% (post-consumer)  60% (post-consumer)
Lawn and Garden Edging: -----Rubber and/or Plastic	30% (post-consumer)/30-100% (total)
Landscaping Timber and Posts: -----HDPE -----Mixed Plastics/Sawdust -----HDPE/Fiberglass -----Other mixed Resins	25% (post-consumer) + 50% (recovered) 50% (post-consumer) + 50% (recovered) 75% (post-consumer) + 20% (recovered) 50% (post-consumer) + 45% (recovered)

"Post-consumer" material is "material or finished product that has served its intended use and has been diverted or recovered from waste destined for disposal, having completed its life as a consumer item. Post-consumer material is part of the broader category of recovered material."

"Recovered Materials" refers to waste materials and by-products which have been recovered or diverted from solid waste, but does not include those materials and by-products generated from, and commonly reused within, an original manufacturing process

(B) **BIDDER'S CERTIFICATION**

Bidder certifies that the landscaping product(s) which the bidder is offering contains the required minimum percentage of post-consumer and recovered material content as shown above for the product.

(C) **MANUFACTURER/MILL CERTIFICATION**

In addition to the Bidders Certification in Subsection (B), a manufacturer certification must be completed and signed by the manufacturer before payment will be made to the successful bidder for the delivered items. The enclosed Manufacturer/Mill Certification form must be used. Bidders are not required to submit the completed and signed Manufacturer/Mill Certification form with their bids. **THE COMMONWEALTH SHALL HAVE NO OBLIGATION TO PAY FOR THE ITEM(S) UNTIL A PROPERLY COMPLETED AND SIGNED MANUFACTURER/MILL CERTIFICATION IS SUBMITTED FOR THE DELIVERED ITEM.**

(D) **ENFORCEMENT**

Awarded bidders may be required, after delivery of the landscaping product(s), to provide the Commonwealth with documentary evidence that the landscaping product(s) were in fact produced with the required minimum percentage of post-consumer and recovered material content.

**EXHIBIT A-5  
 MISCELLANEOUS PRODUCTS  
 RECYCLED CONTENT**

**(A) REQUIREMENT**

All miscellaneous products offered by the bidder, or included in the final product offered by the bidder, and sold to the Commonwealth **must** contain the minimum percentage of post-consumer and recovered material content as shown below for the applicable products:

<b>Miscellaneous Products</b>	<b>Recovered Material Content</b>
Awards and Plaques -----Glass -----Wood -----Paper -----Plastic and Plastic/Wood Composites	75% (post-consumer) + 25% (recovered) 100% (total) 40% (post-consumer) 50% (post-consumer) + 45% (recovered)
Industrial Drums -----Steel <sup>1</sup> -----Plastic (HDPE) -----Fiber (paper)	16% (post-consumer) + 9% (recovered) 30% (post-consumer) 100% (post-consumer)
Mats -----Rubber -----Plastic -----Rubber/Plastic Composite	75% (post-consumer) + 10% (recovered) 10% (post-consumer) + 90% (recovered) 100% (post-consumer)
Pallets -----Wood -----Plastic -----Thermoformed -----Paperboard	95% (post-consumer) 100% (post-consumer) 25% (post-consumer) 50% (post-consumer)
Signage -----Plastic -----Aluminum -----Plastic Sign Posts/Supports -----Steel Sign Posts/Supports <sup>2</sup>	80% (post-consumer) 25% (post-consumer) 80% (post-consumer) 16% (post-consumer) + 9% (recovered) 67% (post-consumer) + 33% (recovered)
Sorbents -----Paper -----Textiles -----Plastics -----Wood <sup>3</sup> -----Other Organics/Multimaterials <sup>4</sup>	90% (post-consumer) + 10% (recovered) 95% (post-consumer) 25% (total) 100% (total) 100% (total)
Manual-Grade Strapping -----Polyester -----Polypropylene -----Steel <sup>2</sup>	50% (post-consumer) 10% (total) 16% (post-consumer) + 9% (recovered) 67% (post-consumer) + 33% (recovered)

"Post-consumer" material is "material or finished product that has served its intended use and has been diverted or recovered from waste destined for disposal, having completed its life as a consumer item. Post-consumer material is part of the broader category of recovered material."

"Recovered Materials" refers to waste materials and by-products which have been recovered or diverted from solid waste, but does not include those materials and by-products generated from, and commonly reused within, an original manufacturing process

<sup>1</sup>Steel used in steel drums is manufactured using the Basic Oxygen Furnace (BOF) process, which contains 25-30% total recovered material, of which 16% is post-consumer steel. Steel used in manual-grade strapping is manufactured using either the BOF process or the Electric Arc Furnace (EAF) process, which contains 100% total recovered materials, of which 67% is post-consumer steel.

<sup>2</sup>The recommended recovered materials content levels for steel in this table reflect the fact that the designated items can be made from steel manufactured in either a Basic Oxygen Furnace (BOF) or an Electric Arc Furnace (EAF). Steel from the BOF process contains 25-30% total recovered materials, of which 16% is post-consumer steel. Steel from the EAF process contains a total of 100% recovered steel, of which 67% is post-consumer.

<sup>3</sup>"Wood" includes materials such as sawdust and lumber mill trimmings.

<sup>4</sup>Examples of other organics include, but are not limited to, peanut hulls and corn stover. An example of multimaterial sorbents would include, but not be limited to, a polymer and cellulose fiber combination.

<sup>2</sup>The recommended recovered materials content levels for steel in this table reflect the fact that the designated items can be made from steel manufactured in either a Basic Oxygen Furnace (BOF) or an Electric Arc Furnace (EAF). Steel from the BOF process contains 25-30% total recovered materials, of which 16% is post-consumer steel. Steel from the EAF process contains a total of 100% recovered steel, of which 67% is post-consumer.

(B) **BIDDER'S CERTIFICATION**

Bidder certifies that the miscellaneous product(s) which the bidder is offering contains the required minimum percentage of post-consumer and recovered material content as shown above for the product.

(C) **MANUFACTURER/MILL CERTIFICATION**

In addition to the Bidders Certification in Subsection (B), a manufacturer certification must be completed and signed by the manufacturer before payment will be made to the successful bidder for the delivered items. The enclosed Manufacturer/Mill Certification form must be used. Bidders are not required to submit the completed and signed Manufacturer/Mill Certification form with their bids. **THE COMMONWEALTH SHALL HAVE NO OBLIGATION TO PAY FOR THE ITEM(S) UNTIL A PROPERLY COMPLETED AND SIGNED MANUFACTURER/MILL CERTIFICATION IS SUBMITTED FOR THE DELIVERED ITEM.**

(D) **ENFORCEMENT**

Awarded bidders may be required, after delivery of the miscellaneous product(s), to provide the Commonwealth with documentary evidence that the miscellaneous product(s) were in fact produced with the required minimum percentage of post-consumer and recovered material content.



**EXHIBIT A-6  
 NONPAPER OFFICE PRODUCTS  
 RECYCLED CONTENT**

(A) **REQUIREMENT**

All nonpaper office products offered by the bidder, or included in the final product offered by the bidder, and sold to the Commonwealth **must** contain the minimum percentage of post-consumer and recovered material content as shown below for the applicable products:

<b>Nonpaper Office Product</b>	<b>Recovered Material Content</b>
Recycling Containers and Waste Receptacles: -----Plastic -----Steel <sup>1</sup> -----Paper -----Corrugated -----Solid Fiber Boxes -----Industrial Paperboard	20% (post-consumer) 16% (post-consumer) +9% (recovered)  25% (post-consumer) 40% (post-consumer) 40% (post-consumer) + 60% (recovered)
Plastic Desktop Accessories (polystyrene) including desk organizers, sorters, and trays, and memo, note, and pencil holders.	25% (post-consumer)
Binders: -----Plastic-Covered -----Paper-Covered -----Pressboard -----Solid Plastic -----HDPE -----PE -----PET -----Misc. Plastics	25% 75% (post-consumer) +15% (recovered) 20% (post-consumer) + 30% (recovered)  90% (post-consumer) 30% (post-consumer) 100% (post-consumer) 80% (post-consumer)
Trash Bags (plastic)	10% (post-consumer)
Toner Cartridges	Return used toner cartridges for remanufacturing and reuse or purchase a remanufactured or recycled-content replacement cartridge.
Printer Ribbons	Procure printer ribbon reinking or reloading services or procure reinked or reloaded printer ribbons.
Plastic Envelopes	25% (post-consumer)
Plastic Clipboards: -----HDPE -----PS -----Misc. Plastics	90% (post-consumer) 50% (post-consumer) 15% (post-consumer)
Plastic File Folders -----HDPE	90% (post-consumer)
Plastic Clip Portfolios -----HDPE	90% (post-consumer)
Plastic Presentation Folders -----HDPE	90% (post-consumer)

"Post-consumer" material is "material or finished product that has served its intended use and has been diverted or recovered from waste destined for disposal, having completed its life as a consumer item. Post-consumer material is part of the broader category of recovered material."

<sup>1</sup> The recommended recovered materials content levels for steel in this table reflect the fact that the designated item is made from steel manufactured from in a Basic Oxygen Furnace (BOF). Steel from the BOF process contains 25-30% total recovered materials, of which 16% is post-consumer steel.

"Recovered Materials" refers to waste materials and by-products which have been recovered or diverted from solid waste, but does not include those materials and by-products generated from, and commonly reused within, an original manufacturing process

(B) **BIDDER'S CERTIFICATION**

Bidder certifies that the nonpaper office products which the bidder is offering contains the required minimum percentage of post-consumer and recovered material content as shown above for the product.

(C) **MANUFACTURER/MILL CERTIFICATION**

In addition to the Bidders Certification in Subsection (B), a manufacturer certification must be completed and signed by the manufacturer before payment will be made to the successful bidder for the delivered items. The enclosed Manufacturer/Mill Certification form must be used. Bidders are not required to submit the completed and signed Manufacturer/Mill Certification form with their bids. **THE COMMONWEALTH SHALL HAVE NO OBLIGATION TO PAY FOR THE ITEM(S) UNTIL A PROPERLY COMPLETED AND SIGNED MANUFACTURER/MILL CERTIFICATION IS SUBMITTED FOR THE DELIVERED ITEM.**

(D) **ENFORCEMENT**

Awarded bidders may be required, after delivery of the paper, to provide the Commonwealth with documentary evidence that the nonpaper office product(s) were in fact produced with the required minimum percentage of post-consumer and recovered material content.

**EXHIBIT A-7  
 PARK & RECREATION PRODUCTS  
 RECYCLED CONTENT**

(A) **REQUIREMENT**

All park and recreation products offered by the bidder, or included in the final product offered by the bidder, and sold to the Commonwealth **must** contain the minimum percentage of post-consumer and recovered material content as shown below for the applicable products:

<b>Park &amp; Recreation Product</b>	<b>Recovered Material Content<sup>1</sup></b>
Park Benches & Picnic Tables: -----Plastic <sup>2</sup> -----Plastic Composites -----Aluminum -----Concrete -----Steel <sup>3</sup>	90% (post-consumer) + 10% (recovered) 50% (post-consumer) + 50% (recovered) 25% (post-consumer) 15% (total) 16% (post-consumer) + 9% (recovered) 67% (post-consumer) + 33% (recovered)
Plastic Fencing for Specified Uses <sup>4</sup>	60% (post-consumer) + 30% (recovered)
Playground Equipment -----Plastic <sup>3</sup> -----Plastic Composites -----Steel <sup>4</sup> -----Aluminum	90% (post-consumer) + 10% (recovered) 50% (post-consumer) + 45% (recovered) 16% (post-consumer) + 9% (recovered) 67% (post-consumer) + 33% (recovered) 25% (post-consumer)
Playground Surfaces: -----Plastic or Rubber	90% (post-consumer)
Running Tracks: -----Plastic or Rubber	90% (post-consumer)

"Post-consumer" material is "material or finished product that has served its intended use and has been diverted or recovered from waste destined for disposal, having completed its life as a consumer item. Post-consumer material is part of the broader category of recovered material."

