

ARKANSAS DEPARTMENT OF HUMAN SERVICES
PERFORMANCE BASED CONTRACTING

Pursuant to Ark. Code Ann. 19-11-267 et. seq., the selected contractor shall comply with performance-based standards. Following are the performance-based standards that will be a part of the contract and with which the contractor must comply for acceptable performance to occur under the contract.

- I. The contractor must comply with all statutes, regulations, codes, ordinances, and licensure or certification requirements applicable to the contractor or to the contractor's agents and employees and to the subject matter of the contract. Failure to comply shall be deemed unacceptable performance.

- II. Except as otherwise required by law, the contractor agrees to hold the contracting Division/Office harmless and to indemnify the contracting Division/Office for any additional costs of alternatively accomplishing the goals of the contract, as well as any liability, including liability for costs or fees, which the contracting Division/Office may sustain as a result of the contractor's performance or lack of performance.

- III. During the term of the contract, the division/office will complete sufficient performance evaluation(s) to determine if the contractor's performance is acceptable. The damages set forth below are not exclusive and shall in no way exclude or limit any remedies available at law or in equity.

- IV. The State **shall** have the right to modify, add, or delete Performance Standards throughout the term of the contract, should the State determine it is in its best interest to do so. Any changes or additions to performance standards will be made in good faith following acceptable industry standards and may include the input of the vendor so as to establish standards that are reasonably achievable.

- V. The contract program deliverables and performance indicators to be performed by the contractor are:

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<p>APPLICATION MAINTENANCE AND OPERATIONS</p> <p>The Contractor must maintain an inventory of all applications in the DHS portfolio (Refer to Appendix 1 M&O Application Inventory) and perform maintenance and operation services. The inventory must capture any changes to the portfolio and must be captured at a minimum on an annual basis by re-base-lining the portfolio and related M&O costs.</p> <p>The Contractor shall be responsible for the Status Quo Standard Operating Procedures, Legacy Rationalization Requirements and Execution as outlined in Table 1 of the RFP or any subsequent DHS approved versions thereof incorporated to any resulting contract.</p> <p>Break Fix/Critical Fault / Corrective Maintenance</p> <p>The Contractor shall be responsible for fixing failures (not functioning as designed) that cause a crash, hang-up, data loss or corruption, erroneous results or no work around for a major documented function- including associated analysis, design, coding, testing, communications, documentation, and implementation as well as issues encountered in the course of keeping purchased application packages up and running.</p>	<p>Acceptable performance is always defined as one hundred percent (100%) compliance with Service Criteria throughout the contract term as determined by DHS.</p>	<p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A two-thousand-dollar (\$2,000) penalty will be assessed for each incident in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The two-thousand-dollar (\$2,000) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, monetary damages, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p>
<p>Preventative and Perfective Maintenance</p> <p>The Contractor shall be responsible for improving performance and maintainability and proactively addressing latent defects and to find and eliminate errors before they can impact the business and performance of an application. The Contractor must make effort to improve application speed, reliability and/or reduce the ongoing support costs.</p>	<p>Acceptable performance is always defined as one hundred percent (100%) compliance with Service Criteria throughout the contract term as determined by DHS.</p>	<p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A two-thousand-dollar (\$2,000) penalty will be assessed for each incident in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The two-</p>

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<p>Adaptive Maintenance The Contractor shall be responsible for adapting the application to changes in the operating environment (e.g. required by infrastructure, operating system, Contractor, etc.) including associated communication and documentation.</p> <p>User Documentation The Contractor shall be responsible for maintaining existing user documentation. New documentation is part of project development.</p> <p>System Documentation The Contractor shall be responsible for maintaining existing system documentation. New documentation is part of development. This includes maintaining and setting up system documentation related websites.</p> <p>Security The Contractor shall be responsible for securing, providing access, documenting, and authorization to systems.</p> <p>Maintain Production and Non-Production Environments The Contractor shall be responsible for maintaining a test environment. The test environment availability shall not impact project timelines.</p> <p>System Audits The Contractor shall be responsible for supporting system audits.</p> <p>Training (Staff) The Contractor shall be responsible for providing staff to train other development and support staff on a given system, language or tool. This includes:</p> <ul style="list-style-type: none"> • Required formal and informal effort for development and 		<p>thousand-dollar (\$2,000) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, monetary damages, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p>

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<p>support staff to both learn and train</p> <ul style="list-style-type: none"> Required effort required to switch to and learn a new package or tool that is directly related to an application (learning non-application specific packages should be recorded under admin) <p>Tier 2 Application Support Provide Tier 2 Support for in scope applications. Calls may be forwarded to the Contractor for application support. This includes both incident and problem management.</p> <p>Training (Customer) The Contractor shall be responsible for assistance in proper use of the application and formal system training. Customer training must be provided by the Contractor as part of the M&O process whenever system changes are delivered. The Contractor must update materials and train DHS' training team on any system modifications that result from application M&O activities.</p> <p>Data Discrepancies The Contractor shall be responsible for assisting resolution of data issues where the data is the problem, not the associated code.</p> <p>Efficiency Improvements The Contractor must drive M&O costs towards best-in-class through improvements in application M&O processes and automation. The Contractor must launch strategic initiatives such as portfolio rationalization, application retirement, and cloud migration to achieve higher return on investment impact. These initiatives are considered to directly impact the scope of Applications M&O, though will be managed as projects, similar to projects</p>		

