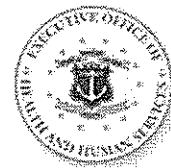


# Approval Tracking Form

Executive Office of Health and Human Services, State of Rhode Island



Type of approval sought	Contract	Tracking ID	2
Program/document title	Development and Implementation of a Cost Allocation Plan		
Description	This contract will purchase services for the RI EOHHS to develop and implement a new cost allocation plan for the Medicaid administrative expenses across the enterprise. In addition, the vendor will also provide services to BHDDH, DHS via DEA, and DoH for the development and implementation of an indirect cost rate proposals.		
Program manager	Kevin Madigan		
Program manager phone/email	401.462.0732/ kevin.madigan@ohhs.ri.gov		
Approval needed by	4/24/2014		
Anticipated start date	5/1/2014	End date	4/30/2015
Who will sign the document?	CFO Alda Rego		

Financial Information			
Grantor / source of funds	Medicaid Funding with 50/50 cost allocation		
Total value of award/project	\$446,920	CFDA number, if applicable	93.778
Accounts to be charged State*	2017103, Medicaid State Match	Federal	2018108, Medicaid
Split (% or \$) State	50%	Federal	50%

\* Use to indicate source of state matching funds for federal grants, if necessary

Contract Information, if applicable			
Contractor name	Public Consulting Group		
Contractor address (with 9-digit ZIP code)	148 State Street, 10th Floor, Boston, MA 02109		
Contractor DUNS	182826909	Contractor FEIN	04-2942913
Contact name, email, phone	Amy Ferraro, aferraro@pcgus.com, 617-426-2026		
Source of contract	RFP	Is BAA required?	<input checked="" type="checkbox"/>
EOHHS Agreement Number	CAP 14/15 01		

## Approvals

Role	Req'd?	Name	Signature	Date
1 Program manager	<input checked="" type="checkbox"/>	Kevin Madigan	KMM	4/18/2014
2 Process coordinator	<input checked="" type="checkbox"/>	Victoria Pires	VP	4/18/2014
3 Associate director	<input checked="" type="checkbox"/>	Alda Rego (Finance)	AR	4/18/2014
4 Financial management	<input checked="" type="checkbox"/>	Brenda Whalen Munro	BWM	4/18/2014
5 Finance	<input checked="" type="checkbox"/>	Alda Rego	AR	4/18/2014
6 Policy	<input type="checkbox"/>	Elena Nicoletta	Initial here	Click here to enter a date.
7 Operations	<input checked="" type="checkbox"/>	Matthew Harvey	mrh	4/21/2014
8 Legal	<input type="checkbox"/>	Jacqueline Kelley	Initial here	Click here to enter a date.
9 Office of the Secretary	<input checked="" type="checkbox"/>	David Burnett	db	4/24/2014

Associate Director (step #3) indicates whether steps 6, 7, and 8 are required.

FFATA Not Needed

Agreement Number:

AGREEMENT

Between the

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES

and

Name of Contractor: Public Consulting Group, Inc.

Title of Agreement: Development and Implementation of a Cost Allocation Plan for the Rhode Island Medicaid Program and Indirect Cost Rates for BHDDH, DHS (DEA), and DOH

Basis For Contract: RFP # 7514372

Contract Award: \$446,920

Performance Period: May 1, 2014 to April 30, 2015

## A G R E E M E N T

This agreement, hereinafter "Agreement", including attached ADDENDA, is hereby entered into this 30<sup>th</sup> day of April 2014, by and between the State of Rhode Island acting by and through the Executive Office of Health and Human Services (hereinafter referred to as "the Executive Office"), and Public Consulting Group, Inc. (hereinafter referred to as "the Contractor").

WHEREAS, the Executive Office desires to engage the Contractor to offer services and activities further described, but not limited to the work described in this Agreement, including any Exhibit(s) or Addenda, that are attached hereto and are hereby incorporated by reference into this Agreement.

WHEREAS the Contractor is willing and qualified to provide services, the parties hereto do mutually agree as follows:

### PAR. 1. GOVERNING LAW AND GENERAL TERMS AND CONDITIONS

The State's Purchasing Law (Chapter 37-2 of the Rhode Island General Laws) and Rhode Island Department of Administration, Division of Purchases, Purchasing Rules, Regulations, and General Conditions of Purchasing apply as the governing terms and conditions of this Agreement, which can be obtained at <http://www.purchasing.ri.gov/RIVIP/info>. In addition, the provisions of Federal Laws, Regulations and Procedures governing the implementation of federal funds apply to this Agreement. See also **PAR. 35. - GOVERNING LAW** for further governing law issues. All ADDENDA referenced herein and attached hereto are made a part of and are inclusive in this Agreement.

### PAR. 2. PERFORMANCE

The Contractor shall perform all obligations, duties and the required scope of work for the period of time listed in this Agreement, Exhibit(s) and/or Addenda that are attached hereto and are incorporated by reference herein, in a satisfactory manner to be determined at the sole and absolute discretion of the Executive Office, and in accordance with requirements of this Agreement. The Executive Office shall have the right at all times to review the work being performed as well as the places where such work is performed; and to that end, the Executive Office shall be given reasonable access to all activities related to this Agreement.

**PAR. 3. TIME OF PERFORMANCE**

The Contractor shall commence performance of this Agreement on the 1st day of May 2014, and shall complete performance no later than the 30th day of April 2015 (hereinafter the "Initial Term"), unless terminated prior to that day by other provisions of this Agreement. If this contract was awarded as a result of an RFP or bid process, then, by mutual agreement, this contract may be extended as stated in the RFP or bid process (hereinafter "Renewal Term(s)") beyond the Initial Term upon one hundred twenty (120) days prior written notice of the expiration of the Initial Term or any Renewal Term to the Contractor.

In the event the Executive Office or the Contractor gives notice of its intent not to renew this Agreement, the Executive Office shall have the right to extend all or any services to be performed under this Agreement for an additional period of one hundred and eighty (180) days, or such longer period as mutually agreed by the parties in writing.

**PAR. 4. PROJECT OFFICER-EXECUTIVE OFFICE**

The Executive Office shall appoint a Contract Officer to manage this Agreement. The Contractor agrees to maintain close and continuing communication with the Contract Officer throughout the performance of work and services undertaken under the terms of this Agreement. The Contract Officer is responsible for authorizing, or seeking authorization of all payments made by the Executive Office to the Contractor under this Agreement.

**PAR. 5. PROJECT OFFICER-CONTRACTOR**

The Contractor shall appoint a Project Officer to be responsible for coordinating and reporting work performed by the Contractor agency under this Agreement. The Project Officer shall notify the Executive Office in writing immediately, and seek approval from the Executive Office, should a change to this Agreement be necessary in the opinion of the Project Officer. Under no circumstances will a change be undertaken without the prior written approval of the Executive Office.

**PAR. 6. BUDGET**

Total payment for services to be provided under this Agreement shall not exceed the total budget as detailed in **ADDENDUM II**. Expenditures exceeding budget line-item categories by ten percent (10%) shall not be authorized unless prior written approval is first obtained pursuant to **PAR. 10. - MODIFICATION OF AGREEMENT**, subject to the maximum amount of this Agreement as stated above.

**PAR. 7. METHOD OF PAYMENT AND REPORTS**

The Executive Office will make payments to the Contractor in accordance with

provisions of **ADDENDUM III - PAYMENTS AND REPORTS SCHEDULE** attached hereto and incorporated by reference herein. The Executive Office acknowledges and agrees that any increase in expenses due to delays by the Executive Office which extends the time of performance shall be subject to reimbursement of the costs associated with such delays. The Contractor will complete and forward narrative and fiscal reports as per **ADDENDUM III - PAYMENTS AND REPORTS SCHEDULE**.

**PAR. 8. TERMINATION AND/OR DEFAULT OF AGREEMENT**

This Agreement shall be subject to termination under any of the following conditions:

- a. Mutual Agreement  
The contracting parties mutually agree in writing to termination.
- b. Default by Contractor  
The Executive Office may, by not less than thirty (30) days prior written notice to the Contractor, terminate the Contractor's right to proceed as to the Agreement if the Contractor:
  1. Materially fails to perform the services within the time specified or any extension thereof; or
  2. So fails to make progress as to materially endanger performance of the Agreement in accordance with its terms; or
  3. Materially breaches any provision of this Agreement. Termination, at the option of the Executive Office shall be effective not less than thirty (30) days after receipt of such notice, unless the Contractor shall have corrected such failure(s) thirty (30) days after the receipt by the Contractor of such written notice; any failure which, in the exercise of due diligence, cannot be cured within such thirty (30) day period shall not be deemed a default so long as the Contractor shall within such period commence and thereafter continue diligently to cure such failure.
- c. Termination in the Interest of the Executive Office  
The Executive Office may terminate this agreement at any time by giving written notice to the Contractor of such termination and specifying the effective date thereof, not less than thirty (30) days prior to the effective date of such termination. In such event, all finished or unfinished documents and other materials shall, at the option of the Executive Office, become its property. If the agreement is terminated by the Executive Office as provided herein, the Contractor will be paid an amount which bears the same rate to the total compensation as the services actually performed bear to the total services of the Contractor covered by this Agreement, less payment of compensation previously made.
- d. Availability of Funds  
It is understood and agreed by the parties hereto that all obligations of the Executive Office, including the continuance of payments hereunder, are contingent upon the availability and continued appropriation of State and Federal funds, and in no event shall the Executive Office be liable for any payments hereunder in excess of such available and appropriated funds. In the event that the amount of any available or appropriated funds

provided by the State or Federal sources for the purchase of services hereunder shall be reduced, terminated or shall not be continued at an aggregate level sufficient to allow for the purchase of the specified amount of services to be purchased hereunder for any reason whatsoever, the Executive Office shall notify the Contractor of such reduction of funds available and the Executive Office shall be entitled to reduce its commitment hereunder as it deems necessary, but shall be obligated for payments due to the Contractor up to the time of such notice. None of the provisions of this paragraph shall entitle the Executive Office to compensation for anticipated profits for unperformed work.

**PAR. 9. RESPONSIBILITIES UPON TERMINATION AND/OR DEFAULT OF AGREEMENT**

Upon delivery to the Contractor of a notice of termination, specifying the nature of the termination, the extent to which performance of work under this contract is terminated, and the date upon which such termination becomes effective, the Contractor shall:

1. Stop work under this contract on the date and to the extent specified in the notice of termination;
2. Take such action as may be necessary, or as the Executive Office's project manager may reasonably direct, for the protection and preservation of the property related to this contract which is in the possession of the Contractor and in which the Executive Office has or may acquire an interest;
3. Terminate all orders to the extent that they relate to the performance of work terminated by the notice of termination;
4. Subject to the provisions of this paragraph, assign to the Executive Office in the manner and to the extent directed by the Executive Office's project officer all of the rights, title, and interest of the Contractor under the orders so terminated, in which case the Executive Office shall have the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders, however, notwithstanding this provision, the Contractor will not be obligated to assign any such rights, title or interest in the absence of payment therefore by the Executive Office;
5. With the approval or ratification of the Executive Office's project manager, initiate settlement of all outstanding liabilities and all claims, arising out of such termination of orders, the cost of which would be reimbursable in whole or in part, in accordance with the provisions of this contract. Prior to a final settlement of said outstanding liabilities and claims arising out of such termination, final written approval of the Executive Office's project manager must be obtained. Final approval by the Executive Office shall not be unreasonably withheld;

6. Subject to the provisions of this paragraph, transfer title, or if the Contractor does not have title, then transfer their rights to the Executive Office (to the extent that title has not already been transferred) and deliver in the manner, at reasonable times, and to the extent reasonably directed by the Executive Office's project manager all files, processing systems, data manuals, or other documentation, in any form, that relate to all the work completed or in progress prior to the notice of termination;
7. Complete the performance of such part of the work as shall not have been terminated by the notice of termination.

The Contractor shall proceed immediately with the performance of the above obligations notwithstanding any delay in determining or adjusting the amount of any item of reimbursable price under this clause.

8. Unless terminated by Executive Office for default of the Contractor, the Contractor shall be entitled to reasonable account shut down expenses associated with such termination including the penalties associated with early termination of lease, software, hardware, and any other unamortized or incremental expenses accrued but not charged, excluding anticipated profits which shall not be reimbursed. The Contractor shall submit all identified shut down expenses associated with such termination incurred before and prior to the termination date. Any damages to the Executive Office shall offset any shutdown expenses to the Executive Office.
9. The Contractor acknowledges and agrees the services and/or deliverables provided under this Agreement are very important to the Executive Office and that upon expiration or termination of the Agreement, must be continued without interruption whether by the State, the Executive Office, governmental agency or another private entity ("successor entity"). Prior to the end of the Termination and up to sixty (60) days thereafter, the Contractor agrees to make an orderly transition of contract and/or deliverables hereunder and to perform any and all tasks in good faith that are necessary to preserve the integrity of the work performed by the Contractor on behalf of the Executive Office. Upon termination or expiration of the Agreement, the Contractor, shall, if requested by the Executive Office at least thirty (30) days prior to such termination or expiration, provide reasonable training for the successor entity and/or continued performance of services. For providing such training or continued performance after the Term of the Agreement, the Executive Office shall pay the Contractor at mutually agreed rates for personnel used in providing such training and/or services unless services delivered are already defined herein and rates established then such rates shall apply for such period. Should any missing data, materials, documents, etc., be discovered after expiration or termination, a grace period of one hundred and twenty (120) days shall be in effect during which the data, materials, documents, etc., is to be provided at a predetermined cost or at no additional cost if the Contractor caused the loss. Lost data shall be provided to the Executive Office in form acceptable to the Executive Office.

If a stop work order issued under this clause is canceled or the period of the stop work order or any extension thereof expires, the Contractor shall resume work. The State shall make an equitable adjustment in the delivery schedule, the Agreement price, or both, and the agreement shall be modified, in writing, accordingly, if:

- a) The stop work order results in an increase in the time required for, or in the Contractor's cost properly allocable to the performance of any part of this agreement; and
- b) The Contractor asserts its right to an equitable adjustment within ninety (90) days after the end of the period of work stoppage; provided, that if the state decides the facts justify the action, the state may receive and act upon a proposal submitted at any time before final payment under this Agreement.

The State shall not be liable to the Contractor for loss of profits because of a stop work order issued under this clause; however, unless termination is for a default by the Contractor, the Contractor shall have the right to recover costs associated with maintaining the personnel, leases and equipment during the period of time the stop work order was in effect that cannot otherwise be reasonably utilized by the Contractor during the stop work period.

If the agreement is terminated for default, following a reasonable notice and cure period not to exceed thirty (30) days unless agreed to by both parties, the Executive Office may withhold payment of any amount in excess of fair compensation for the work actually completed by the Contractor prior to termination of this Agreement and will be entitled to pursue all of its other available legal remedies against the Contractor. Notwithstanding the above, the Contractor shall not be relieved of liability to the Executive Office for damages sustained by virtue of any breach of this Agreement by the Contractor.

The Contractor's liability to the Executive Office for any damages arising out of or related to this Agreement, regardless of the form of action that imposes liability, whether in contract, equity, negligence, intended conduct, tort or otherwise, will be limited to and will not exceed, in the aggregate for all claims, actions and causes of action of every kind and nature, the total fees paid by the Executive Office to the Contractor under this Agreement. The exception to this limitation of liability is with regard to any direct damages incurred by the Executive Office due to the intentional tortious actions of the Contractor in the performance or nonperformance of its obligations under this Agreement. Also, there should be no limitation of the Contractor's liability for disclosure of confidential information or intellectual property infringement. Neither party shall be liable for any amounts for loss of income, profit or savings or incidental, consequential, indirect, exemplary, punitive, or special damages of any party, including third parties arising out of or related to this Agreement; provided, however, that the foregoing shall not be deemed to limit in any way the provisions of **ADDENDUM XIII - LIQUIDATED DAMAGES** of this Agreement.

The imposition of liquidated damages shall not limit the Executive Office's rights



to pursue any other non-monetary remedies available to it.

The Executive Office may, by written notice of default to the Contractor, provide that the Contractor may cure a failure or breach of this contract within a period of thirty (30) days (or such longer period as the Executive Office's agreement administrator or project manager may authorize in writing), said period to commence upon receipt of the notice of default specifying such failure or breach. The Executive Office's exercise of this provision allowing the Contractor time to cure a failure or breach of this Agreement does not constitute a waiver of the Executive Office's right to terminate this Agreement, without providing a cure period, for any other failure or breach of this Agreement.

In the event the Contractor has failed to perform any substantial obligation under this Agreement, or has otherwise committed a breach of this Agreement, the Executive Office may withhold all monies due and payable to the Contractor directly related to the breach, without penalty, until such failure is cured or otherwise adjudicated.

#### Assurances before breach

a) If documentation or any other deliverables due under this contract are not in accordance with the contract requirements as reasonably determined by the project manager, upon the Executive Office's request, the Contractor, to the extent commercially reasonable, will deliver additional the Contractor resources to the project in order to complete the deliverable as required by the agreement as reasonably determined by the Executive Office and to demonstrate that other project schedules will not be affected. Upon written notice by the Executive Office's project manager of the Executive Office's concerns regarding the quality or timeliness of an upcoming deliverable, the Contractor shall, within five (5) business days of receipt of said notice, submit a corrective action plan documenting the Contractor's approach to completing the deliverable to the satisfaction of the Executive Office's project officer without affecting other project schedules. The Executive Office's project manager, within five (5) business days of receipt of the corrective action plan, shall approve the plan, reject the plan, or return the plan to the Contractor with specific instructions as to how the plan can be modified to merit approval and a specific time period in which the revised plan must be resubmitted.

Nothing in the language contained in "limitation of liability" article, "Contractor's liability for injury to person's or damage to property" article and "indemnification" article shall be construed to waive or limit the state or federal sovereign immunity or any other immunity from suit provided by law including, but not limited to Rhode Island General Laws, Title 9 Chapter 31, "Governmental Tort Liability."

#### Executive Office options at termination

In the event the Executive Office terminates this contract pursuant to this

paragraph, the Executive Office may at its option:

- a) Retain all or a portion of such hardware, equipment, software, and documentation as has been provided, obtaining clear title or rights to the same, and procure upon such terms and in such manner as the Executive Office's project manager may deem appropriate, hardware, equipment, software, documentation, or services as are necessary to complete the project; or
- b) Notwithstanding the above, except as otherwise agreed, nothing herein shall limit the right of the Executive Office to pursue any other legal remedies against the Contractor.

In order to take into account any changes in funding levels because of executive or legislative actions or because of any fiscal limitations not presently anticipated, the Executive Office may reduce or eliminate the amount of the contract as a whole with the scope of services being reduced accordingly, or subject to agreement by the parties concerning the scope and pricing, reduce or eliminate any line item(s).

Notwithstanding the terms, conditions and/or requirements set out in Paragraphs 7 and 8, the Contractor shall not be relieved of liability to the Executive Office for damages sustained by the Executive Office by virtue of any breach of the Agreement by the Contractor, and the Executive Office may withhold payment to the Contractor for the purpose of setoff until such time as the exact amount of damages due the Executive Office from the Contractor is determined.

#### **PAR. 10. MODIFICATION OF AGREEMENT**

The Executive Office may permit changes in the scope of services, time of performance, or approved budget of the Contractor to be performed hereunder. Such changes, which are mutually agreed upon by the Executive Office and the Contractor, must be in writing and shall be made a part of this agreement by numerically consecutive amendment excluding "Special Projects", if applicable, and are incorporated by reference into this Agreement. No changes are effective unless reflected in an approved change order issued by the Division of Purchases.

Special Projects are defined as additional services available to the Executive Office on a time and materials basis with the amounts not to exceed the amounts referenced on the Contractor's RFP cost proposal or as negotiated by project or activity. The change order will specify the scope of the change and the expected completion date. Any change order shall be subject to the same terms and conditions of this Agreement unless otherwise specified in the change order and agreed upon by the parties. The parties will negotiate in good faith and in a timely manner all aspects of the proposed change order.

**PAR. 11. SUBCONTRACTS**

It is expressly agreed that the Contractor shall not enter into any subcontract(s) nor delegate any responsibilities to perform the services listed in this Agreement without the advanced, written approval of the State's Division of Purchases. If in **ADDENDUM XVI-BID PROPOSAL**, the Bid Proposal permits

Subcontracting, the Contractor must provide the name and the extent of services provided by the Subcontractor in the **BUDGET** paragraph 6, and more fully explained in **ADDENDUM II** of this Agreement, and as further agreed to by the Executive Office and the Contractor in **ADDENDUM IX – SUBCONTRACTOR COMPLIANCE**, which is incorporated by reference herein, and which outlines the expectations and requirements of subcontracted vendors to this Agreement.

If the Contractor subsequently needs to enlist the services of a Subcontractor, the Contractor shall obtain prior written approval of the Executive Office. Approval of the Executive Office for the Contractor to enter into subcontracts to perform the services or obligations of the Contractor pursuant to this Agreement shall not be unreasonably withheld. Nothing in this Agreement or in a subcontract or sub-agreement between the Contractor and subcontractors shall create any contractual relationship between the subcontractor and the Executive Office. Approval by the Executive Office of the Contractor's request to subcontract shall not relieve the Contractor of its responsibilities under this contract and the Contractor shall therefore remain responsible and liable to the Executive Office for any conduct, negligence, acts and omissions, whether intentional or unintentional, by any subcontractor

The positions named by the Contractor and detailed in **ADDENDUM XVII – CORE STAFF POSITIONS**, which is incorporated by reference herein, will be considered core project staff positions for this project. The Contractor will not alter the core project team or use an independent contractor, company or subcontractor to meet required deliverables without the prior written consent of the Executive Office's project officer or other appointed designee(s) for which consent shall not be unreasonably withheld.

Failure to comply with the provisions of this Paragraph could result in denial of reimbursement for such non-approved sub-contracts.

**PAR. 12. CONTRACTOR'S LIABILITY/INDEMNIFICATION**

The Contractor shall indemnify and hold the State of Rhode Island, its Executive Offices, agencies, branches and its or their officers, directors, agents or employees (together the "Indemnitees" and their subcontractors) harmless against claims, demands, suits for judgments, losses or reasonable expenses or costs of any nature whatsoever (including actual reasonable attorney's fees) to the extent arising in

whole or part from the Contractor's willful misconduct, negligence, or omission in provision of services or breach of this Agreement including, but not limited to, injuries of any kind which the staff of the Contractor or its subcontractor may suffer directly or may cause to be suffered by any staff person or persons in the performance of this Agreement, unless caused by the willful misconduct or gross negligence of the Indemnitees.

The Contractor shall indemnify and hold the State of Rhode Island, its Executive Offices, agencies, branches and its or their officers, directors, agents or employees (together the "Indemnitees" and their subcontractors") harmless against claims, demands, suits for judgments, losses or reasonable expenses or costs of any nature whatsoever (including actual reasonable attorney's fees) to the extent arising in whole or part for infringement by the Contractor of any intellectual property right by any product or service provided hereunder.

Nothing in this agreement shall limit the Contractor's liability to indemnify the State for infringements by the Contractor of any intellectual property right.

Nothing in the language contained in this Agreement shall be construed to waive or limit the State or federal sovereign immunity or any other immunity from suit provided by law including, but not limited to Rhode Island General Law, Title 9, Chapter 31 et al., entitled "Governmental Tort Liability."

### **PAR. 13. NONDISCRIMINATION IN EMPLOYMENT AND SERVICES**

By signing this Agreement, the Contractor agrees to comply with the requirements of Title VI of the Civil Rights Act of 1964 (42 USC 2000d et seq.); Section 504 of the Rehabilitation Act of 1973, as amended (29 USC 794); Americans with Disabilities Act of 1990 (42 USC 12101 et. seq.); Title IX of the Education Amendments of 1972 (20 USC 1681 et. seq.); The Food Stamp Act, and the Age Discrimination Act of 1975, The United States Department of Health and Human Services Regulations found in 45 CFR, Parts 80 and 84; the United States Department of Education Implementing regulations (34 CFR, Parts 104 and 106; and the United States Department of Agriculture, Food and Nutrition Services (7 CFR 272.6), which prohibit discrimination on the basis of race, color, national origin (limited English proficiency persons), age, sex, disability, religion, political beliefs, in acceptance for or provision of services, employment, or treatment in educational or other programs or activities, or as any of the Acts are amended from time to time.

