



Albert Hawkins, Executive Commissioner

Request for Proposals (RFP)

for

Pharmacy Benefits Manager

RFP No.: 53700-08-34885

Date of Release: August 21, 2007

TBPC Class/Item Codes: 948-07

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PROPOSAL INFORMATION

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1 General Information

1.1 Scope

The Texas Department of State Health Services (DSHS), by and through the Texas Health and Human Services Commission (HHSC), seeks a Pharmacy Benefits Manager with experience providing services through managed care organizations, self-insured companies, retail pharmacies and government programs to manage certain prescription drug benefits for a newly-created DSHS program, in accordance with the specifications contained in this Request for Proposals (“RFP”).

1.2 HHSC Point of Contact

The sole point of contact for inquiries concerning this RFP is:

Elizabeth Ward, Procurement Manager
Enterprise Contract and Procurement Resources
Texas Health and Human Services Commission
(512) 206 – 5416
Fax (512) 206 – 5475
elizabeth.ward@hhsc.state.tx.us

All communications relating to this RFP must be directed to the HHSC contact person named above. All communications between respondents and other HHSC staff members, and any DSHS staff members, concerning this RFP are strictly prohibited. **Failure to comply with these requirements may result in proposal disqualification from consideration for this RFP.**

1.3 Procurement Schedule

The following table documents the critical pre-award events for the procurement. All dates are subject to change at HHSC’s discretion.

| Procurement Schedule | |
|--|---------------------------|
| RFP Release Date | August 21, 2007 |
| Vendor Conference | August 30, 2007 |
| Vendor Questions Due | September 5, 2007 |
| Posts Responses to Vendor Questions | September 10, 2007 |
| Proposals Due | September 21, 2007 |
| Respondent Demonstrations/Oral Presentations | TBD |
| Anticipated Contract Start Date | November 15, 2007 |

1.4 Mission Statement

DSHS’s mission for this procurement is to seek a Pharmacy Benefits Manager (PBM) to deliver services for the new State Pharmacy Assistance Program (SPAP) to assist the state of Texas in optimization of the Texas HIV Medication Program (THMP). Rulemaking is currently underway to establish this SPAP.

1.5 Mission Objectives

DSHS's objectives for this procurement are to contract with a vendor to:

- oversee the payment of Medicare Part D deductibles, coinsurance, co-payments and costs of medications during any gaps in coverage for Texas residents enrolled in a Medicare Part D Prescription Drug Plan who participate in the Texas HIV SPAP;
- coordinate benefits with all Part D Plans in the state of Texas, without discrimination, based upon the Part D plan in which the individual is enrolled as clarified by the Centers for Medicare and Medicaid Services (CMS) Coordination of Benefits (COB) guidelines dated July 1, 2005, and any subsequent updates to these guidelines :
http://cms.hhs.gov/PrescriptionDrugCovContra/02_RxContracting_COB.asp;
- provide and manage a data system to collect client level data on each payment provided by the vendor on behalf of a Texas HIV SPAP client;
- implement and monitor cost containment measures (such as annual expenditure caps on client services, and client or medication prior authorizations) established by DSHS;
- coordinate coverage and benefits with CMS and the Medicare Part D plan and ensure that applicable expenditures are credited toward meeting the enrollee's true out-of-pocket expenditure requirement;
- ensure the SPAP does not pay for medications that are classified as excluded from coverage under Medicare Part D;
- ensure that the SPAP does not pay for a medication that is not approved by the SPAP and is not on the formulary for the specific Medicare Part D plan in which an individual Texas HIV SPAP recipient is enrolled; and
- pursue, acquire and coordinate pharmaceutical manufacturer rebates available to the Texas Department of State Health Services (DSHS) for medications dispensed to Texas HIV SPAP clients

1.6 Background

1.6.1. Relationship between the Health and Human Services Commission and the Department of State Health Services

HHSC was created in 1991 to oversee and coordinate the planning and delivery of health and human services in Texas. It is established pursuant to Chapter 531, Texas Government Code and is responsible for oversight of Texas Health and Human Services agencies (HHS agencies), including DSHS (<http://www.capitol.state.tx.us/statutes/gv.toc.htm>). As a result of the consolidation due to House Bill 2292 of the 78th Legislature (HB 2292), some of the contracting and procurement activities for DSHS have been assigned to the Enterprise Contract and Procurement Services (ECPS) section of HHSC. As such, ECPS will administer the initial stages of the procurement process, prior to the contract award, including RFP announcement and publication, handling of communications from the respondent, as well as managing the receipt and forwarding of valid responses to DSHS for final review and evaluation. ECPS directs the execution of the contract, after DSHS has selected the awarded offerors.

1.6.2. Project Overview

The Medicare Modernization ACT (MMA) includes provisions relating to prescriptions that provide special relief for State Pharmacy Assistance Programs (SPAPs), which are state-funded programs that provide financial assistance regarding prescription drug plans to low-income and medically needy senior citizens and individuals with disabilities. The law allows SPAPs to “wrap around” the Medicare benefit to fill gaps in coverage. As a result, SPAPs can provide the same or better coverage for Medicare beneficiaries currently receiving their medications through the AIDS Drug Assistance Program (ADAP) because the Medicare Prescription Drug Plan formularies include many more medications than the ADAP formulary.

Medicare Part D is a tiered benefit that requires clients to satisfy expenditure requirements, called True Out of Pocket costs (TrOOP), in order to move through the tiers and reach the maximum coverage level, termed catastrophic coverage. Additional information about the structure of the Part D benefit is available at <http://www.medicare.gov/>. Costs incurred by the SPAP will count toward an enrollee’s TrOOP, thereby allowing the enrollee to reach the catastrophic coverage level faster and resulting in lower prescription co-payments. This, in turn, should increase the number of Texans who receive needed HIV medications.

Accounting of the TrOOP will be essential to the coordination of benefits for SPAPs and Part D plans. It will enable Centers for Medicare and Medicaid Services (CMS), the Medicare Part D plans, pharmacies, SPAPs and any other third-party payers to efficiently coordinate claims and allow beneficiaries to keep track of their progress toward reaching catastrophic coverage.

DSHS is developing the Texas HIV SPAP to assist Texas HIV Medication Program (THMP) clients concurrently enrolled in Medicare with the out-of-pocket medication costs associated with Medicare prescription drug plans. This competitive RFP is designed to identify a Pharmacy Benefits Manager (PBM) to provide Medicare Part D cost sharing assistance via an SPAP for clients with incomes between 135% and 200% of the federal poverty level (FPL) enrolled in the THMP, also known as the AIDS Drug Assistance Program (ADAP) for the state of Texas. DSHS estimates that the Texas HIV SPAP will serve between 850 to 1000 THMP clients and fill approximately six (6) prescriptions per month for each client enrolled.