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<p>covered by Implementing Enhancements (Application Development) scope. Annual adjustments must be used to re-align the costs and efforts based on any completed initiatives.</p> <p>Contractor Roles/Responsibilities The Contractor shall provide the services and staffing required to support the entire applications portfolio. As part of the Contractor's fixed fee, the Contractor must continuously identify opportunities to improve how the services are provided and implement those enhancements to achieve the SLA targets and cost reduction goals. The Contractor shall be responsible for the Contractor's responsibilities as outlined in Table 2 of the RFP or any subsequent DHS approved versions thereof incorporated to any resulting contract.</p>		
<p>Disaster Recovery The Contractor shall be responsible for supporting DHS during disaster recovery. The Contractor shall be responsible for ensuring the disaster recovery environment is functioning. This includes:</p> <ul style="list-style-type: none"> • Assisting in developing Disaster Recovery Plans • Assisting in Disaster Recovery Testing • Assisting in the event of a disaster 	<p>Acceptable performance is always defined as one hundred percent (100%) compliance with Service Criteria throughout the contract term as determined by DHS.</p>	<p>1st Incident (applicable only to developing and testing the Disaster Recovery Plans): A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident (applicable only to developing and testing the Disaster Recovery Plans): A two-thousand-dollar (\$2,000) penalty will be assessed for each incident in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The two-thousand-dollar (\$2,000) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p>

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		<p>In the event of a disaster and subject to agreement on processes and responsibilities, a five-thousand dollar \$5,000 penalty per 24-hour period beyond the initial 72-hour period; not to exceed \$25,000 per Disaster that the Acceptable Performance is not met due to Contractor's failure to perform its specified responsibilities. This damage will not to exceed \$100,000 over the full term of the Contract.</p> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, monetary damages, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p>
<p>IMPLEMENT ENHANCEMENTS (APPLICATION DEVELOPMENT)</p> <p>A. In addition to providing maintenance and operations for the legacy applications, the Contractor must implement functional enhancements to the existing application portfolio or develop new functionality. Level of Efforts (LOEs) should be used for developing new functionality. LOEs should also include resource maps and ongoing M&O costs. The exact scope of these projects will be identified during the engagement as needs arise through a specific request from DHS. These projects will include activities which are not covered by the Applications M&O Scope or the Business Intelligence and Reporting scope and require more than eighty (80) hours of developer effort. They include:</p>	<p>Acceptable performance is always defined as one hundred percent (100%) compliance with Service Criteria throughout the contract term as determined by DHS.</p>	<p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident (applicable only to developing and testing the Disaster Recovery Plans): A two-thousand-dollar (\$2,000) penalty will be assessed for each incident in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The two-thousand-dollar (\$2,000) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, monetary</p>

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<ul style="list-style-type: none"> • Implementing additional functionality within an existing application • Building new applications to support emerging requirements • Enhancing a solution/testing a solution to support other State of Arkansas initiatives • Implementing architectural changes to the solution to improve solution performance <p>The resulting functionality must be warranted for a year after the completion of the project.</p> <p>B. Prior to initiating any DDI project, DHS will provide a scope of work, with the Contractor's assistance, at enough detail for the Contractor to provide a fixed fee proposal. This fixed fee proposal will include an explanation of the basis for the estimate (e.g. the number of function points) any additional hardware or software requirements, any changes to ongoing maintenance and operations costs, and a return on investments analysis. This estimating methodology must be agreed to beforehand by DHS and allow for a third party to validate the cost estimate.</p> <p>C. In certain circumstances, especially when looking at newer technologies, DHS may request the Contractor to procure services from a Contractor with specific skill sets. The Contractor must provide status reports for each project throughout its life and must receive approval from DHS governance body whenever the scope, schedule or budget must be modified.</p>		<p>damages, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p>

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<p>D. The focus of this work is any enhancements to the applications. This does not include initiatives to improve the efficiency of providing M&O or application development services as these are covered under other scopes of work. However, these projects may be managed in a similar manner.</p> <p>Efficiency Improvements The Contractor shall drive application development costs towards best-in-class through process enhancements such as implementing automated testing tools. The expectation is that these efforts will be implemented as part of enhancement projects and agreed to within Service Level Requirements and related targets</p> <p>Roles and Responsibilities The Contractor shall be responsible for all design, development, and implementation (DDI) projects that enhance the existing solution. The Contractor must manage these as fixed fee proposals based on the scope provided by DHS. Although the size and scope of these projects could vary significantly, the Contractor must be able to provide all the skillsets required to complete a complex project and shall be responsible for the Contractor's DDI project roles and responsibilities as outlined in Table 3 or any subsequent DHS approved versions thereof incorporated to any resulting contract.</p> <p>The Contractor must collaborate with DHS during this time to ensure the application strategy (e.g. enhancing existing applications rather than building a new application with similar functionality) and architecture are in alignment with DHS' standards</p>		