Pursuant to Title VI and Section 504, as listed above and as referenced in **ADDENDA V AND VI**, which are incorporated herein by reference and made part of this Agreement, the Contractor shall have policies and procedures in effect, including, mandatory written compliance plans, which are designed to assure compliance with Title VI section 504, as referenced above. An electronic copy of

the Contractor's written compliance plan, all relevant policies, procedures, workflows, relevant chart of responsible personnel, and/or self-assessments must be available to EOHHS upon request.

The Contractor's written compliance plans and/or self-assessments, referenced above and detailed in **ADDENDA V AND VI** of this Agreement must include but are not limited to the requirements detailed in **ADDENDA V AND VI** of this Agreement.

The Contractor must submit, within thirty-five (35) days of the date of a request by DHHS or EOHHS, full and complete information on Title VI and/or Section 504 compliance and/or self-assessments, as referenced above, by the Contractor and/or any subcontractor or vendor of the Contractor.

The Contractor acknowledges receipt of **ADDENDUM V - NOTICE TO EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES' SERVICE PROVIDERS OF THEIR RESPONSIBILITIES UNDER TITLE VI OF THE CIVIL RIGHTS ACT OF 1964** and **ADDENDUM VI - NOTICE TO EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES' SERVICE PROVIDERS OF THEIR RESPONSIBILITIES UNDER SECTION 504 OF THE REHABILITATION ACT OF 1973**, which are incorporated herein by reference and made part of this Agreement.

The Contractor further agrees to comply with all other provisions applicable to law, including the Americans with Disabilities Act of 1990; the Governor's Executive Order No. 05-01, Promotion of Equal Opportunity and the Prevention of Sexual Harassment in State Government.

The Contractor also agrees to comply with the requirements of the Executive Office of Health and Human Services for safeguarding of client information as such requirements are made known to the Contractor at the time of this contract.

Changes to any of the requirements contained herein shall constitute a change and be handled in accordance with **PAR 10. - MODIFICATION OF AGREEMENT** above.

Failure to comply with this Paragraph may be the basis for cancellation of this Agreement.

#### **PAR. 14. ASSIGNABILITY**

The Contractor shall not assign any interest in this Agreement (whether by assignment or novation) without the prior written consent of the State's Division of Purchases, thereto; provided, however, that claims or money due or to become due to the Contractor from the Executive Office under this Agreement may be assigned to a bank, trust company, or other financial institution without such

approval. Notice of any such assignment or transfer shall be furnished promptly to the Executive Office.

#### PAR 15. **COPYRIGHTS**

Any and all data, technical information, information systems, materials gathered, originated, developed, prepared, modified, used or obtained by the Contractor in performance of the Agreement used to create and/or maintain work performed by the Contractor, including but not limited to, all hardware, software computer programs, data files, application programs, intellectual property, source code, documentation and manuals, regardless of state of completion shall be deemed to be owned and remain owned by the State ("State Property"), and the State has the right to (1) reproduce, publish, disclose or otherwise use and to authorize others to use the State Property for State or federal government purposes, and (2) receive delivery of such State Property upon 30 day notice by the State throughout the term of the contract and including 120 days thereafter. To be clear with respect to State Property, the work shall be considered "work for hire," i.e., the State, not the selected Contractor or any subcontractor, shall have full and complete ownership of all State Property. The selected Contractor and any subcontractor hereby convey, assign and transfer to State any and all of its or their right, title and interest in State Property, if any, including but not limited to trademarks and copyrights. The State hereby grants to the federal government, and the federal government reserves, a royalty-free, nonexclusive and irrevocable license to reproduce, publish, disclose or otherwise use and to authorize others to use for federal government purposes such software, modifications and documentation designed, developed or installed with federal financial participation.

The Contractor agrees that no findings, listing, or information derived from information obtained through performance, as described in the Scope of Work in Addendum I with or without identifiers, may be released or publicly disclosed in any form for any purpose if such findings, listing, or information contain any combination of data elements that might allow an individual to determine a beneficiary's identification without first obtaining written authorization from the Executive Office's project officer. Examples of such data elements include, but are not limited to geographic indicators, age, sex, diagnosis, procedure, date of birth, or admission/discharge date(s). The Contractor agrees further that the Executive Office shall be the sole judge as to whether any finding, listing, information, or any combination of data extracted or derived from the Executive Office's files identify or would, with reasonable effort, permit one to identify an individual, or to deduce the identifying of an individual to a reasonable degree of certainty. The Contractor agrees that the conditions set forth herein apply to any materials presented or submitted review and/or publication that contain individual identifying elements in the information obtained, as stated above, unless such information is presented in the aggregate. Under no circumstance, shall the Contractor publicly disclose or present or submit any materials for review and/or

publication that contains an individual's social security number, in part or in whole. The Contractor is hereby notified that all initial data received from EOHHS is considered confidential by the Executive Office. For further requirements regarding confidentiality of information please refer to Paragraph 26 of this Agreement.

With respect to claims arising from computer hardware or software manufactured by a third party and sold by the Contractor as a reseller, the Contractor will pass through to the Executive Office such indemnity rights as it receives from such third party ("third party obligation") and will cooperate in enforcing them; provided that if the third party manufacturer fails to honor the third party obligation, the Contractor will provide the Executive Office with indemnity protection equal to that called for by the third party obligation, but in no event greater than that called for in the first sentence of this Paragraph the provisions of the preceding sentence apply only to third party computer hardware or software sold as a distinct unit and accepted by the Executive Office. Unless a third party obligation provides otherwise, the defense and payment obligations set forth in this Paragraph will be conditional upon the following:

1. The Executive Office will notify the Contractor of any such claim in writing and tender the defense thereof within a reasonable time;
2. The Contractor will have sole control of the defense of any action on all third party claims, costs (including without limitation reasonable attorneys' fees), and losses for infringement or violation of any U.S. Intellectual Property Rights by any product or service provided hereunder; and all negotiations for its settlement or compromise; provided that (i) when substantial principles of government or public law are involved, when litigation might create precedent affecting future state operations or liability, or when involvement of the state is otherwise mandated by law, the state may participate in such action at its own expense with respect to attorneys' fees and costs (but not liability); (ii) the state will have the right to approve or disapprove any settlement or compromise, which approval will not unreasonably be withheld or delayed; and
3. The State will reasonably cooperate in the defense and in any related settlement negotiations.

Should the deliverables or software, or the operation thereof, become, or in the Contractor's opinion are likely to become, the subject of a claim of infringement or violation of a U.S. Intellectual Property Rights, the Executive Office shall permit the Contractor at its option and expense either to procure for the Executive Office the right to continue using the deliverables or software, or to replace or modify the same so that they become non-infringing. If none of these options can reasonably be taken, or if the use of such deliverables or software by the Executive Office shall be prevented by injunction, the Contractor agrees to take back such deliverables or software and make every reasonable effort to assist the Executive Office in procuring substitute deliverables or software. If, in the sole opinion of the Executive Office, the return of such infringing deliverables or

software makes the retention of other deliverables or software acquired from the Contractor under this Agreement impractical, the Executive Office shall then have the option of terminating such agreements, or applicable portions thereof, without penalty or termination charge. The Contractor agrees to take back such deliverables or software and refund any sums the Executive Office has paid the Contractor less any reasonable amount for use or damage.

The Contractor shall have no liability to the Executive Office under any provision of this clause with respect to any claim of patent, copyright or trade secret infringement that is based upon:

The combination or utilization of deliverables furnished hereunder with equipment or devices not made or furnished by the Contractor; or,

The operation of equipment furnished by the Contractor under the control of any operating software other than, or in addition to, the current version of the Contractor supplied operating software; or

The modification by the Executive Office of the equipment furnished hereunder or of the software; or

The combination or utilization of software furnished hereunder with non-Contractor supplied software.

The Contractor certifies that it has appropriate systems and controls in place to ensure that Executive Office funds will not be used in the performance of this Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.

The Contractor agrees that no findings, listing, or information derived from information obtained through performance, as described in **ADDENDUM I - SCOPE OF WORK**, with or without identifiers, may be released or publicly disclosed in any form for any purpose if such findings, listing, or information contain any combination of data elements that might allow an individual to determine a beneficiary's identification without first obtaining written authorization from the Executive Office's project officer. Examples of such data elements include, but are not limited to geographic indicators, age, sex, diagnosis, procedure, date of birth, or admission/discharge date(s). The Contractor agrees further that the Executive Office shall be the sole judge as to whether any finding, listing, information, or any combination of data extracted or derived from the Executive Office's files identify or would, with reasonable effort, permit one to identify an individual, or to deduce the identifying of an individual to a reasonable degree of certainty. The Contractor agrees that the conditions set forth herein apply to any materials presented or submitted review and/or publication that contain individual identifying elements in the information obtained, as stated above, unless such information is presented in the aggregate. Under no



circumstance, shall the Contractor publicly disclose or present or submit any materials for review and/or publication that contains an individual's social security number, in part or in whole. The Contractor is hereby notified that all initial data received from the Executive Office is considered confidential by the Executive Office.

#### **PAR. 16. PARTNERSHIP**

It is understood and agreed that nothing herein is intended or should be construed in any manner as creating or establishing the legal relation of partnership between the parties hereto, or as constituting the employees, agents, or representatives of the Contractor included in this Agreement as employees, agents, or representatives of the Executive Office.

#### **PAR. 17. INTEREST OF CONTRACTOR**

The Contractor covenants that it presently has no pecuniary interest and shall not acquire any such interest, direct or indirect, without first disclosing to the Executive Office in writing and then subsequently obtaining approval, in writing, from the Executive Office, that would conflict in any manner or degree with the performance of services required under this Agreement. The Contractor further covenants that no person having any such interest shall be employed by the Contractor for the performance of any work associated with this Agreement.

#### **PAR. 18. FEDERAL FUNDING PROVISIONS**

Funds made available to the Contractor under this Agreement are or may be derived from federal funds made available to the Executive Office. The Provisions of Paragraph 5 and Addendum II notwithstanding, the Contractor agrees to make claims for payment under this Agreement in accordance with applicable federal policies. The Contractor agrees that no payments under this Agreement will be claimed for reimbursement under any other Agreement, grant or contract that the Contractor may hold that provides funding from the same State or Federal sources. The Contractor further agrees to be liable for audit exceptions that may arise from examination of claims for payment under this Agreement. The Contractor specifically agrees to abide by all applicable federal requirements for Contractors. States are required to collect information from contractors for awards greater than \$25,000 as described in **ADDENDUM XIX - FEDERAL SUBAWARD REPORTING**.

#### **PAR. 19. FUNDING DENIED**

It is understood and agreed that in the event that less than full federal funding or other funding is received by the Executive Office due directly to the failure of the Contractor to comply with the terms of this Agreement, the Contractor is liable to

the State of Rhode Island for an amount equal to the amount of the denied funding. Should the Contractor be liable for the amount of the denied funding, then such amount shall be payable upon demand of the Executive Office.

The Contractor agrees that no expenditures claimed for reimbursement under this Agreement will be claimed for reimbursement under any other agreement, grant, or contract that the Contractor may hold which provides funding from state or federal sources. The Contractor further agrees to be liable for audit exceptions that may arise from examination of expenditures: (a) claimed by the Contractor for reimbursement under this Agreement, and/or (b) submitted by the Contractor in meeting any cost participation requirements.

#### **PAR. 20. ACCESSIBILITY AND RETENTION OF RECORDS**

The Contractor agrees to make accessible and to maintain all fiscal and activity records relating to this Agreement to state and/or federal officials, or their designated representatives, necessary to verify the accuracy of Contractor invoices or compliance with this Agreement. This accessibility requirement shall include the right to review and copy such records. This requirement is also intended to include any auditing, monitoring, and evaluation procedures, including on-site visits, performed individually or jointly, by state or federal officials or their agents necessary to verify the accuracy of Contractor invoices or compliance with the this Agreement. If such records are maintained out of the state of Rhode Island, such records shall be made accessible by the Contractor at a Rhode Island location. Minutes of board of directors meetings, fiscal records, and narrative records pertaining to activities performed will be retained for audit purposes for a period of at least three (3) years following the submission of the final expenditure report for this Agreement or, if audit findings have not been received at the end of the three (3) years, the records shall be retained until resolution of the audit findings are made.

The Contractor and its subcontractors, if subcontractors are permitted within the scope of this Agreement, will provide and maintain a quality assurance system acceptable to the state covering deliverables and services under this Agreement and will tender to the state only those deliverables that have been inspected and found to conform to this Agreement's requirements. The Contractor will keep records evidencing inspections and their result, and will make these records available to the state during Agreement performance and for three (3) years after final payment. The Contractor shall permit the state to review procedures, practices, processes, and related documents to determine the acceptability of Contractor's quality assurance system or other similar business practices related to performance of the Agreement.

Further, the Contractor agrees to include a similar right of the state to audit records and interview staff in any subcontract related to performance of this Agreement.

The parties agree that in regards to fixed price portions of the contract, the state's access to the Contractor's books, records and documents shall be limited to those necessary to verify the accuracy of the Contractor's invoice. In no event will the state have access to the Contractor's internal cost data as they relate to fixed price portion of the contract.

#### **PAR. 21. CAPITAL ASSETS**

The Contractor agrees that any capital assets purchased on behalf of the Executive Office on a pass-through basis and used on behalf of the Executive Office by the Contractor shall upon payment by the Executive Office, become the property of the Executive Office unless otherwise agreed to by the parties and may be utilized by the Contractor in a reasonable manner. Capital assets are defined as any item having a life expectancy of greater than one (1) year and an initial cost of greater than five thousand dollars (\$5,000) per unit, except greater than five hundred dollars (\$500) per unit for computer equipment.

Upon written request by the Executive Office, the Contractor agrees to execute and deliver to the Executive Office a security interest in such capital assets in the amount of the value of such capital asset (or for a lesser amount as determined by the Executive Office).

#### **PAR. 22. COMPETITIVE BIDS**

With the exception of services or products obtained for use in a leveraged environment, the Contractor agrees competitive bidding will be utilized for all purchases in direct and exclusive support of the Executive Office which are made under this Agreement in excess of five hundred dollars (\$500) or an aggregate of one thousand dollars (\$1,000) for any like items during the time of performance of this Agreement. Evidence of competitive bids must be retained in accordance with **PAR. 20. - ACCESSIBILITY AND RETENTION OF RECORDS.**

#### **PAR. 23. SECURITY AND CONFIDENTIALITY**

The Contractor shall take security measures to protect against the improper use, loss, access of and disclosure of any confidential information it may receive or have access to under this Agreement as required by this Agreement, the RFP and proposal, or which becomes available to the Contractor in carrying out this Agreement and the RFP and the proposal, and agrees to comply with the requirements of the EOHHS for safeguarding of client and such aforementioned information. Confidential information includes, but is not limited to: names, dates of birth, home and/or business addresses, social security numbers, protected health information, financial and/or salary information, employment information, statistical, personal, technical and other data and information relating to the State

of Rhode Island data, and other such data protected by EOHHS laws, regulations and policies ("confidential information"), as well as State and Federal laws and regulations. All such information shall be protected by the Contractor from unauthorized use and disclosure and shall be protected through the observance of the same or more effective procedural requirements as are applicable to the EOHHS.

The Contractor expressly agrees and acknowledges that said confidential information provided to and/or transferred to provider by the EOHHS or to which the Contractor has access to for the performance of this Agreement is the sole property of the EOHHS and shall not be disclosed and/or used or misused and/or provided and/or accessed by any other individual(s), entity(s) and/or party(s) without the express written consent of the EOHHS. Further, the Contractor expressly agrees to forthwith return to the EOHHS any and all said data and/or information and/or confidential information and/or database upon the EOHHS's written request and/or cancellation and/or termination of this Agreement.

The Contractor shall not be required under the provisions of this paragraph to keep confidential any data or information, which is or becomes legitimately publicly available, is already rightfully in the Contractor's possession, is independently developed by the Contractor outside the scope of this Agreement, or is rightfully obtained from third parties under no obligation of confidentiality.

The Contractor agrees to abide by all applicable, current and as amended Federal and State laws and regulations governing the confidentiality of information, including to but not limited to the Business Associate requirements of HIPAA ([WWW.HHS.GOV/OCR/HIPAA](http://WWW.HHS.GOV/OCR/HIPAA)), to which it may have access pursuant to the terms of this Agreement. In addition, the Contractor agrees to comply with the EOHHS confidentiality policy recognizing a person's basic right to privacy and confidentiality of personal information. ("confidential records" are the records as defined in section 38-2-3-(d) (1)-(1-19) of the Rhode Island General Laws, entitled "access to public records" and described in "access to Department of Health records.")

In accordance with this Agreement and all Addenda thereto, the Contractor will additionally receive, have access to, or be exposed to certain documents, records, that are confidential, privileged or otherwise protected from disclosure, including, but not limited to: personal information; Personally Identifiable Information (PII), Sensitive Information (SI), and other information (including electronically stored information), records sufficient to identify an applicant for or recipient of government benefits; preliminary draft, notes, impressions, memoranda, working papers-and work product of state employees; as well as any other records, reports, opinions, information, and statements required to be kept confidential by state or federal law or regulation, or rule of court ("State Confidential Information").

State Confidential Information also includes PII and SI as it pertains to any public assistance recipients as well as retailers within the SNAP Program and Providers within any of the State Public Assistance programs.

Personally Identifiable Information (PII) is defined as any information about an individual maintained by an agency, including, but not limited to, education, financial transactions, medical history, and criminal or employment history and information which can be used to distinguish or trace an individual's identity, such as their name, social security number, date and place of birth, mother's maiden name, biometric records, etc., including any other personal information which is linked or linkable to an individual. (Defined in OMB Memorandum M-06-19, "Reporting Incidents Involving Personally Identifiable Information and Incorporating the Cost for Security in Agency Information Technology Investments").

Sensitive Information (SI) is information that is considered sensitive if the loss of confidentiality, integrity, or availability could be expected to have a serious, severe or catastrophic adverse effect on organizational operations, organizational assets, or individuals. Further, the loss of sensitive information confidentiality, integrity, or availability might: (i) cause a significant or severe degradation in mission capability to an extent and duration that the organization is unable to perform its primary functions; (ii) result in significant or major damage to organizational assets; (iii) result in significant or major financial loss; or (iv) result in significant, severe or catastrophic harm to individuals that may involve loss of life or serious life threatening injuries. (Defined in HHS Memorandum ISP-2007-005, "Departmental Standard for the Definition of Sensitive Information").

The Contractor agrees to adhere to any and all applicable State and Federal statutes and regulations relating to confidential health care and substance abuse treatment including but not limited to the Federal Regulation 42 CFR, Part 2; Rhode Island Mental Health Law, R.I. General Laws Chapter 40.1-5-26; Confidentiality of Health Care Communications and Information Act, R.I. General Laws Chapter 5-37.3-1 et seq, and HIPAA 45 CFR 160. The Contractor acknowledges that failure to comply with the provisions of this paragraph will result in the termination of this Agreement.

The Contractor shall notify the Covered Entity within one (1) hour by telephone call plus e-mail, web form or fax upon the discovery of any breach of security of PHI, PU or SI or suspected breach of security of PHI, PU or SI (where the use or disclosure is not provided for and permitted by this Agreement) of which it becomes aware. The Contractor shall, within forty-eight (48) hours, notify the EOHHS's designated security officer of any suspected breach of unauthorized electronic access, disclosure or breach of confidential information or any successful breach of unauthorized electronic access, disclosure or breach of confidential information. A breach is defined pursuant to HIPAA guidelines as well as those found in the "Health Information Technology for Economic and Clinical Health Act" (HITECH). A breach or suspected breach may be an acquisition, access, use or disclosure or suspected acquisition, access, use or disclosure of PHI in violation of HIPAA privacy rules that compromise PHI

security or privacy. Additionally, a breach or suspected breach may be an acquisition, access, use or disclosure or suspected acquisition, access, use or disclosure of PII or SI. The notice of a breach or suspected breach shall contain information available to the Contractor at the time of the notification to aid the EOHHS in examining the matter. More complete and detailed information shall be provided to the EOHHS as it becomes available to the Contractor. Upon notice of a suspected security incident, the EOHHS and Contractor will meet to jointly develop an incident investigation and remediation plan. Depending on the nature and severity of the confirmed breach, the plan may include the use of an independent third-party security firm to perform an objective security audit in accordance with recognized cyber security industry commercially reasonable practices. The parties will consider the scope, severity and impact of the security incident to determine the scope and duration of the third party audit. If the parties cannot agree on either the need for or the scope of such audit, then the matter shall be escalated to senior officials of each organization for resolution. The Contractor will pay the costs of all such audits. Depending on the nature and scope of the security incident, remedies may include, among other things, information to individuals on obtaining credit reports and notification to applicable credit card companies, notification to the local office of the Secret Service, and or affected users and other applicable parties, utilization of a call center and the offering of credit monitoring services on a selected basis.

Notwithstanding any other requirement set out in this Agreement, the Contractor acknowledges and agrees that the HITECH Act and its implementing regulations impose new requirements with respect to privacy, security and breach notification and contemplates that such requirements shall be implemented by regulations to be adopted by the U.S. Department of Health and Human Services. The HITECH requirements, regulations and provisions are hereby incorporated by reference into this Agreement as if set forth in this Agreement in their entirety. Notwithstanding anything to the contrary or any provision that may be more restrictive within this Agreement, all requirements and provisions of HITECH, and its implementing regulations currently in effect and promulgated and/or implemented after the date of this Agreement, are automatically effective and incorporated herein. Where this Agreement requires stricter guidelines, the stricter guidelines must be adhered to.

Failure to abide by the Department's confidentiality policy or the required signed **Business Associate Agreement (BAA) (Addendum XVIII)** will result in termination remedies, including but not limited to, termination of this Agreement. A **Business Associate Agreement (BAA)** shall be signed by the Contractor, simultaneously or as soon thereafter as possible, from the signing of this Agreement, as required by the Department.

Nothing herein shall limit the Executive Offices' ability to seek injunctive relief or any and all damages resulting for the Contractor's negligent or intentional disclosure of confidential information.

**PAR. 24.     AUDIT**

In the case wherein the amount identified in **PAR. 6. - BUDGET** is at least twenty-five thousand dollars (\$25,000) in any year at no additional cost for the Executive Office, the Contractor shall prepare an annual financial statement of the Contractor or the Contractor's parent, where applicable, within nine (9) months of the end of the Contractor's fiscal year. The financial statements must provide full and frank disclosures of all assets, liabilities, changes in the fund balances, all revenue, and all expenditures. Upon written or oral request by the Executive Office, the Contractor shall provide the Executive Office a copy of the above described financial statement(s) within ten (10) days of the Executive Office's request. If additional financial documentation is required by the federal funding source, these additional financial requirements must be met in addition to the preparation of the above financial statements.

In the case wherein the amount identified in **PAR. 6. - BUDGET** is at least five hundred thousand federal dollars (\$500,000) in any fiscal year at no additional cost for the Executive Office, the audit must be performed in accordance with OMB circular A-133, or as updated, and with "Government Auditing Standards" as published by the Comptroller General of the United States. The audit must address areas of compliance and internal controls as outlined in the above-mentioned circular. If a management letter is also issued as part of the audit, the management letter must be submitted as well.

Where the contractor is a for-profit company not subject to the provisions of OMB Circular A-133, then the audit will be performed in accordance with Generally Accepted Government Auditing Standards (GAGAS) commonly referred to as a "Yellow Book" audit. If the Contractor has multiple government projects then a company-wide "Yellow Book" audit is acceptable.

All financial statements and audits must be submitted in a format that is acceptable to the Executive Office. Additionally, if the Contractor has agreements with the Executive Office which in aggregate are at least five hundred thousand federal dollars (\$500,000) in any fiscal year, the audit must be performed in accordance with federal requirements as outlined above.