"Recovered Materials" refers to waste materials and by-products which have been recovered or diverted from solid waste, but does not include those materials and by-products generated from, and commonly reused within, an original manufacturing process

(B) **BIDDER'S CERTIFICATION**

Bidder certifies that the park and recreational product(s) which the bidder is offering contains the required minimum percentage of post-consumer and recovered material content as shown above for the product.

(C) **MANUFACTURER/MILL CERTIFICATION**

In addition to the Bidders Certification in Subsection (B), a manufacturer certification must be completed and signed by the manufacturer before payment will be made to the successful bidder for the delivered items. The enclosed Manufacturer/Mill Certification form must be used. Bidders are not required to submit the completed and signed Manufacturer/Mill Certification form with their bids. **THE COMMONWEALTH SHALL HAVE NO OBLIGATION TO PAY FOR THE ITEM(S) UNTIL A PROPERLY COMPLETED AND SIGNED MANUFACTURER/MILL CERTIFICATION IS SUBMITTED FOR THE DELIVERED ITEM.**

(D) **ENFORCEMENT**

Awarded bidders may be required, after delivery of the park and recreational product(s), to provide the Commonwealth with documentary evidence that the park and recreational product(s) were in fact produced with the required minimum percentage of post-consumer and recovered material content.

<sup>1</sup> The recommended recovered materials content levels are based on the dry weight of the raw materials, exclusive of any additives such as adhesives, binders, or coloring agents.

<sup>2</sup> "Plastic" includes both single and mixed plastic resins. Park benches and picnic tables made with recovered plastic may also contain other recovered materials such as sawdust, wood, or fiberglass. The percentage of these materials contained in the product would also count toward the recovered materials content level of the item.

<sup>3</sup> The recommended recovered materials content levels for steel in this table reflect the fact that the designated items can be made from steel manufactured from either a Basic Oxygen Furnace (BOF) or an Electric Arc Furnace (AF). Steel from the BOF process contains 25-30% total recovered materials, of which 16% is post-consumer steel. Steel from the EAF process contains a total of 100% recovered steel, of which 67% is post-consumer.

<sup>4</sup> Designation includes fencing containing recovered plastic for use in controlling snow or sand drifting and as a warning/safety barrier in construction or other applications.

**EXHIBIT A-8  
 TRANSPORTATION PRODUCTS  
 RECYCLED CONTENT**

**(A) REQUIREMENT**

All transportation products offered by the bidder, or included in the final product offered by the bidder, and sold to the Commonwealth **must** contain the minimum percentage of post-consumer and recovered material content as shown below for the applicable products:

<b>Transportation Products</b>	<b>Recovered Material Content<sup>1</sup></b>
Traffic Cones: -----Plastic (PVC and LDPE) -----Crumb Rubber	50% (recovered) 50% (recovered)
Traffic Barricades (type I and II only): -----Plastic (HDPE, LDPE, PET) -----Steel <sup>2</sup> -----Fiberglass	80% (post-consumer) + 20% (recovered) 16% (post-consumer) + 9% (recovered) 67% (post-consumer) + 33% (recovered) 100% (recovered)
Parking Stops: -----Plastic and/or Rubber -----Concrete Containing Coal Fly Ash -----Concrete Containing Ground Granulated Blast Furnace Slag	100% (recovered) 20% (recovered) 15% when used as a partial cement replacement as an admixture in concrete. 25% (recovered)
Traffic Control Devices: -----Channelizers: -----Plastic -----Rubber (base only) -----Delineators: -----Plastic -----Rubber (base only) -----Steel (base only) <sup>2</sup> -----Flexible Delineators	25% (post-consumer) 100% (post-consumer) 25% (post-consumer) 100% (post-consumer) 16% (post-consumer) + 9% (recovered) 67% (post-consumer) + 33% (recovered) 25% (post-consumer)

"Post-consumer" material is "material or finished product that has served its intended use and has been diverted or recovered from waste destined for disposal, having completed its life as a consumer item. Post-consumer material is part of the broader category of recovered material."

"Recovered Materials" refers to waste materials and by-products which have been recovered or diverted from solid waste, but does not include those materials and by-products generated from, and commonly reused within, an original manufacturing process

**(B) BIDDER'S CERTIFICATION**

Bidder certifies that the transportation product(s) which the bidder is offering contains the required minimum percentage of post-consumer and recovered material content as shown above for the product.

**(C) MANUFACTURER/MILL CERTIFICATION**

In addition to the Bidders Certification in Subsection (B), a manufacturer certification must be completed and signed by the manufacturer before payment will be made to the successful bidder for the delivered items. The enclosed Manufacturer/Mill Certification form must be used. Bidders are not required to submit the completed and signed Manufacturer/Mill Certification form with their bids. **THE COMMONWEALTH SHALL HAVE NO OBLIGATION TO PAY FOR THE ITEM(S) UNTIL A PROPERLY COMPLETED AND SIGNED MANUFACTURER/MILL CERTIFICATION IS SUBMITTED FOR THE DELIVERED ITEM.**

**(D) ENFORCEMENT**

Awarded bidders may be required, after delivery of the transportation product(s), to provide the Commonwealth with documentary evidence that the transportation product(s) were in fact produced with the required minimum percentage of post-consumer and recovered material content.

<sup>1</sup> Content levels are based on the dry weight of the raw materials, exclusive of any additives such as adhesives, binders, or coloring agents.

<sup>2</sup> The recommended recovered materials content levels for steel in this table reflect the fact that the designated items can be made from steel manufactured from either a Basic Oxygen Furnace (BOF) or an Electric Arc Furnace (EAF). Steel from the BOF process contains 25-30% total recovered materials, of which 16% is post-consumer steel. Steel from the EAF process contains a total of 100% recovered steel, of which 67% is post-consumer.

**MANUFACTURER/MILL CERTIFICATION**

(To be submitted with invoice for each order)

TO BE COMPLETED BY MANUFACTURER/MILL:

NAME OF MANUFACTURER/MILL: \_\_\_\_\_

ADDRESS OF MANUFACTURER/MILL: \_\_\_\_\_

FEDERAL EMPLOYER I.D. NO.: \_\_\_\_\_

CONTRACT OR REQUISITION NO. \_\_\_\_\_

NAME OF CONTRACTOR: \_\_\_\_\_

ADDRESS OF CONTRACTOR: \_\_\_\_\_

Type of product(s) which the manufacturer/mill furnished to the contractor: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**CERTIFICATION:** I, the undersigned officer of the above-named manufacturer/mill, do hereby certify that I am authorized to provide this certification on behalf of the above-named manufacturer/mill and that the type of product(s) listed above which my company furnished to the contractor named above for the referenced contract or purchase requisition, contained not less than \_\_\_\_\_% post-consumer materials and \_\_\_\_\_% recovered materials as those terms are defined in the invitation for bids. I understand that this document is subject to the provisions of the Unsworn Falsification of Authorities Act (18 P.S. Section 4904).

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name of Signatory

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

**APPENDIX B**  
**DEPARTMENT OF PUBLIC WELFARE ADDENDUM TO**  
**STANDARD CONTRACT TERMS AND CONDITIONS**

- A. **Applicability:** This Addendum is intended to supplement the Standard Terms and Conditions. To the extent any of the terms contained herein conflict with terms contained in the Standard Contract Terms and Conditions, the terms in the Standard Contract Terms and Conditions shall take precedence. Further, it is recognized that certain terms contained herein may not be applicable to all the services which may be provided through Department contracts.
- B. **Confidentiality:** The parties shall not use or disclose any information about a recipient of the services to be provided under this contract for any purpose not connected with the parties' contract responsibilities except with written consent of such recipient, recipient's attorney, or recipient's parent or legal guardian.
- C. **Information:** During the period of this contract, all information obtained by the Contractor through work on the project will be made available to the Department immediately upon demand. If requested, the Contractor shall deliver to the Department background material prepared or obtained by the Contractor incident to the performance of this agreement. Background material is defined as original work, papers, notes and drafts prepared by the Contractor to support the data and conclusions in final reports, and includes completed questionnaires, materials in electronic data processing form, computer programs, other printed materials, pamphlets, maps, drawings and all data directly related to the services being rendered.
- D. **Certification and Licensing:** Contractor agrees to obtain all licenses, certifications and permits from Federal, State and Local authorities permitting it to carry on its activities under this contract.
- E. **Program Services:** Definitions of service, eligibility of recipients of service and other limitations in this contract are subject to modification by amendments to Federal, State and Local laws, regulations and program requirements without further notice to the Contractor hereunder.
- F. **Child Protective Service Laws:** In the event that the contract calls for services to minors, the contractor shall comply with the provisions of the Child Protective Services Law (Act of November 26, 1975, P.L. 438, No. 124; 23 P.S. SS 6301-6384, as amended by Act of July 1, 1985, P.L. 124, No. 33) and all regulations promulgated thereunder (55Pa. Code, chapter 3490).
- G. **Pro-Children Act of 1994:** The Contractor agrees to comply with the requirements of the Pro-Children Act of 1994; Public Law 103-277, Part C-Environment Tobacco Smoke (also known as the Pro-Children Act of 1994) requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted by an entity and used routinely or regularly for the provision of health care services, day care and education to children under the age of 18, if the services are funded by Federal programs whether directly or through State and Local governments. Federal programs include grants, cooperative agreements, loans or loan guarantees and contracts. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug and alcohol treatment.
- H. **Medicare/Medicaid Reimbursement**
1. To the extent that services are furnished by contractors, subcontractors, or organizations related to the contractor/subcontractor and such services may in whole or in part be claimed by the Commonwealth for Medicare/Medicaid reimbursements, contractor/subcontractor agrees to comply with 42 C.F.R., Part 420, including:

- A. Preservation of books, documents and records until the expiration of four (4) years after the services are furnished under the contract.
    - B. Full and free access to (i) the Commonwealth, (ii) the U.S. Comptroller General, (iii) the U.S. Department of Health and Human Services, and their authorized representatives.
  2. Your signature on the proposal certifies under penalty of law that you have not been suspended/terminated from the Medicare/Medicaid Program and will notify the contracting DPW Facility or DPW Program Office immediately should a suspension/termination occur during the contract period.
- I. **Travel and Per Diem Expenses:** Contractor shall not be allowed or paid travel or per diem expenses except as provided for in Contractor's Budget and included in the contract amount. Any reimbursement to the Contractor for travel, lodging or meals under this contract shall be at or below state rates as provided in Rider R, Commonwealth Travel Rates, attached hereto and incorporated herein, unless the Contractor has higher rates which have been established by its offices/officials, and published prior to entering into this contract. Higher rates must be supported by a copy of the minutes or other official documents, and submitted to the Department. Documentation in support of travel and per diem expenses will be the same as required of state employees.
- J. **Insurance**
  1. The contractor shall accept full responsibility for the payment of premiums for Workers' Compensation, Unemployment Compensation, Social Security, and all income tax deductions required by law for its employees who are performing services under this contract. As required by law, an independent contractor is responsible for Malpractice Insurance for health care personnel. Contractor shall provide insurance Policy Number and Provider" Name, or a copy of the policy with all renewals for the entire contract period.
  2. The contractor shall, at its expense, procure and maintain during the term of the contract, the following types of insurance, issued by companies acceptable to the Department and authorized to conduct such business under the laws of the Commonwealth of Pennsylvania:
    - A. Worker's Compensation Insurance for all of the Contractor's employees and those of any subcontractor, engaged in work at the site of the project as required by law.
    - B. Public liability and property damage insurance to protect the Commonwealth, the Contractor, and any and all subcontractors from claim for damages for personal injury (including bodily injury), sickness or disease, accidental death and damage to property, including loss of use resulting from any property damage, which may arise from the activities performed under this contract or the failure to perform under this contract whether such performance or nonperformance be by the contractor, by any subcontractor, or by anyone directly or indirectly employed by either. The limits of such insurance shall be in an amount not less than \$500,000 each person and \$2,000,000 each occurrence, personal injury and property damage combined. Such policies shall be occurrence rather than claims-made policies and shall name the Commonwealth of Pennsylvania as an additional insured. The insurance shall not contain any endorsements or any other form designated to limit or restrict any action by the Commonwealth, as an additional insured, against the insurance coverage in regard to work performed for the Commonwealth.