All eligible Texas HIV SPAP clients will be eligible for Medicare coverage and will be enrolled in a Medicare approved prescription drug plan. To be eligible for the Texas HIV SPAP, a client must be an HIV positive Texas resident with an adjusted gross income at or below 200% of the federal poverty level and be denied the full low-income subsidy assistance available through the Social Security Administration for Medicare Part D recipients. Eligibility determination services for all of the persons applying to the Texas HIV SPAP will be performed by DSHS staff. The Texas HIV SPAP will only assist with the Medicare Part D covered drugs and will not provide coverage for medications under Medicare Part B.

1.7 Strategic Elements

1.7.1. Contract Type and Term

HHSC will award one contract for a Pharmacy Benefits Manager. The initial contract period will be November 15, 2007, through December 31, 2008. DSHS reserves the option to amend the term of the contract for up to four (4) additional one-year periods, at its sole discretion.

1.7.2. Contract Elements

The term “contract” means the contract awarded as a result of this RFP and all exhibits thereto. At a minimum, the following documents will be incorporated into the contract: this RFP and all attachments and exhibits; any modifications, addendum or amendments issued in conjunction with this RFP; DSHS General

Provisions (<http://www.dshs.state.tx.us/grants/gen-prov.shtml>); and the successful respondent's proposal (as approved by DSHS). DSHS reserves the right to negotiate additional contract terms and conditions.

1.7.3. HHSC's Basic Philosophy: Contracting for Results

DSHS's fundamental commitment is to contract for results. HHSC defines a successful result as the generation of defined, measurable, and beneficial outcomes that satisfy the contract requirements and support DSHS's missions and objectives. This RFP describes what is required of the contractor in terms of services, deliverables, performance measures and outcomes, and unless otherwise noted in the RFP, places the responsibility for how they are accomplished on the contractor (although a specific work plan for the Contractor to follow may be negotiated with DSHS, with the final, approved version being binding).

1.8 External Factors

External factors may affect the project, including budgetary and resource constraints. Any contract resulting from the RFP is subject to the availability of state and federal funds. As of the issuance of this RFP, HHSC and DSHS anticipate that budgeted funds will be available to reasonably fulfill the project requirements. If, however, funds are not available, DSHS reserves the right to withdraw the RFP or terminate the resulting contract without penalty.

This RFP is contingent on the adoption of DSHS rules creating the Texas HIV SPAP Program. Currently, a draft of these rules has been written, but that draft has not yet been approved by HHSC for proposal in the Texas Register. This RFP was written to comport with that draft of the rules, and is contingent on the adoption of rules that are substantially similar, in DSHS's sole estimation, to the draft version used to write this RFP. If the rules that are ultimately adopted differ substantially from that version of the rules, DSHS may cancel this RFP. If rules that create the program are not adopted, then DSHS will cancel this RFP. It is not legally permissible for a contract to be awarded in any circumstance if rules are not adopted to establish the program.

1.9 Legal and Regulatory Constraints

1.9.1. Delegation of Authority

State and federal laws generally limit DSHS's ability to delegate certain decisions and functions to a contractor, including but not limited to: (1) policy-making authority, and (2) final decision-making authority on the acceptance or rejection of contracted services.

1.9.2. Conflicts of Interest

A conflict of interest is a set of facts or circumstances in which either a respondent or anyone acting on its behalf in connection with this procurement has past, present or currently planned personal, professional or financial interests or obligations that, in DSHS's determination, would actually or apparently conflict or interfere with the Respondent's contractual obligations to DSHS. Neither the respondent nor any other person or entity acting on its behalf, including but not limited to subcontractors, employees, agents and representatives, may have a conflict of interest with respect to this procurement. A conflict of interest would include circumstances in which a party's personal, professional or financial interests or obligations may directly or indirectly:

- make it difficult or impossible to fulfill its contractual obligations to HHSC in a manner that is consistent with the best interests of the State of Texas;

- impair, diminish or interfere with that party's ability to render impartial or objective assistance or advice to HHSC; or
- provide the party with an unfair competitive advantage in future HHSC procurements.

A Respondent must certify that it does not have personal or business interests that present a conflict of interest with respect to the RFP and resulting contract (see the Required Certifications form). Additionally, if applicable, the respondent must disclose all potential conflicts of interest. The respondent must describe the measures it will take to ensure that there will be no actual conflict of interest and that its fairness, independence and objectivity will be maintained (see the Respondent Information and Disclosures form). DSHS will determine to what extent, if any, a potential conflict of interest can be mitigated and managed during the term of the contract. **Failure to identify potential conflicts of interest may result in disqualification of a proposal or termination of the contract.**

1.9.3. Former Employees of a State Agency

Respondents must comply with Texas and federal laws and regulations relating to the hiring of former state employees (see e.g., [Texas Government Code §572.054](#) and [45 C.F.R. §74.43](#)). Such "revolving door" provisions generally restrict former agency heads from communicating with or appearing before the agency on certain matters for two years after leaving the agency. The revolving door provisions also restrict some former employees from representing clients on matters that the employee participated in during state service or matters that were in the employees' official responsibility.

As a result of such laws and regulations, a respondent must certify that it has complied with all applicable laws and regulations regarding former state employees (see the Required Certifications form). Furthermore, a respondent must disclose any relevant past state employment of the respondent's or its subcontractors' employees and agents in the Respondent Information and Disclosure form.

1.10 DSHS Amendments and Announcements Regarding this RFP

ECPS will post all official communication regarding this RFP on the Texas Building and Procurement Commission's (TBPC) Electronic State Business Daily (ESBD). DSHS reserves the right to revise the RFP at any time. Any changes, amendments, or clarifications will be made in the form of written responses to respondent questions, amendments, or addendums. Respondents should check the website frequently for notice of matters affecting the RFP. To access the website, go to the "<http://esbd.tbpc.state.tx.us/>" page and enter a search for this procurement.

1.11 RFP Cancellation/Partial Award/Non-Award

DSHS reserves the right to cancel this RFP, to make a partial award, or to make no award if it determines that such action is in the best interest of the State of Texas.

1.12 Right to Reject Proposals or Portions of Proposals

DSHS may, in its discretion, reject any and all proposals or portions thereof.