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<p>and architecture guidelines. Additionally, during this timeframe the Contractor shall collaborate with DHS to define the preferred methodology (e.g. modified waterfall, Agile, etc.) and define milestones.</p> <p>Business Intelligence and Reporting</p> <p>A. The Contractor shall be responsible for:</p> <ul style="list-style-type: none"> • Capturing and tracking the end-user's business intelligence and reporting needs • Collaborating with the end-users to define/refine a solution to their business needs • Selecting the appropriate technology solution (e.g. parameter driven reports, analytics tool, ad-hoc query tool, etc.) • Developing a solution for their BI needs and migrating this solution into production • Documenting the functional and technical design of each solution • If required, migrating additional data into the data warehouse from the source systems • Training users on how to use the solution and providing any required training materials <p>B. The Contractor must provide twelve (12) full time staff members shall be assigned to performing the tasks outlined above (Section 2.5.3 of RFP).</p> <p>C. DHS expects the Contractor to propose to distribute the current BI and reporting portfolio into M&O (BL - Baseline) and Enhancement projects, and allocate appropriate resources to each set of activities. The Contractor shall include a minimum set of resources for support of BI Power Users within</p>		

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<p>the departments as a part of M&O Services.</p> <p>Roles and Responsibilities The Contractor must report all in flight reporting efforts with the associated costs on a monthly basis.</p>		
<p>PROVISION OF ADDITIONAL AS-NEEDED SERVICES</p> <p>A.</p> <p>B.</p> <p>C. The Contractor must provide these services either through internal resources, or, more frequently, or at AR DHS discretion, through procurement of sub-contractors who have the specific skills required. Any resulting work efforts will be administered by the Contractor through their contract with DHS.</p> <p>D. Upon DHS request, the Contractor must establish a process for conducting a market survey to obtain bids for new technologies. This activity must be transparent and encourage competition and acquisition of the outside Contractors with the right skill set. The Contractor shall manage any sub-contractor and implementation of selected outside Contractor.</p> <p>Roles and Responsibilities The Contractor shall:</p> <ul style="list-style-type: none"> • Review the request for services and ensure all areas of ambiguity have been addressed • Identify qualified staff/project teams which can meet the needs outlined in the request for services. Typically, this will include sub-contractors. • Coordinate with candidate/project team • Administer all billing activities • Be responsible for the end-to-end solution (if a new solution integrates with applications) 	<p>Acceptable performance is always defined as one hundred percent (100%) compliance with Service Criteria throughout the contract term as determined by DHS.</p>	<p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident (applicable only to developing and testing the Disaster Recovery Plans): A two-thousand-dollar (\$2,000) penalty will be assessed for each incident in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The two-thousand-dollar (\$2,000) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, monetary damages, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p>

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<p>being managed by the Contractor)</p> <ul style="list-style-type: none"> Report progress and/or costs of all additional services activities monthly <p>All requests will be approved by the DHS governance body.</p>		
<p>ENGAGEMENT MANAGEMENT AND GOVERNANCE</p> <ul style="list-style-type: none"> <p>Contractor Management</p> <p>A. The Contractor shall be held accountable for finding opportunities to improve efficiencies of M&O and implementing these changes.</p> <p>Service Levels</p> <p>A. The Contractor must report performance against each SLA at the defined reporting period included within Attachment K</p> <p>The Contractor must commence tracking and reporting system performance and availability at the end of the Transition period. For those applications that are determined not able to meet the SLRs, the Contractor must develop a plan to align with the required service levels. If this requires system modifications, the Contractor shall develop Enhancement Requirements and Cost Estimates capturing the modifications required to bring the application in alignment with the SLRs.</p> <p>Function Point Analysis</p> <p>A. The Contractor must fully cooperate with the DHS selected third party that will measure the Functional size of each of the critical applications for benchmarking purposes and provide appropriate resources to assist with the initial count of Function Points, if requested.</p>	<p>Acceptable performance is always defined as one hundred percent (100%) compliance with Service Criteria throughout the contract term as determined by DHS.</p>	<p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: At DHS discretion, DHS may impose up to two-thousand-dollar (\$2,000) penalty per required cycle in damages for insufficient performance. The two-thousand-dollar (\$2,000) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, monetary damages, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p>

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<p>B. DHS also expects to use Function Points to assess the functional size of new enhancement requests and the Contractor must provide estimates of the Function Point size of any enhancements requests along with the fixed cost proposal. These estimates must be provided in a format that can be validated by a third party.</p> <p>Contractor and DHS Staffing</p> <p>A. Contractor Staffing Expectations</p> <p>The Contractor must provide a team to perform the scope and complete the tasks and deliverables. The Contractor must lead these activities and deliver the related services and should not expect direct State or incumbent support resources to be available after the transition period. The Contractor's team must have an ongoing on-site presence with core resources dedicated to performing the activities outlined in Attachment K ISS Requirements. The Contractor must also have the capability to add staff with deep knowledge of the implemented technology to support major enhancements/upgrades in a timely manner.</p> <p>B. Contractor Key Personnel</p> <p>1. Contractor's Key Personnel must be the primary team that delivers the ISS Services. As these staff members are deemed critical to the success of this initiative, they must be full-time and dedicated solely to the DHS account (unless otherwise noted).</p> <p>2. The Contractor must ensure Key Personnel have, and maintain, relevant current license(s) and/or</p>		

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<p>certification(s). The Contractor can provide alternative solutions though any changes must be approved by DHS. Changes to the proposed positions and responsibilities will only be allowed with prior written permission from DHS.</p> <p>3. The Contractor can provide an alternative organizational design that could improve service levels and/or decrease costs though any changes must be discussed with DHS prior to implementing these changes.</p> <p>4. The Contractor shall seek and receive DHS approval before hiring or replacing any Key Personnel. The Contractor shall remove and replace Key Personnel, if requested by DHS, within two (2) weeks of the request for removal.</p> <p>5. The Contractor must provide DHS with written notification of anticipated vacancies of Key Personnel within two (2) business days of receiving the individual's resignation notice, the Contractor's notice to terminate an individual, or the position otherwise becoming vacant. Replacements for Key Personnel shall have qualifications that meet or exceed those specified in this section and will be subject to approval by DHS. The Contractor shall provide DHS with status update reports every week on the progress of the replacement candidate recruiting process until a qualified candidate is hired. The Contractor shall have in place a qualified</p>		