Prior to commencement of the work under the contract and during the term of the contract, the Contractor shall provide the Department with current certificates of

insurance. These certificates shall contain a provision that the coverages afforded under the policies will not be cancelled or changed until at least thirty (30) days' written notice has been given to the Department.

**K. Property and Supplies**

1. Contractor agrees to obtain all supplies and equipment for use in the performance of this contract at the lowest practicable cost and to purchase by means of competitive bidding whenever required by law.
2. Title to all property furnished in-kind by the Department shall remain with the Department.
3. Contractor has title to all personal property acquired by the contractor, including purchase by lease/purchase agreement, for which the contractor is to be reimbursed under this contract. Upon cancellation or termination of this contract, disposition of such purchased personal property which has a remaining useful life shall be made in accordance with the following provisions.
  - A. The contractor and the Department may agree to transfer any item of such purchased property to another contractor designated by the Department. Cost of transportation shall be born by the contractor receiving the property and will be reimbursed by the Department. Title to all transferred property shall vest in the designated contractor. The Department will reimburse the Contractor for its share, if any, of the value of the remaining life of the property in the same manner as provided under subclause b of this paragraph.
  - B. If the contractor wishes to retain any items of such purchased property, depreciation tables shall be used to ascertain the value of the remaining useful life of the property. The contractor shall reimburse the Department in the amount determined from the tables.
  - C. When authorized by the Department in writing, the contractor may sell the property and reimburse the Department for its share. The Department reserves the right to fix the minimum sale price it will accept.
4. All property furnished by the Department or personal property acquired by the contractor, including purchase by lease-purchase contract, for which the contractor is to be reimbursed under this contract shall be deemed "Department Property" for the purposes of subsection 5, 6 and 7 of this section.
5. Contractor shall maintain and administer in accordance with sound business practice a program for the maintenance, repair, protection, preservation and insurance of Department Property so as to assure its full availability and usefulness.
6. Department property shall, unless otherwise approved in writing by the Department, be used only for the performance of this contract.
7. In the event that the contractor is indemnified, reimbursed or otherwise compensated for any loss, destruction or damage to Department Property, it shall use the proceeds to replace, repair or renovate the property involved, or shall credit such proceeds against the cost of the work covered by the contract, or shall reimburse the Department, at the Department's direction.

- L. Disasters:** If, during the terms of this contract, the Commonwealth's premises are so damaged by flood, fire or other Acts of God as to render them unfit for use; then the Agency shall be under no liability or obligation to the contractor hereunder during the period of time there is no need for the services provided by the contractor except to render compensation which the contractor was entitled to under this agreement prior to such damage.



- M. **Suspension or Debarment:** In the event of suspension or debarment, 4 Pa Code Chapter 60.1 through 60.7, as it may be amended, shall apply.
- N. **Covenant Against Contingent Fees:** The contractor warrants that no person or selling agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee (excepting bona fide employees or bona fide established commercial or selling agencies maintained by the contractor for the purpose of securing business). For breach or violation of this warranty, the Department shall have the right to annul this contract without liability or, in its discretion, to deduct from the consideration otherwise due under the contract, or otherwise recover, the full amount of such commission, percentage, and brokerage or contingent fee.
- O. **Contractor's Conflict of Interest:** The contractor hereby assures that it presently has not interest and will not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder. The contractor further assures that in the performance of this contract, it will not knowingly employ any person having such interest. Contractor hereby certifies that no member of the Board of the contractor or any of its officers or directors has such an adverse interest.
- P. **Interest of the Commonwealth and Others:** No officer, member or employee of the Commonwealth and no member of its General Assembly, who exercises any functions or responsibilities under this contract, shall participate in any decision relating to this contract which affects his personal interest or the interest of any corporation, partnership or association in which he is, directly or indirectly, interested; nor shall any such officer, member or employee of the Commonwealth or member of its General Assembly have interest, direct or indirect, in this contract or the proceeds thereof.
- Q. **Contractor Responsibility to Employ Welfare Clients** (Applicable to contracts \$25,000 or more)
1. The successful contractor, within 10 days of receiving the notice to proceed, shall contact the Employment Unit Coordinator in the County Assistance Office in the county where the contractor delivers the service to present, for review and approval, contractor's plan for recruiting and hiring of public assistance recipients for employment under this contract. Contractors which provide services through the contract to more than one county shall present their plan for review and approval to the Central Office of Employment and Training. Such plan shall be submitted on Form PA 778. A copy of the contractor's approved plan shall be returned with 30 days of notice to proceed to the initiating office/facility.
  2. Pursuant to the approved plan, the contractor shall make a good faith effort to fill at least 25% of the new or vacant jobs created under this contract with qualified recipients referred by the County Assistance Office Employment Unit Coordinator.
  3. Hiring under the approved plan shall be verified by Quarterly Contract Reports on Form PA 1540 to the Employment Unit Coordinator or to the Central Office of Employment and Training for plans covering more than one county. Such reports shall be made in the format approved by the Department.
  4. The Department may cancel this contract upon thirty (30) days written notice in the event of contractor's failure to implement or abide by an approved plan.
- R. **Tuberculosis Control:** As recommended by the Centers for Disease Control and the Occupational Safety and Health Administration, effective August 9, 1996, in all State Mental Health and Mental Retardation Facilities, all full-time and part-time employees (temporary and permanent), including contract service providers, having direct patient contact or providing service in patient care areas, are to be tested serially with PPD by Mantoux skin tests. PPD testing will be provided free of charge from the state MH/MR facility. If the contract service provider has written proof of a PPD by Mantoux method

within the last six months, the MH/MR facility will accept this documentation in lieu of administration of a repeat test. In addition, documented results of a PPD by Mantoux method will be accepted by the MH/MR facility. In the event that a contractor is unwilling to submit to the test due to previous positive reading, allergy to PPD material or refusal, the risk assessment questionnaire must be completed. If a contractor refuses to be tested in accordance with this new policy, the facility will not be able to contract with this provider and will need to procure the services from another source.

- S. **Act 13 Application to Contractor:** Contractor shall be required to submit with their bid information obtained within the preceding one-year period for any personnel who will have or may have direct contact with residents from the facility or unsupervised access to their personal living quarters in accordance with the following:
1. Pursuant to 18 Pa.C.S. Ch. 91(relating to criminal history record information) a report of criminal history information from the Pennsylvania State Police or a statement from the State Police that their central repository contains no such information relating to that person. The criminal history record information shall be limited to that which is disseminated pursuant to 18 Pa.C.S. 9121(b)(2) (relating to general regulations).
  2. Where the applicant is not, and for the two years immediately preceding the date of application has not been a resident of this Commonwealth, the Department shall require the applicant to submit with the application a report of Federal criminal history record information pursuant to the Federal Bureau of Investigation's under Department of State, Justice, and Commerce, the Judiciary, and Related Agencies Appropriation Act, 1973 (Public Law 92-544, 86 Stat. 1109). For the purpose of this paragraph, the applicant shall submit a full set of fingerprints to the State Police, which shall forward them to the Federal Bureau of Investigation for a national criminal history check. The information obtained from the criminal record check shall be used by the Department to determine the applicant's eligibility. The Department shall insure confidentiality of the information.
  3. The Pennsylvania State Police may charge the applicant a fee of not more than \$10 to conduct the criminal record check required under subsection 1. The State Police may charge a fee of not more than the established charge by the Federal Bureau of Investigation for the criminal history record check required under subsection 2.

The Contractor shall apply for clearance using the State Police Background Check (SP4164) at their own expense. The forms are available from any State Police Substation. When the State Police Criminal History Background Report is received, it must be forwarded to the Department. State Police Criminal History Background Reports not received within sixty (60) days may result in cancellation of the contract.

- T. **Lobbying Certification and Disclosure** (Applicable to contracts \$100,000 or more): Commonwealth agencies will not contract with outside firms or individuals to perform lobbying services, regardless of the source of funds. With respect to an award of a federal contract, grant, or cooperative agreement exceeding \$100,000 or an award of a federal loan or a commitment providing for the United States to insure or guarantee a loan exceeding \$150,000 all recipients must certify that they will not use federal funds for lobbying and must disclose the use of non-federal funds for lobbying by filing required documentation. The contractor will be required to complete and return a "Lobbying Certification Form" and a "Disclosure of Lobbying Activities form" with their signed contract, which forms will be made attachments to the contract.
- U. **Audit Clause** (Applicable to contracts \$100,000 or more): This contract is subject to audit in accordance with the Audit Clause attached hereto and incorporated herein.

**APPENDIX C**  
**DOMESTIC WORKFORCE UTILIZATION CERTIFICATION**

To the extent permitted by the laws and treaties of the United States, each proposal will be scored for its commitment to use the domestic workforce in the fulfillment of the contract. Maximum consideration will be given to those offerors who will perform the contracted direct labor exclusively within the geographical boundaries of the United States or within the geographical boundaries of a country that is a party to the World Trade Organization Government Procurement Agreement. Those who propose to perform a portion of the direct labor outside of the United States and not within the geographical boundaries of a party to the World Trade Organization Government Procurement Agreement will receive a correspondingly smaller score for this criterion. In order to be eligible for any consideration for this criterion, offerors must complete and sign the following certification. This certification will be included as a contractual obligation when the contract is executed. Failure to complete and sign this certification will result in no consideration being given to the offeror for this criterion.

I, \_\_\_\_\_ [title] of \_\_\_\_\_ [name of Contractor]  
a \_\_\_\_\_ [place of incorporation] corporation or other legal entity, ("Contractor") located at  
\_\_\_\_\_  
[address], having a Social Security or Federal Identification Number of \_\_\_\_\_, do  
hereby certify and represent to the Commonwealth of Pennsylvania ("Commonwealth") (Check **one** of the  
boxes below):

All of the direct labor performed within the scope of services under the contract will be performed exclusively within the geographical boundaries of the United States or one of the following countries that is a party to the World Trade Organization Government Procurement Agreement: Aruba, Austria, Belgium, Bulgaria, Canada, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hong Kong, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Latvia, Liechtenstein, Lithuania, Luxemburg, Malta, the Netherlands, Norway, Poland, Portugal, Romania, Singapore, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, and the United Kingdom

OR

\_\_\_\_\_ percent (\_\_\_\_ %) [Contractor must specify the percentage] of the direct labor performed within the scope of services under the contract will be performed within the geographical boundaries of the United States or within the geographical boundaries of one of the countries listed above that is a party to the World Trade Organization Government Procurement Agreement. Please identify the direct labor performed under the contract that will be performed outside the United States and not within the geographical boundaries of a party to the World Trade Organization Government Procurement Agreement and identify the country where the direct labor will be performed:

\_\_\_\_\_  
\_\_\_\_\_  
[Use additional sheets if necessary]

The Department of General Services [or other purchasing agency] shall treat any misstatement as fraudulent concealment of the true facts punishable under Section 4904 of the *Pennsylvania Crimes Code*, Title 18, of Pa. Consolidated Statutes.