Should the Contractor expend less than five hundred thousand federal dollars (\$500,000) in a fiscal year and be, therefore, exempt from having OMB circular A-133 audit performed, the Contractor may not charge the cost of such an audit to a federal award.

The Contractor agrees that the state or its designated representative will be given access to any part of the system which is delivered under this Agreement to inventory and/or inspect the system.

The Contractor expressly agrees that any overpayment identified through an audit must be repaid to the Executive Office within a period of six (6) months from the issuance of the audit.

**PAR. 25. SEVERABILITY**

If any provision of this Agreement is held invalid, the remainder of this Agreement shall not be affected thereby if such remainder would then continue to conform to the tenets and requirements of applicable law.

**PAR. 26. ON-SITE INSPECTION**

The Contractor agrees to permit on-site monitoring, evaluation and inspection of all activities related to the Agreement, by officials of the Executive Office, its designee, and, where appropriate, the Federal government.

**PAR. 27. DRUG-FREE WORKPLACE POLICY**

The Contractor agrees to comply with the provisions of the Governor's Executive Order 91-14, the State's Drug Free Workplace Policy, and the Federal Omnibus Drug Abuse Act of 1988. As a condition of contracting with the State of Rhode Island, the Contractor hereby agrees to abide by **ADDENDUM VII - DRUG-FREE WORKPLACE POLICY**, and in accordance therewith has executed **ADDENDUM VIII DRUG-FREE WORKPLACE POLICY CONTRACTOR CERTIFICATE OF COMPLIANCE**.

Furthermore, the Contractor agrees to submit to the Executive Office any report or forms which may from time-to-time be required to determine the Contractor's compliance with this policy.

The Contractor acknowledges that a violation of the Drug-Free Workplace Policy may, at the Executive Office's option, result in termination of this Agreement.

**PAR. 28. PRO-CHILDREN ACT OF 1994 (ACT)**

As a condition of contracting with the State of Rhode Island, the Contractor hereby agrees to abide by **ADDENDUM X - CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE**, and in accordance has executed **ADDENDUM X - CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE**.

**PAR. 29. DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS**

The Contractor agrees to abide by **ADDENDUM XI-INSTRUCTIONS FOR CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS - PRIMARY COVERED TRANSACTIONS**, and in accordance has executed the required certification included in **ADDENDUM XII - CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS -PRIMARY COVERED TRANSACTIONS**.



**PAR. 30. CHIEF PURCHASING OFFICER**

This Agreement shall take effect upon the issuance of a Purchase Order by the State of Rhode Island's Chief Purchasing Officer or his/her designee. No modifications to this agreement shall be effective unless in an authorized change order issued by the Division of Purchases.

**PAR. 31. OWNERSHIP**

The following additional paragraphs are added to the Rhode Island Department of Administration, Division of Purchases, Purchasing Rules, Regulations, and General Conditions of Purchasing.

PROPRIETARY SOFTWARE. Each party will retain all rights in any software, ideas, concepts, know-how, development tools, techniques or any other proprietary material or information that it owned or developed prior to the date of this Agreement, or acquired or developed after the date of this Agreement without reference to or use of the intellectual property of the other party. All software that is licensed by a party from a third party vendor will be and remain the property of such vendor.

DEVELOPED SOFTWARE. All software that is developed by the Contractor and delivered by the Contractor to the Executive Office under this Agreement, and paid for by the Executive Office ("Developed Software") is and shall remain the property of the Executive Office. For a period of ninety (90) days following acceptance of any developed software in accordance with the approval procedures adopted by the parties, the Contractor warrants that each item of developed software will conform in all material respects to the written technical specifications agreed to by the parties in accordance with the software development methodologies adopted by the parties and set forth in the procedures manual. As soon as reasonably practicable after discovery by State or Contractor of a failure of the Developed Software to so conform (a "non-conformance"), State or Contractor, as applicable, will deliver to the other a statement and supporting documentation describing in reasonable detail the alleged nonconformance. If Contractor confirms that there is a non-conformance, then Contractor will use commercially reasonable efforts to correct such non-conformance. The methods and techniques for correcting non-conformances will be at the sole discretion of the Executive Office. The foregoing warranty will not extend to any non-conformances caused (i) by any change or modification to software without Contractor's prior written consent; or (ii) by state operating software otherwise than in accordance with the applicable documentation, for the purpose for which it was designed, or on hardware not recommended, supplied or approved in writing by Contractor. Furthermore, if, after undertaking commercially reasonable efforts to remedy a breach by Contractor of the

foregoing warranty, Contractor, in the exercise of its reasonable business judgment, determines that any repair, adjustment, modification or replacement is not feasible, or in the event that the developed software subsequent to all repairs, adjustments, modifications and replacements continues to fail to meet the foregoing warranty, the Executive Office will return the developed software to Contractor, and Contractor will credit to the State, in a manner and on a schedule agreed to by the parties and as the Executive Office's sole and exclusive remedy for such failure, an amount equal to the charges actually paid by the Executive Office to the Contractor for the developed software that has failed to meet the foregoing warranty. Upon written request of the Executive Office, the Contractor will use commercially reasonable efforts to correct an alleged non-conformance for which Contractor is not otherwise responsible hereunder because it is caused or contributed to by one of the factors listed above and, to the extent that such correction cannot be performed within the scope of the Contractor services, such correction will be paid for by the Executive Office at the Contractor's then current commercial billing rates for the technical and programming personnel and other materials utilized by the Contractor. Notwithstanding anything to the contrary in this Agreement, the Contractor will continue to own, and will be free to use, the development tools and the residual technology, so long as such use does not breach Contractor's obligations of confidentiality set forth herein.

**DISCLAIMER OF WARRANTIES.** Contractor makes no representations or warranties, express or implied, regarding any matter, including the merchantability, suitability, originality, fitness for a particular use or purpose, or results to be derived from the use, of any service, software, hardware or other materials provided under this Agreement, or that the operation of any such service, software, hardware or other materials will be uninterrupted or error-free.

**OTHER.** Notwithstanding anything to the contrary in this Agreement, the Contractor (i) will retain all right, title and interest in and to all know-how, intellectual property, methodologies, processes, technologies, algorithms, software or development tools used in performing the services hereunder which are based on trade secrets or proprietary information of the Contractor, are developed or created by or on behalf of the Contractor without reference to or use of the intellectual property of the Executive Office or are otherwise owned or licensed by the Contractor (collectively, "tools"); (ii) subject to the confidentiality obligations set forth in this Agreement, will be free to use the ideas, concepts, methodologies, processes and know-how which are developed or created in the course of performing the services and may be retained by the Contractor's employees in an intangible form, all of which constitute substantial rights on the part of the Contractor in the technology developed as a result of the services performed under this Agreement; and (iii) will retain ownership of any Contractor-owned software or tools that are used in producing the developed software and become embedded therein. No licenses will be deemed to have been granted by either party to any of its patents, trade secrets, trademarks or copyrights, except as otherwise expressly provided in this Agreement.

**PAR. 32. FORCE MAJEURE**

Except for defaults of subcontractors at any tier, in the event that any party is unable to perform any of its obligations under this Agreement or to enjoy any of its benefits because of (or if failure to perform the services is caused by) natural disaster, actions or decrees of governmental bodies, or other event or failure not the fault or within control of the affected party (hereinafter referred to as a "Force Majeure Event"), the party who has been so affected shall immediately give notice to the other parties and shall use reasonable efforts to resume performance. Upon receipt of such notice, all obligations under this Agreement shall be immediately suspended.

**PAR. 33. DISPUTES.**

The parties shall use good faith efforts to cooperatively resolve disputes and problems that arise in connection with this Agreement. When a dispute arises between the Executive Office and Contractor, both parties will attempt to resolve the dispute pursuant to this subsection. When a dispute arises, the party initiating the dispute shall notify the other party in writing of the dispute, with the notice specifying the disputed issues and the position of the party submitting the notice. The Executive Office's project officer and Contractor project officer shall use good faith efforts to resolve the dispute within ten (10) State business days of submission by either party to the other of such notice of the dispute.

If the Executive Office's Project Officer and the Contractor's Project Officer are unable to resolve the dispute, either party may request that the dispute be escalated for resolution to the Director of the Executive Office or his designee, the Contractor's President or his designee and a mutually agreed third party shall attempt to resolve the issue.

If the issue is not resolved, the parties shall proceed pursuant to R.I. General Laws § 37-2- 46 and applicable State Procurement Regulations (1.5).

**PAR. 34. GOVERNING LAW**

This Agreement is deemed executed and delivered in the City of Cranston, State of Rhode Island, and all questions arising out of or under this Agreement shall be governed by the laws of the State of Rhode Island.

**PAR. 35. WAIVER AND ESTOPPEL**

Nothing in this Agreement shall be considered waived by any party, unless the party claiming the waiver receives the waiver in writing. No breach of this Agreement is considered to be waived unless the non-breaching party waives it in writing. A waiver of one provision shall not constitute a waiver of any other. A failure of any party to enforce at any time any provisions(s) of this contract, or

to exercise any option which is herein provided, shall in no way be construed as a waiver of such provision of this contract. No consent, or excuse by either party, express or implied, shall constitute a subsequent consent, waiver or excuse.

**PAR. 36. INSURANCE**

Throughout the term of the Agreement, the Contractor and any subcontractor shall procure and maintain, at its own cost and expense, insurance as required by the Bid Specifications.

**PAR. 37. WORK REVIEWS**

The Contractor agrees that all work performed under this Agreement may be reviewed by the Rhode Island Executive Office of Health and Human Services, Department of Administration, and/or by any third party designated by the Executive Office of Health and Human Services.

**PAR. 38. BUSINESS CONTINUITY PLAN**

The Contractor shall prepare and maintain a Business Continuity Plan upon execution of this Agreement, which shall include, but not be limited to, the Contractor's procedure for recovery of data and recovery for all operation components in case of an emergency or disaster. Upon written or oral request by the Executive Office, the Contractor shall provide the Executive Office a copy of the above described Business Continuity Plan within ten (10) days of the Executive Office's request.

**PAR. 39. NOTICES**

No notice, approval or consent permitted or required to be given by this Agreement will be effective unless the same is in writing and sent postage prepaid, certified mail or registered mail, return receipt requested, or by reputable overnight delivery service to the other party at the address set forth in **ADDENDUM XVII – CORE STAFF POSITIONS**, or such other address as either party may direct by notice given to the other as provided **ADDENDUM XVII – CORE STAFF POSITIONS**, and shall be deemed to be given when received by the addressee.

The Contractor and the Executive Office shall list, in **ADDENDUM XVII – CORE STAFF POSITIONS**, the names, addresses, telephone numbers, and the facsimile numbers of *all* individuals that the above such notice, approval or consent shall be sent to or copied on.

**PAR. 40. COUNTERPARTS**

This Agreement may be executed in any number of counterparts, each of which will be an original, and such counterparts together will constitute one and the same instrument. Execution may be effected by delivery of facsimiles of signature pages and the parties will follow such delivery by prompt delivery of originals of such pages.

**PAR. 41. AMENDMENTS**

Except as may otherwise set forth in this Agreement, the Agreement may only be amended by the parties agreeing to the amendment, in writing, duly executed by the parties and shall only be effective upon incorporation by the Division of Purchases through the issuance of a change order.

**PAR. 42. SURVIVAL**

Any obligations and provisions of this Agreement which by their nature extend beyond the expiration or termination of this Agreement, including but not limited to safeguarding confidential information and indemnification, shall survive the expiration or termination of this Agreement.

**PAR. 43. ADDITIONAL APPROVALS**

The parties acknowledge that this Agreement requires issuance of a valid Purchase Order by the State of Rhode Island for this Agreement to remain in full force and effect.

**IN WITNESS WHEREOF**, the parties hereto have hereunder set their hands as of the date first above written and this Agreement made legally binding upon the issuance of a valid Purchase Order by the State of Rhode Island as follows:

**STATE OF RHODE ISLAND:**



DEPUTY SECRETARY  
EXECUTIVE OFFICE OF HEALTH  
AND HUMAN SERVICES

5/13/14  
DATE

**PUBLIC CONSULTING GROUP, INC.:**

  
AUTHORIZED AGENT/SIGNATURE

TITLE: President and Chief Executive Officer

William S. Mosakowski

PRINT NAME

5/5/14  
DATE

## ADDENDA

ATTACHED HERETO, INCORPORATED INTO AND MADE A PART HEREIN OF THIS AGREEMENT, ARE THE FOLLOWING ADDENDA:

ADDENDUM I- REQUEST FOR PROPOSAL AND/OR SCOPE OF WORK

ADDENDUM II-BUDGET

ADDENDUM III-PAYMENTS AND REPORTS SCHEDULE

ADDENDUM IV-FISCAL ASSURANCES

ADDENDUM V - NOTICE TO EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES' SERVICE PROVIDERS OF THEIR RESPONSIBILITIES UNDER TITLE VI OF THE CIVIL RIGHTS ACT OF 1964

ADDENDUM VI - NOTICE TO EXECUTIVE OFFICE OF HEALTH OF HUMAN SERVICES' SERVICE PROVIDERS OF THEIR RESPONSIBILITIES UNDER SECTION 504 OF THE REHABILITATION ACT OF 1973

ADDENDUM VII-DRUG-FREE WORKPLACE POLICY

ADDENDUM VIII-DRUG FREE WORKPLACE POLICY  
CONTRACTOR CERTIFICATE OF COMPLIANCE

ADDENDUM IX - SUBCONTRACTOR COMPLIANCE

ADDENDUM X - CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO  
SMOKE

ADDENDUM XI - INSTRUCTIONS FOR CERTIFICATION REGARDING  
DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS - PRIMARY  
COVERED TRANSACTIONS

ADDENDUM XII-CERTIFICATION REGARDING DEBARMENT, SUSPENSION  
AND OTHER RESPONSIBILITY MATTERS -PRIMARY COVERED TRANSACTIONS

ADDENDUM XIII-LIQUIDATED DAMAGES

ADDENDUM XIV- EQUAL EMPLOYMENT OPPORTUNITY

ADDENDUM XV-BYRD ANTI-LOBBYING AMENDMENT

ADDENDUM XVI- BID PROPOSAL

ADDENDUM XVII- CORE STAFF POSITIONS

ADDENDUM XVIII- BUSINESS ASSOCIATE AGREEMENT

ADDENDUM XIX – FEDERAL SUBAWARD REPORTING

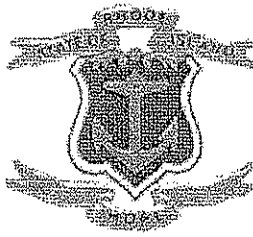
**ADDENDUM I**

REQUEST FOR PROPOSAL  
SCOPE OF WORK

ORIGINAL RFP: See Attached

RFP ADDENDA: See Attached

SCOPE OF WORK: See Attached (Original RFP Section 4)



Solicitation Information  
September 24, 2013

RFP# 7514372

TITLE: Development and Implementation of a Cost Allocation Plan for the Rhode Island Medicaid Program

Submission Deadline: October 24, 2013 @ 10:00 AM (Eastern Time)

PRE-BID/ PROPOSAL CONFERENCE: No

MANDATORY: No

If YES, any Vendor who intends to submit a bid proposal in response to this solicitation must have its designated representative attend the mandatory Pre-Bid/ Proposal Conference. The representative must register at the Pre-Bid/ Proposal Conference and disclose the identity of the vendor whom he/she represents. A vendor's failure to attend and register at the mandatory Pre-Bid/ Proposal Conference shall result in disqualification of the vendor's bid proposals as non-responsive to the solicitation.

DATE:

LOCATION:

Questions concerning this solicitation must be received by the Division of Purchases at [David.Francis@purchasing.ri.gov](mailto:David.Francis@purchasing.ri.gov) no later than October 4, 2013 @ 10 :00 AM (ET). Questions should be submitted in a *Microsoft Word attachment*. Please reference the RFP# on all correspondence. Questions received, if any, will be posted on the Internet as an addendum to this solicitation. It is the responsibility of all interested parties to download this information.

SURETY REQUIRED: No

BOND REQUIRED: No

David J. Francis  
Interdepartmental Project Manager

Applicants must register on-line at the State Purchasing Website at [www.purchasing.ri.gov](http://www.purchasing.ri.gov)

Note to Applicants:

Offers received without the entire completed four-page RIVIP Generated Bidder Certification Form attached may result in disqualification.

THIS PAGE IS NOT A BIDDER CERTIFICATION FORM



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## **SECTION 1: INTRODUCTION**

The Rhode Island Department of Administration/Division of Purchases, on behalf of the Executive Office of Health and Human Services (EOHHS) is seeking applications for the preparation, submission and negotiation of a cost allocation plan for EOHHS in accordance with the terms of this Request for Proposals and the State's General Conditions of Purchase, which may be obtained at the Rhode Island Division of Purchases Home Page by Internet at [www.purchasing.ri.us](http://www.purchasing.ri.us).

The initial contract period will begin approximately for January 1, 2014 for one year. Contracts may be renewed for up to two (2) additional 12-month periods based on the sole discretion of the State.

This is a Request for Proposals, not an Invitation for Bid. Responses will be evaluated on the basis of the relative merits of the proposal, in addition to price; there will be no public opening and reading of responses received by the Division of Purchases pursuant to this Request, other than to name those offerors who have submitted proposals.

### **INSTRUCTIONS AND NOTIFICATIONS TO OFFERORS:**

1. Potential vendors are advised to review all sections of this RFP carefully and to follow instructions completely, as failure to make a complete submission as described elsewhere herein may result in rejection of the proposal.
2. Alternative approaches and/or methodologies to accomplish the desired or intended results of this procurement are solicited. However, proposals which depart from or materially alter the terms, requirements, or scope of work defined by this RFP will be rejected as being non-responsive.
3. All costs associated with developing or submitting a proposal in response to this RFP, or to provide oral or written clarification of its content shall be borne by the vendor. The State assumes no responsibility for these costs.
4. Proposals are considered to be irrevocable for a period of not less than 120 days following the opening date, and may not be withdrawn, except with the express written permission of the State Purchasing Agent.
5. All pricing submitted will be considered to be firm and fixed unless otherwise indicated herein.
6. Proposals misdirected to other state locations, or which are otherwise not present in the Division at the time of opening for any cause will be determined to be late and will not be considered. For the purposes of this requirement, the official time and date shall be that of the time clock in the reception area of the Division.
7. It is intended that an award pursuant to this RFP will be made to a prime vendor, or prime vendors in the various categories, who will assume responsibility for all

aspects of the work. Joint venture and cooperative proposals will not be considered. Subcontracts are permitted, provided that their use is clearly indicated in the vendor's proposal and the subcontractor(s) to be used is identified in the proposal.

8. All proposals should include the vendor's FEIN or Social Security number as evidenced by a W9, downloadable from the Division's website at **[www.purchasing.ri.gov](http://www.purchasing.ri.gov)**.
9. The purchase of services under an award made pursuant to this RFP will be contingent on the availability of funds.
10. Vendors are advised that all materials submitted to the State for consideration in response to this RFP will be considered to be Public Records as defined in Title 38, Chapter 2 of the General Laws of Rhode Island, without exception, and will be released for inspection immediately upon request once an award has been made.
11. Interested parties are instructed to peruse the Division of Purchases website on a regular basis, as additional information relating to this solicitation may be released in the form of an addendum to this RFP.
12. Equal Employment Opportunity (G.L. 1956 § 28-5.1-1, et seq.) – § 28-5.1-1 Declaration of policy – (a) Equal opportunity and affirmative action toward its achievement is the policy of all units of Rhode Island state government, including all public and quasi-public agencies, commissions, boards and authorities, and in the classified, unclassified, and non-classified services of state employment. This policy applies to all areas where State dollars are spent, in employment, public services, grants and financial assistance, and in state licensing and regulation.
13. In accordance with Title 7, Chapter 1.2 of the General Laws of Rhode Island, no foreign corporation, a corporation without a Rhode Island business address, shall have the right to transact business in the State until it shall have procured a Certificate of Authority to do so from the Rhode Island Secretary of State (401-222-3040). This is a requirement only of the successful vendor(s).
14. The vendor should be aware of the State's Minority Business Enterprise (MBE) requirements, which address the State's goal of ten percent (10%) participation by MBE's in all State procurements. For further information, visit the website **[www.mbe.ri.gov](http://www.mbe.ri.gov)**

## **SECTION 2: PURPOSE**

### **Implementation of an indirect cost allocation plan (ICAP)**

The Executive Office of Health and Human Services (EOHHS) releases this Request for Proposals (RFP) to competitively select one experienced and qualified vendor that will develop new processes resulting in an effective new Cost Allocation Plan (CAP) in accordance with 45 CFR Part 95, OMB Circular A-87 and ASMB C-10. The product of the selected vendor's efforts must be designed to maximize the recovery of federal program costs and to reduce complexity and increase operational efficiencies for EOHHS. In addition, the final product must be approved by the federal Health and Human Services' Division of Cost Allocation (DCA). Vendors seeking award of the contract for this work must submit proposals documenting their experience developing approved Cost Allocation Plans (CAPs) for at least two states and demonstrating experience on the part of their key staff in identifying best practices. Further details on these requirements and additional qualifications, as well as complete instructions for preparing and submitting a proposal are provided in this RFP.

The selected vendor will be required to analyze the Department's (EOHHS) existing operations, and to understand and document the administrative functions provided by each operational unit. Based on this understanding, the vendor will develop a CAP that will ensure the administrative costs incurred by EOHHS, on behalf of the federal program it operates, are recovered from federal funds to the maximum extent possible utilizing best practices under existing guidelines. Additionally, following its review of EOHHS and its structure, the vendor selected through this RFP process will provide recommendations on potential information technology (IT) functionality, characteristics, or systems that would be capable of providing data analysis for the EOHHS CAP, should the agency decide at some future point to consider CAP automation options.

EOHHS will only consider proposals from vendors whose proposals clearly demonstrate their capability of providing services as described in this RFP and only vendors that can demonstrate their ability to provide the services in a timely manner. For the purpose of this RFP, the term "vendor" is used to describe any qualified party interested in this opportunity. The terms "proposal" and "proposal package" may be used interchangeably to indicate materials submitted to EOHHS by a vendor in order to be considered for award of the contract for services described in this RFP. The terms "vendor" and "selected vendor" may be used interchangeably in reference to the vendor selected by EOHHS through this RFP for contract award.

EOHHS is under no obligation to enter into a contract with any vendor as a result of this solicitation, if, in the opinion of EOHHS, none of the vendor proposals are responsive to the objectives and needs of the Department. EOHHS reserves the right not to select any vendor should EOHHS decide not to proceed. Changes in this RFP of a material nature will be provided on the State of Rhode Island's Purchasing Division's website. All vendors are responsible for obtaining any such changes without further notice by EOHHS.

### **SECTION 3: BACKGROUND**

EOHHS is the Governor's Cabinet Office overseeing four (4) state health and human services departments: the Departments of Behavioral Healthcare, Developmental Disabilities, and Hospitals (BHDDH); Children, Youth, and Families (DCYF); Health (DOH); and Human Services (DHS). In addition, EOHHS is also the Medicaid Single State Agency. The EOHHS enterprise spends nearly \$3 billion per year (state and federal funding) on direct services and benefits to approximately 300,000 Rhode Island residents.

Medicaid is a federal and state matching entitlement program administered by states to persons who are aged, blind, disabled, or low income children and families. States determine eligibility criteria and covered services, and then provide reimbursement rates within certain federal guidelines. Program costs and reimbursement rates (FMAP) vary depending on individual state demographic data. The Rhode Island Medicaid program currently covers the needs of approximately 200,000 eligible residents at a cost of about \$1.8 billion annually in EOHHS. The budget is a combination of Medical Benefits paid out to Medicaid eligible members and providers and miscellaneous operating, personnel and contract expenditures.