1.13 Costs Incurred

Respondents understand that issuance of this RFP in no way constitutes a commitment by DSHS or HHSC to award a contract or to pay any costs incurred by a respondent in the preparation of a response to this RFP. DSHS and HHSC are not liable for any costs incurred by a respondent prior to issuance of or entering into a formal agreement, contract, or purchase order. Costs of developing proposals, preparing for or participating in oral presentations and site visits, or any other similar expenses incurred by a respondent are entirely the responsibility of the respondent, and will not be reimbursed in any manner by the State of Texas.

1.14 Protest Procedures

Respondents who feel aggrieved in connection with the award of the contract must submit a written protest within ten (10) working days of posting of the award on the ESBD. If the protest is not timely, it will not be considered and the protesting party will be notified in writing. A protest is limited to matters relating to the protestant's qualifications, the suitability of the goods or services offered by the protestant, or alleged irregularities in the procurement process. A formal protest must contain: (1) a specific identification of any statutory or regulatory provision or procurement procedure that the protested action is alleged to have violated and a specific description of each act alleged to have violated the statutory, regulatory or procurement provision(s); (2) a precise statement of the relevant facts; (3) an identification of the issues to be resolved; and (4) the aggrieved party's arguments and supporting documentation. The protest must be mailed, faxed, or delivered to the Point of Contact noted in Section 1.2.

The protestant is responsible for ensuring that the protest is received by ECPS within the above-referenced ten (10) working days. ECPS will record the official date that the protest is received and forward it to the DSHS Contract Oversight Support, who will in turn forward valid protests to the DSHS Protest Resolution Committee (PRC). The PRC has the authority to settle and resolve the dispute. The PRC may solicit written responses, schedule meetings, or request additional information. The PRC will issue a written determination within twenty (20) days of receipt of the protest by the PRC, and a copy will go to the protestant.

1.15 Interpretive Conventions

Whenever the terms "shall," "must," or "is required" are used in this RFP in conjunction with a specification or performance requirement, the specification or requirement is mandatory. A respondent's failure to address or meet any mandatory requirement in a proposal may be cause for DSHS's rejection of the proposal.

Whenever the terms "can," "may," or "should" are used in this RFP in conjunction with a specification or performance requirement, the specification or performance requirement is a desirable, but not mandatory, requirement. Accordingly, a respondent's failure to address or provide any items so referred to will not be the cause for rejection of the proposal, but may result in a less favorable evaluation.

2 Mission Results/Scope of Work

2.1 Project Schedule

| | |
|-------------------------------|--------------------------|
| Contract Start Date | November 15, 2007 |
| SPAP Services to begin | January 1, 2008 |

2.2 Project Scope

The respondent awarded this contract shall:

- Oversee the payment of Medicare Part D deductibles, coinsurance, co-payments and costs of medications during any gaps in coverage for Texas residents enrolled in a Medicare Part D Prescription Drug Plan who participate in the Texas HIV SPAP;
- Coordinate benefits with all Part D Plans in the state of Texas, without discrimination, based upon the Part D plan in which the individual is enrolled as clarified by the CMS Coordination of Benefits

(COB) guidelines dated July 1, 2005 and any subsequent updates to these guidelines are available at: http://cms.hhs.gov/PrescriptionDrugCovContra/02_RxContracting_COB.asp.

- Serve an estimated 850 to 1000 THMP clients and fill approximately six (6) prescriptions per month for each recipient enrolled;
- Provide and manage an existing data system to collect client level data on each payment provided by the vendor on behalf of a Texas HIV SPAP client. This information will be provided to DSHS from the vendor as a monthly download. DSHS will specify the format for the download;
- Maintain a data system capable of implementing and monitoring cost containment measures (such as annual expenditure caps on client services, and client or medication prior authorizations) established by DSHS;
- Coordinate coverage and benefits with CMS and the Medicare Part D plan and ensure that applicable expenditures are credited toward meeting the enrollee's true out-of-pocket expenditure requirement. As part of this duty, the contractor shall participate in the electronic data exchange processes as specified by CMS, for reporting enrollee true out-of-pocket expenses, to the CMS data contractor.
- Ensure that the SPAP does not pay for medications that are classified as excluded from coverage under Medicare Part D.
- Ensure that the SPAP does not pay for a medication that is not approved by the SPAP and is not on the formulary for the specific Medicare Part D plan in which an individual Texas HIV SPAP recipient is enrolled in.
- Pursue, acquire and coordinate eligible pharmacy manufacturer rebates due to DSHS for medications dispensed to Texas HIV SPAP clients.
- Establish a network of pharmacies that will be able to split the billing of prescription drug costs between Medicare Part D Plans and the Texas HIV SPAP. The network of pharmacies must be geographically dispersed throughout the state of Texas and have at least one mail order pharmacy option available for Texas HIV SPAP recipients who reside in remote areas.
- Operate in a manner that satisfies all federal requirements to be considered a qualified SPAP under the Medicare Part D prescription drug benefit.
- Not change the primary payer status of a Part D plan. The Texas HIV SPAP will always be considered a secondary payer.
- Not utilize any federal funding (Federal grants, awards, contracts, entitlement contractors, etc.) in provision of SPAP services.
- Maintain compliance with the National Council of Prescription Drug Program's (NCPDP) standards for pharmacy drug claims and coordination of benefits (located at <http://www.ncdp.org/>).
- Provide the DSHS HIV SPAP with access to a web-based system that will allow DSHS HIV SPAP staff to view live claims adjudication, and provide training to DSHS HIV SPAP staff on the use of the system. The system must be compatible with Internet Explorer 6.0.

- Maintain a help desk that will provide technical assistance to pharmacies and the DSHS HIV SPAP for billing and claims system issues. At minimum, the help desk staff must be readily available between the hours of 8 a.m. – 7 p.m. Central Standard Time Monday through Friday.
- Obtain for the DSHS HIV SPAP a unique Prescription Benefit International Number (Rx Bin) or a unique Pharmacy Benefit Processor Control Number (PCN) to code for coverage that is supplemental to Medicare Part D. The Input and Response Files used by the CMS SPAP Data Sharing Agreement program include data fields for both Rx BIN and PCN reporting. This unique coding will assure that the supplemental paid claim is captured by the CMS TrOOP Facilitation contractor in the claim response from the payer to the pharmacy provider. The TrOOP Facilitation Rx BIN(s) or PCN(s) will be separate and distinct from a PBM's standard Rx BIN and PCN. Rx BIN(s) and/or PCN(s) may be obtained from the American National Standards Institute (ANSI) located at <http://www.ansi.org/> or the National Coalition for Prescription Drug Programs (NCPDP) located at <http://www.ncdp.org/>.