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<p>replacement within sixty (60) days of the last day of employment of the departing Key Personnel. During the recruitment and training period, the Contractor shall provide an interim replacement for all Key Personnel, subject to approval by DHS.</p> <p>6. DHS requires these key resources to be members of the transition team to ensure continuity.</p> <p>7. The table below provides Key Personnel positions for the Contractor team, corresponding roles and responsibilities for the engagement, and minimum qualifications for each The Contractor shall be responsible for the Key Personnel positions for the Contractor team, corresponding roles and responsibilities for engagement, and minimum qualifications for each as outlined in Table 4 of the RFP or any subsequent DHS approved versions thereof incorporated to any resulting contract.</p>		
<p>EXPECTED WORK ENVIRONMENT</p> <p>Shoulder-to-Shoulder Organization Structure and Knowledge Transfer</p> <p>A. The Contractor must ensure proper knowledge transfer throughout the life of the contract. This will include “shoulder- to-shoulder” work (when required) with identified DHS resources so that knowledge about DHS’ systems and business can be transferred from DHS to the Contractor staff and knowledge about the system can be transferred from</p>	<p>Acceptable performance is always defined as one hundred percent (100%) compliance with Service Criteria throughout the contract term as determined by DHS.</p>	<p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A two-thousand-dollar (\$2,000) penalty will be assessed for each incident in the following months’ payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The two-thousand-dollar (\$2,000) penalty will be deducted from the total payment for the identified month in which the deficiency took</p>

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<p>the Contractor to DHS staff. This is particularly important with regard to the DDI of system enhancements.</p> <p>Facilities and Equipment/Location of Contracted Personnel</p> <p>A. Onsite activities performed in response to this RFP must primarily be performed in Little Rock. The Contractor may perform services from a location outside of Little Rock only once approved by DHS. Shared services (staff support such as finance, billing, contracts) may work outside of Little Rock without approval by DHS. All work associated with this RFP must be performed at a location within the United States of America.</p> <p>B. The Contractor must provide a facility with sufficient office and meeting space for the Contractor's personnel and the capability to support up to twenty (20) DHS employees for short periods (e.g. phases of enhancement projects that require significant DHS input such as UAT). DHS advises this facility should be located in downtown Little Rock (either within walking distance or 5 miles of the DHS offices with complementary parking) and the location must provide adequate free parking for DHS staff. The Contractor must secure their own facility space aligned to DHS' expectations. The Contractor shall be responsible for all telephones and furniture and will provide three (3) guest workstations for DHS employees.</p> <p>C. The Contractor shall be responsible for the local network.</p>		<p>place.</p> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, monetary damages, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p> <p><u>At DHS discretion, DHS may impose up to \$2500 per required cycle in damages for insufficient performance.</u></p>

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<p>D. The Contractors' staff shall be available to participate in services-related meetings as scheduled by DHS. On-site work shall be performed during normal State business hours, Monday through Friday 8:00 AM until 5:00 PM.</p> <p>E. Contractors must establish appropriate protocols in alignment with Federal and State regulations, including but not limited to FIPS, HIPAA and IRS Publication 1075, to ensure the physical property/facility security and data security and confidentiality safeguards are maintained.</p> <p>Deliverables Approval Approach</p> <p>1. The Contractor shall establish specific expectations for deliverables using the Deliverables Expectation Document process described below. All deliverables will be reviewed and approved using a structured and controlled process. These processes, structures and tools will govern any work done for ISS Applications Support. The Contractor must agree to these processes, and any work done not in compliance with these is completely at risk by the Contractor.</p> <p>2. The Contractor must further detail the processes, roles and templates to be used in the ISS Applications M&O and Deliverables approval process during the initial phase of their effort (in the Project Management Plan (PMP) and during transition phase for the Contractor's and the Contractor's ISS Applications M&O activities). The PMP must align with the guidelines set by the DHS' operational processes.</p>		

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<p>Deliverables Expectations Document</p> <p>1. Contractors must develop Deliverables Expectations Documents (DEDs), in an approved DHS form and format, and Contractor deliverables must adhere to the information within the DED. The Contractor must not perform any work on any deliverable until the DED has been approved in writing by DHS. The Contractor must use a standard template for all DEDs that will include at least the following:</p> <ul style="list-style-type: none"> <input type="checkbox"/> The purpose and a description of the deliverable <input type="checkbox"/> An outline/table of contents for the deliverable including a description of the anticipated content <input type="checkbox"/> Identify the reviewers and approvers of the deliverable <input type="checkbox"/> Acceptance criteria <input type="checkbox"/> The approach to managing changes to the deliverable after the deliverable is approved <input type="checkbox"/> Interim steps the Contractor will perform and work products the Contractor will provide in completing the deliverable so DHS feedback can be incorporated early in the process and reduce the risk of delays when the final deliverable is produced <p>2. As each deliverable is submitted, the Contractor must include a copy of the associated DED.</p> <p>Controlled Correspondence</p> <p>1. In order to track and document requests for decisions and/or information, and the subsequent response to those requests, DHS and the Contractor shall use Controlled Correspondence.</p>		