In the state's Fiscal Year 2013, the Centers for Medicare and Medicaid (CMS) approved the transfer of the Medicaid program (Title XIX) from the state's Department of Human Services (DHS) to EOHHS. As the single state agency for Medicaid, EOHHS is responsible for the administration of the Title XIX of the Social Security Act. This transfer moved all of the Medicaid program development and finances to EOHHS, with the exception of the operations of the eligibility determination and redetermination processes, which remained in the DHS. EOHHS, DHS, and our state Health Care Exchange are in the process of developing a unified eligibility system<sup>1</sup> which will cover Medicaid, Exchange, and all of the public assistance benefits (TANF, SNAP, CCDF, SSI) administered by the state.

The approved CAP for the Medicaid program is currently operated and managed by the state's DHS, which is the former single state agency for Medicaid. The plan sets out how the allocation of administrative costs within eligible program areas and an automated cost allocation system to allocate financial data based upon tables built to follow federal guidelines or requirements. There are a number of cost allocation methodologies to determine that expenditures are allocated appropriately. As the cost allocation plan is developed in EOHHS, the DHS costs of operating the eligibility determination processes must be taken into account.

### **SECTION 4: SCOPE OF WORK**

The selected vendor is expected to perform a thorough review and redevelopment of the current Rhode Island Public Assistance Cost Allocation Plan (CAP). Rhode Island's CAP is a written narrative description of the procedures used currently by the Rhode Department of Human Services (DHS), and needs to be updated to reflect the transfer of Medicaid program

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<sup>1</sup>The unified eligibility system is being developed with significant support from CMS via an IAPD.

administration to EOHHS. Additionally, in accordance with 45CFR95.505, the CAP needs to identify, measure, and allocate all State agency costs incurred in support of all programs administered or supervised by EOHHS. For example, there are administrative costs appropriated to all EOHHS agencies, to include, DHS, BHDDH, DOH, and DCYF, which also must be part of the approved CAP. These costs need to be incorporated into the final product for submission to the federal Division of Cost Allocation (DCA). The procedures described in the CAP should address all costs incurred by, or allocable to, EOHHS and other agencies responsible for administering federal public assistance funds outlined in 45CFR95.503, except expenditures for medical vendor payments and payments for services provided directly to program recipients. The selected vendor will review Rhode Island's current CAP (as managed through the DHS) and recommend new or revised procedures to identify, measure, and allocate costs to each applicable federal fund source for which EOHHS is the grantee or a sub-grantee.

Policies and procedures must conform to the accounting principles and standards prescribed by Office of Management and Budget Circular A-87 and pertinent federal Department of Health and Human Services regulations and instructions, and be compatible with Rhode Island's state plan for public assistance programs.

New or revised procedures recommended by the selected vendor must include estimated cost impacts expected to result from the proposed CAP plan changes.

Factors to consider in the analysis and development of recommended changes include changes in federal law or regulation, organizational changes within the EOHHS and other state departments that provide services to EOHHS in support of its administration of public assistance programs, and changes in EOHHS service delivery methods.

The selected vendor is expected to provide all services necessary to develop, document, draft and successfully submit and receive approval of a new, complete, CAP for the State of Rhode Island that meets all federal HHS-DCA requirements.

The selected vendor will work with the EOHHS contract manager to gain a clear understanding of the CAP and the program funding structure within EOHHS which represents a cooperative partnership among federal, state, and local governments. The selected vendor will also be required to review and validate operational descriptions of the administrative functions provided by each operational unit and identify the programs to which administrative costs will be charged.

The selected vendor will be required to make recommendations on development of agency data processing systems, such as a Cost Allocation Planning Information System (CAPIS) which provides comprehensive data and data analysis for the CAP. The selected vendor will document the degree to which the existing in-house systems support the recommendations of the proposed process and what changes are needed to implement the proposed process.

The selected vendor must develop a full understanding of EOHHS Departments' cost allocation

methodologies and evaluate all current cost centers for allocation methodology and maximization of federal funds. Administrative costs include all costs incurred by EOHHS Departments, including DHS except expenditures for medical vendor payments and payments to third parties in compensation for services or goods provided directly to program recipients (subsidy payments). The CAP describes each cost centers and the methodology that is used to create all active cost centers. The vendor will recommend changes to cost centers and provide documentation on the proposed allocation methodology and a cost analysis of the proposed cost centers changes by cost centers.

The selected vendor will assess and understand how all statistical data are gathered and how the data are analyzed and used in the CAP. Generally, statistical data are used to allocate costs associated with cost centers to various federal and state programs based on an effort reporting methodology. The selected vendor must assess whether the many faceted approach used is consistent with best practices and those of other States. The vendor will recommend changes for efficiencies and cost effectiveness while providing a cost allocation methodology acceptable to federal agencies.

#### **Staff Interaction**

The selected vendor's staff will work with the EOHHS and DHS Financial Management Units and other state agencies as necessary. These agencies may include the Department of Administration's Accounts and Controls, Office of Management and Budget, State Budget Office, as well as the Department of Information Technology.

#### **DELIVERABLES**

##### **A. Assess Current Organization and CAP Structure:**

The selected vendor for this project will be required to review EOHHS federal claims practices and processes to identify and report on opportunities to increase allowable federal claims on a prospective and retrospective basis. The selected vendor will also be required to review and analyze the current EOHHS public assistance cost allocation plan in light of current organizational structures and processes to identify potential opportunities to maximize allowable federal claims in a manner consistent with federal cost principles and requirements, while increasing administrative efficiencies.

- 1.** Perform a detailed assessment and make recommendations regarding the agency-wide structure and Table of Organization. To complete this deliverable, the selected vendor would, at minimum:
  - a) Identify each department within EOHHS along with their responsibilities and funding sources and make recommendations to streamline the organizational structure (Bureaus, Sections, Units) to increase the opportunities for direct charging federal grants opposed to allocating costs.
  - b) Identify areas where restructuring or mergers could add efficiency; review for program overlaps and evaluate synergies or partnerships with internal or external stakeholders.

The minimum baseline output for this deliverable will, tie funding and organizational structure to existing program structures and make recommendation for improvements; detail program overlaps, funding mergers or restructuring recommendations to streamline costs; address opportunities for efficiency; and, include reassignment of existing resources

R Evaluate Statistical Allocation Base:

Administrative costs are allocated to federal grants based on statistical metrics which reflect individual and departmental efforts in support of a specific grant. A variety of statistics, collected through a series of processes are compiled as a basis of cost allocation. All statistical components should be evaluated to access the degree to which they support an accurate allocation to the program, and the cost effectiveness of the gathering technique.

1. Evaluate EOHHS cost centers. To complete this deliverable, the selected vendor would, at minimum:

- a) Analyze the Chart of Accounts and the different supporting grants assigned to each unit and/or department.
- b) Evaluate the validity, benefits and necessity of current cost centers used by EOHHS.
- c) Evaluate the allocation methodology utilized for each cost centers.

The minimum baseline output for this deliverable will identify each cost center currently used by EOHHS, its funding, what statistical data is used for disbursement, and a narrative describing the logic for reimbursement. Recommend elimination of or combination of existing cost centers to become compliant with best practices while capturing the impact on State and Federal funds.

2. Evaluate EOHHS' statistical data used to distribute indirect cost centers. To complete this deliverable, the selected vendor would, at minimum:

- a) Assess current statistical data used by EOHHS to complete the CAP, Administrative Cost Report and quarterly federal expenditure reports.
- b) Identify which statistical data provides the best indicator of effort to distribute costs per federal grant administered by EOHHS.
- c) Validate the accuracy of current statistical metrics through sampling and testing, which would include a review of the timekeeping system.

The output for this deliverable would, at minimum, identify each statistical data used to distribute cost centers expenditures, discuss the validity and chance of human error or manual manipulation of each statistical data used, and identify which cost centers would be impacted by a reduction or change in base of



statistical data.

C. Simplify CAP:

The selected vendor will review management operations and identify areas for improved efficiency and potential staffing needs. It is expected that the selected vendor will be well versed in the cost allocation techniques of several comparably sized states and have synthesized the most effective aspects of each into a best practice recommendation.

1. Review and make recommendations regarding the current CAP and Administrative Cost Report (ACR) reporting document structure. To complete this deliverable, the selected vendor would, at minimum, review the current CAP and ACR documents provided to HHS and determine if the format can be restructured to gain efficiency at all stakeholder levels.

The output for this deliverable would, at minimum, outline the minimum documentation requirements that must be provided to HHS on an annual and a quarterly basis based on experiences with other states and existing best practices. Provide a gap fit analysis of the current plan against a recommended to-be process.

D. Develop CAP to Maximize Federal Revenues:

The selected vendor will be required to identify opportunities for the most efficient use of state funding as it pertains to leveraging existing state funding for federal match purposes, to attract additional federal funds.

1. Make recommendations for maximization of Federal administrative expense dollars. To complete this deliverable, the selected vendor would, at minimum:
  - a. Review EOHHS' federal admin claims practices and processes to identify opportunities to increase allowable federal admin claims on a prospective and retrospective basis.
  - b. Review and analyze the current EOHHS cost allocation plan in light of current organizational structures and processes to identify potential opportunities to maximize allowable federal claims in a manner consistent with federal cost principles and requirements.
  - c. Identify opportunities for the most efficient use of state funding as it pertains to leveraging state funding used for federal match purposes, and also through otherwise limiting state spending.

The output for this deliverable would, at minimum, provide a benchmark analysis of Rhode Island's federal admin reimbursement history against comparable states. Compare and contrast Rhode Island practices and provide specific recommendations for revenue maximization.

E. Explore New Grant Revenues:

Based on learning from other states, the selected vendor will identify any additional grant funding sources available to support current EOHHS programs and/or to support any new initiatives the agency may pursue.

F. Evaluate Technology Changes:

The selected vendor will provide an opinion as to the suitability of the existing in-house software system to produce and maintain the state's CAP as recommended in the engagement. Detailed design recommendations will be part of a subsequent RFP if the existing system is deemed to be significantly lacking in the capability to support a re-designed CAP that is the result of this engagement.

Additionally, vendor proposals submitted in response to this RFP must reflect the vendor's understanding of, and commitment to, perform this Scope of Work fully. The selected vendor will be responsible for the deliverables as described in this section, including all preparatory and intervening steps, whether or not EOHHS has explicitly specified or delineated them within the RFP. In developing their proposals, all vendors must fully and appropriately plan and cost out their proposed projects, including all necessary preparatory and intervening steps.

## **SECTION 5: TECHNICAL PROPOSAL**

Narrative and format: The separate technical proposal should address specifically each of the required elements.

**Proposal Narrative:**

Proposals are limited to 50 single-spaced pages. The proposal budget and budget narrative are not included in the above page count. Neither are appendices or attachments, even if they are required as part of the application. Any font may be used as long as it is no smaller than 12 points.

The proposal narrative consists of how the vendor will complete each deliverable, including time frames, vendor experience, knowledge and ability to complete such deliverables, and a description of how the vendor will work with Department staff.

The vendor shall include a statement that should the Health and Human Services Division of Cost Allocation not review the ICAP prior to the term on the vendor agreement, the vendor will continue to be available to work on each proposal until the proposals are approved or denied.

Each proposal must include the following:

**1. Mandatory Vendor Qualifications:**

Vendors' proposals must address all the following minimum qualifications as well as organizational and staff experience and capabilities:

- A. EOHHS will consider proposals from vendors who have five (5) years of experience in management consulting services for Federal public assistance revenue maximization projects, which includes developing industry best practices, enhancing CAPs for multiple states and designing or amending data processing systems which support governmental CAP programs;
- B. The vendor must also have a minimum of five(5) years of experience with federal grants management for a large (minimum of \$200 million in federal awards) government agency, including establishment of a system of federal reimbursement for administrative claims. The federally funded programs must have included one or more of these federal departments: the U.S Department of Labor or Health and Human Services
- C. The vendor must have at least five (5) years of experience to include designing and implementing public cost allocation plans which result in revenue maximization, analyzing and developing statistical allocation bases and in providing documentation to support a public assistance cost allocation plan.

**2. Organizational Experience and Capabilities**

As part of the evaluation process, vendors are to provide the following information to be scored by EOHHS:

- A. Samples of at least two, but no more than four, similar sized projects completed in the past three years that demonstrate expertise in maximization of public assistance revenue utilization, recommending development and amendments to a state public assistance plans, and government data processing projects.
- B. Documentation showing that the vendor has a minimum of five (5) years of experience with the U.S. Department of Health and Human Services demonstrating processes for federal grants management for a large (minimum of \$200 million in federal awards) government agency.
- C. Documentation of at least five (5) years of experience to include designing CAPs. revenue maximization services, plan development to include any IT needs with examples of accomplishing these tasks within the past five (5) years, including the end product.

- D. Documentation of five (5) years of experience dealing with past revenue maximization projects addressing financial impact for state funding, the use of state funding to match federal dollars, and ways to use state dollars and meet Maintenance Of Effort (MOE) requirements.
- E. Documentation of examples of prior services performed within the past two (2) to five (5) years that show successfully captured federal funds.
- F. The names and contact information for at least two entities for which the vendor has performed maximization of federal funds in similar large scale projects in the past five (5) years. This also requires a one page (maximum) narrative summary with a copy or description of the scope of work for each of the projects.

### 3. Staff Experience

The vendor proposal is to demonstrate significant expertise by assigning staff to key leadership roles for this project. Key positions will require profiles and curriculum vitae. The vendor is to demonstrate, at minimum:

- A. Provide a current organizational chart (including any subcontractors and all organizational partnerships and collaborations) and specify the key management and administrative personnel who will be assigned to this project including their position and name. This must include, at minimum, a Project Manager and an Assistant Project Manager. The Project Manager must have at least five (5) years of experience managing projects directed toward evaluating and designing public assistance CAPs, with a focus on revenue maximization services, plan development and identification of IT requirements. Identify the percentage of time that key managers will be assigned to this project.
- B. The assistant project manager should possess similar skills with 2-3 years of experience and hands on project management experience.
- C. Resume(s) required for key staff expected to work on the project documenting education and experience.

### 4. References

Vendor shall submit three (3) references from other states where similar work has been performed

### 5. Proposed Work Plan

Vendors are to include, at minimum, the following administrative structures and technical approach for the proposed work plan. The vendor shall:

- A. Provide a technical approach and work plan to be implemented. This includes a description of the vendors approach to successfully performing all aspects of the Scope of Work, with an explanation of how the deliverables will be achieved;
- B. Provide a status reporting procedure for reporting work completed, and resolution of unanticipated problems; and
- D. Provide a timeline for each component of the Scope of Work and the project overall including the staff hours for personnel involved. Include a Table of Organization (including any subcontractors) and a chart showing the number of hours devoted to the project by vendor or sub-contractor staff. The vendor must provide the percentage of time each key management person will devote to the project.

## SECTION 6: COST PROPOSAL

### Detailed Budget and Budget Narrative:

Vendors must provide a separate, signed and sealed Cost Proposal using appendix A: Budget Form for fees charged for the preparation, submission and negotiation of a cost allocation plan outlined in this proposal. When formulating the cost proposal, vendors should present their costs by position with a fully loaded hourly rate. Please explain the basis and rationale of your fee structure

## SECTION 7: EVALUATION AND SELECTION

Proposals will be reviewed by a Technical Review Committee comprised of staff from state agencies. To advance to the Cost Evaluation phase, the Technical Proposal must receive a minimum of 60 (85.7%) out of a maximum of 70 technical points. Any technical proposals scoring less than 60 points will not have the cost component opened and evaluated. The proposal will be dropped from further consideration.

Proposals scoring 60 technical points or higher will be evaluated for cost and assigned up to a maximum of 30 points in cost category, bringing the potential maximum score to 100 points.

The Executive Office of Health and Human Services (EOHHS) reserves the exclusive right to select the individual(s) or firm (vendor) that it deems to be in its best interest to accomplish the project as specified herein; and conversely, reserves the right not to fund any proposal(s).

Proposals will be reviewed and scored based upon the following criteria:

Criteria	Possible Points
Mandatory Vendor Qualifications	10 Points
Organizational Experience and Capabilities	10 Points
Staff Experience	10 Points
References	5 Points
Proposed Work Plan	35 Points
<b>Total Possible Technical Points</b>	<b>70 Points</b>
Cost calculated as lowest responsive cost proposal divided by (this cost proposal) times 30 points *	<b>30 Points</b>
<b>Total Possible Points</b>	<b>100 Points</b>

\*The Low bidder will receive one hundred percent (100%) of the available points for cost. All other bidders will be awarded cost points based upon the following formula:

$$(\text{low bid} / \text{vendors bid}) * \text{available points}$$

For example: If the low bidder (Vendor A) bids \$65,000 and Vendor B bids \$100,000 for monthly cost and service fee and the total points available are Thirty (30), vendor B's cost points are calculated as follows:

$$\$65,000 / \$100,000 * 30 = 19.5$$

Points will be assigned based on the offeror's clear demonstration of his/her abilities to complete the work, apply appropriate methods to complete the work, create innovative solutions and quality of past performance in similar projects.

Applicants may be required to submit additional written information or be asked to make an oral presentation before the technical review committee to clarify statements made in their proposal. The technical review committee will then make a qualifications based recommendation for final selection to the Rhode Island State Purchasing Agent, or her designee, who will make the final award decision.

## **SECTION 8: PROPOSAL SUBMISSION**

Questions concerning this solicitation may be e-mailed to the Division of Purchases at [David.Francis@purchasing.ri.gov](mailto:David.Francis@purchasing.ri.gov) no later than the date and time indicated on page one of this solicitation. Please reference **RFP #7514372** on all correspondence. Questions should be submitted in a Microsoft Word attachment. Answers to questions received, if any, will be posted on the Internet as an addendum to this solicitation. It is the responsibility of all interested parties to download this information. If technical assistance is required to download, call the Help Desk at (401) 574-9709.

Offerors are encouraged to submit written questions to the Division of Purchases. **No other contact with State parties will be permitted.** Interested offerors may submit proposals to provide the services covered by this Request on or before the date and time listed on the cover page of this solicitation. Responses received after this date and time, as registered by the official time clock in the reception area of the Division of Purchases will not be considered.

Responses (**an original plus three (3) copies**) should be mailed or hand-delivered in a sealed envelope marked "**RFP#7514372 Development and Implementation of a Cost Allocation Plan for the Rhode Island Medicaid Program**" to:

RI Dept. of Administration  
Division of Purchases, 2nd floor  
One Capitol Hill  
Providence, RI 02908-5855

NOTE: Proposals received after the above-referenced due date and time will not be considered. Proposals misdirected to other State locations or those not presented to the Division of Purchases by the scheduled due date and time will be determined to be late and will not be considered. Proposals faxed, or emailed, to the Division of Purchases will not be considered. The official time clock is in the reception area of the Division of Purchases.

### **RESPONSE CONTENTS**

Responses shall include the following:

1. A completed and signed four-page R.I.V.I.P generated bidder certification cover sheet downloaded from the RI Division of Purchases Internet home page at [www.purchasing.ri.gov](http://www.purchasing.ri.gov).
2. A completed and signed W-9 downloaded from the RI Division of Purchases Internet home page at [www.purchasing.ri.gov](http://www.purchasing.ri.gov).
3. **A separate Technical Proposal** as described in Section 4 and 5. The Technical Proposal is limited to fifty (50) pages (this excludes any appendices, budget, and budget narrative).
4. **A separate, signed and sealed Cost Proposal** reflecting the fully loaded hourly rate, proposed to complete all of the requirements of this project using Appendix A: Budget Form.
5. In addition to the multiple hard copies of proposals required, Respondents are requested to

provide their proposal in **electronic format (CD-Rom, disc, or flash drive)**. Microsoft Word / Excel OR **PDF** format is preferable. Only 1 electronic copy for each, the technical proposal and cost proposal, is requested and it should be placed in the proposal marked "original".

#### CONCLUDING STATEMENTS

Notwithstanding the above, the State reserves the right not to award this contract or to award on the basis of cost alone, to accept or reject any or all proposals, and to award in **its best interest**.

Proposals found to be technically or substantially non-responsive at any point in the evaluation process will be rejected and not considered further.

The State may, at its sole option, elect to require presentation(s) by offerors clearly in consideration for award.

The State's General Conditions of Purchase contain the specific contract terms, stipulations and affirmations to be utilized for the contract awarded to the RFP. The State's General Conditions of Purchases/General Terms and Conditions can be found at the following URL: <https://www.purchasing.ri.gov/RIVIP/publicdocuments/ATTA.pdf>

#### Appendix A: BUDGET FORM (1 of 3)

BUDGET	
NAME _____	OF _____ AGENCY: _____
_____ FEDERAL EMPLOYER	IDENTIFICATION
NUMBER: _____	ADDRESS: _____
_____	_____
CITY/TOWN: _____	ZIP CODE: _____
PHONE NUMBER: _____	FAX: _____
EXECUTIVE DIRECTOR: _____	_____
TIME OF PERFORMANCE: FROM _____	TO _____



	COST CATEGORY	AMOUNT
1.	PERSONNEL	
2.	CONSULTANT AND SUB CONTRACT SERVICES	
3.	TRAVEL	
4.	SPACE	
5.	SUPPLIES	
6.	EQUIPMENT	
7.	OTHER COSTS	
TOTAL FUNDS REQUESTED:		\$0.00

Appendix A: BUDGET FORM (2 of 3)

PERSONNEL REQUEST				
POSITION TITLE	EMPLOYEE NAME	FULLY LOADED HOURLY RATE	ANNUAL LEVEL OF EFFORT (BY HOURS)	TOTAL ANNUAL POSITION COST
•ROUND TO THE NEAREST DOLLAR			<b>TOTAL</b>	
				ENTER ON PAGE 1 LINE 1

Appendix A: BUDGET FORM (3 of 3)

BUDGET DETAIL			
CONSULTANTS & SUB CONTRACT SERVICES	TYPE, NAME, HOURLY RATE, NUMBER OF HOURS, ETC		COST
	Enter on page 1, line 2		
TRAVEL	PURPOSE, RATE, NUMBER OF MILES, ETC		COST
	Enter on page 1, line 3		
SPACE	DESCRIPTION	COST	
	Enter on page 1, line 4		
SUPPLIES	DESCRIPTION	COST	
	Enter on page 1, line 5		
EQUIPMENT	PURCHASE, LEASE, RENTAL		COST
	Enter on page 1, line 6		
OTHER COSTS	DESCRIPTION	COST	
	Enter on page 1, line 7		



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October 17, 2013

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### ADDENDUM # 1

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RFP#75 14372

Title: Development and Implementation of a Cost Allocation Plan for  
the Rhode Island Medicaid Program

Bid Closing Date & Time: Thursday, November 21, 2013 @ 10:00 AM (ET).  
NOTE CHANGE

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Notice to Vendors: Attention All Bidders

1. Extension of Closing Date:  
The original RFP # 7514372 - Development and Implementation of a Cost Allocation Plan for the Rhode Island Medicaid Program closing date has been changed from Thursday, October 24, 2013 @ 10:00 AM (ET) to Thursday, November 21, 2013 @ 10:00 AM (ET).

ATTACHED ARE VENDOR QUESTIONS WITH STATE RESPONSES.

NO FURTHER QUESTIONS WILL BE ANSWERED.

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David J. Francis  
Interdepartmental Project Manager

*Interested parties should monitor this website, on a regular basis for any additional information that may be posted*

**Vendor Questions for RFP# 7514372- Development and Implementation of a Cost Allocation Plan for the Rhode Island Medicaid Program**

Question 1: Page 12, Mandatory Vendor Qualifications: Does the proposing firm need to meet the mandatory minimum qualifications or can these qualifications be met based on the collective experience of the proposed project team?

Answer to question 1: The vendor firm must meet the mandatory minimum qualifications as contained in the Vendor Qualifications section of the RFP.

Question 2: Page 3 – Section 1: Can EQHHS confirm the Scope of Work and subsequent Cost Proposal to be proposed should only support the initial contract period of January 2014 -December 2014?

Answer to question 2: Yes, EOHHS does confirm that the scope of work and subsequent cost proposal should only support the initial contract period of January 2014 through December 2014.

Question 3: Page 6 – Section 3: What departments/divisions/offices does the current CAP contain? Is it only DHS or are there others included?