Attest or Witness:

\_\_\_\_\_  
Corporate or Legal Entity's Name

\_\_\_\_\_  
Signature/Date

\_\_\_\_\_  
Signature/Date

\_\_\_\_\_  
Printed Name/Title

\_\_\_\_\_  
Printed Name/Title

# SUBRECIPIENT / VENDOR AUDITS

## Appendix D

---

### AUDIT CLAUSE C – VENDOR

---

The Commonwealth of Pennsylvania, Department of Public Welfare (DPW), distributes federal and state funds to local governments, nonprofit, and for-profit organizations. Federal expenditures are subject to federal audit requirements, and federal funding and state funding passed through DPW are subject to DPW audit requirements. If any federal statute specifically prescribes policies or specific requirements that differ from the standards provided herein, the provisions of the subsequent statute shall govern.

**Vendor** means a dealer, distributor, merchant, or other seller providing goods or services to an auditee that are required for the **administrative support** of a program. These goods or services may be for an organization’s own use or for the use of beneficiaries of the federal program. The vendor’s responsibility is to meet the requirements of the procurement contract.

#### **Department of Public Welfare Audit Requirement**

If in connection with the agreement, an entity **expends \$300,000 or more in combined state and federal funds** during the program year, the entity shall ensure that, for the term of the contract, an independent auditor conducts annual examinations of its compliance with the terms and conditions of this contract. These examinations shall be conducted in accordance with the American Institute of Certified Public Accountants’ Statements on Standards for Attestation Engagements (SSAE), examinations, Section 601, *Compliance Attestation*, and shall be of a scope acceptable to the DPW. The initial SSAE, Section 601, compliance examination shall be completed for the official annual reporting period of this agreement and conducted annually thereafter. The independent auditor shall issue a report on its compliance examination, as defined in the SSAE, Section 601.

The Commonwealth reserves the right for state and federal agencies, or their authorized representatives, to perform financial audits, performance audits, attestation engagements, and/or nonaudit services (as defined in “Government Auditing Standards” as published by the Comptroller General of the United States – also known as the Yellow Book) if deemed necessary. The Commonwealth reserves the right to access all financial and non-financial records of the Contractor it deems necessary to perform these audits. This includes, but is not limited to: time sheets for all employees and for all contracts (not just those working on the contract covered by this clause); financial and non-financial records for the Contractor as a whole (not just those relating to the contract); financial and non-financial records supporting all overhead charges (not just those allocated to the contract); information considered to be proprietary; and information considered to be confidential. If it is decided that an audit of this contract will be performed, the contractor will be given advance notice. The contractor shall maintain books, records, and documents that support the services provided, that the fees earned are in accordance with the contract, the profit earned on the contract, and that the contractor has complied with contract terms and conditions. The contractor agrees to make available, upon reasonable notice, at the office of the contractor, during normal business hours, for the term of this contract and the retention period set forth in this Audit Clause, any of the books, records, and documents for inspection, audit, or reproduction by any state or federal agency or its authorized representative. Any failure to provide access to these records will be considered noncompliance with the contract, and will give the Commonwealth the option to terminate the contract. Noncompliance can also result in liquidated damages if specified in the contract.

The contractor shall preserve all books, records, and documents related to this contract for a period of time that is the greater of five years from the contract expiration date, until all questioned costs or activities have been resolved to the satisfaction of the Commonwealth, or as required by applicable federal laws and regulations, whichever is longer. If this contract is completely or partially terminated,

## SUBRECIPIENT / VENDOR AUDITS

### Appendix D

the records relating to the work terminated shall be preserved and made available for a period of five years from the date of any resulting final settlement.

---

#### AUDIT CLAUSE C – VENDOR

---

Records that relate to litigation or the settlement of claims arising out of performance or expenditures under this contract to which exception has been taken by the auditors, shall be retained by the contractor or provided to the Commonwealth at the DPW's option until such litigation, claim, or exceptions have reached final disposition.

Except for documentary evidence delivered pursuant to litigation or the settlement of claims arising out of the performance of this contract, the contractor may, in fulfillment of his obligation to retain records as required by this Audit Clause, substitute photographs, microphotographs, or other authentic reproductions of such records, after the expiration of two years following the last day of the month of reimbursement to the contractor of the invoice or voucher to which such records relate, unless a shorter period is authorized by the Commonwealth

#### DPW Required Audit Report Submission

The contractor shall submit the SSAE, Section 601 audit report to the DPW within 90 days after the required period of audit has ended. When the SSAE, Section 601, audit report is other than unqualified, the contractor shall submit to the DPW, in addition to the audit reports, a plan describing what actions the contractor will implement to correct the situation that caused the auditor to issue a qualified report, a timetable for implementing the planned corrective actions, and a process for monitoring compliance with the timetable.

Submit **two copies** of the DPW required audit report package.

1. Independent Accountant's Report – on the Attestation of an entity's compliance with specific requirements during a period of time in accordance with the contract and the appropriate schedule, as required.
2. Submit the audit report directly to the program office.

#### REMEDIES FOR NONCOMPLIANCE

The provider's failure to provide an acceptable audit, in accordance with the requirements of the Audit Clause Requirements, may result in the DPW's not accepting the report and initiating sanctions against the contractor that may include the following:

- Disallowing the cost of the audit.
- Withholding a percentage of the contract funding pending compliance.
- Suspending subsequent contract funding pending compliance.

#### TECHNICAL ASSISTANCE

Technical assistance on the DPW's audit requirements will be provided by:

Department of Public Welfare  
Bureau of Financial Operations  
Division of Financial Policy and Operations  
Audit Resolution Section  
3<sup>rd</sup> Floor, Bertolino Building

# SUBRECIPIENT / VENDOR AUDITS

## Appendix D

P.O. Box 2675

Harrisburg, Pennsylvania 17105-2675

Phone: (717) 787-8890 FAX: (717) 772-2522

---

### AUDIT CLAUSE C – VENDOR ENCLOSURE I

---

The Department of Public Welfare (DPW) requires an Independent Accountant's Report on the Attestation to be in the format described by the American Institute of Certified Public Accountants (AICPA). The following is the form of report an Independent Accountant should use when expressing an opinion on an entity's compliance with specified requirements during a period of time. For further guidance, refer to the AICPA guidelines.

#### Independent Accountant's Report

[Introductory Paragraph]

We have examined [*name of entity*]'s compliance with [*list specific compliance requirement*] during the [*period*] ended [*date*]. Management is responsible for [*name of entity*]'s compliance with those requirements. Our responsibility is to express an opinion on [*name of entity*]'s compliance based on our examination.

[Scope Paragraph]

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about [*name of entity*]'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on [*name of entity*]'s compliance with specified requirements.

[Opinion Paragraph]

In our opinion, [*name of entity*] complied, in all material respects, with the aforementioned requirements for the year ended December 31, 20XX.

[DATE]

[SIGNATURE]

**SUBRECIPIENT / VENDOR AUDITS**  
**Appendix D1**

---

**AUDIT CLAUSE ADDENDUM #1**  
**Service Organization Audits (SAS 70 and/or SSAE 16)**

---

**Additional Department of Public Welfare Audit Requirement**

The contractor shall also ensure that an independent auditor performs an audit of its controls applicable to the processing of transactions on behalf of the Department. For periods ending before June 15, 2011, these audits shall be performed in accordance with Statement on Auditing Standards No. 70 (SAS 70), *Service Organizations*, as amended. For periods ending on or after June 15, 2011, these audits shall be performed in accordance with Statement on Standards for Attestation Engagements No. 16 (SSAE 16), *Reporting on Controls at a Service Organization*. All SAS 70 and /or SSAE 16 reports provided shall be "Type 2" reports (reports on controls placed in operation and tests of operating effectiveness throughout a specified period of time). The initial SAS 70/SSAE 16 audit shall be conducted for the first official annual reporting period required by this agreement and conducted annually thereafter.

## APPENDIX E

### LOBBYING CERTIFICATION FORM

#### Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, Disclosure of Lobbying Activities, in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed under *Section 1352, Title 31, U. S. Code*. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for such failure.

SIGNATURE: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_



# DISCLOSURE OF LOBBYING ACTIVITIES

Approved by OMB

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352

0348-0046

(See reverse for public burden disclosure.)

<b>1. Type of Federal Action:</b> <input type="checkbox"/> a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance	<b>2. Status of Federal Action:</b> <input type="checkbox"/> a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award	<b>3. Report Type:</b> <input type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change <b>For Material Change Only:</b> year _____ quarter _____ date of last report _____
<b>4. Name and Address of Reporting Entity:</b> <input type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____, <i>if known</i> :  <b>Congressional District, if known:</b>	<b>5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime:</b>   <b>Congressional District, if known:</b>	
<b>6. Federal Department/Agency:</b>	<b>7. Federal Program Name/Description:</b>  CFDA Number, <i>if applicable</i> : _____	
<b>8. Federal Action Number, if known:</b>	<b>9. Award Amount, if known:</b> \$ _____	
<b>10. a. Name and Address of Lobbying Registrant</b> <i>(if individual, last name, first name, MI):</i>	<b>b. Individuals Performing Services</b> <i>(including address if different from No. 10a)</i> <i>(last name, first name, MI):</i>	
<b>11.</b> Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.	Signature: _____ Print Name: _____ Title: _____ Telephone No.: _____ Date: _____	
<b>Federal Use Only:</b>		Authorized for Local Reproduction Standard Form LLL (Rev. 7-97)

## INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a followup report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, State and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
5. If the organization filing the report in item 4 checks "Subawardee," then enter the full name, address, city, State and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitation for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001."
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.
10. (a) Enter the full name, address, city, State and zip code of the lobbying registrant under the Lobbying Disclosure Act of 1995 engaged by the reporting entity identified in item 4 to influence the covered Federal action.  
  
(b) Enter the full names of the individual(s) performing services, and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial (MI).
11. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is OMB No. 0348-0046. Public reporting burden for this collection of information is estimated to average 10 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, DC 20503.

**APPENDIX F  
FORMAT FOR QUESTIONS**

Date:

Subject: Preproposal Conference Questions

To: Chairman  
Evaluation Committee

From: Name:  
Firm:  
Date:

1.

2.

3.

4.

5.

6.

**APPENDIX G**  
**COMMONWEALTH OF PENNSYLVANIA**  
**BUSINESS ASSOCIATE APPENDIX**

**Health Insurance Portability and Accountability Act (HIPAA) Compliance**

**WHEREAS, the Pennsylvania Department of (Covered Entity) and the Contractor (Business Associate),** intend to protect the privacy and provide for the security of certain Protected Health Information (PHI) to which Business Associate may have access in order to provide goods or services to or on behalf of Covered Entity, in accordance with the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 (HIPAA), ~~and~~ the HIPAA Privacy Rule (Privacy Rule), 45 CFR Parts 160 and 164, and the HIPAA Security Rule (Security Rule), 45 CFR Parts 160, 162 and 164.

**WHEREAS,** Business Associate may receive PHI from Covered Entity, or may create or obtain PHI from other parties for use on behalf of Covered Entity, which PHI can be used or disclosed only in accordance with this Appendix and the standards established by HIPAA and the Privacy Rule.

**WHEREAS, Business Associate may receive PHI from Covered Entity, or may create or obtain PHI from other parties for use on behalf of Covered Entity, that is in electronic form, which PHI must be handled in accordance with this Appendix and the standards established by HIPAA and the Security Rule,** beginning as soon as practicable but in no event later than the effective date of the Security Rule.