2.3 Performance Measures and Associated Remedies

DSHS will monitor the performance of the contract issued under this RFP. All services and deliverables under the contract shall be provided in a manner consistent with acceptable industry standards, customs, and practices. The contractor will conduct all tasks described in this RFP, including (but not limited to):

- Submit required program data within negotiated DSHS timeframes, as required in the final, approved work plan.
- Resolve payment errors made to Medicare Part D plans within negotiated timeframe, as required in the final, approved work plan.
- Report DSHS HIV SPAP enrollee out-of-pocket payments to the CMS TrOOP facilitator monthly, following CMS guidelines
- Convene (i.e. organize and conduct), at least quarterly, a Texas HIV SPAP/PBM contractor conference call to discuss programmatic issues that occurred during the previous quarter. The PBM shall submit a written summary of each call to DSHS within two (2) weeks of the call. DSHS may request an action plan from the PBM regarding programmatic issues or deficiencies that were identified. Such action plans are due to DSHS within two (2) weeks of the date they are requested. Contractor must take actions directed by DSHS following the agency's review of the plan submitted, and must do so within the timeframes directed by DSHS.

2.4 Respondent Background and Experience

Respondent's narrative background description must include (but is not limited to) the following:

1. Describe previous and current experience processing transactions for clients enrolled in Medicare Part D plans. Include information about working with multiple plans, multiple formularies and ensuring appropriate payments are made based on the beneficiary's current coverage level (i.e. deductible, initial coverage, coverage gap or catastrophic coverage).
2. Describe experience working with other third party providers, including State Pharmacy Assistance Programs (SPAP), AIDS Drug Assistance Programs (ADAP) and government programs with prescription drug benefits such as Medicaid.
3. Describe experience processing and coordinating quarterly drug manufacturer rebates for medications dispensed.

2.5. Work Plan

Respondents must describe their plan for the delivery of SPAP services within the State of Texas, consistent with this RFP. Please note that DSHS staff will perform eligibility determination services for Texas HIV SPAP enrollees. DSHS will develop an electronic eligibility file that will be submitted to the contractor at a specified interval.

The work plan must include the following:

1. Describe in detail what the workflow process would be between DSHS, pharmacies, Medicare Part D plans, CMS, the SPAP enrollee and your company. The description should include timelines for accomplishments, as well as flowcharts or other visual presentations of the process.
 - a. Include how expenditures will be reported to the True Out of Pocket (TrOOP) facilitator to ensure applicable expenditures are credited toward the SPAP enrollee's TrOOP.
 - b. Provide information regarding the capability to split bill and track multiple third-party payer sources, including Medicare Part D prescription drug plans.
 - c. Describe how the process identified in item (b) above will prevent the Texas HIV SPAP from making erroneous payments. Include how it will ensure the SPAP does not pay for medications not on a client's Part D Plan and does not pay for excluded classes of drugs under Medicare Part D.
 - d. Describe the process for resolving issues surrounding client billing and prescription fulfillment occurring at the point of sale between the retail pharmacy, the Texas HIV SPAP and the Medicare Part D Prescription Drug Plans.
 - e. Describe the process for obtaining credits and adjustments on behalf of the Texas HIV SPAP for any possible overpayments that have been made to Part D Plans; include the timeframes or other parameters in which such adjustments and credits will be allowed.
 - f. Describe how your system will be able to effectively monitor an annual benefits cap for each SPAP enrollee.
 - g. Provide information on your capability to pay Part D incurred expenses on behalf of SPAP enrollees at the point of service and bill the state of Texas afterwards.
2. The Texas HIV SPAP will need access to detailed information about enrollees served, units of medications dispensed and the unit cost for medications paid. DSHS will need access to utilization and expenditure reports and also raw data to run its own ad hoc reports providing both cumulative data as well as individual enrollee utilization data.
 - a. Describe your ability to provide standardized monthly utilization and expenditure reports. How will this report be submitted to the Texas HIV SPAP and in what format (i.e., PDF, Excel, Word)?
 - b. Describe your ability to submit a monthly data file of all transactions provided to individual DSHS HIV SPAP enrollees, to include: the medication dispensed; amount paid for each medication; and the location where the medication was dispensed. Include a description of the type of data file that will be provided and how it will be transmitted to the Texas HIV SPAP.

3. Describe how quarterly drug manufacturer rebates for medications dispensed will be coordinated and how the rebates will be applied back to DSHS.
4. Provide a detailed description of how secure data will be transmitted between the different parties involved in the SPAP coordination (CMS, DSHS, Part D Plans, and pharmacies), to comply with state and federal confidentiality laws as well as satisfying industry standards and practices.
5. Describe in detail any initial, and subsequent, system requirements that DSHS would be required to have in order to electronically interface with your program/system. Would special software or hardware need to be installed on DSHS computers? Would the interface be web-based, and if so, will it be fully compatible with Windows Internet Explorer Version 6.0 or above?
6. Describe the network of pharmacies that will be available to Texas HIV SPAP clients. Your description must include:
 - a. Information on whether this network is immediately available or would it have to be developed (and, in the latter case, how long such development would take)
 - b. Process(s) and timeframe for including additional pharmacies to this network, if requested to do so by DSHS.
 - c. A list of network pharmacies, including a description or map of how these pharmacies are geographically dispersed throughout the state of Texas
 - d. The type of mail-order pharmacy service that will be available to enrollees
 - e. It is important for the SPAP to coordinate benefits with public health clinics and hospital district pharmacies; list any problems and/or impediments that may affect working with these clinics and pharmacies when providing services to enrollees
7. Provide a list and overview of staffing positions needed to successfully administer the Texas HIV SPAP--include business hours of operation and primary methods of contact.
8. Describe how implementation of your work plan will be consistent with the designated contract start date and services start date, as listed in this RFP.

3 General Instructions and Proposal Requirements

3.1 Vendor Conference

DSHS will hold a vendor conference on Thursday, August 30, 2007, at 2:00 at the East Auditorium Building #631, room 1137, on the campus of the Austin State Hospital located at 4100 Guadalupe Street, Austin, Texas 78756. Vendor conference attendance is strongly recommended, but is not required.

Respondents may email questions for the conference to the HHSC Point of Contact (see Section 1.2) no later than five (5) days before the conference. Respondents will also have the opportunity to submit written questions at the conference. All questions should reference the appropriate RFP page and section number. DSHS will attempt to respond to questions at the vendor conference, but responses are not official until posted in final form on the Electronic State Business Daily (ESBD) website at: <http://esbd.tbpc.state.tx.us/>. DSHS reserves the right to amend answers prior to the proposal submission deadline.