Answer to question 3: The current CAP was written for DHS as it was prior to EOHHS becoming the single state Medicaid agency. In addition, there are other departments that are included in the DHS CAP e.g, DCYF, DOA, RIDE, DOH and DLT. Many of the EOHHS programmatic staff (i.e. individuals managing the program itself are also included in the CAP.)

Question 4: Page 6 – Section 4: Will the final CAP be for EOHHS or DHS or both?

Answer to question 4: The CAP will be for EOHHS, as the single state Medicaid agency; however, costs from DHS, as the eligibility entity for the Medicaid will need to be incorporated. In addition, other state department's costs, such as the Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals and the Department of Children, Youth and Families, which are responsible for managing some Title XIX services will need to be incorporated into the single CAP.

Question 5: Page 7 – Section 4: Can EOHHS clarify that the CAP to be developed is just to allocate EOHHS costs or EOHHS costs inclusive of all DHS costs? Can an overview of EQHHS's specific functions be provided?

Answer to question 5: Refer to question #4 for the clarification of the agency costs. The functions to be included are: financial management,

legal, program integrity, Office of the Secretary, eligibility operations, and program delivery, oversight and management.

Question 6: Page 8 -Deliverables: With the understanding that the contract period is expected to run from January 2014 -December 2014, does EOHHS have an expected or anticipated time table for completion of the individual deliverables outlined in the Deliverables section?

Answer to question 6:EOHHS anticipates that a fully approved CAP would be operational by the third quarter of the Federal Fiscal Year or January 1, 2015. The deliverables which are required to fulfill that obligation will be prioritized to ensure the success of the implementation of the CAP.

Question 7: Page 9 -Deliverables, A: for the Deliverable, can you provide more information about what specifically is being requested regarding "detail program overlaps", "fund ing mergers" or "restructuring recommendations"? Are these recommendations specifically to be related to the cost allocation plan or how the overall agency conducts its business? If the latter, is the RFP looking for operational improvement recommendations?

Answer to question 7: The intent of this deliverable to provide EOHHS with an assessment of the agencies' operational structure to ensure that the state is providing back-office functions (legal, finance, program integrity) in the most cost efficient manner by maximizing federal and state revenues to the greatest extent possible. For example, if some back-office function would be better delivered by consolidation, than it is EOHHS anticipation that the selected vendor would raise that as a potential opportunity for the state.

Question 8: Page 9 – Scope of Work, Evaluate Statistical Allocation Base: Does EOHHS request a review of time studies contained in the current CAP? Would this review be expected to include recommendations on changes to time system/processes for compliance and/or revenue enhancement? Can you provide a list of current time studies administered by EOHHS/DHS?

Answer to question 8: Yes, EOHHS requests a review of the time studies contained in the current CAP and if necessary, recommendations for changes to maximize cost allocation are expected. An example of current time study administered by DHS is included as Attachment A at the end of these questions.

Question 9: Page 10-Develop CAP to Maximize Federal Revenues, D: Can EOHHS clarify that the final CAP Narrative should be provided as part of deliverable D? Or would the CAP Narrative requirements outline provided as part of deliverable C be the most detail required of the CAP?

Answer to question 9: Yes, the CAP narrative should be provided as part of Deliverable D.

Question 10: Page 11 – Section 5: stated, "Proposals are limited to 50 single-spaced pages. The proposal budget and budget narrative are not included in the above page count. Neither are appendices or attachments, even if they are required as part of the application."

Does the page limit only apply to the technical proposal?

Answer to question 10: Yes, the page limit only applies to the technical proposal.

Question 11: Page 11 – Section 5: stated, "The vendor shall include a statement that should the Health and Human Services Division of Cost Allocation not review the ICAP prior to the term on the vendor agreement, the vendor will continue to be available to work on each proposal until the proposals are approved or denied".

Can EOHHS provide clarification for the above statement on the work and level of support to be provided until the CAP is approved or denied?

Does the time frame for continuing work include exhausting the two discretionary contract years or just the first year of the contract?

Answer to question 11: The intent of the statement is to ensure that the selected vendor will remain available to support EOHHS throughout the entire process of development, negotiation with the Division of Cost Allocation, as well as implementation within the EOHHS administrative structure. It is EOHHS' intent that the work of development, negotiation with DCA, and implementation would consume the first six months of the contract period (January -June, 2014) the remaining six months would be reserved for implementation.

Question 12: Page 12 -Organizational Experience and Capabilities, A: What types of documents does EOHHS consider sufficient for "samples of at least two, but no more than four, similar sized projects"?

Answer to question 12: An example of a document to fulfill this requirement is other state agency's approved CAPs for either Medicaid or other large federally funded program, such as Education or other health and human services.

Question 13: Page 12 – Can EOHHS clarify that it is acceptable to include Samples (5.2.A) as an attachment or appendix?

Answer to question 13: Yes, it is acceptable to include samples as attachments or appendices; they do not count toward the 50-page limit.

Question 14: Page 12 -Can EQHHS clarify that it is acceptable to include End Products (5.2.C) as an attachment or appendix?

Answer to question 14: Yes, it is acceptable to include End Products as an attachment or appendix.

Question 15:Page 12/13 – Organizational Experience and Capabilities, B-E: What does EOHHS consider sufficient to meet the requirement of "Documentation of..." B, C, D, and E?

Answer to question 15: Examples to fulfill these requirements are other states' approved CAPs which have been developed by the applying vendor.

Question 16: Page 13 – Organization Experience and Capabilities, F: Can the entities to be provided be the same as the References provided in Section 4?

Answer to question 16: Yes.

Question 17: Page 13 Can EOHHS clarify that it is acceptable to include scope of work for projects (2.F) as an attachment or appendix?

Answer to question 17: Yes, the scope of work for the work for the project may be included as an appendix.

Question 18: Page 13 – Staff Experience: Can EOHHS confirm that key positions required to be included are only the Project Manager and Assistant Project Manager?

Answer to question 18: As the RFP states in #3 A on page 13, the Project Manager and Assistant Project Manager are at a MINIMUM required personnel of the team brought on by the selected vendor.

Question 19: Page 13 – Can EOHHS clarify that it is acceptable to include Resumes (5.3.C) as an attachment or appendix?

Answer to question 19: Yes, resumes are part of the attachments or appendices and do not count toward the 50-page limit.

Question 20: Page 13 -Can EOHHS clarify that it is acceptable to include References (5.4) as an attachment or appendix?

Answer to question 20:Yes, references are part of the attachments or appendices and do not count toward the 50-page limit.



Question 21: Page 16 – Response Contents: Can the RIVIP Generated Bidder Certification and W-9 that are required be included in the technical response as attachments (i.e., do they count as part of the page limit)?

Answer to question 21: Yes, RIVIP Generated Bidder Certification and W-9 are part of the attachments or appendices and do not count toward the 50-page limit.

Question 22: Page 19 – Budget Form (2 of 3): Can EOHHS please expand on the requirement to provide the "Fully Loaded Hourly Rate" and what should be included in that rate given the request on (3 of 3) for cost related to travel, space, supplies, etc.?

Answer to question 22: It is anticipated that the "fully loaded hourly rate" would include the cost related to travel, space, supplies, and whatever other items are required to accomplish the work.

Question 23: Page 19 – Budget Form (2 of 3): Can EOHHS please expand on the requirement to provide the "Total Annual Position Cost" and confirm the math to achieve this value is "Fully Loaded Hourly Rate" multiplied by "Annual Level of Effort (By Hours)"?

Answer to question 23: Yes, the total annual position cost equals the fully loaded hourly rate multiplied by annual level of effort by hours.

Question 24: Section 2.a. of Attachment "A" (General Conditions of Purchase), and Section 4.1B of the RIVIP Bidder Certification Cover Form appear to bind the bidder to the State's terms and conditions upon acceptance of the proposal by contract or purchase order by the State. While we understand that, by submitting a proposal, we are committed to the representations of such proposal, we seek confirmation that, by so certifying we are not surrendering our ability to negotiate mutually agreeable contract terms and conditions. Moreover, we seek confirmation that by submitting a proposal we are not committing ourselves to enter into a contract absent negotiated requirements, terms and conditions acceptable to both parties.

Answer to question 24: The award is subject to vendor proposing an engagement based on the terms and conditions stated in the RFP and the General Condition of Purchase. Please be aware that the State of Rhode Island does have standard terms and conditions which all vendors are subject to. Also, see the answer to question #25.

Question 25: Section 13.c. of Attachment "A" references qualified or conditional offers and the possible effects of taking exceptions. To the extent a bidder takes exception to the terms and conditions of the RFP or it is incorporated documents – specifically, contract terms and conditions -what is the preferred method for communicating such exceptions in the proposal?

Answer to question 25: If the Vendor does not agree with the terms and conditions in the **RFP** and General Conditions of Purchase, the vendor is not required to submit a proposal. However, any conditional or qualified offers should be clearly identified in the proposal. Please note that any conditional or qualified offers may be rejected as "non-responsive" in accordance with the Section 13c of the General Conditions of Purchase.

02/16/12	09:55	VIEW	MAINTAIN TIME STUDY SCHEDULE	FMS	ASMAS 0 61
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Schedule Date: 01/06/2012			Cost Center : 061 ,		D
Schedule For : AHJIII1			Unit : LTC		
MORNING	MA		Supervisor : —		
08:30-08:45	X		SOC	SRVCS	BREAK/LUNCH
08:45-09:00	X				OTHER
09:00-09:15	X				
09:15-09:30	X				
09:30-09:45		X			
09:45-10:00		X			
10:00-10:15		X			
10:15-10:30					X
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12:00-12:15					X
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02/16/12	09:55	MAINTAIN TIME STUDY SCHEDULE	FMS	ASMASO61
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Schedule Date: 01/06/2012		Cost Center: 061	Unit: LTC	
Schedule For: AHJ1111		Supervisor: -		
AFTERNOON	MA	SOC SRVCS	BREAK/LUNCH	OTHER
12:15-12:30			X	
12:30-12:45		X		
12:45-01:00		X		
01:00-01:15		X		
01:15-01:30	X			
01:30-01:45	X			
01:45-02:00	X			
02:00-02:15			X	
02:15-02:30		X		
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Total Select	7	6	2	
RL: CASELOAD:	CASE NAME:		CMD:	
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02/16/12	09:58	MAINTAIN TIME STUDY SCHEDULE	FMS	ASMASOIO
LMS5709	VIEW		PB75	PROD
Schedule Date :	01/06/2012	Cost Center: 010	Unit :	EAMILY INDEP. WKRS
Schedule For :	REL4563	Supervisor :		
AFTERNOON	TUNF	FS	MA	SOC
12:15-12:30			PIP	AP
12:30-12:45	X			BREAK/LUNCH
12:45-01:00	X			OTHER
01:00-01:15	X			X
01:15-01:30	X			
01:30-01:45	X			
01:45-02:00	X			
02:00-02:15	X			
02:15-02:30				X
02:30-02:45	X			
02:45-03:00	X			
03:00-03:15	X			
03:15-03:30	X			
03:30-03:45	X			
03:45-04:00	X			
Total Select	13			2
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02/16/12	10:00	. MAINTAIN TIME STUDY SCHEDULE		FMS	ASMAS 061
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Schedule	Date : 01/06/2012	Cost Center : 061	Unit : . LTC		
Schedule For : MBC1260	Supervisor : ██████████				
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08:30-08:45	X				
08:45-09:00	X				
09:00-09:15	X				
09:15-09:30	X				
09:30-09:45	X				
09:45-10:00	X				
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02/16/12	10:00	MAINTAIN TIME STUDY SCHEDULE		FMS	ASMASO 61
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02:45-03:00	X				
03:00-03:15				X	
03:15-03:30	X				
03:30-03:45	X				
03:45-04:00	X				
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Schedule Date: 04/15/2011 Unit: FAMILY INDEP. WKRS  
Schedule For: CIL2234 Cost Cente -010 "W191111'E  
MORN THG TANF FS MA SOC SRVCS FIP AP BREAK/LUNCH OTHER  
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04/27/11	14	46	MAINTAIN TIME STUDY SCHEDULE	FM	SASMAS003
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Schedule Date: 04/15/2011	Cost Center	003	Unit: GPA		
Schedule For: XRV1621	Supervisor:		GPA		
MORNJNG 08:30-	FS			BREAK/LUNCH	OTHER
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FNX: TIME MODE: C	CASE ID:			PNL:	
			MONTH: 04	11	



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October 30, 2013

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ADDENDUM # 2

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RFP#7514372

Title: Development and Implementation of a Cost Allocation Plan for the Rhode Island Medicaid Program

Bid Closing Date & Time: Thursday, November 21, 2013 @ 10:00 AM (ET).

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Notice to Vendors: Attention All Bidders

1. Scope of Work Expansion:  
The original RFP# 7514372 scope of work has been expanded to include the Departments of Health (DOH), Behavioral Healthcare, Developmental Disabilities and Hospitals (BHDDH) and the *Division* of Elderly Affairs (DEA) (or the Departments). Please see below for additional information.
2. Extension of Question Period:  
The original RFP# 7514372-Development and Implementation of a Cost Allocation Plan for the Rhode Island Medicaid Program question period closing date has been changed from Friday, October 4, 2013 @ 10:00 AM (ET) to Wednesday, November 6, 2013 @ 10:00 AM (ET).

Please continue to monitor the Purchasing website for all posted addenda.

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David J. Francis  
Interdepartmental Project Manager

*Interested parties should monitor this website, on a regular basis, for any additional information that may be posted*

SCOPE OF WORK EXPANSION INCLUDES DOH, BHDDH AND DEA COST ALLOCATION PLANS AND INDIRECT COST RATES:

The Departments of Health (DOH), Behavioral Healthcare, Developmental Disabilities and Hospitals (BHDDH) and the *Division* of Elderly Affairs (DEA) (or the Departments) need assistance in the preparation, submission and negotiation of indirect cost allocation plans and/or indirect cost rates. With this procurement the Departments look to enhance federal funding for administrative costs.

Currently, BHDDH has approximately 12 grants worth a total of \$15.7 million. DEA has approximately 17 grants worth a total of \$8.1 million. DOH has approximately 115 grants worth a total of \$70 million. Acceptance of a proposal will be dependent upon the quality of applications, total funds requested, and time allotted for the submission of the ICAP to the Departments.

**Scope of Work;**

1. The vendor will prepare the ICAP and calculate the annual indirect cost rates for each Department in accordance with 2 CFR Part 225 and other applicable federal regulations and requirements and submit to the Division of Cost Allocation (DCA) in the US Department of Health and Human Services. The ICAP consists of actual indirect costs incurred by the Departments for the 12-month period beginning July 1, annual costs allocated to the Departments through the State's statewide cost allocation plan, and any other costs approved by the federal government. Indirect cost rates are calculated from the same cost sources.
2. The vendor will work with Departments' staff to assure that costs captured in the ICAP and indirect cost rates are not duplicated in the Departments' cost allocation process. *For DEA, the vendor will need to determine how the addition of DEA impacts the RI Department of Human Services existing cost allocation plan.*
3. The vendor will work with the Departments to maximize the recovery of indirect costs, provide feasible and defensible methodologies and improvements to processes and recover indirect costs on a current basis.
4. The first ICAP and indirect cost rate proposals will be based on State fiscal year 2013<sup>1</sup> (July 1, 2012 - June 30, 2013) and is due to the State by December 31, 2013 for review prior to submission to DCA. The vendor will conduct a review of the current cost allocation process for the various federal programs for each Department to identify and recommend improvements to the current process and to claim indirect costs on a current basis.
5. After State submission of the ICAP and indirect cost rate proposals to the DCA, the vendor shall be available to answer questions about the submission, update the submission as necessary, and negotiate approval.
6. The vendor will assist the Departments' with the development of a quarterly and annual indirect cost reporting process.

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<sup>1</sup> The Department of Health state FY14 indirect cost rate based on FY 13 has been completed; the FY2015 rate will need to be established.

**Deliverables;**

1. The vendor shall submit an assessment of current cost allocation processes and recommendations for modifications to such processes and methodologies including a cost impact analysis for any proposed modifications.
2. The vendor shall submit to the Departments no later than December 30, 2013 an ICAP and indirect cost rate proposal in compliance with 2 CFR Part 225 and other applicable federal regulations and requirements. The Departments understand that the vendor's ability to meet this deadline is contingent on the Departments' ability to submit requested information to the vendor in a timely manner. The vendor shall negotiate with federal agencies to finalize approval of an ICAP and indirect cost rate.
3. The vendor shall finalize a quarterly cost allocation report process for the Departments within 3 months of the submission of deliverable number 2.

Note: Each proposal must be accompanied by a detailed line item budget for each contract year and a budget narrative for the first contract year.



State of Rhode Island  
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November 14, 2013

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ADDENDUM # 3

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RFP#7514372

Title: Development and Implementation of a Cost Allocation Plan for  
the Rhode Island Medicaid Program

Bid Closing Date & Time: Thursday, November 21, 2013 @ 10:00 AM (ET).

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Notice to Vendors: Attention All Bidders

ATTACHED ARE VENDOR QUESTIONS WITH STATE RESPONSES.

NO FURTHER QUESTIONS WILL BE ANSWERED.

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David J. Francis  
Interdepartmental Project Manager

*Interested parties should monitor this website, on a regular basis, for any additional information that may be posted*

**Round 2-Vendor Questions for RFP # 7514372 Development and Implementation of a Cost Allocation Plan for the Rhode Island Medicaid Program**

Question 1: Does the 50 page limit for the technical proposal still apply for the entire scope of work (for everything except for the required forms, cost proposal, and the resumes and attachments identified in full Addendum #1)?

Answer to question 1: Yes, the page limit only applies to the technical proposal.

Question 2: Will the State designate a single project manager for all of the Departments/divisions or will there be separate project managers for each effort?

Answer to question 2: EOHHS will have one project manager for the entire project; however, each agency will have a lead who will work closely with the EOHHS project manager.

Question 3: With the change to the scope of work, please confirm that there are four plans that the vendor is expected to complete for each of the following entities: EOHHS, DEA, BHDDH, and DOH.

Answer to question 3: Correct, there are four work plans needed. The new EOHHS cost allocation plan and an indirect cost plan for DEA may have an impact on DHS, the successful vendor should analyze how the EOHHS new plan changes DHS cost allocation and what steps need to be imposed to modify DHS cost allocation to continue to maximize federal sources.

Question 4: Can the State confirm whether DHS was purposefully left out of the list of Department's on page 2 of Addendum #2 or if they should have been included? If DHS is included, can the State provide exactly what scope of work is requested regarding existing time studies?

Answer to question 4: DHS is included as the Division of Elderly Affairs is organized under the DHS and the current Medicaid cost allocation plan is currently managed by the DHS.

Question 5: For each Department (DOH, BHDDH, and DEA) listed on page 2 of Addendum #2 as part of the scope expansion, can the State provide further information on the current state of each Department and whether they have an indirect cost allocation plan and/or indirect cost rate in place already? Please provide the same information for DHS.

Answer to question 5:

BHDDH has an approved Indirect Cost Allocation Plans for two areas that must be re-written. The scope of the approved plans are very limited and leave out many expenses that should be included. The vendor selected for this contract will be given access to the currently approved plans.

DOH does have an indirect cost rate in place.

Question 6: In Addendum #2 on page 2, #4 of the scope of work references December 30, 2013 as a due date for the ICAPs, but an assessment must take place first. Can the State please update or address this specific date?

Answer to question 6:

June 20, 2014

Question 7: On page 3 of Addendum #2, can the State clarify that the date provided as part of our Question 3 above is the same updated date for Deliverable #2?

Answer to question 7:

June 30, 2014

Question 8: Can the State confirm what the "Note" provided on page 3 of Addendum #2 means? Has the contract period changed from the original RFP where it was confirmed in the first round of bidder's questions to be January 2014 – December 2014?

Answer to question 8: No it has not changed.

Question 9: In Addendum #2, can the State clarify that the first ICAP will be prepared using FY14 data for use in FY15? Or, is the state looking to follow OMB A-87 requirements for public assistance plans that would produce each CAP on a quarterly basis?

Answer to question 9: Yes, correct the ICAP will use FY14 data for FY15. For DOH it would be FY 13 information. Last year the Department submitted FY 12. FY 14 data will not be available until next fall.

Question 10: Is the state anticipating that the other new plans (DOH, BHDDH, DEA and possibly OHS, if included) will be prepared annually or quarterly?

Answer to question 10: DOH prepares their report Quarterly, but the remaining agencies are anticipating annual preparation.

**ADDENDUM II**

**BUDGET**

See Attached



BUDG ET

NAME OF AGENCY: Public Consulting Group, Inc.

FEDERAL EMPLOYER IDENTIFICATION NUMBER: 04 - 2942913

DUNS #:

ADDRESS: 148 State Street, Tenth Floor

CITY/TOWN: Boston, MA

ZIP CODE: 02109

PHONE NUMBER: 617.426.2026 " " " FAX: 617.426.4632

EXECUTIVE DIRECTOR: William S. Mosakowski, President and Chief Executive Officer.

TIME OF PERFORMANCE: FROM \_\_\_\_\_, April 30, 2015

May 1, 2014 TO

AMOUNT

COST CATEGORY

\$446,920

1. PERSONNEL
2. CONSULTANT AND SUB CONTRACTSERVICES
3. TRAVEL
4. SPACE
5. SUPPLIES
6. EQUIPMENT
7. OTHER COSTS

**TOTAL FUNDS REQUESTED:**

\$446,920

A	B	C	D	E	F	G	H	I
PERSONNEL REQUEST*								
POSITION TITLE	EMPLOYEE NAME	TOTAL ANNUAL SALARY	TOTAL ANNUAL FRINGE BENEFITS	% APPLIED TO PROJECT	SALARY ON PROJECT	FRINGE BENEFITS ON PROJECT	TOTAL PERSONNEL COST ON PROJECT	SOURCE OF OTHER.. FUNDS
					(Column C x E)	(Column D x E)	(Column F + G)	
Project Manager	Amy Ferraro						\$88,088	
Asst. Project Manager	Krysta Johnson						\$82,080	
Senior Advisor	Ruth Quirion						\$93,600	
Senior Consultant	Maureen Tedford						\$69,680	
Consultant	Kevin Murphy						\$30,240	
Business Analyst	Katie Crowley						\$64,512	
Manager/Tech Advisor	Thomas Entrikin						\$15,080	
Senior Consultant	David O'Donnell						\$3,640	
All costs are fully loaded hourly rate X number of project hours.								
							<b>TOTAL</b>	\$446,920

• ROUND TO NEAREST DOLLAR

••INDICATE FUNDING SOURCE IF EMPLOYEE COST IS SHARED

ENTER ON LINE 1  
PAGE 1

RHODE ISLAND EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES

**BUDGET DETAIL**

CONSULTANTS & SUB CONTRACT SERVICES	TYPE, NAME, HOURLY RATE, NUMBER OF HOURS, ETC		COST
	N/A		
Enter on page 1, line 2		CATEGORY-TOTAL-	
TRAVEL	PURPOSE, RATE, NUMBER OF MILES, ETC		COST
	Included in Rates		
Enter on page 1, line 3		CATEGORY TOTAL->	
SPACE	DESCRIPTION	COST PER MONTH	COST
	N/A		
Enter on page 1, line 4		CATEGORY TOTAL-	
SUPPLIES	DESCRIPTION	COST PER MONTH	COST
	Included in Rates		
Enter on page 1, line 5		CATEGORY TOTAL->	
EQUIPMENT	PURCHASE, LEASE, RENTAL		COST
	Included in Rates		
Enter on page 1, line 6		CATEGORY-TOTAL--+	
OTHER COSTS	DESCRIPTION	COST PER MONTH	COST
	Included in Rates		
Enter on page 1, line 7		CATEGORY TOTAL--	

**ADDENDUM III**

**PAYMENTS AND REPORTS  
SCHEDULE**

INVOICES WILL BE BASED ON MONTHLY EXPENSES INCURRED, SUBMITTED MONTHLY,  
AND BROKEN OUT BY DEPARTMENT.