**NOW, THEREFORE,** Covered Entity and Business Associate agree as follows:

**1. Definitions.**

- a. "Business Associate" shall have the meaning given to such term under the Privacy ~~Rule, and Security Rules,~~ including but not limited to, 45 CFR §160.103.
- b. "Covered Entity" shall have the meaning given to such term under the Privacy ~~Rule, and Security Rules,~~ including, but not limited to, 45 CFR §160.103.
- c. "HIPAA" shall mean the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191.
- d. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164.
- e. "Protected Health Information" or "PHI" means any information, transmitted or recorded in any form or medium; (i) that relates to the past, present or future physical or mental condition of an individual; the provision of health care to an individual; or the past, present or future payment for the provision of health care to an individual, and (ii) that identifies the individual or with respect to which there is a reasonable basis to believe the information can be used to identify the individual, and shall have the meaning given to such term under HIPAA and the ~~HIPAA Privacy Regulations, Regulations at 45 CFR Parts 160, 162 and 164,~~ including, but not limited to 45 CFR §164.501.

f. “Security Rule” shall mean the Security Standards at 45 CFR Parts 160, 162 and 164.

Formatted: Bullets and Numbering

f.g. Terms used, but not otherwise defined, in this Appendix shall have the same meaning as those terms in 45 CFR Parts 160, 162 and 164.

2. **Stated Purposes For Which Business Associate May Use Or Disclose PHI.** The Parties hereby agree that Business Associate shall be permitted to use and/or disclose PHI provided by or obtained on behalf of Covered Entity for the following stated purposes, except as otherwise limited in this Agreement:

***PROGRAM MUST** Include a statement describing the stated purposes that Business Associate may use or disclose the PHI. These uses and disclosures must be within the scope of the Appendix. 45 CFR §164.504(e)(2)(i). If the work statement is sufficiently specific and will suffice, the following statement may be used instead.*

**Stated Purposes For Which Business Associate May Use Or Disclose PHI.** Except as otherwise limited in this Agreement, Business Associate shall be permitted to use or disclose PHI provided by or obtained on behalf of Covered Entity to perform those functions, activities, or services for, or on behalf of, Covered Entity which are specified in this Agreement’s Appendix A (Statement of Work), provided that such use or disclosure would not violate the Privacy Rule if done by Covered Entity or the minimum necessary policies and procedures of the Covered Entity.

3. **Additional Purposes For Which Business Associate May Use Or Disclose Information.** In addition to the Stated Purposes, Business Associate may use or disclose PHI provided by, or created or obtained on behalf of Covered Entity for the following additional purposes(s) ~~(optional section):~~

(Note that this is an optional section – must decide whether or not to include it):

- a) **Use Of Information For Management, Administration And Legal Responsibilities.** Business Associate is permitted to use PHI if necessary for the proper management and administration of Business Associate or to carry out legal responsibilities of the Business Associate except as otherwise limited in this Agreement.
- b) **Disclosure Of Information For Management, Administration And Legal Responsibilities.** Business Associate is permitted to disclose PHI provided by, or created or obtained on behalf of Covered Entity for the proper management and administration of Business Associate or to carry out legal responsibilities of Business Associate, except as otherwise limited in this Agreement, provided:
- i) The disclosure is required by law: or
  - ii) The Business Associate obtains reasonable assurances in writing from any third party to whom the information is disclosed that it will be held confidentially and used or further disclosed only as required by law or for the purposes for which it was disclosed to the third party,

the third party will use appropriate safeguards to prevent other use or disclosure of the information, and the third party agrees to immediately notify the Business Associate of any instance of which it is aware in which the confidentiality of the information has been breached.

- c) **Data Aggregation Services.** Business Associate may also be permitted to use or disclose PHI to provide data aggregation services, as that term is defined by 45 CFR §164.501, if specific authorization is received from the Covered Entity.

#### 4. BUSINESS ASSOCIATE OBLIGATIONS:

- a) **Limits On Use And Further Disclosure Established By Appendix And Law.** Business Associate hereby agrees that the PHI provided by, or created or obtained on behalf of Covered Entity shall not be further used or disclosed other than as permitted or required by this Appendix or as required by law.

~~b)~~ **Appropriate Safeguards.** Beginning as soon as practicable but in no event later than the effective date of the Security Rule, Business Associate shall establish and maintain appropriate safeguards to prevent any use or disclosure of PHI other than as provided for by this Appendix. ~~45 CFR §164.504(e)(2)(ii)(B).~~

Formatted: Bullets and Numbering

b) Appropriate safeguards shall include implementing administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic PHI that is created, received, maintained, or transmitted on behalf of the Covered Entity.

- c) **Reports Of Improper Use Or Disclosure.** Business Associate hereby agrees that it shall report to [fill in name of Agreement officer for Department] within two (2) days of discovery any use or disclosure of PHI not provided for or allowed by this Appendix.

d) Reports Of Security Incidents. Beginning as soon as practicable but in no event later than the effective date of the Security Rule, Business Associate shall report to [fill in name of Agreement officer for Department] within two (2) days of discovery any security incident of which it becomes aware.

~~d)e)~~ **Subcontractors And Agents.** Business Associate hereby agrees that any time PHI is provided or made available to any subcontractors or agents, Business Associate shall provide only the minimum necessary PHI for the purpose of the covered transaction and shall first enter into a subcontract or contract with the subcontractor or agent that contains the same terms, conditions and restrictions on the use and disclosure of PHI as contained in this Appendix.

- f) ~~e)~~ **Right Of Access To PHI.** Business Associate hereby agrees to allow an individual who is the subject of PHI maintained in a designated record set, to have access to and copy that individual's PHI within ten (10) business days of

receiving a written request from the Covered Entity. Business Associate shall provide PHI in the format requested, unless it cannot readily be produced in such format, in which case it shall be provided in standard hard copy. If any individual requests from Business Associate or its agents or subcontractors access to PHI, Business Associate shall notify Covered Entity of same within five (5) business days. Business associate shall further conform with and meet all of the requirements of 45 CFR §164.524.

- g) Amendment And Incorporation Of Amendments.** Within ten (10) business days of receiving a request from Covered Entity for an amendment of PHI maintained in a designated record set, Business Associate shall make the PHI available and incorporate the amendment to enable Covered Entity to comply with 45 CFR §164.526. If any individual requests an amendment from Business Associate or its agents or subcontractors, Business Associate shall notify Covered Entity of same within ten (10) business days.
- h) Provide Accounting Of Disclosures.** Business Associate agrees to maintain a record of all disclosures of PHI in accordance with 45 CFR §164.528. Such records shall include, for each disclosure, the date of the disclosure, the name and address of the recipient of the PHI, a description of the PHI disclosed, the name of the individual who is the subject of the PHI disclosed, the purpose of the disclosure, and shall include disclosures made on or after the date which is six (6) years prior to the request or April 14, 2003, whichever is later. Business Associate shall make such record available to the individual or the Covered Entity within ten (10) business days of a request for an accounting of disclosures.
- i) Access To Books And Records.** Business Associate hereby agrees to make its internal practices, books, and records relating to the use or disclosure of PHI received from, or created or received by Business Associate on behalf of the Covered Entity, available to the Secretary of Health and Human Services or designee for purposes of determining compliance with the HIPAA Privacy Regulations.
- j) ~~j)~~ Return Or Destruction Of PHI.** At termination of this Agreement, Business Associate hereby agrees to return or destroy all PHI provided by or obtained on behalf of Covered Entity. Business Associate agrees not to retain any copies of the PHI after termination of this Agreement. If return or destruction of the PHI is not feasible, Business Associate agrees to extend the protections of this Appendix to limit any further use or disclosure until such time as the PHI may be returned or destroyed. If Business Associate elects to destroy the PHI, it shall certify to Covered Entity that the PHI has been destroyed.
- k) ~~j)~~ Maintenance of PHI.** Notwithstanding Section 5(j) of this Appendix, Business Associate and its subcontractors or agents shall retain all PHI throughout the term of the Agreement and shall continue to maintain the information required

under §5(h) of this Appendix for a period of six (6) years after termination of the Agreement, unless Covered Entity and Business Associate agree otherwise.

- l) ~~k)~~ **Mitigation Procedures.** Business Associate agrees to establish and to provide to Covered Entity upon request, procedures for mitigating, to the maximum extent practicable, any harmful effect from the use or disclosure of PHI in a manner contrary to this Appendix or the Privacy Rule. 45 CFR §164.530(f). Business Associate further agrees to mitigate any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of this Appendix or the Privacy Rule.
- m) ~~l)~~ **Sanction Procedures.** Business Associate agrees that it shall develop and implement a system of sanctions for any employee, subcontractor or agent who violates this Appendix or the Privacy Rule.
- n) ~~m)~~ **Grounds For Breach.** Any non-compliance by Business Associate with this Appendix or the Privacy ~~Rule~~ **Security Rules** will automatically be considered to be a breach of the Agreement, if Business Associate knew or reasonably should have known of such non-compliance and failed to immediately take reasonable steps to cure the non-compliance.
- ~~n)o)~~ **Termination by Commonwealth.** Business Associate authorizes termination of this Agreement by the Commonwealth if the Commonwealth determines, in its sole discretion, that the Business Associate has violated a material term of this Appendix.
- p) **Failure to Perform Obligations.** In the event Business Associate fails to perform its obligations under this Appendix, Covered Entity may immediately discontinue providing PHI to Business Associate. Covered Entity may also, at its option, require Business Associate to submit to a plan of compliance, including monitoring by Covered Entity and reporting by Business Associate, as Covered Entity in its sole discretion determines to be necessary to maintain compliance with this Appendix and applicable law.
- q) **Privacy Practices.** The Department will provide and Business Associate shall immediately begin using any applicable form, including but not limited to, any form used for Notice of Privacy Practices, Accounting for Disclosures, or Authorization, upon the effective date designated by the Program or Department. The Department retains the right to change the applicable privacy practices, documents and forms. The Business Associate shall implement changes as soon as practicable, but not later than 45 days from the date of notice of the change.

Formatted: Bullets and Numbering

## 5. OBLIGATIONS OF COVERED ENTITY:



- a) **Provision of Notice of Privacy Practices.** Covered Entity shall provide Business Associate with the notice of privacy practices that the Covered Entity produces in accordance with 45 CFR §164.520, as well as changes to such notice.
- b) **Permissions.** Covered Entity shall provide Business Associate with any changes in, or revocation of, permission by individual to use or disclose PHI of which Covered Entity is aware, if such changes affect Business Associate's permitted or required uses and disclosures.
- c) **Restrictions.** Covered Entity shall notify Business Associate of any restriction to the use or disclosure of PHI that the Covered Entity has agreed to in accordance with 45 CFR §164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

## **APPENDIX H**

### **RFP Protest Procedure**

- a. **Who May File the Protest.** Any actual or prospective offeror who is aggrieved in connection with the solicitation or award of the contract may file a protest, in writing, with the DPW's Bureau of Financial Operations, Division of Procurement..
- b. **Time and Place for Filing.**
  - (1) A protest by a party not submitting a proposal must be filed within seven (7) days after the protesting party knew or should have known of the facts giving rise to the protest, no later than the proposal submission deadline specified in the cover letter to the RFP. Offerors who submit a proposal may file a protest within seven (7) days after the protesting offeror knew or should have known of the facts giving rise to the protest, but in no event may a protest be filed later than seven (7) days after the date of contract award. The date of filing is the date of receipt of the protest.
  - (2) A protest must be in writing and filed with the Bureau of Financial Operations, Division of Procurement.
- c. **Contents of Protest.** A protest shall state all grounds upon which the protesting party asserts the RFP or selection was improper. The protesting party may submit with the protest any documents or information it deems relevant.
- d. **Notice of Protest.** The Bureau of Financial Operations, Division of Procurement shall notify the selected offeror of the protest if selection has been made. If the protest is received before selection and substantial issues are raised by the protest, all offerors who appear to have a substantial and reasonable prospect of selection shall be notified and may file their agreement/disagreement with the Bureau of Financial Operations, Division of Procurement within five (5) days after receipt of notice of protest.
- e. **Stay of Procurement.** The head of the purchasing agency or designee will immediately decide upon receipt of a timely protest whether or not the award of a contract shall be delayed, or if the protest is timely received after the award, whether the performance of the contract should be suspended. The Bureau of Financial Operations, Division of Procurement shall not proceed further with the solicitations or with the award of the contract and shall suspend performance under the contract, if awarded, unless: the head of the purchasing agency or designee makes a written determination that the protest is clearly without merit or that award of the contract without delay is necessary to protect the substantial interest of the Commonwealth.