3.2 Questions and Comments

All questions and comments regarding this RFP should be sent to the HHSC Point of Contact (see Section 1.2). Questions must reference the appropriate RFP page and section number, and must be submitted by the deadline set forth in Section 1.3. The agency will not respond to questions received after the deadline. The agency's responses to vendor questions will be posted to the ESBD website. The agency reserves the right to amend answers prior to the proposal submission deadline.

Respondents must notify ECPS of any perceived ambiguity, conflict, discrepancy, exclusionary specification, omission or other error in the RFP by the deadline for submitting questions and comments. If a respondent fails to so notify, it will submit a proposal at its own risk, and if awarded a contract: (1) shall have waived any claim of error or ambiguity in the RFP or resulting contract, (2) shall not contest the agency's interpretation of such provision(s), and (3) shall not be entitled to additional compensation, relief or time by reason of the ambiguity, error, or its later correction.

3.3 Modification or Withdrawal of Proposal

Prior to the proposal submission deadline set forth in Section 1.3, a respondent may: (1) withdraw its proposal by submitting a written request to the HHSC Point of Contact, or (2) modify its proposal by submitting a written amendment to the HHSC Point of Contact. HHSC may request proposal modifications at any time.

DSHS reserves the right to waive minor irregularities in a proposal and award a contract that is in the best interest of the State of Texas. A "minor irregularity" is an omission or error that, in HHSC's determination, if waived or modified when evaluating proposals, would not give a bidder an unfair advantage over other bidders or result in a material change in the proposal or RFP requirements. When DSHS determines that a proposal contains a minor irregularity, it may at its discretion provide the respondent with the opportunity to correct.

3.4 News Releases

Prior to tentative award, a respondent may not issue a press release or provide any information for public consumption regarding its participation in the procurement. After tentative award, a respondent must receive prior written approval from ECPS before issuing a press release or providing information for public consumption regarding its participation in the procurement. Requests should be directed to the HHSC Point of Contact identified in Section 1.2.

This Section 3.4 does not preclude business communications necessary for a respondent to develop a proposal, or required reporting to shareholders or governmental authorities.

3.5 Incomplete Proposals

DSHS may reject without further consideration a proposal that does not include a complete, comprehensive, or total solution as requested by the RFP.

3.6 State Use of Ideas

The agency reserves the right to use any and all ideas presented in a proposal unless the respondent presents a valid legal case that such ideas are trade secret or confidential information, and identifies the information as such in its proposal (see Section 3.13). A respondent may not object to the use of ideas that are not the respondent's intellectual property and so designated in the proposal that: (1) were known to the agency before the submission of the proposal, (2) were in the public domain through no fault of the agency, or (3) became properly known to the agency after proposal submission through other sources or through acceptance of the proposal.

3.7 Property of DSHS

Except as otherwise provided in this RFP or the resulting contract, all products produced by a respondent, including without limitations the proposal, all plans, designs, software, and other contract deliverables, become the sole property of DSHS.

3.8 Copyright Restriction

The agency will not consider any proposal that bears a copyright.

3.9 Additional Information

By submitting a proposal, the respondent grants the agency the right to obtain information from any lawful source regarding the respondent's and its directors', officers', and employees': (1) past business history, practices, and conduct, (2) ability to supply the goods and services, and (3) ability to comply with contract requirements. By submitting a proposal, a respondent generally releases from liability and waives all claims against any party providing the agency information about the respondent. The agency may take such information into consideration in evaluating proposals.

3.10 Multiple Responses

A respondent may only submit one proposal as a prime contractor. If a respondent submits more than one proposal, the agency may reject one or more of the submissions. This requirement does not limit a subcontractor's ability to collaborate with one or more respondents submitting proposals.

3.11 No Joint Proposals

The agency will not consider joint or collaborative proposals that require it to contract with more than one respondent.

3.12 Use of Subcontractors

Subcontractors providing services under the contract shall meet the same requirements and level of experience as required of the respondent. No subcontract under the contract shall relieve the respondent of the responsibility for ensuring the requested services are provided. Respondents planning to subcontract all or a portion of the work to be performed shall identify the proposed subcontractors.

3.13 Texas Public Information Act

3.13.1. General Requirement for the Release of Proposals

Proposals will be subject to the Texas Public Information Act (the Act), located in [Chapter 552 of the Texas Government Code](#), and may be disclosed to the public upon request. As provided for in the Act, respondents may protect trade secret and confidential information from public release. If the respondent asserts that information provided in the proposal is trade secrets or other confidential information, it must be clearly marked such information in boldface type and include the words "confidential" or "trade secret" at top of the page. Furthermore, the respondent must identify trade secret or confidential information, and provide an explanation of why the information is exempt from public disclosure, on the Respondent Information and Disclosures form (or other form provided by the agency for that purpose).

HHSC will process any request from a member of the public in accordance with the procedures outlined in the Act. Respondents should consult the Texas Attorney General's website (www.oag.state.tx.us) for information concerning the Act's application to proposals and potential exceptions to disclosure.

3.13.2. Publication of Major Contracts

[Texas Government Code §2177.052](#) requires the agency HHSC to provide the copies of “major contracts” to the Texas Building and Procurement Commission (TBPC) and post information concerning these contracts on the [Electronic State Business Daily](#). The law defines a “major contract” as a contract with an expected value of at least five million dollars, computed as the initial value of the contract or the total value of the contract after all potential term extensions. If the contract resulting from this procurement falls within the law’s definition of a “major contract,” the TBPC will provide the public with access to all contract documents. This includes the proposal, unless the respondent can demonstrate that all or part of the proposal is exempt from disclosure under the Texas Public Information Act. In such cases, the respondent will be responsible for preparing, for the agency’s approval, an appendix that describes the exempt information contained in the proposal without disclosing its content, as required by [Texas Government Code §2177.052\(e\)](#).

3.14 Instructions for Submitting Proposals

3.14.1. Number of Copies

Submit one (1) original and nine (9) copies of the proposal. An authorized representative must sign the original in ink. In addition, submit one electronic copy of the proposal on a portable media, such as a compact disk, compatible with Microsoft Office 2000. HHSC will not accept telephone and facsimile proposals. Any disparities between the contents of the original printed proposal and the electronic proposal will be interpreted in favor of HHSC.

3.14.2. Submission

Submit all copies of the proposal no later than **4:00 on September 21, 2007**. All submissions will be date and time stamped when received by ECPS. The clock in the ECPS office is the official timepiece for determining compliance with the deadlines in this procurement. The agency reserves the right to reject late submissions. It is the respondent’s responsibility to appropriately mark and deliver the proposal to ECPS by the specified date.