#### ADDENDUM IV

##### FISCAL ASSURANCES

1. THE CONTRACTOR AGREES TO SEGREGATE ALL RECEIPTS AND DISBURSEMENTS PERTAINING TO THIS AGREEMENT FROM RECIPIENTS AND DISBURSEMENTS FROM ALL OTHER SOURCES, WHETHER BY SEPARATE ACCOUNTS OR BY UTILIZING A FISCAL CODE SYSTEM.
2. THE CONTRACTOR ASSURES A SYSTEM OF ADEQUATE INTERNAL CONTROL ~~WILL BE~~  
~~IMPLEMENTED~~ TO ENSURE A SEPARATION OF DUTIES IN ALL CASH TRANSACTIONS.
3. THE CONTRACTOR ASSURES THE EXISTENCE OF AN AUDIT TRAIL WHICH INCLUDES: CANCELLED CHECKS, VOUCHER AUTHORIZATION, INVOICES, RECEIVING REPORTS, AND TIME DISTRIBUTION REPORTS.
4. THE CONTRACTOR ASSURES A SEPARATE SUBSIDIARY LEDGER OF EQUIPMENT AND PROPERTY WILL BE MAINTAINED.
5. THE CONTRACTOR AGREES ANY UNEXPENDED FUNDS FROM THIS AGREEMENT ARE TO BE RETURNED TO THE EXECUTIVE OFFICE AT THE END OF THE TIME OF PERFORMANCE UNLESS THE EXECUTIVE OFFICE GIVES WRITTEN CONSENT FOR THEIR RETENTION.
6. THE CONTRACTOR ASSURES INSURANCE COVERAGE IS IN EFFECT IN THE FOLLOWING CATEGORIES: BONDING, VEHICLES, FIRE AND THEFT, AND LIABILITY.
7. THE FOLLOWING FEDERAL REQUIREMENTS SHALL APPLY AS INDICATED:  
  
\_\_\_\_\_ OMB CIRCULAR A-21 - COST PRINCIPLES FOR EDUCATIONAL INSTITUTIONS  
  
AND \_\_\_\_\_ OMB CIRCULAR A-87 - COST PRINCIPLES APPLICABLE TO GRANTS  
CONTRACTS WITH STATE AND LOCAL GOVERNMENTS  
  
\_\_\_\_\_ OMB CIRCULAR A-102 - UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS-TO-AID TO STATE AND LOCAL GOVERNMENTS  
  
\_\_\_\_\_ OMB CIRCULAR A-110 - UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND AGREEMENTS WITH INSTITUTIONS OF HIGHER EDUCATION, HOSPITALS, AND OTHER NONPROFIT ORGANIZATIONS  
  
\_\_\_\_\_ OMB CIRCULAR A-122 - COST PRINCIPLES FOR NONPROFIT ORGANIZATIONS
8. IF THE CONTRACTOR EXPENDS FEDERAL AWARDS DURING THE CONTRACTOR'S PARTICULAR FISCAL YEAR OF \$500,000 OR MORE, THEN OMB CIRCULAR A-133, AUDITS OF STATES, LOCAL GOVERNMENTS AND NON-PROFIT ORGANIZATIONS SHALL ALSO APPLY.
9. THIS AGREEMENT MAY BE FUNDED IN WHOLE OR IN PART WITH FEDERAL FUNDS. IF SO, THE CFDA REFERENCE NUMBER IS \_\_\_\_\_

## ADDENDUM V

### **RHODE ISLAND EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES**

#### **NOTICE TO EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES' SERVICE PROVIDERS OF THEIR RESPONSIBILITIES UNDER TITLE VI OF THE CIVIL RIGHTS ACT OF 1964**

PUBLIC AND PRIVATE AGENCIES, ORGANIZATIONS, INSTITUTIONS, AND PERSONS THAT RECEIVE FEDERAL FINANCIAL ASSISTANCE THROUGH THE EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES (EOHHS) ARE SUBJECT TO THE PROVISIONS OF TITLE VI OF THE CIVIL RIGHTS ACT OF 1964 AND THE IMPLEMENTING REGULATIONS OF THE UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES (DHHS), WHICH IS LOCATED AT 45 CFR, PART 80, COLLECTIVELY REFERRED TO HERINAFTER AS TITLE VI. EOHHS CONTRACTS WITH CONTRACTORS INCLUDE A CONTRACTOR'S ASSURANCE THAT IN COMPLIANCE WITH TITLE VI AND THE IMPLEMENTING REGULATIONS, NO PERSON SHALL BE EXCLUDED FROM PARTICIPATION IN, DENIED THE BENEFITS OF, OR BE OTHERWISE SUBJECTED TO DISCRIMINATION IN ITS PROGRAMS AND ACTIVITIES ON THE GROUNDS OF RACE, COLOR, OR NATIONAL ORIGIN. ADDITIONAL DHHS GUIDANCE IS LOCATED AT 68 FR 47311-02.

EOHHS RESERVES ITS RIGHT TO AT ANY TIME REVIEW CONTRACTORS TO ASSURE THAT THEY ARE COMPLYING WITH THESE REQUIREMENTS. FURTHER, EOHHS RESERVES ITS RIGHT TO AT ANY TIME REQUIRE FROM CONTRACTORS, SUB-CONTRACTORS AND VENDORS THAT THEY ARE ALSO COMPLYING WITH TITLE VI.

THE CONTRACTOR SHALL HAVE POLICIES AND PROCEDURES IN EFFECT, INCLUDING, A MANDATORY WRITTEN COMPLIANCE PLAN, WHICH ARE DESIGNED TO ASSURE COMPLIANCE WITH TITLE VI. AN ELECTRONIC COPY OF THE SERVICE PROVIDERS WRITTEN COMPLIANCE PLAN AND ALL RELEVANT POLICIES, PROCEDURES, WORKFLOWS AND RELEVANT CHART OF RESPONSIBLE PERSONNEL MUST BE AVAILABLE TO EOHHS UPON REQUEST.

THE CONTRACTOR'S WRITTEN COMPLIANCE PLAN MUST ADDRESS THE FOLLOWING REQUIREMENTS:

- o WRITTEN POLICIES, PROCEDURES AND STANDARDS OF CONDUCT THAT ARTICULATE THE ORGANIZATION'S COMMITMENT TO COMPLY WITH ALL TITLE VI STANDARDS.
- o DESIGNATION OF A COMPLIANCE OFFICER WHO IS ACCOUNTABLE TO THE SERVICE PROVIDER'S SENIOR MANAGEMENT.
- o EFFECTIVE TRAINING AND EDUCATION FOR THE COMPLIANCE OFFICER AND THE ORGANIZATION'S EMPLOYEES.

- o ENFORCEMENT OF STANDARDS THROUGH WELL-PUBLICIZED GUIDELINES.
- o PROVISION FOR INTERNAL MONITORING AND AUDITING.
- o WRITTEN COMPLAINT PROCEDURES
- o PROVISION FOR PROMPT RESPONSE TO ALL COMPLAINTS, DETECTED OFFENSES OR LAPSES, AND FOR DEVELOPMENT AND IMPLEMENTATION OF CORRECTIVE ACTION INITIATIVES.
- o PROVISION THAT ALL CONTRACTORS, SUB-CONTRACTORS AND VENDORS OF THE SERVICE PROVIDER EXECUTE ASSURANCES THAT SAID CONTRACTORS, SUB-CONTRACTORS AND VENDORS ARE IN COMPLIANCE WITH TITLE VI.

THE CONTRACTOR MUST ENTER INTO AN AGREEMENT WITH EACH SUB-CONTRACTOR OR VENDOR UNDER WHICH THERE IS THE PROVISION TO FURNISH TO IT, DHHS OR EOHHS ON REQUEST FULL AND COMPLETE INFORMATION RELATED TO TITLE VI COMPLIANCE.

THE CONTRACTOR MUST SUBMIT, WITHIN THIRTY-FIVE (35) DAYS OF THE DATE OF A REQUEST BY DHHS OR EOHHS, FULL AND COMPLETE INFORMATION ON TITLE VI COMPLIANCE BY THE CONTRACTOR AND/OR ANY SUB-CONTRACTOR OR VENDOR OF THE CONTRACTOR.

IT IS THE RESPONSIBILITY OF EACH CONTRACTOR TO ACQUAINT ITSELF WITH ALL OF THE PROVISIONS OF THE TITLE VI REGULATIONS. A COPY OF THE REGULATIONS IS AVAILABLE UPON REQUEST FROM THE **COMMUNITY RELATIONS LIAISON OFFICER, EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES**, 57 HOWARD AVENUE, CRANSTON, RI 02920; TELEPHONE NUMBER: (401) 462-2130.

**THE REGULATIONS ADDRESS THE FOLLOWING TOPICS:**

**SECTION:**

- |       |   |
|-------|---|
| 80.1  | PURPOSE   |
| 80.2  | APPLICATION OF THIS REGULATION                      |
| 80.3  | DISCRIMINATION PROHIBITED                           |
| 80.4  | ASSURANCES REQUIRED                                 |
| 80.5  | ILLUSTRATIVE APPLICATIONS                           |
| 80.6  | COMPLIANCE INFORMATION                              |
| 80.7  | CONDUCT OF INVESTIGATIONS                           |
| 80.8  | PROCEDURE FOR EFFECTING COMPLIANCE                  |
| 80.9  | HEARINGS  |
| 80.10 | DECISIONS AND NOTICES                               |
| 80.11 | JUDICIAL REVIEW                                     |
| 80.12 | EFFECT ON OTHER REGULATIONS; FORMS AND INSTRUCTIONS |
| 80.13 | DEFINITION  |

## ADDENDUM VI

### **RHODE ISLAND EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES**

#### **NOTICE TO RHODE ISLAND EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES' SERVICE PROVIDERS OF THEIR RESPONSIBILITIES UNDER SECTION USC 504 OF THE REHABILITATION ACT OF 1973**

PUBLIC AND PRIVATE AGENCIES, ORGANIZATIONS, INSTITUTIONS, AND PERSONS THAT RECEIVE FEDERAL FINANCIAL ASSISTANCE THROUGH THE **EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES (EOHHS)** ARE SUBJECT TO THE PROVISIONS OF SECTION 504 OF THE REHABILITATION ACT OF 1973 AND THE IMPLEMENTING REGULATIONS OF THE UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES (DHHS), WHICH ARE LOCATED AT 45 CFR, PART 84 HERINAFTER COLLECTIVELY REFERRED TO AS SECTION 504. EOHHS CONTRACTS WITH SERVICE PROVIDERS INCLUDE THE PROVIDER'S ASSURANCE THAT IT WILL COMPLY WITH SECTION 504 OF THE REGULATIONS, WHICH PROHIBITS DISCRIMINATION AGAINST HANDICAPPED PERSONS IN PROVIDING HEALTH, WELFARE, OR OTHER SOCIAL SERVICES OR BENEFITS.

THE CONTRACTOR SHALL HAVE POLICIES AND PROCEDURES IN EFFECT, INCLUDING, A MANDATORY WRITTEN COMPLIANCE PLAN, WHICH ARE DESIGNED TO ASSURE COMPLIANCE WITH SECTION 504. AN ELECTRONIC COPY OF THE CONTRACTOR'S WRITTEN COMPLIANCE PLAN AND ALL RELEVANT POLICIES, PROCEDURES, WORKFLOWS AND RELEVANT CHART OF RESPONSIBLE PERSONNEL MUST BE AVAILABLE TO EOHHS UPON REQUEST.

THE CONTRACTOR'S WRITTEN COMPLIANCE PLAN MUST ADDRESS THE FOLLOWING REQUIREMENTS:

- o WRITTEN POLICIES, PROCEDURES AND STANDARDS OF CONDUCT THAT ARTICULATE THE ORGANIZATION'S COMMITMENT TO COMPLY WITH ALL SECTION 504 STANDARDS.
- o DESIGNATION OF A COMPLIANCE OFFICER WHO IS ACCOUNTABLE TO THE SERVICE PROVIDER'S SENIOR MANAGEMENT.
- o EFFECTIVE TRAINING AND EDUCATION FOR THE COMPLIANCE OFFICER AND THE ORGANIZATION'S EMPLOYEES.
- o ENFORCEMENT OF STANDARDS THROUGH WELL-PUBLICIZED GUIDELINES.
- o PROVISION FOR INTERNAL MONITORING AND AUDITING.
- o WRITTEN COMPLAINT PROCEDURES



- o PROVISION FOR PROMPT RESPONSE TO ALL COMPLAINTS, DETECTED OFFENSES OR LAPSES, AND FOR DEVELOPMENT AND IMPLEMENTATION OF CORRECTIVE ACTION INITIATIVES.
- o PROVISION THAT ALL CONTRACTORS, SUB-CONTRACTORS AND VENDORS OF THE SERVICE PROVIDER EXECUTE ASSURANCES THAT SAID CONTRACTORS, SUB-CONTRACTORS AND VENDORS ARE IN COMPLIANCE WITH SECTION 504.

THE CONTRACTOR MUST ENTER INTO AN AGREEMENT WITH EACH SUB-CONTRACTOR OR VENDOR UNDER WHICH THERE IS THE PROVISION TO FURNISH TO THE CONTRACTOR, DHHS OR EOHHS ON REQUEST FULL AND COMPLETE INFORMATION RELATED TO SECTION 504 COMPLIANCE.

THE CONTRACTOR MUST SUBMIT, WITHIN THIRTY-FIVE (35) DAYS OF THE DATE OF A REQUEST BY DHHS OR EOHHS, FULL AND COMPLETE INFORMATION ON SECTION 504 COMPLIANCE BY THE CONTRACTOR AND/OR ANY SUB-CONTRACTOR OR VENDOR OF THE CONTRACTOR.

IT IS THE RESPONSIBILITY OF EACH CONTRACTOR TO ACQUAINT ITSELF WITH ALL OF THE PROVISIONS OF THE SECTION 504 REGULATIONS. A COPY OF THE REGULATIONS, TOGETHER WITH AN AUGUST 14, 1978 POLICY INTERPRETATION OF GENERAL INTEREST TO PROVIDERS OF HEALTH, WELFARE, OR OTHER SOCIAL SERVICES OR BENEFITS, IS AVAILABLE UPON REQUEST FROM THE **COMMUNITY RELATIONS LIAISON OFFICER, EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES**, 57 HOWARD AVENUE, CRANSTON, RI 02920; TELEPHONE NUMBER (401) 462-2130.

CONTRACTORS SHOULD PAY PARTICULAR ATTENTION TO SUBPARTS A, B, C, AND F OF THE REGULATIONS WHICH PERTAIN TO THE FOLLOWING:

#### **SUBPART A - GENERAL PROVISIONS**

##### **SECTION:**

84.1	PURPOSE
84.2	APPLICATIONS
84.3	DEFINITIONS
84.4	DISCRIMINATION PROHIBITED
84.5	ASSURANCE REQUIRED
84.6	REMEDIAL ACTION, VOLUNTARY ACTION, AND SELF-EVALUATION
84.7	DESIGNATION OF RESPONSIBLE EMPLOYEE AND ADOPTIVE GRIEVANCE PROCEDURES
84.8	NOTICE
84.9	ADMINISTRATIVE REQUIREMENTS FOR SMALL RECIPIENTS

84.10	EFFECT OF STATE OR LOCAL LAW OR OTHER REQUIREMENTS AND EFFECT OF EMPLOYMENT OPPORTUNITIES
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## **SUBPART B - EMPLOYMENT PRACTICES**

### **SECTION:**

84.11	DISCRIMINATION PROHIBITED
84.12	REASONABLE ACCOMMODATION
84.13	EMPLOYMENT CRITERIA
84.14	PREEMPLOYMENT INQUIRIES
84.15 - 84.20	(RESERVED)

## **SUBPART C - PROGRAM ACCESSIBILITY**

### **SECTION:**

84.21	DISCRIMINATION PROHIBITED
84.22	EXISTING FACILITIES
84.23	NEW CONSTRUCTION
84.24 - 84.30	(RESERVED)

## **SUBPART F - HEALTH, WELFARE, AND SOCIAL SERVICES**

### **SECTION:**

84.51	APPLICATION OF THIS SUBPART
84.52	HEALTH, WELFARE, AND OTHER SOCIAL SERVICES
84.53	DRUG AND ALCOHOL ADDICTS
84.54	EDUCATION AND INSTITUTIONALIZED PERSONS

## ADDENDUM VII

### **DRUG-FREE WORKPLACE POLICY**

DRUG USE AND ABUSE AT THE WORKPLACE OR WHILE ON DUTY ARE SUBJECTS OF IMMEDIATE CONCERN IN OUR SOCIETY. THESE PROBLEMS ARE EXTREMELY COMPLEX AND ONES FOR WHICH THERE ARE NO EASY SOLUTIONS. FROM A SAFETY PERSPECTIVE, THE USERS OF DRUGS MAY IMPAIR THE WELL-BEING OF ALL EMPLOYEES, THE PUBLIC AT LARGE, AND RESULT IN DAMAGE TO PROPERTY. THEREFORE, IT IS THE POLICY OF THE STATE THAT THE UNLAWFUL MANUFACTURE, DISTRIBUTION, DISPENSATION, POSSESSION, OR USE OF A CONTROLLED SUBSTANCE IS PROHIBITED IN THE WORKPLACE. ANY EMPLOYEE(S) VIOLATING THIS POLICY WILL BE SUBJECT TO DISCIPLINE UP TO AND INCLUDING TERMINATION. AN EMPLOYEE MAY ALSO BE DISCHARGED OR OTHERWISE DISCIPLINED FOR A CONVICTION INVOLVING ILLICIT DRUG USE, REGARDLESS OF WHETHER THE EMPLOYEE'S CONDUCT WAS DETECTED WITHIN EMPLOYMENT HOURS OR WHETHER HIS/HER ACTIONS WERE CONNECTED IN ANY WAY WITH HIS OR HER EMPLOYMENT. THE SPECIFICS OF THIS POLICY ARE AS FOLLOWS:

1. ANY UNAUTHORIZED EMPLOYEE WHO GIVES OR IN ANY WAY TRANSFERS A CONTROLLED SUBSTANCE TO ANOTHER PERSON OR SELLS OR MANUFACTURES A CONTROLLED SUBSTANCE WHILE ON DUTY, REGARDLESS OF WHETHER THE EMPLOYEE IS ON OR OFF THE PREMISES OF THE EMPLOYER WILL BE SUBJECT TO DISCIPLINE UP TO AND INCLUDING TERMINATION.
2. THE TERM "CONTROLLED SUBSTANCE" MEANS ANY DRUGS LISTED IN 21 USE, SECTION 812 AND OTHER FEDERAL REGULATIONS. GENERALLY, ALL ILLEGAL DRUGS AND SUBSTANCES ARE INCLUDED, SUCH AS MARIJUANA, HEROIN, MORPHINE, COCAINE, CODEINE OR OPIUM ADDITIVES, LSD, DMT, STP, AMPHETAMINES, METHAMPHETAMINES, AND BARBITURATES.
3. EACH EMPLOYEE IS REQUIRED BY LAW TO INFORM THE AGENCY WITHIN FIVE (5) DAYS AFTER HE/SHE IS CONVICTED FOR VIOLATION OF ANY FEDERAL OR STATE CRIMINAL DRUG STATUTE. A CONVICTION MEANS A FINDING OF GUILT (INCLUDING A PLEA OF NOLO CONTENDERE) OR THE IMPOSITION OF A SENTENCE BY A JUDGE OR JURY IN ANY FEDERAL OR STATE COURT.
4. THE EMPLOYER (THE HIRING AUTHORITY) WILL BE RESPONSIBLE FOR REPORTING CONVICTION(S) TO THE APPROPRIATE FEDERAL GRANTING SOURCE WITHIN TEN (10) DAYS AFTER RECEIVING NOTICE FROM THE EMPLOYEE OR OTHERWISE RECEIVES ACTUAL NOTICE OF SUCH CONVICTION(S). ALL CONVICTION(S) MUST BE REPORTED IN WRITING TO THE OFFICE OF PERSONNEL ADMINISTRATION (OPA) WITHIN THE SAME TIME FRAME.
5. IF AN EMPLOYEE IS CONVICTED OF VIOLATING ANY CRIMINAL DRUG STATUTE WHILE ON DUTY, HE/ SHE WILL BE SUBJECT TO DISCIPLINE UP TO AND INCLUDING TERMINATION. CONVICTION(S) WHILE OFF DUTY MAY RESULT IN DISCIPLINE OR DISCHARGE.
6. THE STATE ENCOURAGES ANY EMPLOYEE WITH A DRUG ABUSE PROBLEM TO SEEK ASSISTANCE FROM THE RHODE ISLAND EMPLOYEE ASSISTANCE PROGRAM (RIEAP). YOUR EOHHS OR DEPARTMENT PERSONNEL OFFICER HAS MORE INFORMATION ON RIEAP.
7. THE LAW REQUIRES ALL EMPLOYEES TO ABIDE BY THIS POLICY.

**ADDENDUM VIII**

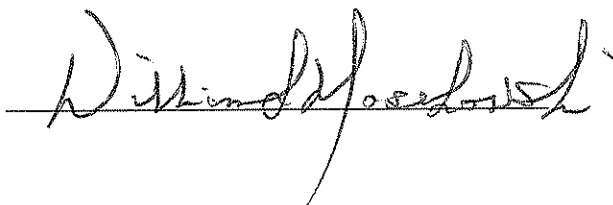
**DRUG-FREE WORKPLACE POLICY**

**CONTRACTOR CERTIFICATE OF COMPLIANCE**

I, William S. Mosakowski, (NAME) Pres/CEO (TITLE) PCG, Inc (CONTRACTOR NAME), A CONTRACTOR DOING BUSINESS WITH THE STATE OF RHODE ISLAND, HEREBY ACKNOWLEDGE THAT I HAVE RECEIVED A COPY OF THE STATE'S POLICY REGARDING THE MAINTENANCE OF A **DRUG-FREE WORKPLACE**. I HAVE BEEN INFORMED THAT THE UNLAWFUL MANUFACTURE, DISTRIBUTION, DISPENSATION, POSSESSION, OR USE OF A CONTROLLED SUBSTANCE (TO INCLUDE BUT NOT LIMITED TO SUCH DRUGS AS MARIJUANA, HEROIN, COCAINE, PCP, AND CRACK, AND MAY ALSO INCLUDE LEGAL DRUGS WHICH MAY BE PRESCRIBED BY A LICENSED PHYSICIAN IF THEY ARE ABUSED), IS PROHIBITED ON THE STATE'S PREMISES OR WHILE CONDUCTING STATE BUSINESS. I ACKNOWLEDGE THAT MY EMPLOYEES MUST REPORT FOR WORK IN A FIT CONDITION TO PERFORM THEIR DUTIES.

AS A CONDITION FOR CONTRACTING WITH THE STATE, AS A RESULT OF THE FEDERAL OMNIBUS DRUG ACT, I WILL REQUIRE MY EMPLOYEES TO ABIDE BY THE STATE'S POLICY. FURTHER, I RECOGNIZE THAT ANY VIOLATION OF THIS POLICY MAY RESULT IN TERMINATION OF THE CONTRACT.