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<p>2. Each Controlled Correspondence document shall be signed by the DHS Contract Manager (or designee) and the Contractor Project Manager (or designee). No Controlled Correspondence document shall be effective until the signatures of both are attached to the document.</p> <p>3. The Controlled Correspondence process may be used to document mutually agreeable operational departures from the specifications and/or changes to the specifications. Controlled Correspondence may be used to document the cost impacts of proposed changes, but Controlled Correspondence shall not be the basis of a claim for equitable adjustment pricing. Any changes that involve a change in pricing must be by a Purchase Order Change Notice.</p> <p>4. Controlled Correspondence documents will be maintained by both parties in ongoing logs and shall become part of the normal status reporting process.</p> <p>Deliverable Acceptance</p> <p>1. All Contractor deliverables are subject to review by DHS prior to final approval, acceptance, and payment. Where appropriate, the Contractor must perform a walkthrough of a draft version of the deliverable with all appropriate DHS staff and solicit feedback prior to submitting the Deliverable for approval.</p> <p>2. Acceptance of all Contractor deliverables must be completed via a Deliverables Acceptance Document (DAD) in a format approved by DHS and drafted for each deliverable by the Contractor.</p>		

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<p>3. Review time will depend on the complexity of the deliverables. In the event of the rejection of any deliverable, the Contractor shall be notified in writing via Controlled Correspondence, giving the specific reason(s) for rejection. Unless agreed by DHS due to complexity of the deliverable, Contractor shall have five (5) working days to correct the rejected deliverable and return it to DHS via Controlled Correspondence. Failure by DHS to complete activities within the timeframes noted does NOT constitute acceptance, approval or completion unless otherwise agreed upon by DHS and the Contractor.</p>		
<p>INFORMATION SYSTEM SUPPORT (ISS) SCOPE OF WORK TASKS AND DELIVERABLES</p> <p>Scope of Work Overview</p> <p>A. At a minimum the deliverables (or equivalent) must be produced by the Contractor for DHS' approval. These deliverables will be payment milestones and the Contractor shall not be paid until DHS has reviewed and approved each deliverable.</p> <p>B. The following sections includes DHS' expectations on the services and deliverables to be provided by the Contractor. The Contractor shall be responsible for Applications M&O Tasks Deliverables as outlined in Table 5 of the RFP or any subsequent DHS approved versions thereof incorporated to any resulting contract.</p> <p>Task 1: ISS Applications M&O Transition Planning</p>	<p>Acceptable performance is always defined as one hundred percent (100%) compliance with Service Criteria throughout the contract term as determined by DHS.</p>	<p>At DHS discretion, DHS may impose up to \$2500 per required cycle in damages for insufficient performance.</p>

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<p>A. The ISS M&O Transition Planning task must include all activities required to migrate M&O activities of the ISS applications effectively and seamlessly from the incumbent Contractor to the Contractor's M&O team, integrate with the DIS M&O processes and ensure a smooth transition of in-flight projects. Additionally, the Contractor must evaluate the current portfolio of applications and identify opportunities to improve IT Operations Support (e.g. identify dead code, identify opportunities for automation). The incumbent Contractor will provide assistance (e.g. knowledge transfer related to software, data, documentation, tools, processes, help desk operations) to the Contractor as the M&O activities are transitioned to them (see the Procurement Library for additional details).</p> <p>B. The ISS Applications M&O Transition Plan must be collaboratively developed with DHS and the incumbent Contractor, and aligned with the incumbent Contractor's transition plan. Transition planning activities are anticipated to start approximately 6-9 months before the end of the incumbent Contractor's contract. The Plan must outline all key elements required to take over management of the ISS applications (and perform all requirements outlined in Template T-6 Attachment K — ISS Requirements) including, but not limited to:</p> <ul style="list-style-type: none"> • Organization structure including roles and responsibilities and staffing 		

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<p>levels for the M&O processes. This includes a facilities plan, staffing plan/onboarding plan and training plan for all the staff required to perform the activities identified in this SOW and Attachment K — ISS Requirements</p> <ul style="list-style-type: none"> • Transitioning administration and ownership of tools and data supporting the ISS Applications • Performing M&O related to the ISS components • Identification of all relevant documentation (e.g., design, architecture, support processes) and transitioning maintenance of these documents • Updating M&O documentation with changes resulting from the migration to the Contractor's M&O team • Rules of engagement with respect to the DHS/DIS' role in maintaining and operating the infrastructure, as well as managing and coordinating a multi-Contractor environment • Approach to ISS Applications M&O reporting including status reporting, SLR Performance Reporting and reporting mechanisms • Approach to security and confidentiality in alignment with all applicable Federal and State laws, policies and regulations • Approach to reducing cost of the Application M&O during the contract • Approach for introducing function points and metrics for tracking Contractor performance 		