Physical Address for overnight and commercial mail:

HHSC Enterprise Contract and Procurement Services (ECPS) Division
Attn: Elizabeth Ward
909 West 45th Street, Building 1
Mail Code 2020
Austin, Texas 78751

Physical Address for hand delivery only:

HHSC Enterprise Contract and Procurement Services (ECPS) Division
Attn: Elizabeth Ward
4405 North Lamar Boulevard
Austin, Texas 78751

All proposals become the property of the agency after submission.

3.14.3 Additional Requirements

All proposals must be:

- clearly legible;
- sequentially page-numbered and include the respondent's name at the top of each page;
- organized in the sequence outlined in Section 3.15;
- bound in a notebook or cover;
- correctly identified with the RFP number and submittal deadline;
- responsive to all RFP requirements;
- typed on 8½ by 11" paper;
- in Arial or Times New Roman font, size 12 for normal text, no less than size 10 for tables, graphs and appendices; and
- no more than fifty (50) total pages, excluding required forms and resumes.

Proposals may not include materials or pamphlets not specifically requested in this RFP.

3.15 Format and Content

The proposal must consist of the following parts:

3.15.1 Part 1 – Business Proposal

The Business Proposal must include the following sections:

- Section 1 – Executive Summary
- Section 2 – Corporate Background and Experience
- Section 3 – Project Work Plan (reference section 2.5 for content)
- Section 4 – Value-added Benefits
- Section 5 – Assumptions
- Section 6 – Appendices
- Section 7 – HUB Subcontracting Plan, if applicable
- Section 8 – Certifications and Other Required Forms

3.15.2 Section 1 – Executive Summary

In this section, condense and highlight the content of the Business Proposal to provide the agency with a broad understanding of the respondent's approach to meeting the RFP's business requirements. The summary must demonstrate an understanding of DSHS's goals and objectives for this procurement.

3.15.3 Section 2 -- Corporate Background and Experience

This section details the respondent's corporate background and experience. If the respondent proposes to use subcontractor(s), it must describe any existing or ongoing relationships with the subcontractor(s), including project descriptions. This section should include the following information:

1. Corporate Background and Experience

Describe the respondent's corporate background as it relates to projects similar in scope and complexity to the project described in this RFP. Include your responses to section 2.4 here.

Include a description and at least three (3) references from projects performed within the last five (5) years that demonstrate the respondent's ability to perform the Scope of Work described in the RFP. Include contract dates and contact information (customer points of contact, address, telephone number and email address). The respondent must explain whether it performed the work as a prime contractor or subcontractor. If the respondent performed the work as a subcontractor, the respondent must describe the scope of subcontracted activities.

If the proposal includes the use of subcontractors, include a similar description of each subcontractor's corporate background and experience.

2. Résumés

Identify and describe the respondent's and its subcontractor's proposed labor skill set and provide résumés of all proposed key personnel (as defined by the respondent). Résumés must demonstrate experience germane to the position proposed. Résumés should include work on projects cited under the respondent's corporate experience, and the specific functions performed on such projects. Each résumé should include at least three (3) references from recent projects. References may not be the respondent's or subcontractor's employees.

3. Financial Capacity

A respondent must supply evidence of financial stability sufficient to demonstrate reasonable stability and solvency appropriate to the requirements of this procurement. Respondents must submit a current financial statement plus two (2) years of audited financial reports including all supplements, management discussion and analysis, and actuarial opinions. At a minimum, such financial statements and reports shall include: balance sheet; statement of income and expense; statement of changes in financial position; cash flows; and capital expenditures. If the respondent is a corporation that is required to report to the Securities and Exchange Commission, it must submit its two most recent SEC Forms 10K, Annual Reports. If any change in ownership is anticipated during the twelve (12) months following the proposal due date, the respondent must describe the circumstances of such change and indicate when the change is likely to occur.

4. Corporate Guarantee

If the respondent is substantially owned or controlled, in whole or in part, by one or more other legal entities, the respondent must submit the information required under the "Financial Capacity" section above for each such entity, including the most recent financial statement for each such entity. The respondent must also include a statement that the entity or entities will unconditionally guarantee performance by the respondent of each and every obligation, warranty, covenant, term and condition of the contract. If the agency determines that an entity does not have sufficient financial resources to guarantee the respondent's performance, the agency may require the respondent to obtain another acceptable financial instrument or resource from such entity, or to obtain an acceptable guarantee from another entity with sufficient financial resources to guarantee performance.

5. Bonding

The respondent must confirm that it will obtain and maintain a fidelity bond during the term of the contract. The fidelity bond must indemnify DSHS, HHSC and the State of Texas against any financial loss caused by the wrongful, fraudulent, or criminal conduct of the Respondent's employees, contractors, officers or

directors. The bond must provide insurance coverage equal to the amount of funding of a potential contract up to \$100,000 that covers each employee of potential contractor handling funds under this project, including person (s) authorizing payment of such funds. The fidelity bond or insurance shall provide for indemnification of losses occasioned by: (1) any fraudulent or dishonest act or acts committed by any of potential contractor's employees, either individually or in concert with others, and/or (2) failure of potential contractor or any of its employees to perform faithfully his/her duties or to account properly for all monies and property received by virtue of his/her position or employment.

6. Certified Information Systems Vendors

Respondents are not required to submit evidence of Certified Information Systems Vendor status for this procurement.

3.15.4. Section 3 – Project Work Plan

Describe the respondent's proposed processes and methodologies for providing all components of the Mission Results/Scope of Work described in Section 2.5, including the respondent's approach to meeting the Project Schedule.

3.15.5. Section 4 – Value-added Benefits

Describe any services or deliverables that are not required by the RFP that the respondent proposes to provide at no additional cost to DSHS. Respondents are not required to proposed value-added benefits, but inclusion of such benefits may result in a more favorable evaluation.

3.15.6. Section 5 – Assumptions

State any business, economic, legal, programmatic, or practical assumptions that underlie the respondent's response to the Business Proposal. The agency reserves the right to accept or reject any assumptions. All assumptions not expressly identified and incorporated into the contract resulting from this RFP are deemed rejected by the agency.

3.15.7. Section 6 – Appendices

Appendices to the Business Proposal are not required. However, the applicant may choose to include additional attachments to demonstrate how they can perform required services.

3.15.8. Section 7 – HUB Subcontracting Plan

Attach the respondent's [Historically Underutilized Business \(HUB\) Subcontracting Plan](#). Instructions for completing this section are in Article 4 of the RFP.