**SIGNATURE:**



**TITLE:**

President and Chief Executive Officer

**DATE:**

5/5/14

**ADDENDUM IX**

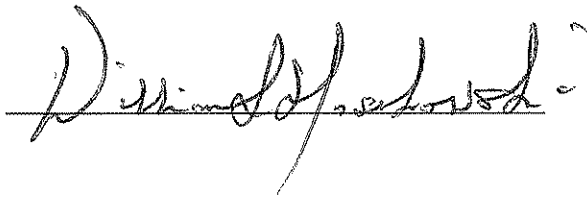
**SUBCONTRACTOR COMPLIANCE**

I, William S. Mosakowski (NAME), Pres/CEO (TITLE), PCG, Inc (CONTRACTOR NAME),  
A CONTRACTOR DOING BUSINESS WITH THE STATE OF RHODE ISLAND, HEREBY  
CERTIFY THAT ALL APPROVED SUBCONTRACTORS PERFORMING SERVICES  
PURSUANT TO THIS AGREEMENT WILL HAVE EXECUTED WRITTEN CONTRACTS  
WITH (CONTRACTOR NAME). ALL SUCH CONTRACTS SHALL CONTAIN  
LANGUAGE IDENTICAL TO THE FOLLOWING PROVISIONS OF THIS AGREEMENT  
AS FOLLOWS:

PAR. 12. CONTRACTOR'S LIABILITY/INDEMNIFICATION

PAR. 13. NONDISCRIMINATION IN EMPLOYMENT AND SERVICES

SIGNATURE:



TITLE:

President and Chief Executive Officer

DATE:

5/5/14

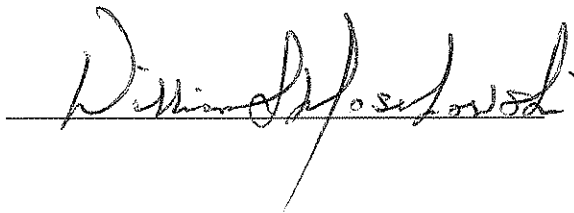
**ADDENDUM X**

**CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE**

PUBLIC LAW 103-227, PART C - ENVIRONMENTAL TOBACCO SMOKE, ALSO KNOWN AS THE PRO-CHILDREN ACT OF 1994 (ACT), REQUIRES THAT SMOKING NOT BE PERMITTED IN ANY PORTION OF ANY INDOOR FACILITY OWNED OR LEASED OR CONTRACTED FOR BY AN ENTITY AND USED ROUTINELY OR REGULARLY FOR THE PROVISION OF HEALTH DAY CARE EDUCATION OR LIBRARY SERVICES TO CHILDREN UNDER THE AGE OF 18 IF THE SERVICES ARE FUNDED BY FEDERAL PROGRAMS EITHER DIRECTLY OR THROUGH STATE OR LOCAL GOVERNMENTS BY FEDERAL GRANT CONTRACT LOAN OR LOAN GUARANTEE. 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 OR ALCOHOL TREATMENT. FAILURE TO COMPLY WITH THE PROVISIONS OF THE LAW MAY RESULT IN THE IMPOSITION OF A CIVIL MONETARY PENALTY OF UP TO \$1000 PER DAY AND/OR THE IMPOSITION OF AN ADMINISTRATIVE COMPLIANCE ORDER ON THE RESPONSIBLE ENTITY.

BY SIGNING AND SUBMITTING THIS APPLICATION THE APPLICANT/CONTRACTOR CERTIFIES THAT IT WILL COMPLY WITH THE REQUIREMENTS OF THE ACT. THE APPLICANT/CONTRACTOR FURTHER AGREES THAT IT WILL REQUIRE THE LANGUAGE OF THIS CERTIFICATION BE INCLUDED IN ANY SUB-AWARDS WHICH CONTAIN PROVISIONS FOR CHILDREN'S SERVICES AND THAT ALL SUB-CONTRACTORS SHALL CERTIFY ACCORDINGLY.

**SIGNATURE:**



**TITLE:**

President and Chief Executive Officer

**DATE:**

5/5/14

## ADDENDUM XI

### **INSTRUCTIONS FOR CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS**

#### **PRIMARY COVERED TRANSACTIONS**

BY SIGNING AND SUBMITTING THIS PROPOSAL, THE PROSPECTIVE PRIMARY PARTICIPANT IS PROVIDING THE CERTIFICATION SET OUT BELOW.

1. THE INABILITY OF A PERSON TO PROVIDE THE CERTIFICATION REQUIRED BELOW WILL NOT NECESSARILY RESULT IN DENIAL OF PARTICIPATION IN THIS COVERED TRANSACTION. IF NECESSARY, THE PROSPECTIVE PARTICIPANT SHALL SUBMIT AN EXPLANATION OF WHY IT CANNOT PROVIDE THE CERTIFICATION. THE CERTIFICATION OR EXPLANATION WILL BE CONSIDERED IN CONNECTION WITH THE EXECUTIVE OFFICE'S DETERMINATION WHETHER TO ENTER INTO THIS TRANSACTION. HOWEVER, FAILURE OF THE PROSPECTIVE PRIMARY PARTICIPANT TO FURNISH A CERTIFICATION OR EXPLANATION SHALL DISQUALIFY SUCH PERSON FROM PARTICIPATION IN THIS TRANSACTION.
2. THE CERTIFICATION IN THIS CLAUSE IS A MATERIAL REPRESENTATION OF FACT UPON WHICH RELIANCE WAS PLACED WHEN THE EXECUTIVE OFFICE DETERMINED THAT THE PROSPECTIVE PRIMARY PARTICIPANT KNOWINGLY RENDERED AN ERRONEOUS CERTIFICATION, IN ADDITION TO OTHER REMEDIES AVAILABLE TO THE EXECUTIVE OFFICE. THE EXECUTIVE OFFICE MAY TERMINATE THIS TRANSACTION FOR CAUSE OR DEFAULT.
3. THE PROSPECTIVE PRIMARY PARTICIPANT SHALL PROVIDE IMMEDIATE WRITTEN NOTICE TO THE EXECUTIVE OFFICE IF AT ANY TIME THE PROSPECTIVE PRIMARY PARTICIPANT LEARNS THAT ITS CERTIFICATION WAS ERRONEOUS WHEN SUBMITTED OR HAS BECOME ERRONEOUS BY REASON OF CHANGED CIRCUMSTANCES.
4. THE TERMS "COVERED TRANSACTION," "DEBARRED," "SUSPENDED," "INELIGIBLE," "LOWER TIER COVERED TRANSACTION," "PARTICIPANT," "PERSON," "PRIMARY COVERED TRANSACTION," "PRINCIPAL," "PROPOSAL," AND "VOLUNTARILY EXCLUDED," AS USED IN THIS CLAUSE, HAVE THE MEANINGS SET OUT IN THE DEFINITIONS AND COVERAGE SECTIONS OF THE RULES IMPLEMENTING EXECUTIVE ORDER 12549: 45 CFR PART 76.
5. THE PROSPECTIVE PRIMARY PARTICIPANT AGREES BY SUBMITTING THIS PROPOSAL THAT, SHOULD THE PROPOSED COVERED TRANSACTION BE ENTERED INTO, IT SHALL NOT KNOWINGLY ENTER INTO ANY LOWER TIER COVERED TRANSACTION WITH A PERSON WHO IS DEBARRED, SUSPENDED, DECLARED INELIGIBLE, OR VOLUNTARILY EXCLUDED FROM PARTICIPATION IN THIS COVERED TRANSACTION, UNLESS AUTHORIZED BY THE EXECUTIVE OFFICE.
6. THE PROSPECTIVE PRIMARY PARTICIPANT FURTHER AGREES BY SUBMITTING THIS PROPOSAL THAT IT WILL INCLUDE THE CLAUSE TITLED CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION - LOWER TIER COVERED TRANSACTIONS, PROVIDED BY EOHHS, WITHOUT MODIFICATION, IN ALL LOWER TIER COVERED TRANSACTIONS AND IN ALL SOLICITATIONS FOR LOWER TIER COVERED TRANSACTIONS.
7. A PARTICIPANT IN A COVERED TRANSACTION MAY RELY UPON A CERTIFICATION OF A PROSPECTIVE PARTICIPANT IN A LOWER TIER COVERED TRANSACTION THAT IS NOT DEBARRED, SUSPENDED,

INELIGIBLE, OR VOLUNTARILY EXCLUDED FROM THE COVERED TRANSACTION, UNLESS IT KNOWS THAT THE CERTIFICATION IS ERRONEOUS. A PARTICIPANT MAY DECIDE THE METHOD AND FREQUENCY BY WHICH IT DETERMINES THE ELIGIBILITY OF ITS PRINCIPALS. EACH PARTICIPANT MAY, BUT IS NOT REQUIRED TO, CHECK THE NONPROCUREMENT LIST (OF EXCLUDED PARTIES).

8. NOTHING CONTAINED IN THE FOREGOING SHALL BE CONSTRUED TO REQUIRE ESTABLISHMENT OF A SYSTEM OF RECORDS IN ORDER TO RENDER IN GOOD FAITH THE CERTIFICATION REQUIRED BY THIS CLAUSE. THE KNOWLEDGE AND INFORMATION OF A PARTICIPANT IS NOT REQUIRED TO EXCEED THAT WHICH IS NORMALLY POSSESSED BY AS PRUDENT PERSON IN THE ORDINARY COURSE OF BUSINESS DEALINGS.
9. EXCEPT FOR TRANSACTIONS AUTHORIZED UNDER PARAGRAPH 6 OF THESE INSTRUCTIONS, IF A PARTICIPANT IN A COVERED TRANSACTION KNOWINGLY ENTERS INTO A LOWER TIER COVERED TRANSACTION WITH A PERSON WHO IS SUSPENDED, DEBARRED, INELIGIBLE, OR VOLUNTARILY EXCLUDED FROM PARTICIPATION IN THIS TRANSACTION, IN ADDITION TO OTHER REMEDIES AVAILABLE TO THE FEDERAL GOVERNMENT, THE EXECUTIVE OFFICE MAY TERMINATE THIS TRANSACTION FOR CAUSE OF DEFAULT.



## ADDENDUM XII

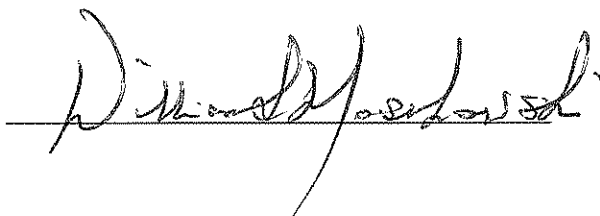
### **CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS - PRIMARY COVERED TRANSACTIONS**

THE CONTRACTOR, AS THE PRIMARY PARTICIPANT, CERTIFIES TO THE BEST OF THE CONTRACTOR'S KNOWLEDGE AND BELIEF, THAT THE CONTRACTOR AND ITS PRINCIPALS:

1. ARE NOT PRESENTLY DEBARRED, SUSPENDED, PROPOSED FOR DEBARMENT, DECLARED INELIGIBLE, OR VOLUNTARILY EXCLUDED FROM COVERED TRANSACTIONS BY ANY FEDERAL DEPARTMENT OR AGENCY;
2. HAVE NOT WITHIN A THREE (3) YEAR PERIOD PRECEDING THIS PROPOSAL BEEN CONVICTED OF OR HAD A CIVIL JUDGEMENT RENDERED AGAINST THEM FOR COMMISSION OF FRAUD OR A CRIMINAL OFFENSE IN CONNECTION WITH OBTAINING, ATTEMPTING TO OBTAIN, OR PERFORMING A PUBLIC (FEDERAL, STATE OR LOCAL) TRANSACTION OR CONTRACT UNDER PUBLIC TRANSACTION; VIOLATION OF FEDERAL OR STATE ANTITRUST STATUTES OR COMMISSION OF EMBEZZLEMENT, THEFT, FORGERY, BRIBERY, FALSIFICATION OR DESTRUCTION OF RECORDS, MAKING FALSE STATEMENTS, OR RECEIVING STOLEN PROPERTY;
3. ARE NOT PRESENTLY INDICATED OR OTHERWISE CRIMINALLY OR CIVILLY CHARGED BY A GOVERNMENTAL ENTITY (FEDERAL, STATE OR LOCAL) WITH COMMISSION OF ANY OF THE OFFENSES ENUMERATED IN PARAGRAPH 2 OF THIS CERTIFICATION; AND
4. HAVE NOT WITHIN A THREE (3) YEAR PERIOD PRECEDING THIS APPLICATION/PROPOSAL HAD ONE OR MORE PUBLIC TRANSACTIONS (FEDERAL, STATE OR LOCAL) TERMINATED FOR CAUSE OR DEFAULT.

WHERE THE PROSPECTIVE PRIMARY PARTICIPANT IS UNABLE TO CERTIFY TO ANY OF THE STATEMENT IN THIS CERTIFICATION, SUCH PROSPECTIVE PARTICIPANT SHALL ATTACH AN EXPLANATION TO THIS PROPOSAL.

**SIGNATURE:**



**TITLE:**

\_\_\_\_\_  
President and Chief Executive Officer

**DATE:**

\_\_\_\_\_  
5/5/14

### ADDENDUM XIII

#### LIQUIDATED DAMAGES

THE PROSPECTIVE PRIMARY PARTICIPANT CONTRACTOR AGREES THAT TIME IS OF THE ESSENCE IN THE PERFORMANCE OF CERTAIN DESIGNATED PORTIONS OF THIS CONTRACT. THE EXECUTIVE OFFICE AND THE CONTRACTOR AGREE THAT IN THE EVENT OF A FAILURE TO MEET THE MILESTONES AND PROJECT DELIVERABLE DATES OR ANY STANDARD OF PERFORMANCE WITHIN THE TIME SET FORTH IN THE EXECUTIVE OFFICE'S BID PROPOSAL AND THE CONTRACTOR'S PROPOSAL RESPONSE (ADDENDUM XVI), DAMAGE SHALL BE SUSTAINED BY THE EXECUTIVE OFFICE AND THAT IT MAY BE IMPRACTICAL AND EXTREMELY DIFFICULT TO ASCERTAIN AND DETERMINE THE ACTUAL DAMAGES WHICH THE EXECUTIVE OFFICE WILL SUSTAIN BY REASON OF SUCH FAILURE. IT IS THEREFORE AGREED THAT EXECUTIVE OFFICE, AT ITS SOLE OPTION, MAY REQUIRE THE CONTRACTOR TO PAY LIQUIDATED DAMAGES FOR SUCH FAILURES WITH THE FOLLOWING PROVISIONS:

1. WHERE THE FAILURE IS THE SOLE AND EXCLUSIVE FAULT OF THE EXECUTIVE OFFICE, NO LIQUIDATED DAMAGES SHALL BE IMPOSED. TO THE EXTENT THAT EACH PARTY IS RESPONSIBLE FOR THE FAILURE, LIQUIDATED DAMAGES SHALL BE REDUCED BY THE APPORTIONED SHARE OF SUCH RESPONSIBILITY.
2. FOR ANY FAILURE BY THE CONTRACTOR TO MEET ANY PERFORMANCE STANDARD, MILESTONE OR PROJECT DELIVERABLE, THE EXECUTIVE OFFICE MAY REQUIRE THE CONTRACTOR TO PAY LIQUIDATED DAMAGES IN THE AMOUNT(S) AND AS SET FORTH IN THE STATE'S GENERAL CONDITIONS OF PURCHASE AS DESCRIBED PARTICULARLY IN THE LOI, RFP, RFQ, OR SCOPE OF WORK, HOWEVER, ANY LIQUIDATED DAMAGES ASSESSED BY THE EXECUTIVE OFFICE SHALL NOT EXCEED 10 % OF THE TOTAL AMOUNT OF ANY SUCH MONTH'S INVOICE IN WHICH THE LIQUIDATED DAMAGES ARE ASSESSED AND SHALL NOT IN THE AGGREGATE, OVER THE LIFE OF THE AGREEMENT, EXCEED THE TOTAL CONTRACT VALUE.

WRITTEN NOTIFICATION OF FAILURE TO MEET A PERFORMANCE REQUIREMENT SHALL BE GIVEN BY THE EXECUTIVE OFFICE'S PROJECT OFFICER TO THE CONTRACTOR'S PROJECT OFFICER. THE CONTRACTOR SHALL HAVE A REASONABLE PERIOD DESIGNATED BY THE EXECUTIVE OFFICE FROM THE DATE OF RECEIPT OF WRITTEN NOTIFICATION. IF THE FAILURE IS NOT MATERIALLY RESOLVED WITHIN THIS PERIOD, LIQUIDATED DAMAGES MAY BE IMPOSED RETROACTIVELY TO THE DATE OF EXPECTED DELIVERY.

IN THE EVENT THAT LIQUIDATED DAMAGES HAVE BEEN IMPOSED AND RETAINED BY THE EXECUTIVE OFFICE, ANY SUCH DAMAGES SHALL BE REFUNDED, PROVIDED THAT THE ENTIRE SYSTEM TAKEOVER HAS BEEN ACCOMPLISHED AND APPROVED BY THE EXECUTIVE OFFICE ACCORDING TO THE ORIGINAL SCHEDULE DETAILED IN THE CONTRACTOR'S PROPOSAL RESPONSE INCLUDED IN THIS CONTRACT (ADDENDUM XVI) AS MODIFIED BY MUTUALLY AGREED UPON CHANGE ORDERS.

TO THE EXTENT LIQUIDATED DAMAGES HAVE BEEN ASSESSED, SUCH DAMAGES SHALL BE THE SOLE MONETARY REMEDY AVAILABLE TO THE EXECUTIVE OFFICE FOR SUCH FAILURE. THIS DOES NOT PRECLUDE THE STATE FROM TAKING OTHER LEGAL ACTION.

## ADDENDUM XIV

### **EQUAL EMPLOYMENT OPPORTUNITY**

DURING THE PERFORMANCE OF THIS AGREEMENT, THE CONTRACTOR AGREES AS FOLLOWS:

1. THE CONTRACTOR SHALL NOT DISCRIMINATE AGAINST ANY EMPLOYEE OR APPLICANT FOR EMPLOYMENT RELATING TO THIS AGREEMENT BECAUSE OF RACE, COLOR, RELIGIOUS CREED, SEX, NATIONAL ORIGIN, ANCESTRY, AGE, PHYSICAL OR MENTAL DISABILITY, UNLESS RELATED TO A BONA FIDE OCCUPATIONAL QUALIFICATION. THE CONTRACTOR SHALL TAKE AFFIRMATIVE ACTION TO ENSURE THAT APPLICANTS ARE EMPLOYED AND EMPLOYEES ARE TREATED EQUALLY DURING EMPLOYMENT, WITHOUT REGARD TO THEIR RACE, COLOR, RELIGION, SEX, AGE, NATIONAL ORIGIN, OR PHYSICAL OR MENTAL DISABILITY.  
  
SUCH ACTION SHALL INCLUDE BUT NOT BE LIMITED TO THE FOLLOWING: EMPLOYMENT, UPGRADING, DEMOTIONS, OR TRANSFERS; RECRUITMENT OR RECRUITMENT ADVERTISING; LAYOFFS OR TERMINATIONS; RATES OF PAY OR OTHER FORMS OF COMPENSATION; AND SELECTION FOR TRAINING INCLUDING APPRENTICESHIP. THE CONTRACTOR AGREES TO POST IN CONSPICUOUS PLACES AVAILABLE TO EMPLOYEES AND APPLICANTS FOR EMPLOYMENT NOTICES SETTING FORTH THE PROVISIONS OF THIS NONDISCRIMINATION CLAUSE.
2. THE CONTRACTOR SHALL, IN ALL SOLICITATIONS OR ADVERTISING FOR EMPLOYEES PLACED BY OR ON BEHALF OF THE CONTRACTOR RELATING TO THIS AGREEMENT, STATE THAT ALL QUALIFIED APPLICANTS SHALL RECEIVE CONSIDERATION FOR EMPLOYMENT WITHOUT REGARD TO RACE, COLOR, RELIGIOUS CREED, SEX, NATIONAL ORIGIN, ANCESTRY, AGE, PHYSICAL OR MENTAL DISABILITY.
3. THE CONTRACTOR SHALL INFORM THE CONTRACTING EXECUTIVE OFFICE'S EQUAL EMPLOYMENT OPPORTUNITY COORDINATOR OF ANY DISCRIMINATION COMPLAINTS BROUGHT TO AN EXTERNAL REGULATORY BODY (RI ETHICS COMMISSION, RI DEPARTMENT OF ADMINISTRATION, US DHHS OFFICE OF CIVIL RIGHTS) AGAINST THEIR AGENCY BY ANY INDIVIDUAL AS WELL AS ANY LAWSUIT REGARDING ALLEGED DISCRIMINATORY PRACTICE.
4. THE CONTRACTOR SHALL COMPLY WITH ALL ASPECTS OF THE AMERICANS WITH DISABILITIES ACT (ADA) IN EMPLOYMENT AND IN THE PROVISION OF SERVICE TO INCLUDE ACCESSIBILITY AND REASONABLE ACCOMMODATIONS FOR EMPLOYEES AND CLIENTS.
5. CONTRACTORS AND SUBCONTRACTORS WITH AGREEMENTS IN EXCESS OF \$50,000 SHALL ALSO PURSUE IN GOOD FAITH AFFIRMATIVE ACTION PROGRAMS.
6. THE CONTRACTOR SHALL CAUSE THE FOREGOING PROVISIONS TO BE INSERTED IN ANY SUBCONTRACT FOR ANY WORK COVERED BY THIS AGREEMENT SO THAT SUCH PROVISIONS SHALL BE BINDING UPON EACH SUBCONTRACTOR, PROVIDED THAT THE FOREGOING PROVISIONS SHALL NOT APPLY TO CONTRACTS OR SUBCONTRACTS FOR STANDARD COMMERCIAL SUPPLIES OR RAW MATERIALS.

ADDENDUM XV

**BYRD ANTI-LOBBYING AMENDMENT**

NO FEDERAL OR STATE APPROPRIATED FUNDS SHALL BE EXPENDED BY THE CONTRACTOR FOR INFLUENCING OR ATTEMPTING TO INFLUENCE AN OFFICER OR EMPLOYEE OF ANY AGENCY, A MEMBER OF CONGRESS OR STATE LEGISLATURE, AN OFFICER OR EMPLOYEE OF CONGRESS OR STATE LEGISLATURE, OR AN EMPLOYEE OF A MEMBER OF CONGRESS OR STATE LEGISLATURE IN CONNECTION WITH ANY OF THE FOLLOWING COVERED ACTIONS: THE AWARDING OF ANY AGREEMENT, THE MAKING OF ANY GRANT, THE ENTERING INTO OF ANY COOPERATIVE AGREEMENT, AND THE EXTENSION, CONTINUATION, RENEWAL, AMENDMENT OR MODIFICATION OF ANY AGREEMENT, GRANT OR COOPERATIVE AGREEMENT. SIGNING THIS AGREEMENT FULFILLS THE REQUIREMENT THAT CONTRACTORS RECEIVING OVER \$100,000 IN FEDERAL OR STATE FUNDS FILE WITH THE EXECUTIVE OFFICE ON THIS PROVISION.

IF ANY NON-FEDERAL OR STATE FUNDS HAVE BEEN OR WILL BE PAID TO ANY PERSON IN CONNECTION WITH ANY OF THE COVERED ACTIONS IN THIS PROVISION, THE CONTRACTOR SHALL COMPLETE AND SUBMIT A "DISCLOSURE OF LOBBYING 'ACTIVITIES' FORM.

THE CONTRACTOR MUST CERTIFY COMPLIANCE WITH ALL TERMS OF THE BYRD ANTI-LOBBYING AMENDMENT (31 U.S.C. 1352) AS PUBLISHED IN THE FEDERAL REGISTER MAY 27, 2003, VOLUME 68, NUMBER 101.

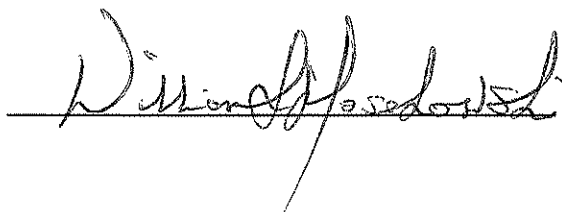
THE CONTRACTOR HEREBY CERTIFIES THAT IT WILL COMPLY WITH BYRD ANTI-LOBBYING AMENDMENT PROVISIONS AS DEFINED IN 45 CFR PART 93 AND AS AMENDED FROM TIME TO TIME.

FINAL RULE REQUIREMENTS CAN BE FOUND AT:

<http://www.socialsecurity.gov/oag/grants/20cfr438.pdf>

[https://www.socialsecurity.gov/OP\\_Home/cfr20/435/435-ap01.htm](https://www.socialsecurity.gov/OP_Home/cfr20/435/435-ap01.htm)

**SIGNATURE:**



**TITLE:**

\_\_\_\_\_  
President and Chief Executive Officer

**DATE:**

\_\_\_\_\_  
5/5/14

**ADDENDUM XVI**

BID PROPOSAL

See Attached

## I. BUDGET NARRATIVE

Public Consulting Group, Inc. (PCG) is pleased to submit our cost proposal (completed as *Section II – Appendix A: Budget Form* from the Request for Proposal (RFP)) to the Rhode Island Executive Office of Health and Human Services (EOHHS), and the Departments under EOHHS, specifically the Department of Health (DOH), the Behavioral Healthcare, Developmental Disabilities and Hospitals (BHDDH), and the Division of Elderly Affairs (DEA) (the Departments).