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<p>C. In addition, at DHS' discretion and upon request, the Contractor must include a transition plan for the M&O. DHS assumes the transition will not occur all at once but rather the Contractor shall incrementally take responsibility for the ISS Applications M&O activities throughout the transition period.</p> <p>D. The transition plan must be completed as outlined in Table 6 M&O Transition Plan of the RFP or any subsequent DHS approved versions thereof incorporated to any resulting contract shall be completed by senior staff who will be responsible for the transition and for the ongoing ISS Applications M&O activities.</p> <p>Task 2: ISS Applications M&O Transition Services</p> <p>A. The Contractor must execute the tasks and activities outlined in the ISS Applications M&O Transition Plan (defined in Task 1) – the activities required to seamlessly transition M&O services to the contracted Contractor.</p> <p>B. The Contractor's M&O team must have a significant on-site presence to ensure adequate knowledge transfer occurs and expects the Contractor to lead these activities as a project, with a Project Manager to track progress against all tasks and highlight risks and issues that require DHS' attention. DHS assumes it will be able to provide the State staff support outlined in the Plan and, as such, anticipates the Contractor will be able to complete the tasks on schedule.</p> <p>C. During the transition period, the Contractor must track progress closely and accurately report progress to DHS. This includes weekly status meetings, Executive</p>		

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<p>Steering Committee meetings and coordination with DHS.</p> <p>D. Prior to transitioning any ISS Applications M&O activities, the Contractor must demonstrate that it is able to assume the responsibility for that activity. Proof that all required activities have been completed must be provided (and DHS' approval received) along with a transfer or conversion plan for converting tools. A formal go/no-go decision process will be established to gain approval from DHS prior to transitioning the service.</p> <p>E. For a period of time after the Contractor has taken ownership of and responsibility for performing the ISS Applications M&O activities, the incumbent Contractor will maintain an advisory team as a contingency. This team will provide advice and recommend improvements. The Contractor must cooperate with the incumbent Contractor and implement the recommendations which DHS approves.</p> <p>F. The Contractor must complete all deliverables as outlined in Table 7 of the RFP or any subsequent DHS approved versions thereof incorporated to any resulting contract.</p> <p>Task 3: Provide M&O Services, Report Status and Assure Quality</p> <p>A. For the duration of the M&O period, Contractor must perform the M&O activities in accordance with the Service Level Requirements (SLRs). To ensure these activities are performed and the SLRs are met, the Contractor shall:</p> <ul style="list-style-type: none"> • Maintain and implement account management structure, planning and procedures according to the plan 		

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<ul style="list-style-type: none"> • Provide application service level reporting based on agreed upon SLR targets <p>The Contractor must complete all deliverables as outlined in Table 8 of the RFP or any subsequent DHS approved versions thereof incorporated to any resulting contract.</p> <p>Task 4: Implement Enhancements (Application Development)</p> <p>The Contractor must implement new functionality, both modification of existing functionality and new functionality (and potentially new systems). The Contractor should anticipate the staffing required to perform development will fluctuate based on needs but will average multiple resources. Each effort to implement enhancements must be treated as a fixed fee deliverable. Prior to developing any enhancements, DHS will provide the high -level requirements to the Contractor for pricing. The Contractor shall facilitate discussions for clarity if needed. The Contractor shall be responsible for:</p> <ul style="list-style-type: none"> ○ Attending service requests priority-setting meetings with DHS staff ○ Notifying DHS of any incorrect, incomplete, or ambiguous Solution or business requirements; this notification shall include recommendations for correcting the requirement to preserve correct and unambiguous requirements in the Requirements Repository ○ Developing a methodology for sizing application requests and pricing them based on function point analysis or equivalent ○ Collaborating with DHS to define the scope of a release based on the prioritization of the requested changes 		

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<ul style="list-style-type: none"> ○ Implementing submitted enhancement requests in a timeline that satisfies the SLRs defined in this RFP for this SOW, in a timeline that addresses DHS' business needs ○ Completing modifications by the release date approved by DHS. The approved dates are established through a DHS prioritization process ○ Submitting all deliverables associated with the service requests and releases in a timeline to allow for the deliverable review and approval process described in this RFP ○ Enforcing coding standards. These standards include the use of comments and code reuse. The process for enforcing coding standards must: <ul style="list-style-type: none"> □ Include validations to ensure that code comments and in-line code documentation are properly implemented ○ Utilize a combination of code peer reviews, custom tools and third-party tools including open source tools ○ Include the production of reports demonstrating code standards enforcement and coverage across code base ○ Include specific processes to ensure code reusability and enforcement of code reusability standards ○ Include support for the DHS quality assurance team to perform periodic or random audits and code reviews ● Updating Training Materials and developing a Training Plan, if required, for end users and IT support staff. <p>The Contractor must complete all deliverables as outlined in Table 9 of the RFP or any subsequent DHS approved versions thereof incorporated to any resulting contract.</p>		

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<p>Task 5: Support DHS' Business Intelligence, Analytics, and Reporting Needs</p> <p>A. This task includes all activities required to support DHS' reporting and analytics needs.</p> <p>B. There are currently ten (10) staff supporting these activities. It is strongly recommended that the Contractor assign at least twelve (12) individuals to work with DHS staff to continually enhance access to data and reporting and evolve the business intelligence capabilities. The number of staff may be annually adjusted after each re-baselining.</p> <p>C. The Contractor must maintain a list of requests received from different DHS stakeholders. Based on prioritization by DHS governance committee, the Contractor must meet with specific stakeholders to understand their needs, identify the appropriate technology to support the need (e.g. parameter based reports, analytical tools, query tools) and build the solution. The Contractor must iterate on the solution, building mock-ups, proof of concept etc. until the needs are met prior to migrating the reports to production. This includes expanding the data warehouse or data marts if additional data elements are required.</p> <p>D. The Contractor must complete all deliverables as outlined in Table 10 of the RFP or any subsequent DHS approved versions thereof incorporated to any resulting contract.</p> <p>Task 6: Provisioning of Additional As-Needed Services</p> <p>A. Upon receipt of a request for additional services (approved by DHS), the Contractor must identify</p>		