3.15.9. Section 8 – Certifications and Other Required Forms

Respondents must submit the following required forms with their proposals:

- Child Support Certification;
- Debarment, Suspension, Ineligibility, and Voluntary Exclusion of Covered Contracts;

- Federal Lobbying Certification;
- Nondisclosure Statement;
- Required Certifications; and
- Respondent Information and Disclosures;
- HIV Contractor Assurances; and
- Contractor Assurance Regarding Pharmacy Notification

The required forms are located in the Appendix of this RFP. HHSC and DSHS encourage respondents to carefully review all of these forms and submit questions regarding their completion prior to the deadline for submitting questions.

3.15.10. Part 2 – Cost Proposal

Respondents must develop and submit a cost proposal. The cost proposal should be labeled as RFP Attachment A and must be submitted in a separate, sealed package, clearly marked with the respondent's name, the RFP number, and the RFP submission date.

Respondents must base their Cost Proposals on the Scope of Work described in Section 2. This section should include any business, economic, legal, programmatic, or practical assumptions that underlie the Cost Proposal. The agency reserves the right to accept or reject any assumptions. All assumptions not expressly identified and incorporated into the contract resulting from this RFP are deemed rejected by the agency.

Respondents must separately identify value-added benefits, cost-savings and cost-avoidance methods and measures, and the effect of such methods on the Cost Proposal and Scope of Work.

4 Historically Underutilized Business Participation

In accordance with Texas Government Code §2162.252, a proposal that does not contain a [HUB Subcontracting Plan](#) (HSP) is non-responsive and will be rejected without further evaluation. In addition, if the agency determines that the HSP was not developed in good faith, it will reject the proposal for failing to comply with material RFP specifications.

4.1. Introduction

HHSC is committed to promoting full and equal business opportunities for businesses in state contracting in accordance with the goals specified in the State of Texas Disparity Study. HHSC encourages the use of Historically Underutilized Businesses (HUBs) through race, ethnic and gender-neutral means. HHSC has adopted administrative rules relating to HUBs, and a [Policy on the Utilization of HUBs](#), which is located on HHSC's website.

Pursuant to [Texas Government Code §2161.181](#) and [§2161.182](#), and HHSC's HUB policy and rules, HHSC is required to make a good faith effort to increase HUB participation in its contracts. HHSC may accomplish the goal of increased HUB participation by contracting directly with HUBs or indirectly through subcontracting opportunities.

4.2. HHSC's Administrative Rules

HHSC has adopted the TBPC's HUB rules as its own. HHSC's rules are located in [Title 1, Part 15, Chapter 392, Subchapter J](#) of the Texas Administrative Code, and the TBPC rules are located in [Title 1,](#)

[Part 5, Chapter 111, Subchapter B](#). If there are any discrepancies between HHSC's administrative rules and this RFP, the rules shall take priority.

4.3. HUB Participation Goal

The TBPC has established statewide HUB participation goals for different categories of contracts in [1 T.A.C. §111.13](#). In order to meet or exceed the HUB participation goals, HHSC encourages outreach to certified HUBs. Contractors shall make a good faith effort to include certified HUBs in the procurement process.

This contract is classified as an **OTHER SERVICES** contract under the TBPC rule, and therefore has a HUB Annual Procurement Utilization Goal of **33%** per fiscal year.

4.4. Required HUB Subcontracting Plan

HHSC has determined that subcontracting opportunities are probable for this RFP. As a result, the respondent must submit an HSP with its proposal. The HSP is required whether a respondent intends to subcontract or not.

In the HSP, a respondent must indicate whether it is a Texas certified HUB. Being a certified HUB does not exempt a respondent from completing the HSP requirement.

During the good faith effort evaluation, HHSC may, at its discretion, allow clarifications or enhancements to information submitted with the HSP.

4.5. TBPC Centralized Master Bidders List

Respondents may search for HUB subcontractors in the TBPC's Centralized Master Bidders List (CMBL) HUB Directory, which is located on the TBPC's website at www.tbpc.state.tx.us/cmb/cmbhub.html. For this procurement, HHSC has identified the following class and item codes for potential subcontracting opportunities:

| |
|--|
| <p>CLASS: 948 HEALTH RELATED SERVICES (FOR HUMAN SERVICES SEE CLASS 952) 07 Administration Services, Health 72 Pharmaceutical Services</p> <p>CLASS: 958 MANAGEMENT SERVICES 56 Health Care Management Services (Including Managed Care Services)</p> <p>CLASS: 946 FINANCIAL SERVICES 10 Accounting and Billing Services (Including Payroll Services, 3rd Party Reimbursement for Medicare, Medicaid, Private Insurance, etc)</p> <p>CLASS: 915 COMMUNICATIONS AND MEDIA RELATED SERVICES 70 * Monitoring Services: Parolee, Patient, Convict, etc.</p> |
|--|

Respondents are not required to use, nor limited to using, the class and item codes identified above, and may identify other areas for subcontracting.

HHSC does not endorse, recommend nor attest to the capabilities of any company or individual listed on the TBPC's CMBL. The list of certified HUBs is subject to change, so respondents are encouraged to refer to the CMBL often to find the most current listing of HUBs.

4.6. HUB Subcontracting Procedures – If a Respondent Intends to Subcontract

An HSP must demonstrate that the respondent made a good faith effort to comply with HHSC's HUB policies and procedures. The following subparts outline the items that HHSC will review in determining whether an HSP meets the good faith effort standard. A respondent that intends to subcontract must complete the HSP to document its good faith efforts.

For step-by-step audio/video instructions on how to complete the HSP, you may also visit the TBPC's website at: <http://www.tbpc.state.tx.us/hub/forms/hubsubcontplan.html>.

4.7. Identify Subcontracting Areas and Divide Them into Reasonable Lots

A respondent should first identify each area of the contract work it intends to subcontract. Then, to maximize HUB participation, it should divide the contract work into reasonable lots or portions, to the extent consistent with prudent industry practices.

4.8. Notify Potential HUB Subcontractors

Respondents must notify three (3) or more certified HUBs of each subcontracting opportunity. For example, if a respondent intends to subcontract two (2) areas of work, then for each class/item code, the respondent must notify at least three (3) vendors who provide that type of work.

Respondents must provide written notice to potential HUB subcontractors prior to submitting proposals. The notice must include:

- a description of the scope of work to be subcontracted;
- information regarding the location to review project plans or specifications;
- information about bonding and insurance requirements;
- required qualifications and other contract requirements; and
- a description of how the subcontractor can contact the respondent.

Respondents must give potential HUB subcontractors a reasonable amount of time to respond to the notice, generally no less than five (5) working days from receipt. In rare situations, HHSC will allow a shorter notification period if the respondent demonstrates: (1) circumstances warranting a shorter notification period, and (2) potential subcontractors still had sufficient time to complete their responses.