- f. Response and Reply. Within 15 days of receipt of the protest, the Project Officer may submit to the head of the purchasing agency or designee and to the protesting party a response to the protest. The protesting party may file a reply to the response within 10 days of the date of the response.
- g. Procedures. The head of the purchasing agency or designee shall review the protest and any response or reply and may decide the merits of the protest on the written, submitted documentation; request and review any additional documents or information deemed necessary to render a determination; or, in her sole discretion, conduct a hearing.
- h. Determination. The head of the purchasing agency or designee shall promptly, but in no event later than 60 days from the filing of the protest, issue a written determination. The determination shall:
  - (1) State the reason for the decision.
  - (2) Inform the protesting offeror of its right to file an action in Commonwealth Court within fifteen (15) days of the mailing date of the decision.

The Bureau of Financial Operations, Division of Procurement shall send a copy of the determination to the protesting party and any other person determined by the Bureau of Financial Operations, Division of Procurement to be affected by the decision.

**APPENDIX J - PROPOSAL COVER SHEET  
COMMONWEALTH OF PENNSYLVANIA  
Office of Administration/Bureau of Program Integrity  
RFP# 02-10**

**Enclosed in three separately sealed submittals is the proposal of the Offeror identified below for the above-referenced RFP:**

<b>Offeror Information:</b>	
Offeror Name	
Offeror Mailing Address	
Offeror Website	
Offeror Contact Person	
Contact Person's Phone Number	
Contact Person's Facsimile Number	
Contact Person's E-Mail Address	
Offeror Federal ID Number	

<b>Submittals Enclosed and Separately Sealed:</b>	
<input type="checkbox"/>	Technical Submittal
<input type="checkbox"/>	Disadvantaged Business Submittal
<input type="checkbox"/>	Contractor Partnership Program Submittal
<input type="checkbox"/>	Mentor Protégé Program
<input type="checkbox"/>	Cost Submittal

<b>Signature</b>	
Signature of an official authorized to bind the Offeror to the provisions contained in the Offeror's proposal:	
Printed Name	
Title	

**FAILURE TO COMPLETE, SIGN AND RETURN THIS FORM WITH THE OFFEROR'S PROPOSAL MAY RESULT IN THE REJECTION OF THE OFFEROR'S PROPOSAL**

**APPENDIX K  
CORPORATE REFERENCE QUESTIONNAIRE**

Proposer Information

Reference Information

**Proposer** \_\_\_\_\_ **Corporation/Company** \_\_\_\_\_

**Address** \_\_\_\_\_ **Contact Person** \_\_\_\_\_

\_\_\_\_\_ **Telephone Number** \_\_\_\_\_

\_\_\_\_\_ **Telephone Number** \_\_\_\_\_

<b>Q1.</b> What function does/did the contractor perform for you?		
<b>Q2.</b> What is/was the dollar amount of your contract?		
<b>Q3.</b> What is/was the time period in which services were provided?		
<b>Ratings: Summarize contractor's performance and circle in the column on the right the number that corresponds to the performance rating for each rating category. Please use the following rating scale.</b>  <b>0–Unsatisfactory 1–Poor 2–Fair 3–Good 4–Excellent 5–Demonstrated Exceptional Performance</b>		
<b>Q4.</b> Rate the contractor's overall performance.	Comments:	Rating: 0 1 2 3 4 5
<b>Q5.</b> How would you assess the contractor's key personnel?  (How long did key personnel work on the contract	Comments:	Rating: 0 1 2

<p>– did they effectively manage the contract – were they responsive to technical direction?)</p>		<p>3 4 5</p>
<p><b>Q6.</b> Please rate and comment on the contractor's ability to work with your in-house staff.</p>	<p>Comments:</p>	<p>Rating: 0 1 2 3 4 5</p>
<p><b>Q7.</b> Please rate and comment on the contractor's technical skills and knowledge in providing managed care or healthcare services.</p>	<p>Comments:</p>	<p>Rating: 0 1 2 3 4 5</p>
<p><b>Q8.</b> Please rate and comment on the contractor's reasonableness in resolving conflicts or problems.</p>	<p>Comments:</p>	<p>Rating: 0 1 2 3 4 5</p>
<p><b>Q9.</b> Please rate and comment on the contractor's commitment to customer satisfaction.</p>	<p>Comments:</p>	<p>Rating: 0 1 2 3 4 5</p>
<p><b>Q10.</b> How cooperative was the contractor during contract negotiations? Please explain your rating.</p>	<p>a. Highly cooperative b. Moderately cooperative c. Slightly cooperative d. Slightly uncooperative e. Moderately uncooperative f. Highly uncooperative g. No opinion</p> <p><b>Explanation:</b></p>	

<p><b>Q11.</b> Would you hire the contractor again for another project? Please explain your rating.</p>	<p>a. Yes b. No</p> <p><b>Explanation:</b></p>
<p><b>Q12.</b> What do you view as the contractor's greatest strength?</p>	<p>Comments:</p>
<p><b>Q13.</b> What do you view as the contractor's greatest weakness?</p>	<p>Comments:</p>
<p><b>Q14.</b> Is there anything you would like to add concerning the contractor?</p>	<p>Comments:</p>

**PRINT NAME:** \_\_\_\_\_

**SIGNATURE:** \_\_\_\_\_

**TITLE:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

**APPENDIX M**

**TPL INSURANCE COVERAGE TYPE AND CARRIER CODE**

**Insurance Coverage Types**

- |   |                              |
|---|------------------------------|
| A = Medicare A  | Q = Resource Transfer        |
| B = Medicare B  | R = Drug Plan                |
| D = Dental Benefits   | S = Medicare A Supplemental  |
| F = Medicare D  | T = Medicare B Supplemental  |
| H = Hospital Plan Only  | U = Act 62 coverage (Autism) |
| L = Black Lung Medical Benefits   | V = Vision Benefits          |
| M = Major Medical Coverage  | W = Workers' Compensation    |
| N = Auto Insurance  | X = Basic Coverage           |
| O = Health Maintenance Organization – HMO/<br>Preferred Provider Organization – PPO | Z = LTC Patient Pay          |
| P = Patient Pay   |                              |

**Insurance Listings with Addresses**

100 B	Medicare Part B	
103 F	Medicare Part D	
200 H/M/O/U/R/X	Independence Blue Cross	1901 Market Street Philadelphia, PA. 19103
201 D/H/M/O/U/R/V/X	Highmark Blue Cross/Blue Shield	Fifth Avenue Place 120 Fifth Ave/Suite P3105 Pittsburgh, PA. 15222
202 D/H/M/O/U/R/V/X/	Capital Blue Cross	2500 Elmerton Avenue Harrisburg, PA. 17177
203 H/M/O/U/R/X	Blue Cross of N.E. PA	19 N Main Street Wilkes-Barre, PA. 18711
240 M/S	Security 65 Independence Plan	1901 Market Street Philadelphia, PA. 19103
241 M/S	Security 65 Highmark Plan	5 <sup>th</sup> Avenue Place Pittsburgh, PA. 15222
242 M/S/T	Security 65 Capital Plan	Dept 778995 Harrisburg, PA. 17177-8995
243	Security 65 Northeast Plan	70 N Main Street



**APPENDIX M**

**TPL INSURANCE COVERAGE TYPE AND CARRIER CODE**

M/S		Wilkes-Barre, PA. 18711
244 M/S/T	Highmark Service Company	5 <sup>th</sup> Avenue Place 120 5 <sup>th</sup> Avenue Place/Suite P3105 Pittsburgh, PA. 15222
249 M/S	Blue Cross Medigap (out-of-state)	
299 D/H/M/O/R/V/X	Blue Cross Out of State	
300 D	PA Blue Shield	P.O. Box 898206 Camp Hill, PA. 17089-0400
300 V	PA Blue Shield	P.O. Box 890500 Camp Hill, PA. 17089-0500
300 X/U	PA Blue Shield	P.O. Box 890062 Camp Hill, PA. 17089-0062
302 D	Highmark Blue Shield	P.O. Box 898206 Camp Hill, PA. 17089-8206
302 H/M/O/U/R/X	Highmark Blue Shield	P.O. Box 890173 Camp Hill, PA. 17089-0173
302 V	Highmark Blue Shield	P.O. Box 890500 Camp Hill, PA. 17089-0500
340 M/S/T	Blue Shield Medigap - Security 65	P.O. Box 898845 Camp Hill, PA. 17089-8845
349 T	Blue Shield Medigap (out-of-state)	
399 D/O/V/X	Blue Shield Out Of State	
400 D	TRICARE/United Concordia	TDP Claims Processing/PO Box 69411 Harrisburg, PA 17106
400 M/O/X	TRICARE (formerly CHAMPUS)	Palmetto GBA/PO Box 7011 Camden, SC 29020
400 R	TRICARE/Express Scripts	PO Box 390007 Bloomington, MN 55439
401 D	ChampVA	PO Box 65023 Denver, CO 80206-9023
401 M/R/X	ChampVA	PO Box 65023 Denver, CO 80206-9023

**APPENDIX M**

**TPL INSURANCE COVERAGE TYPE AND CARRIER CODE**

500 D/O/V	Personal Choice 65/Keystone 65	1901 Market Street Philadelphia, PA 19103
501 D/O/V	Freedom Blue	120 Fifth Ave, Suite P5501 Pittsburgh, PA 15222
502 O	Capital SeniorBlue	2500 Elmerton Ave Harrisburg, PA 17177
503 D/O/V	Senior Partners Terminated 7/31/07 now 516	PO Box 5194 New York, NY 10004-5194
504 D/O/V	SecurityBlue	120 Fifth Ave, Suite P5501 Pittsburgh, PA 15222
505 D/O/V	Aetna	151 Farmington Avenue Hartford, CT 06156
506 D/O/V	Gateway Health Plan Medicare Assured	600 Grant Street, 41 <sup>st</sup> Floor Pittsburgh, PA 15219
507 D/O	Humana	101 East Main Street Louisville, KY 40202
508 O	SecureHorizons	13621 NW 12 <sup>th</sup> St, FL075-1000 Sunrise, FL 33323
509 D/O/V	Advantra	11 Stanwix Street, Suite 2300 Pittsburgh, PA 15222
510 D/O/V	Sterling Option 1	2219 Rimland Dr, PO Box 5348 Bellingham, WA 98226
511 O/V	Geisinger Health Plan	100 North Academy Avenue Danville, PA 17822
512 D/O/V	Amerihealth 65	1901 Market Street Philadelphia, PA 19103
513 D/O/V	Unison Advantage	1001 Brinton Road Pittsburgh, PA 15221
514 D/O/V	Keystone 65 Complete	1901 Market Street Philadelphia, PA 19103
515 D/O/V	UPMC For Life	112 Washington Place Pittsburgh, PA 15219
516 D/O/V	Bravo Health Pennsylvania	3601 O'Donnell Street Baltimore, MD 21224
517 O/V	Today's Options	4888 Loop Central Dr, Suite 900 Houston, TX 77081
518 D/O/V	United Healthcare (Evercare)	13621 NW 12 <sup>th</sup> Street Sunrise, FL 33323