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<p>a resource or a team of resources which the <u>Contractor</u> is confident can address the requirements outlined by DHS. The <u>Contractor</u> shall be responsible for ensuring DHS' request has sufficient detail to contact their network of sub-contractors to identify qualified personnel, identifying potential candidates/teams and providing their information to DHS. The Contractor must provide multiple qualified options, have their sub-contractors provide cost estimates (based on the <u>Contractor's</u> rate sheets and classifications) and additional documentation required for DHS to evaluate the different options.</p> <p>B. The <u>Contractor</u> must administer any work efforts that result from requests for additional services through their contract.</p> <p>C.If these efforts result in a change to the DHS application architecture (e.g. a new mobile application) the <u>Contractor</u> shall be responsible for the end-to-end solution.</p> <p>D.The <u>Contractor</u> must have relationships with a variety of sub-contractors who they can contact to fulfill the requests.</p> <p>E.The Contractor must complete all deliverables as outlined in Table 11 of the RFP or any subsequent DHS approved versions thereof incorporated to any resulting contract.</p> <p>Task 7: Turn-over M&O Services</p> <p>A. Upon DHS request, The Contractor must provide the necessary effort to assist with this transition including development of transition plans and provision of ongoing transition assistance.</p> <p>B.The Contractor must continue to perform M&O services at the level</p>		

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<p>required in the Contract, maintain staffing to continue supporting the applications and provide the support required to smoothly transition M&O activities to the new party. They must be integral in the transition activities.</p> <p>C. The Contractor must complete all deliverables as outlined in Table 12 of the RFP or any subsequent DHS approved versions thereof incorporated to any resulting contract.</p>		
<p>Service Level Agreements (SLAs) Contractor shall perform as required by DHS established Service Level Agreements (SLAs) as captured in Attachment K– ISS Requirements. The Contractor must report performance against each SLA at the defined reporting period.</p>	<p>Acceptable performance is always defined as one hundred percent (100%) compliance with Service Criteria throughout the contract term as determined by DHS.</p>	<p>SLAs will have associated damages for insufficient performance that are subject to additional penalties including without limitation, increased financial penalties, withholding payment on future invoices until Vendor is in full compliance, requiring a Corrective Action Plan (CAP), maintaining a below standard Vendor Performance Report (VPR) in the vendor file, and terminating the contract.</p>
<p>Mandated Reporting Pursuant to Ark. Code Ann. §12-18-402 (b)(10) and Ark. Code Ann. §§ 12-12-1708(a)(1)(AA), Contractor and all of its employees, agents, and all Subcontractors and Subcontractor’s employees and agents shall immediately make a report to the Child Abuse Hotline or the Adult Maltreatment Hotline (based on type of maltreatment) if Contractor or any of its employees, agents, or Subcontractors’ employees and agents, while performing duties under this contract, have reasonable cause to suspect that:</p> <ol style="list-style-type: none"> a. A child has been subjected to child maltreatment; b. A child died as a result of child maltreatment; c. A child died suddenly and unexpectedly; or d. Observe a child being subjected to conditions or circumstances that would 	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>For each failure to report, DHS may impose:</p> <ol style="list-style-type: none"> 1. A ten percent (10%) penalty, assessed in the following months’ payment for each failure to report. The penalty will be calculated from the total payment for the identified month in which the deficiency took place; or 2. A one percent (1%) penalty, assessed in the next payment for each failure to report. The penalty will be calculated from the projected total yearly contract amount for the contract, as determined by DHS. DHS may elect to calculate penalties/damages differently per occurrence. <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, requiring a Corrective Action Plan (CAP),</p>

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<p>reasonably result in child maltreatment. or</p> <p>e. An endangered person or an impaired person has been subjected to conditions or circumstances that constitute adult maltreatment or long-term care facility resident maltreatment.</p> <p>A privilege or contract shall not prevent a person from reporting maltreatment when he or she is a mandated reporter and required to report under this section.</p> <p>An employer or supervisor of a mandated reporter shall not prohibit an employee or a volunteer from directly reporting maltreatment to the Hotline.</p> <p>An employer or supervisor of a mandated reporter shall not require an employee or a volunteer to obtain permission or notify any person, including an employee or a supervisor, before reporting maltreatment to the Hotline.</p> <p>Pursuant to Act 531 of 2019, Ark. Code Ann. §12-18-402 (b)(10) and Ark. Code Ann. §§ 12-12-1708(a)(1)(AA), Contractor and all of its employees, agents, and all Subcontractors and Subcontractor's employees and agents are mandated reporters.</p>		<p>withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p>
<p>Performance Bonding The Contractor shall be required to obtain performance bonds to protect the State's interest as follows:</p> <ol style="list-style-type: none"> 1. The amount of the performance bonds shall be one hundred percent (100%) of the annual contract price, 	<p>Acceptable performance is defined as one hundred percent (100%) compliance with Service Criteria at all times throughout the contract term as determined by DHS.</p>	<p>Damages shall be one percent (1%) per day, calculated using the annual contract amount, for each day Vendor fails to meet the Performance Bonding Requirements specified in Service Criteria.</p> <p>In addition, Vendor's continued failure to meet Service Criteria,</p>