The following assumptions are made in accordance with this cost proposal:

- Our price is inclusive of the scope of work provided in the RFP and in Addendum #2, as well as clarifications provided in Addendum #1 and Addendum #3, both of which provided responses to questions submitted by potential vendors to EOHHS regarding this RFP; this cost proposal aligns with the proposed work plans provided in our Technical Proposal, *Section 5 -Proposed Work Plan*.
- Our price is presented as a firm, fixed fee for the work outlined in our scope of work and not specifically excluded in these assumptions.
- The stated price will be in effect throughout the contract period (January 1, 2014 -December 31, 2014) but is inclusive of the work requested in the RFP.
- PCG has considered all costs resulting from each deliverable listed in Section 4 of the RFP and all deliverables listed on page 3 of Addendum #2, as well as all program costs, primary and incidental, necessary to complete all program activities.
- Our work plans, located in the Technical Proposal in *Section 5 -Proposed Work Plan* of our response, along with the assumptions listed here, are meant to illustrate the reasonableness of the price we have proposed.
- PCG will deliver four deliverables to EOHHS over the course of the engagement, they are:
  1. Recommendations Report
  2. Cost Allocation Plan (CAP) Narrative
  3. Master List of Revenue Ideas
  4. Technological Recommendations Report (inclusive of DOH, BHDDH, and DEA)
- PCG will deliver three deliverables each to DOH, BHDDH, and DEA over the course of the engagement, they are:
  1. Recommendations Report
  2. Indirect Cost Allocation Plan (ICAP) Narrative
  3. Indirect Cost Rate Calculation (one year's rate for each based on available data)

- The scope of services under this RFP does not include the quarterly calculation/operation of the EOHHS CAP (the deliverable is the narrative) or ICAP/Indirect Cost Rates for more than one (!) year, per the RFP and Addenda.
- PCG has not included any cost associated with revising or updating the Department of Human Services (DHS) CAP, per the response to questions released as Addendum #3 on November 14, 2013, that did not state that a plan for DHS is requested.
- PCG commits to providing a revenue maximization assessment in the form of a Master List of opportunities, but our price does not include implementation of opportunities, outside of those opportunities naturally included in the development of the CAP narratives.
- The scope of services under this RFP does not include modifications to any time studies or operation of any time studies in place under EOHHS, DOH, BHDDH, or DEA. Recommended changes will be outlined in the Recommendations Reports with enough detail so that EOHHS and the Departments can make determinations on implementation.
- No software tools are being proposed as part of our price or scope. PCG understands that any future software needs would be procured separately from this RFP.
- The cost of implementing any additional initiatives not related to the scope in this proposal is not included in this cost proposal.
- PCG will work with EOHHS and the Departments to develop a mutually agreeable invoicing schedule upon successful contract award.

The PCG fee structure proposed in this cost proposal uses PCG consulting rates for fiscal year 2014 as the base rate inclusive of fringe and overhead costs with an additional percentage relative to the estimated travel and supply costs applied to each rate. The rates supplied in *Section II – Appendix A: Budget Form* on page 2 represent PCG's "fully loaded hourly rates". Section 6 of the RFP required that the rates be included as fully loaded hourly rates.

PCG can provide additional information upon request.

**ADDENDUM XVII**

**CORE STAFF POSITIONS**

See Attached



PERSONNEL REQUEST*								
A	B	C	D	E	F	G	H	I
POSITION TITLE	EMPLOYEE NAME	TOTAL ANNUAL SALARY	TOTAL ANNUAL FRINGE BENEFITS	% APPLIED TO PROJECT	SALARY ON PROJECT (Column C x E)	FRINGE BENEFITS ON PROJECT (Column D x E)	TOTAL PERSONNEL COST ON PROJECT (Column F + G)	SOURCE OF OTHER.. FUNDS
Project Manager	Amy Ferraro						\$88,088	
Asst. Project Manager	Krysta Johnson						\$82,080	
Senior Advisor	Ruth Quirion						\$93,600	
Senior Consultant	Maureen Tedford						\$69,680	
Consultant	Kevin Murphy						\$30,240	
Business Analyst	Katie Crowley						\$64,512	
Manager/Tech Advisor	Thomas Entrikin						\$15,080	
Senior Consultant	David O'Donnell						\$3,640	
All costs are fully loaded hourly rate X number of project hours.								
							<b>TOTAL</b>	\$446,920

• ROUND TO NEAREST DOLLAR

•INDICATE FUNDING SOURCE IF EMPLOYEE COST IS SHARED

ENTER ON LINE 1  
 PAGE 1

## ADDENDUM XVIII

### **BUSINESS ASSOCIATE AGREEMENT**

Except as otherwise provided in this Business Associate Agreement Addendum, Public Consulting Group Inc., (hereinafter referred to as "Business Associate"), may use, access or disclose Protected Health Information to perform functions, activities or services for or on behalf of the State of Rhode Island, EOHHS/BHDDH/DHS/DOH/DEA (hereinafter referred to as the "Covered Entity"), as specified herein and the attached Agreement between the Business Associate and the Covered Entity (hereinafter referred to as "the Agreement"), which this addendum supplements and is made part of, provided such use, access, or disclosure does not violate the Health Insurance Portability and Accountability Act (HIPAA), 42 USC 1320d et seq., and its implementing regulations including, but not limited to, 45 CFR, parts 160, 162 and 164, hereinafter referred to as the Privacy and Security Rules and patient confidentiality regulations, and the requirements of the Health Information Technology for Economic and Clinical Health Act, as incorporated in the American Recovery and Reinvestment Act of 2009, Public Law 111-5 (HITECH Act) and any regulations adopted or to be adopted pursuant to the HITECH Act that relate to the obligations of business associates, Rhode Island Mental Health Law, R.I. General Laws Chapter 40.1-5-26, and Confidentiality of Health Care Communications and Information Act, R.I. General Laws Chapter 5-37.3-1 et seq. Business Associate recognizes and agrees it is obligated by law to meet the applicable provisions of the HITECH Act.

#### **1. Definitions:**

##### **A. Generally:**

- (1) Terms used, but not otherwise defined, in this Agreement shall have the same meaning as those terms in 45 C.F.R. §§ 160.103, 164.103, and 164.304, 164.501 and 164.502.
- (2) The following terms used in this Agreement shall have the same meaning as those terms in the HIPAA, the Privacy and Security Rules and the HITECH Act: Breach, Data Aggregation, Designated Record Set, Disclosure, Health Care Operations, Individual, Minimum Necessary, Notice of Privacy Practices, Protected Health Information, Required By Law, Secretary, Security Incident, Subcontractor, Unsecured Protected Health Information, and Use.

##### **B. Specific:**

- (1) "Addendum" means this Business Associate Agreement Addendum.

(2) "Agreement" means the contractual Agreement by and between the State of Rhode Island, EOHHS/BHDDH/DHS/DOH/DEA and Business Associate, awarded pursuant to State of Rhode Island's Purchasing Law (Chapter 37-2 of the Rhode Island General Laws) and Rhode Island Department of Administration, Division of Purchases, Purchasing Rules, Regulations, and General Conditions of Purchasing.

C. "Business Associate" generally has the same meaning as the term "business associate" at 45 CFR 160.103, and in reference to the party to this agreement, shall mean [Insert Name of Business Associate].

D. "Client/Patient" means Covered Entity funded person who is a recipient and/or the client or

patient of the Business Associate.

E. "Covered Entity" generally has the same meaning as the term "covered entity" at 45 CFR 160.103, and in reference to the party to this agreement, shall mean [Insert Name of Covered Entity].

F. "Electronic Health Record" means an electronic record of health-related information on an individual that is created, gathered, managed or consulted by authorized health care clinicians and staff.

G. "Electronic Protected Health Information" or "Electronic PHI" means PHI that is transmitted by or maintained in electronic media as defined in the HIPA Security Regulations.

H. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191.

I. "HIPAA Privacy Rule" means the regulations promulgated under HIPAA by the United States Department of Health and Human Services to protect the privacy of Protected Health Information including, the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Part 160 and Part 164.

J. "HITECH Act" means the privacy, security and security Breach notification provisions applicable to Business Associate under Subtitle D of the Health Information Technology for Economic and Clinical Health Act, which is Title XII of the American Recovery and Reinvestment Act of 2009, Public Law 111-5, and any regulations promulgated thereunder and as amended from time to time.

K. "Secured PHI" means PHI that was rendered unusable, unreadable or indecipherable to unauthorized individuals through the use of technologies or methodologies specified under or pursuant to Section 13402 (h)(2) of the HITECH Act under ARRA.

L. "Security Incident" means any known successful or unsuccessful attempt by an authorized or unauthorized individual to inappropriately use, disclose, modify, access, or destroy any information.

M. "Security Rule" means the Standards for the security of Electronic Protected Health Information found at 45 CFR Parts 160 and 162, and Part 164, Subparts A and C. The application of Security provisions Sections 164.308, 164.310, 164.312, and 164.316 of title 45, Code of Federal Regulations shall apply to Business Associate of Covered Entity in the same manner that such sections apply to the Covered Entity.

N. "Suspected breach" is a suspected acquisition, access, use or disclosure of protected health information ("PHI") in violation of HIPPA privacy rules, as referenced above, that compromises the security or privacy of PHI.

O. "Unsecured PHI" means PHI that is not secured, as defined in this section, through the use of a technology or methodology specified by the Secretary of the U.S. Department of Health and Human Services.

2. Obligations and Activities of Business Associate.

- A. Business Associate agrees to not use or further disclose PHI other than as permitted or required by this Agreement or as required by Law, provided such use or disclosure would also be permissible by law by Covered Entity.
- B. Business Associate agrees to use appropriate safeguards to prevent use or disclosure of the PHI other than as provided for by this Agreement. Business Associate agrees to implement Administrative Safeguards, Physical Safeguards and Technical Safeguards ("Safeguards") that reasonably and appropriately protect the confidentiality, integrity and availability of PHI as required by the "Security Rule."
- C. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of the requirements of this Agreement.
- D. Business Associate agrees to report to Covered Entity any use or disclosure of the PHI not provided for by this Agreement, including breaches of unsecured PHI as required by 45 C.F.R. § 164.410, and any Security Incident of which it becomes aware, within five (5) days of the incident.
- E. Business Associate agrees to ensure that any agent, including a subcontractor or vendor, to whom it provides PHI received from, or created or received by Business Associate on behalf of Covered Entity agrees to the same restrictions and conditions that apply through this Agreement to Business Associate with respect to such information through a contractual arrangement that complies with 45 C.F.R. § 164.314.
- F. Business Associate agrees to provide paper or electronic access, at the request of Covered Entity and in the time and manner designated by Covered Entity, to PHI in a Designated Record Set to Covered Entity or, as directed by Covered Entity, to an Individual in order to meet the requirements under 45 C.F.R. § 164.524. If the Individual requests an electronic copy of the information, Business Associate must provide Covered Entity with the information requested in the electronic form and format requested by the Individual and/or Covered Entity if it is readily producible in such form and format; or, if not, in a readable electronic form and format as requested by Covered Entity.
- G. Business Associate agrees to make any amendment(s) to PHI in a Designated Record Set that Covered Entity directs or agrees to pursuant to 45 C.F.R. § 164.526 at the request of Covered Entity or an Individual, and in the time and manner designated by Covered Entity. If Business Associate receives a request for amendment to PHI directly from an Individual, Business Associate shall notify Covered Entity upon receipt of such request.
- H. Business Associate agrees to make its internal practices, books, and records relating to the use and disclosure of PHI received from, created or received by Business Associate on behalf of Covered Entity available to Covered Entity, or at the request of Covered Entity to the Secretary, in a time and manner designated by Covered Entity or the Secretary, for the purposes of the Secretary determining compliance with the Privacy Rule and Security Rule.

- I. Business Associate agrees to document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. §164.528.
- J. Business Associate agrees to provide to Covered Entity or an Individual, in a time and manner designated by Covered Entity, information collected in accordance with this Agreement, to permit Covered Entity to respond to a request by an individual for an accounting of disclosures for PHI in accordance with 45 §C.F.R. 164.528.
- K. If Business Associate accesses, maintains, retains, modifies, records, stores, destroys, or otherwise holds, uses, or discloses Unsecured Protected Health Information (as defined in 45 C.F.R. § 164.402) for Covered Entity, it shall, following the discovery of a breach of such information, notify Covered Entity of such breach within a period of five (5) days after discovery of the breach. Such notice shall include: a) the identification of each individual whose Unsecured Protected Health Information has been, or is reasonably believed by Business Associate to have been accessed, acquired or disclosed during such breach; b) a brief description of what happened, including the date of the breach and discovery of the breach; c) a description of the type of Unsecured PHI that was involved in the breach; d) a description of the investigation into the breach, mitigation of harm to the individuals and protection against further breaches; e) the results of any and all investigation performed by Business Associate related to the breach; and f) contact information of the most knowledgeable individual for Covered Entity to contact relating to the breach and its investigation into the breach.
- L. To the extent the Business Associate is carrying out an obligation of the Covered Entity's under the Privacy Rule, the Business Associate must comply with the requirements of the Privacy Rule that apply to the Covered Entity in the performance of such obligation.
- M. Business Associate agrees that it will not receive remuneration directly or indirectly in exchange for PHI without authorization unless an exception under 45 C.F.R. § 164.502(a)(5)(ii)(B)(2) applies.
- N. Business Associate agrees that it will not receive remuneration for certain communications that fall within the exceptions to the definition of Marketing under 45 C.F.R. §164.501, unless permitted by 45 C.F.R. § 164.508(a)(3)(A)-(B).
- O. If applicable, Business Associate agrees that it will not use or disclose genetic information for underwriting purposes, as that term is defined in 45 C.F.R. § 164.502.
- P. Business Associate hereby agrees to comply with state laws and rules and regulations applicable to PHI and personal information of individuals' information it receives from Covered Entity during the term of the Agreement.
  - i. Business Associate agrees to: (a) implement and maintain appropriate physical, technical and administrative security measures for the protection of personal information as required by any state law and rules and regulations; including, but not limited to: (i) encrypting all transmitted records and files containing personal information that will travel across public networks, and encryption of

all data containing personal information to be transmitted wirelessly; (ii) prohibiting the transfer of personal information to any portable device unless such transfer has been approved in advance; and (iii) encrypting any personal information to be transferred to a portable device; and (b) implement and maintain a Written Information Security Program as required by any state law as applicable.

- ii. The safeguards set forth in this Agreement shall apply equally to PHI, confidential and "personal information." Personal information means an individual's first name and last name or first initial and last name in combination with any one or more of the following data elements that relate to such resident: (a) Social Security number; (b) driver's license number or state-issued identification card number; or (c) financial account number, or credit or debit card number, with or without any required security code, access code, personal identification number or password, that would permit access to a resident's financial account; provided, however, that "personal information" shall not include information that is lawfully obtained from publicly available information, or from federal, state or local government records lawfully made available to the general public.

### 3. Permitted Uses and Disclosures by Business Associate.

- a. Except as otherwise limited to this Agreement, Business Associate may use or disclose PHI to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in the Service Arrangement, 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 Covered Entity required by 45 C.F.R. §164.514(d).
- b. Except as otherwise limited in this Agreement, Business Associate may use PHI for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate.
- c. Except as otherwise limited in this Agreement, Business Associate may disclose PHI for the proper management and administration of the Business Associate, provided that disclosures are Required By Law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as Required By Law or for the purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.
- d. Except as otherwise limited in this Agreement, Business Associate may use PHI to provide Data Aggregation services to Covered Entity as permitted by 45 C.F.R. §164.504 (e)(2)(i)(B).
- e. Business Associate may use PHI to report violations of law to appropriate Federal and State authorities, consistent with 45 C.F.R. §164.5020(1).

4. Obligations of Covered Entity

- a. Covered Entity shall notify Business Associate of any limitation(s) in its notice of privacy practices of Covered Entity in accordance with 45 C.F.R. § 164.520, to the extent that such limitation may affect Business Associate's use or disclosure of PHI.
- b. Covered Entity shall notify Business Associate of any changes in, or revocation of, permission by an Individual to use or disclose PHI to the extent that such changes may affect Business Associate's use or disclosure of PHI.
- c. Covered Entity shall notify Business Associate of any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 C.F.R. §164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

5. Permissible Requests by Covered Entity

Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under the Privacy Rule if done by Covered Entity, provided that, to the extent permitted by the Service Arrangement, Business Associate may use or disclose PHI for Business Associate's Data Aggregation activities or proper management and administrative activities.

6. Term and Termination.

- a. The term of this Agreement shall begin as of the effective date of the Service Arrangement and shall terminate when all of the PHI provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy PHI, protections are extended to such information, in accordance with the termination provisions of this Section.
- b. Upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall either:
  - i. Provide an opportunity for Business Associate to cure the breach or end the violation and terminate this Agreement and the Service Arrangement if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity.
  - ii. Immediately terminate this Agreement and the Service arrangement if Business Associate has breached a material term of this Agreement and cure is not possible.
- c. Except as provided in paragraph (d) of this Section, upon any termination or expiration of this Agreement, Business Associate shall return or destroy all PHI received from

Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the PHI. Business Associate shall ensure that its subcontractors or vendors return or destroy any of Covered Entity's PHI received from Business Associate.

- d. In the event that Business Associate determines that returning or destroying the PHI is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction infeasible. Upon Covered Entity's written agreement that return or destruction of PHI is infeasible, Business Associate shall extend the protections of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI.

#### 7. Miscellaneous.

- a. A reference in this Agreement to a section in the Privacy Rule or Security Rule means the section as in effect or as amended.
  - b. The Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for Covered Entity to comply with the requirements of HIPAA, the Privacy and Security Rules and HITECH.
  - c. The respective rights and obligations of Business Associate under Section 6 (c) and (d) of this Agreement shall survive the termination of this Agreement.
  - d. Any ambiguity in this Agreement shall be resolved to permit Covered Entity to comply with HIPAA and HITECH.
  - e. Business Associate is solely responsible for all decisions made by Business Associate regarding the safeguarding of PHI.
  - f. Nothing express or implied in this Agreement is intended to confer, nor shall anything herein confer upon any person other than Covered Entity, Business Associate and their respective successors and assigns, any rights, remedies, obligations or liabilities whatsoever.
  - g. Modification of the terms of this Agreement shall not be effective or binding upon the parties unless and until such modification is committed to writing and executed by the parties hereto.
  - h. This Agreement shall be binding upon the parties hereto, and their respective legal representatives, trustees, receivers, successors and permitted assigns.
  - i. Should any provision of this Agreement be found unenforceable, it shall be deemed severable and the balance of the Agreement shall continue in full force and effect as if the unenforceable provision had never been made a part hereof.
- J. This Agreement and the rights and obligations of the parties hereunder shall in all respects be governed by, and construed in accordance with, the laws of the State of Rhode Island,



including all matters of construction, validity and performance.

- k. All notices and communications required or permitted to be given hereunder shall be sent by certified or regular mail, addressed to the other part as its respective address as shown on the signature page, or at such other address as such party shall from time to time designate in writing to the other party, and shall be effective from the date of mailing.
  - l. This Agreement, including such portions as are incorporated by reference herein, constitutes the entire agreement by, between and among the parties, and such parties acknowledge by their signature hereto that they do not rely upon any representations or undertakings by any person or party, past or future, not expressly set forth in writing herein.
  - m. Business Associate shall maintain or cause to be maintained sufficient insurance coverage as shall be necessary to insure Business Associate and its employees, agents, representatives or subcontractors against any and all claims or claims for damages arising under this Business Associate Agreement and such insurance coverage shall apply to all services provided by Business Associate or its agents or subcontractors pursuant to this Business Associate Agreement. Business Associate shall indemnify, hold harmless and defend Covered Entity from and against any and all claims, losses, liabilities, costs and other expenses (including but not limited to, reasonable attorneys' fees and costs, administrative penalties and fines, costs expended to notify individuals and/or to prevent or remedy possible identity theft, financial harm, reputational harm, or any other claims of harm related to a breach) incurred as a result of, or arising directly or indirectly out of or in connection with any acts or omissions of Business Associate, its employees, agents, representatives or subcontractors, under this Business Associate Agreement, including, but not limited to, negligent or intentional acts or omissions. This provision shall survive termination of this Agreement.
8. Acknowledgment.

The undersigned affirms that he/she is a duly authorized representative of the Business Associate for which he/she is signing and has the authority to execute this Addendum on behalf of the Business Associate.

Acknowledged and agreed to by:

EOHHS

DEPUTY SECRETARY

On behalf of:

BHDDH/DHS/DOH/DCYF/DEA

DAVID BURNETT

Printed Name

Date

5/13/14

PUBLIC CONSULTING GROUP, Inc.

AUTHORIZED AGENT

President and Chief Executive Officer

TITLE

William S. Mosakowski

Printed Name

5/5/14

Date

## ADDENDUM XIX

### **FEDERAL SUBAWARD REPORTING**

For contracts awarding more than \$25,000 in FEDERAL funds, include Transparency Act Questionnaire for agency to complete and return.

If award is \$0 or less than \$25,000 in FEDERAL funds, enter N/A below, and no questionnaire should be mailed.

#### The Federal Funding Accountability and Transparency Act (FFATA) Sub-award Reporting & Executive Compensation

1. Name and address of entity receiving the grant: Public Consulting Group Inc.  
148 State Street, Tenth Floor, Boston, MA 02109
2. DBA name: PCG Inc.
3. Does the entity receive equal to or greater than \$25,000 each fiscal year on or after October 1, 2010 (mandatory & discretionary grants)? Yes ~~(Do not include ARRA funds)~~ No / N/A
4. Amount of this Award: \$446,920
5. Federal Funding Agency: CMS
6. CFDA Number: N/A
7. Award title (descriptive of the purpose of the funding action): Development and Implementation of a Cost Allocation Plan for the RI Medicaid Program and Indirect Cost rates for BHDDH, DHS (DEA), and DOH
8. Location of the entity (including congressional district): Boston, MA
9. Place of performance (including congressional district): Cranston, Rhode Island  
U.S. House District 2
10. Unique identifier (DUNS) of the entity and its parent and DUNS +4: 18-282-6909
11. If the entity received 80 percent of its annual gross revenues in Federal funding awards and \$25 million or more in annual gross revenues from Federal awards in the preceding fiscal year, they must disclose the total compensation and names of top five (5) executives:

Name	Compensation
N/A	N/A

I hereby attest that the information provided above is true, accurate and complete to the best of my knowledge and understanding.

\_\_\_\_\_  
Authorized Agent/Signature

William S. Mosakowski

Print Name

\_\_\_\_\_  
5/5/14

Date

### **IMPORTANT ITEMS TO NOTE ABOUT NEW REQUIREMENT**

**-- The Federal Funding Accountability and Transparency Act (FFATA or Transparency Act - P.L.109-282, as amended by section 6202(a) of P.L. 110-252) requires the Office of Management and Budget (OMB) to maintain a single, searchable website that contains current information on all Federal spending awards. That site is at [www.USASpending.gov](http://www.USASpending.gov) .**

--Includes both mandatory and discretionary grants

--Do not include grants funded by the Recovery Act (ARRA)

--For more information about Federal Spending Transparency, refer to <http://www.whitehouse.gov/omb/open>

--If the initial award is below \$25,000 but subsequent grant modifications result in a total award equal to or over \$25,000, the award will be subject to the reporting requirements, as of the date the award exceeds \$25,000

--If the initial award equals or exceeds \$25,000 but funding is subsequently de-obligated such that the total award amount falls below \$25,000, the award continues to be subject to the reporting requirements of the Transparency ACT and this Guidance