**APPENDIX M**

**TPL INSURANCE COVERAGE TYPE AND CARRIER CODE**

519 O	Keystone SeniorBlue	2500 Elmerton Avenue Harrisburg, PA 17177
520 D/O/V	WellCare	8735 Henderson Road Tampa, FL 33634
521 D/O/V	Horizon Blue Cross Blue Shield of New Jersey	3 Penn Plaza East Newark, NJ 07105
522 D/O/V	Healthfirst Medicare Plan	25 Broadway, 9 <sup>th</sup> Floor New York, NY 10004
523 D/O/V	Trustees of the University of Pennsylvania	4508 Chestnut Street Philadelphia, PA 19139
524 D/O/V	Community LIFE	2400 Ardmore Blvd, Suite 700 Pittsburgh, PA 15221
525 D/O/V	LIFE Pittsburgh	875 Greentree Road One Parkway Ctr, Suite 200 Pittsburgh, PA 15220
526 D/O/V	St Agnes LIFE	1900 South Broad Street Philadelphia, PA 19145
527 D/O/V	Coventry Healthcare	3721 Tecport Drive Harrisburg, PA 17106
528 D/O/V	Universal Health Care	150 2 <sup>nd</sup> Ave North, Suite 400 Saint Petersburg, FL 33701
529 D/O/V	Citrus Health Care	5420 Bay Center Dr, Suite 250 Tampa, FL 33609
530 D/O/V	GHI Medicare Choice	441 Ninth Avenue New York, NY 10001
531 D/O/V	UniCare	PO Box 9154 Oxnard, CA 93031
532 D/O/V	Anthem Blue Cross/Blue Shield	4241 Irwin Simpson Road, OHO205-A037 Mason, OH 45040
533 D/O/V	Care Improvement Plus	250 West Pratt St, Suite 230 Baltimore, MD 21201
534 D/O/V	Life at Home	101 East State Street Kennett Square, PA 19348
535 D/O/V	Senior LIFE Johnstown	209 Sigma Drive Pittsburgh, PA 15238
536 D/O/V	USACare	259 Monroe Ave Rochester, NY 14607

**APPENDIX M**

**TPL INSURANCE COVERAGE TYPE AND CARRIER CODE**

537 D/O/V	HIP Health Plan of Greater New York	55 Water Street New York, NY 10041-8190
538 D/O/V	MD MedicareChoice	5501 West Waters Ave, Ste 401 Tampa, FL 33634
539 D/O/V	HealthMarkets Care Assured	9151 Blvd 26 North Richland Hills, TX 76180
540 D/O/V	LIFE LUTHERAN	840 Fifth Avenue Chambersburg, PA 17201
541 D/O/V	LIFE Beaver County	1323 Freedom Road Cranberry Twp, PA 16066
542 D/O/V	CIGNA Medicare Access	900 Cottage Grove Road Hartford, CT 06152
543 D/O/V	Universal American	1001 Heathrow Park Lane Suite 5001 Lake Mary, FL 32746
598 D/O/V	Unlisted Medicare Advantage HMO's	
600 A	Medicare Part A	
700 D	Delta Dental of PA	One Delta Drive Mechanicsburg, PA 17055
701 D/H/M/O/R/S/T/U/V/X	Amalgamated Life Insurance Co.	730 Broadway New York, NY. 10003-9511
702 D/H/M/O/R/S/T/U/V/X	Aetna Life Insurance Co.	151 Farmington Avenue Hartford, CT. 06156
703 D/H/M/O/R/S/T/U/V/X	Allstate Insurance Co.	60 Allstate Plaza S. Northbrook, IL. 60062
704 D/H/M/O/R/S/T/U/V/X	Bankers Life & Casualty Co.	222 Merchandise Mart Plaza Chicago, IL. 60654
705 D	United Concordia	4401 Deer Path Road Harrisburg, PA 17110
706 D/H/M/O/R/S/T/U/V/X	CONSECO	11825 N Pennsylvania St Carmel, IN 46032
707 D/H/M/O/R/S/T/U/V/X	Combined Insurance Co. of America	1000 Milwaukee Ave Glenview, IL 60025
708 D/H/M/O/R/S/T/U/V/X	CIGNA	900 Cottage Road Bloomfield, CT 06002
709	Argus	PO Box 419019

**APPENDIX M**

**TPL INSURANCE COVERAGE TYPE AND CARRIER CODE**

R		Kansas City, MO 64141
710 D/H/M/O/R/S/T/U/V/X	Continental Casualty Insurance Co.	333 South Wabash Chicago, IL. 60604
711 D/H/M/O/R/S/T/U/V/X	American General	70 Pine Street New York, NY 10270
712 D/H/M/O/R/S/T/U/V/X	Eastern Life & Health Insurance Co.	25 Race Avenue Lancaster, PA 17608
713 D/H/M/O/R/S/T/U/V/X	AXA Equitable Life Insurance Co.	PO Box 1047 Charlotte, NC 28201
714 D/H/M/O/R/S/T/U/V/X	Inter-Co. Hospital Plan	720 Blair Mill Road Horsham, PA. 19044
715 D/H/M/O/R/S/T/U/V/X	Inter-Co. Phys. Service Plan	720 Blair Mill Rad Horsham, PA. 19044
716 D/H/M/O/R/S/T/U/V/X	John Hancock Mutual Life Insurance Co.	P.O. Box 111 Boston, MA. 02117
718 D/H/M/O/R/S/T/U/V/X	Life Insurance Co. North America	1601 Chestnut Street Philadelphia, PA. 19192
719 D/H/M/O/R/S/T/U/V/X	Lincoln Financial Group	8801 Indian Hills Drive Omaha, NE 68114
720 D/H/M/O/R/S/T/U/V/X	Mass Mutual Life Insurance Co.	1295 State Street Springfield, MA 01111
721 D/H/M/O/R/S/T/U/V/X	United Healthcare	P O Box 740800 Atlanta, GA 30374
722 D/H/M/O/R/S/T/U/V/X	Mutual of Omaha Insurance Co.	Mutual Of Omaha Plaza Omaha, NE. 68175
723 D/H/M/O/R/S/T/U/V/X	People Benefit Life Insurance Co.	Claims Dept. Valley Forge, PA. 19493
724 D/H/M/O/R/S/T/U/V/X	New York Life Insurance Co.	51 Madison Avenue New York, NY. 10010
725 D/H/M/O/R/S/T/U/V/X	Transamerica Occidental Insurance Co.	P.O. Box 2101 Los Angeles, CA. 90051-2101
726 D/H/M/O/R/S/T/U/V/X	Phoenix Mutual Life Insurance Co.	PO Box 22012 Albany, NY 12201-2012
727 D/H/M/O/R/S/T/U/V/X	Provident Life/Accident Insurance Co.	Fountain Square Chattanooga, TN. 37402
728 D/H/M/O/R/S/T/U/V/X	Prudential Insurance Co. of America	751 Broad Street Newark, NJ 07102
730 D/H/M/O/R/S/T/U/V/X	Travelers Insurance	One Town Square MPB Hartford, CT 06183

**APPENDIX M**

**TPL INSURANCE COVERAGE TYPE AND CARRIER CODE**

731 D/H/M/O/R/S/T/U/V/X	National Association of Letter Carriers	20547 Waverly Court Ashburn, VA 20149
732 D/H/M/O/R/S/T/U/V/X	Washington National Insurance Co.	PO Box 2004 Carmel, IN 46032-3004
733 M/R	Paid Prescription (MEDCO)	P.O. Box 6121 Fair Lawn, NJ. 07410-0999
734 D/H/M/O/R/S/T/U/V/X	American Postal Workers Union	PO Box 967 Silver Spring, MD 20910
735 D/H/M/O/R/S/T/U/V/X	Accordia National	P.O. Box 3262 East Charleston, WV 25332
736 D/H/M/O/R/S/T/U/V/X	Employers Health Insurance Co.	PO Box 14610 Lexington, KY 40512-4610
737 D/H/M/O/R/S/T/U/V/X	Jefferson-Pilot Life Insurance Co.	P.O. Box 21008 Greensboro, NC. 27420
738 D/H/M/O/R/S/T/U/V/X	Philadelphia American Life Ins. Co.	P.O. Box 4884 Houston, TX. 77210
739 D/H/M/O/R/S/T/U/V/X	Protective Life Insurance Co.	2801 HWY 280 South Birmingham, AL 35223
740 M/S/T	Commercial Medigap	
741 M/S/T	AARP Medigap	PO Box 740819 Atlanta, GA 30374-0819
742 V	National Vision Administrators	P.O. Box 1981 East Hanover, NJ. 07936-0981
743 R	Express Scripts	P.O. Box 390007 Bloomington, MN 55439
744 M/S/T	PEBTF	150 S. 43 <sup>rd</sup> Street, Suite 1 Harrisburg, PA. 17111-5700
745 M/R	National Pharmaceutical Services	P.O. Box 407 Boystown, NE. 68010
746 R	Eagle Managed Care Terminated 12/31/1999	30 Hunter Lane P.O. Box 7011 Camp Hill, PA. 17011
747 R	PCS	950 E. Shea Blvd. Scottsdale, AZ. 85260
748 R	Merck MEDCO	1810 Lincoln Hwy N Versailles, PA 15127
749 R	Caremark	PO Box 686005 San Antonio, TX 78268
750	Aetna HMO Health PLS	PO Box 981107

**APPENDIX M**

**TPL INSURANCE COVERAGE TYPE AND CARRIER CODE**

D/O/U/R/V	East/Central PA	El Paso, TX 79998-1107
751 D/O/R/V	Americhoice Personal Care Plus Terminated 7/31/05	PO Box 16000 Phoenix, AZ 85011-6000
752 D/O/U/R/V	Alliance Health Network	1700 Peach Street Erie, PA. 16501
753 D/O/U/R/V	Advantage Health Plan PA	121 Seventh Street Pittsburgh, PA. 15222-3408
754 D/O/U/R/V	Cigna Healthcare of PA	P.O. Box 15422 STE CHP Wilmington, DE. 19803
755 D/M/O/U/R/V/X	Geisinger Health Plan	PO Box 8200 Danville, PA 17821-8200
756 D/O/R/V	Unison Advantage (3 Rivers) Terminated 6/30/06 Use code 513.	PO Box 1018 Monroeville, PA 15146
757 D/O/U/R/V	HealthAmerica /Health Assurance	3721 Tecport Drive PO Box 67103 Harrisburg, PA 17106
758 D/O/U/R/V	HealthAmerica /Health Assurance (Pittsburgh)	PO Box 7088 London, KY 40742
759 D/O/R/V	Healthguard of Lancaster Terminated 2/1/2006	280 Granite Run Drive Lancaster, PA. 17601
760 D/O/U/R/V	First Priority Health	19 N. Main Street Wilkes-Barre, PA. 18711
761 D/O/U/R/V	Keystone Health Plan Central	P.O. Box 898812 Camp Hill, PA. 17089-8812
762 D/M/O/U/R/V/X	Keystone Health Plan East	1901 Market Street Philadelphia, PA. 19103
763 D/O/U/R/V	Keystone Health Plan West	PO Box 898819 Camp Hill, PA 17089
765 D/O/U/R/V	Prudential Health Care Plan	P.O. Box 901 Horsham, PA. 19044
766 D/O/U/R/V	Healthnet of the Northeast	P.O. Box 14700 Lexington, KY 40512
767 D/O/R/V	Aetna/US Healthcare Pittsburgh Terminated 08/12/2005	5313 Campbells Run Road Pittsburgh, PA. 15205
768 D/O/R/V	Aetna/US Healthcare/HMO PA Terminated 08/12/2005	P.O. Box 1109 Blue Bell, PA. 19422
770	Health Partners/Senior Partners	PO Box 5194