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<p>unless the State determines that a lesser amount would be adequate for the protection of the State.</p> <p>2. The State shall require additional performance bond protection when a contract price is increased or modified.</p> <p>3. The additional performance bond must be delivered to the Arkansas Department of Human Services Chief Procurement Officer within fourteen (14) calendar days of request.</p> <p>4. The contractor shall notify the State of any changes, modification, or renewals for the performance bond during the term of the contract. The performance bond documentation must be provided to the State with each required notice.</p>		<p>may result in a below standard Vendor Performance Report (VPR) maintained in the vendor file and contract termination.</p> <p>Failure to provide is a breach of contract and may result in immediate contract termination.</p>
<p>Conflict of Interest Mitigation During the term of this contract, the Vendor shall comply with the terms of the DHS Organizational or Personal Conflict of Interest provisions. The Vendor shall disclose all actual, apparent, or potential conflicts of interest to the Department of Human Services (DHS) within five (5) days of having knowledge of them. The Vendor shall develop a mitigation plan as requested by DHS which must be approved and accepted by DHS. Any changes to the approved mitigation plan must be approved in advance by DHS.</p>	<p>The Vendor must maintain one hundred percent (100%) compliance with this item at all times throughout the term of the contract.</p>	<p>The Vendor will be fined one thousand dollars (\$1,000) per day for each day past five (5) days for each actual, apparent, or potential conflict of interest it fails to disclose. The Vendor shall be fined ten thousand dollars (\$10,000) for the first failure to comply with the mitigation plan developed by the Vendor and approved by DHS. Each subsequent violation of the mitigation plan shall be twice the amount of the immediately preceding violation fine.</p>
<p>Transition Planning A. The ISS Applications M&O Transition Plan must be collaboratively developed with DHS and the incumbent Contractor, and aligned with the incumbent Contractor's transition plan. The Plan must be submitted no later than nine (9) months prior to the end of</p>	<p>The Vendor must maintain one hundred percent (100%) compliance with this item at all times throughout the term of the contract.</p>	<p>If the Vendor fails to meet the acceptable performance standard, DHS may issue a below standard Vendor Performance Report (VPR) maintained in the vendor file. Final payment may be withheld from the vendor until all elements of the transition are satisfied as determined by DHS.</p>

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<p>the incumbent vendor's contract. The Plan shall outline all key elements required to take over management of the ISS applications pursuant to Section 2.9 of the RFP. Contractor's ISS Applications shall perform all requirements outlined in Attachment K- ISS Requirements.</p> <p>B. Ninety (90) days prior to the contract end date, the vendor shall submit to DHS a detailed plan for transitioning all contracted services to DHS, or to another vendor selected by DHS to provide the contracted services.</p> <p>a. The transition plan shall include provisions for the delivery of all proprietary data collected and/or created during the life of the contract to DHS thirty (30) days prior to the contract end date.</p> <p>b. All proprietary data collected and/or created during the final thirty (30) days of the contract, or any proprietary data not captured in the initial delivery, shall be delivered to DHS no more than fifteen (15) days following the contract end date.</p>		
<p>Arkansas Freedom of Information Act (Ark. Code Ann. §25-19-101 et seq.):</p> <ol style="list-style-type: none"> 1. Contractor shall cooperate with DHS requests for information and documents that DHS requires to fulfil an Arkansas Freedom of Information Act (FOIA) request. 2. Contractor shall timely provide all documents in its possession or control to DHS that match the request made by DHS. 3. Contractor is subject to 	<p>Contractor shall respond to FOIA requests timely and accurately one hundred percent (100%) of the time.</p> <p>Contractor shall provide information and documents to DHS upon request in the timeframe specified in the request one hundred percent (100%) of the time. DHS shall have sole determination as to the sufficiency of Contractor's response and provision of</p>	<ol style="list-style-type: none"> 1. For each failure to meet performance standard, DHS may impose: <ol style="list-style-type: none"> a. A ten percent (10%) penalty, assessed in the following months' payment for each failure to report. The penalty will be calculated from the total payment for the identified month in which the deficiency took place; or b. A one percent (1%) penalty, assessed in the next payment for each failure to report. The

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<p>Arkansas FOIA law pursuant to Ark. Code Ann. §25-19-103(7)(A). Contractor shall timely and accurately respond to FOIA requests made directly to Contractor. See Ark. Code Ann. §25-19-101 et seq. for specific requirements. For all FOIA requests received, the Contractor shall also notify DHS of the request at DHS.FOIA@arkansas.gov.</p>	<p>documents.</p>	<p>penalty will be calculated from the projected total yearly contract amount for the contract, as determined by DHS. DHS may elect to calculate penalties/damages differently per occurrence.</p> <p>In addition to the above, Contractor shall be responsible for any penalties, fees, and costs imposed on DHS associated with vendor's failure to timely and accurately provide the requested information and documents.</p> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, requiring a Corrective Action Plan (CAP), withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p>

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

In the event a Performance Standard is not met, the vendor will have the opportunity to defend or respond to, or cure to the satisfaction of the State, the insufficiency. The State **may** waive damages if it determines there were extenuating factors beyond the control of the vendor that hindered the performance of services of it is in the best interest of the State. In these instances, the State **shall** have final determination of the performance acceptability.

Should any compensation be owed to the agency due to the assessment of damages, vendor **shall** follow the direction of the agency regarding the required compensation process.

ⁱ The damages set forth are not exclusive and shall in no way exclude or limit any remedies available at law or in equity.