**APPENDIX M**

**TPL INSURANCE COVERAGE TYPE AND CARRIER CODE**

D/O/R/V	of Philadelphia (Terminated 6/30/06 Use code 503.	New York, NY 10004-5194
771 D/O/R/V	Horizon Healthcare Terminated 12/31/2000	1700 Market Street Philadelphia, PA. 19103
772 D/O/U/R/V	HIP Health Plan of PA	6 Neshaminy Interplex Trevose, PA. 19053
774 D/O/U/R/V	UPMC Health Plan Inc	PO Box 2999 Pittsburgh, PA. 15230
775 D/O/U/R/V	Optimum Choice Inc of PA	PO Box 930 Frederick, MD 21705
776 D/O/U/R/V	Philcare Health Systems	2005 Market Street Philadelphia, PA. 19103
777 D/O/R/V	Health Central Terminated 12/31/2001	2605 Interstate Drive Harrisburg, PA. 17110
778 D/O/U/R/V	Amerihealth HMO	1901 Market Street Philadelphia, PA 19103
779 D/O/U/R/V	Health Plans of PA	100 W Sproul Road - 3 <sup>Rd</sup> Floor Springfield, PA 19064
780 D/O/U/R/V	Principal HealthCare of PA	2751 Centerville Road Wilmington, DE 19808
781 D/O/U/R/V	Avalon Health Ltd.	2500 Elmerton Avenue Harrisburg, PA 17110
783 D/O/U/R/V	Qualmed Plans For Health	1835 Market Street Philadelphia, PA 19103
784 D/O/U/R/V	Physicians Care HMO	651 East Park Drive, Suite 108 Harrisburg, PA 17111
798 D/O/U/R/V	Other HMO	
799 D/H/M/R/S/T/U/V/X	Commercial Insurance (Not Otherwise Listed)	
801 N	Auto Insurance Terminated 5/24/07	
802 W	Workers' Compensation	
803 L	Black Lung Medical Benefits	
900 P	Patient Pay	



**APPENDIX M**

**TPL INSURANCE COVERAGE TYPE AND CARRIER CODE**

902 Z	LTC Patient Pay	
903 Q	Transfer Penalty	

**Alphabetical Listing of Insurance Carriers**

AARP Medigap	741
Accordia National	735
Advantage Health Plan	753
Advantra (Medicare Advantage)	509
Aetna (Medicare Advantage)	505
Aetna HMO Health Plans East/Central PA	750
Aetna Life Insurance Co	702
Alliance Health Network	752
Allstate Insurance Company	703
Amalgamated Life Insurance Co	701
American General Ins Co	711
American Postal Workers Union	734
Americhoice Personal Care Plus	751
Amerihealth HMO	778
Amerihealth 65	512
Anthem Blue Cross/Blue Shield (Medicare Advantage)	532
Argus	709
Auto Insurance	801
Avalon Health LTD	781
Bankers Life & Casualty Co	704
Black Lung Medical Benefits	803
Blue Cross Medigap (out of state)	249
Blue Cross of Northeastern PA	203
Blue Cross Out-of-State	299
Blue Shield Medigap (out of state)	349

**APPENDIX M**

**TPL INSURANCE COVERAGE TYPE AND CARRIER CODE**

Blue Shield Medigap Security 65	340
Blue Shield Out-of-State	399
Bravo Health Pennsylvania (Medicare Advantage)	516
Capital Blue Cross	202
Capital SeniorBlue (Medicare Advantage)	502
Care Improvement Plus (Medicare Advantage)	533
Caremark	749
Champus (Tricare & United Concordia)	400
Champus/VA	401
CIGNA	708
CIGNA Healthcare of PA	754
<b>CIGNA Medicare Access (Medicare Advantage)</b>	<b>542</b>
Citrus Health Care (Medicare Advantage)	529
Combined Insurance Company of America	707
Commercial Insurance (Carrier name not on list)	799
Commercial Medigap Ins. (Not otherwise listed)	740
Compensation	802
Community LIFE (Medicare Advantage)	524
CONSECO	706
Continental Casualty Ins Co	710
Coventry Healthcare (Medicare Advantage)	527
Delta Dental of PA	700
Educators Mutual Life Ins Co	712
Employers Health Insurance Co	736
Equitable Assurance Soc-US	713
Express Scripts	743
First Priority Health	760
Freedom Blue (Medicare Advantage)	501
Gateway Health Plan Medicare Assured (Medicare Advantage)	506
Geisinger Health Plan	755
Geisinger Health Plan (Medicare Advantage)	511
GHI Medicare Choice (Medicare Advantage)	530
Health Plans of PA	779
HealthAmerica Advantra/Advantra Gold/Advantra Silver (Medicare Adv)	509
HealthAmerica/Health Assurance	757

**APPENDIX M**

**TPL INSURANCE COVERAGE TYPE AND CARRIER CODE**

HealthAmerica/Health Assurance (Pittsburgh)	758
Healthfirst Medicare Plan (Medicare Advantage)	522
Healthguard of Lancaster	759
HealthMarkets Care Assured (Medicare Advantage)	539
Healthnet of the Northeast	766
Highmark Blue Cross/Blue Shield	201
Highmark Blue Shield	302
Highmark Service Company	244
HIP Health Plan of Greater New York (Medicare Advantage)	537
HIP Health Plan of PA	772
Horizon BC/BS of New Jersey (Medicare Advantage)	521
Humana (Medicare Advantage)	507
Independence Blue Cross	200
Inter-County Hosp Plan	714
Inter-County Phys Serv Plan	715
Jefferson-Pilot Life Ins Co	737
John Hancock Mutual Life Ins Co	716
Keystone 65 Complete (Medicare Advantage)	514
Keystone Health Plan Central	761
Keystone Health Plan East	762
Keystone Health Plan West	763
Keystone SeniorBlue (Medicare Advantage)	519
Life Insurance Co North America	718
LIFE at Home (Medicare Advantage)	534
LIFE Beaver County (Medicare Advantage)	541
LIFE LUTHERAN (Medicare Advantage)	540
LIFE Pittsburgh (Medicare Advantage)	525
Lincoln National Life Ins Co	719
Long Term Care Patient Pay	902
MD MedicareChoice (Medicare Advantage)	538
Massachusetts Mutual Life Ins Co	720
Medicare A	600
Medicare B	100
Merck MEDCO	748
Mutual of Omaha Ins Co	722

**APPENDIX M**

**TPL INSURANCE COVERAGE TYPE AND CARRIER CODE**

National Association of Letter Carriers	731
National Pharmaceutical Svc	745
National Vision Administrators	742
New York Life Insurance Co	724
Optimum Choice Inc of PA	775
Other HMO(Must enter name/address)	798
Paid Prescription (Medco)	733
PCS	747
PEBTF(Major Med /Medigap)	744
Pennsylvania Blue Shield (associated with a Blue Cross Plan)	300
People Benefit Life Insurance Company	723
Personal Choice 65/Keystone 65 (Medicare Advantage)	500
Philadelphia American Life Ins	738
Philcare Health Systems	776
Phoenix Mutual Life Ins Co	726
Physicians Care HMO	784
Principal Health Care of PA	780
Protective Life Ins Co	739
Provident Life & Accident Ins	727
Prudential Health Care Plan	765
Prudential Ins Co of America	728
Qualmed Plans for Health	783
St Agnes LIFE (Medicare Advantage)	526
SecureHorizons (Medicare Advantage)	508
Security 65 Capital Plan	242
Security 65 Highmark Plan	241
Security 65 Independence Plan	240
Security 65 Northeast Plan	243
Security Blue (Medicare Advantage)	504
Senior LIFE Johnstown (Medicare Advantage)	535
Senior Partners (Medicare Advantage)	503
Sterling Option 1 (Medicare Advantage)	510
Today's Option (Medicare Advantage)	517
Transamerica Occidental Ins Co	725
Trustees of the University of Pennsylvania (Medicare Advantage)	523

## APPENDIX M

### TPL INSURANCE COVERAGE TYPE AND CARRIER CODE

UniCare (Medicare Advantage)	531
Unison Advantage (Medicare Advantage)	513
United Concordia	705
United Health Care	721
United HealthCare (Evercare/Erickson Advantage) (Medicare Advantage)	518
<b>Universal American (Medicare Advantage)</b>	<b>543</b>
Universal Health Care (Medicare Advantage)	528
UPMC For Life (Medicare Advantage)	515
UPMC Health Plan	774
USACare (Medicare Advantage)	536
Washington National Ins Co	732
WellCare (Medicare Advantage)	520

### Source Identification

System source ID's have been expanded to identify resource origin. A system update is one that occurs through a data exchange rather than a manual update. System sources are still a three-digit code. Each system source will begin with the letter S followed by a two digit numeric character that identifies the data exchange updating the resource. The following is a list of system source ID's:

S00	Independence Blue Cross
S01	Highmark Blue Cross/Blue Shield
S02	Capital Blue Cross
S03	Northeast Blue Cross
S04	TRICARE/CHAMPUS/CHAMPVA
S05	Medicare HMO's (MMA)
S06	BENDEX
S07	Buy-IN
S08	Worker's Compensation
S09	Patient Pay Met Update
S10	Domestic Relations Data Exchanges and PACSES transactions
S11	Deloitte & Touche
S12	Social Security Resource Referrals
S13	Health Management Systems (verified)
S14	Health Management Systems (unverified)
S15	University of Massachusetts Medical School (UMMS)
S16	Department of Health

## APPENDIX M

### TPL INSURANCE COVERAGE TYPE AND CARRIER CODE

S17	Medicare Crossover-Dual Eligible (COBA)
S18	<b>Reserved</b>
SYS	System entered or updated resource
P##	Electronically supplied resource information from the Physical Health MCO(PHMCO) (## is the plan number of the MCO)
B@@	Electronically supplied resource information from the Behavioral Health MCO (BHMCO) (@@ is the alpha county designation)
CAO	Only to be used by County Assistance Office staff
TPL	Only to be used by TPL staff
HIP	Only to be used by Health Insurance Premium Payment staff
T##	Manually supplied resource information from the PHMCO (##is the plan number of the MCO)
T@@	Manually supplied resource information from the BHMCO (@@ is the alpha county designation)

---

Revised: **April 9, 2010**

## APPENDIX N

### Pennsylvania Mandated Carrier Listing

This represents over 92.1% of the market share in PA

#### Insurance Name

Highmark Inc\*  
Keystone Health Plan East Inc\*  
QCC Ins Co\*  
Keystone Health Plan West Inc\*  
Vista Health Plan Inc\*  
Aetna Health Inc PA Corp  
Capital Advantage Ins Co\*  
Gateway Health Plan Inc\*  
HealthAssurance PA Inc  
UnitedHealthcare Ins Co  
UPMC Health Plan Inc  
Geisinger Health Plan  
Unison Health Plan of PA Inc  
Health Partners of Philadelphia Inc  
Health America PA Inc  
Community Care Behavioral Health Org  
Bravo Health PA Inc  
Aetna Life Ins Co  
First Health Life & Health Ins Co  
Keystone Health Plan Central Inc\*  
First Priority Life Ins Co Inc  
United Concordia Life & Health Ins Co  
Value Behavioral Health of PA Inc  
Independence Blue Cross\*  
Magellan Behavioral Health of PA Inc  
HMO of NE PA\*  
Humana Ins Co  
Americhoice of PA Inc  
Metropolitan Life Ins Co  
Capital Blue Cross\*  
American Family Life Assur Co of Col  
Geisinger Quality Options Inc  
American Progressive L&H Ins of NY  
Unum Life Ins Co of America  
Guardian Life Ins Co of America  
Delta Dental of PA  
Hospital Service Association of NE PA  
Hartford Life & Accident Ins Co  
Highmark Senior Resources Inc  
Coventry Health & Life Ins Co  
Amerihealth HMO Inc\*  
TRICARE  
Medicare A & B

**\*The Division of TPL has data exchange agreements with all Pennsylvania Blues**