Respondents must use the CMBL, the HUB Directory, and Internet resources when searching for HUB subcontractors. Respondents may rely on the services of contractor groups; local, state and federal business assistance offices; and other organizations that provide assistance in identifying qualified applicants for the HUB program. Respondents also must provide written notice to minority or women trade organizations or development centers, which can disseminate notice of subcontracting opportunities to their members/participants. A list of minority and women trade organizations is located on HHSC's website under the [Business Opportunities](#) link.

4.9. Written Justification of the Selection Process

A respondent must provide written justification of its selection process if it chooses a non-HUB subcontractor. The justification should demonstrate that the respondent negotiated in good faith with qualified HUB bidders, and did not reject qualified HUBs who were the best value responsive bidders.

4.10. Alternatives to Good Faith Effort Requirements (Applies Only to Mentor Protégé and Professional Services Contracts)

4.10.1 Mentor Protégé Program

HHSC will accept a Mentor Protégé Agreement that has been entered into by a respondent (mentor) and a certified HUB (protégé) in accordance with [Texas Government Code §2161.065](#). Participation in the Mentor Protégé Program, along with the submission of a protégé as a subcontractor in an HSP, constitutes a good faith effort for the particular area subcontracted to the protégé. If a respondent proposes to subcontract with a protégé, it does not need to provide notice to three (3) vendors for that subcontracted area. To demonstrate that a respondent meets the good faith requirement for mentor/protégé arrangements, the HSP should:

- Include a fully executed copy of the Mentor Protégé Agreement, which must be registered with the TBPC prior to submission to HHSC, and
- identify areas of the HSP that will be performed by the protégé.

4.10.2. Professional Services

A respondent who submits an HSP for a professional services contract that meets or exceeds the TBPC's Annual Procurement Utilization Goal of 20% for professional services contracts will be determined to have met the good faith effort requirement. If a professional services proposal that includes less than 20% HUB participation, the respondent must follow the good faith effort requirements set forth in other parts of Section 4.6.

4.11. HUB Subcontracting Procedures – If a Respondent Does Not Intend to Subcontract

If the respondent plans to complete all contract requirements with its own equipment, supplies, materials and/or employees, it is still required to complete an HSP. The respondent must complete the "Self Performance Justification" portion of the HSP, and attest that it does not intend to subcontract for any goods or services, including the class and item codes identified in Section 4.5. In addition, the respondent must identify the sections of the proposal that describe how it will complete the Scope of Work using its own resources or provide a statement explaining how it will complete the Scope of Work using its own resources. The respondent must provide the following information regarding self-performance if requested by HHSC:

- evidence of sufficient respondent staffing to meet the RFP requirements;
- monthly payroll records showing the respondent staff fully dedicated to the contract; and
- documentation proving employment of qualified personnel holding the necessary licenses and certificates required to perform the Scope of Work.

4.12. Post-award HSP Requirements

After contract award, HHSC will coordinate a post-award meeting with the successful respondent to discuss HSP reporting requirements. The contractor must maintain business records documenting compliance with the HSP, and must submit monthly reports to the DSHS HUB Coordinator by completing the HUB "[Prime Contractor Progress Assessment Report](#)." This monthly report is required as a condition for payment. In addition, the contractor must allow periodic onsite reviews of the contractor's headquarters or work site where services are to be performed if requested by HHSC.

Once accepted, the finalized HSP will become part of the contract with the successful respondent. HHSC's UTCs outline the procedures for changing the HSP, as well as the HSP compliance and reporting requirements. All changes to the approved HSP require prior approval from the DSHS HUB Coordinator.

In general, if the contractor decides to subcontract any part of the contract after the award, it must follow the good faith effort procedures outlined in Section 4.6 of this RFP (e.g., divide work into reasonable lots, notify at least three (3) vendors per subcontracted area, provide written justification of the selection process, participate in the Mentor Protégé Program, or for professional services contracts meet the 20% goal). For this reason, the DSHS HUB Coordinator encourages respondents to identify, as part of their HSP, multiple subcontractors who are able to perform the work in each area the respondent plans to subcontract. Selecting additional subcontractors may help the selected contractor make changes to its original HSP, when needed, and will allow the DSHS HUB Coordinator to approve any necessary changes expeditiously.

Failure to meet the HSP and post-award requirements will constitute a breach of contract, and will be subject to remedial actions. The DSHS HUB Coordinator may also report noncompliance to the TBPC in accordance with the TBPC's respondent performance and debarment program (see [1 T.A.C. §113.102](#)).

5 Proposal Evaluation

The agency will use a formal evaluation process to select the successful respondent(s). The agency will consider capabilities or advantages that are clearly described in the proposal, which may be confirmed by oral presentations, site visits, demonstrations, and references contacted by the agency. The agency reserves the right to contact individuals, entities, or organizations that have had dealings with the respondent or proposed staff, whether or not identified in the proposal. The agency will more favorably evaluate proposals that offer no or few exceptions, reservations, or limitations to the terms and conditions of the RFP.

5.1. Evaluation Criteria

The agency will evaluate proposals based on the following best value criteria, listed in order of precedence:

- Ability to carry out the delivery of SPAP services as outlined in the work plan;
- Experience, qualifications and company background;
- Cost for delivering of service and;
- Ability to meet start up times

5.2. Initial Compliance Screening

ECPS will perform an initial screening of all proposals received. Unsigned proposals and proposals that do not include all required forms and sections are subject to rejection without further evaluation.

In accordance with Section 3.3, the agency reserves the right to waive minor irregularities in a proposal and award contracts that are in the best interest of the State of Texas.

5.3. Competitive Field Determinations

The agency may determine that certain proposals are within the field of competition for admission to discussions. The field of competition consists of the proposals that receive the highest or most satisfactory evaluations. The agency may, in the interest of administrative efficiency, place reasonable limits on the number of proposals admitted to the field of competition.

5.4. Oral Presentations and Site Visits

The agency may, at its sole discretion, request oral presentations, site visits, and/or demonstrations from one or more respondents admitted to the field of competition. ECPS will notify selected respondents of

the time and location for these activities, and may supply agendas or topics for discussion. The agency reserves the right to ask additional questions during oral presentations, site visits, and or demonstrations to clarify the scope and content of the written proposal.

The respondent's oral presentation, site visit, and/or demonstration must substantially represent material included in the written proposal, and should not introduce new concepts or offers unless specifically requested by the agency.

5.5. Discussions with Respondents

The agency may, but is not required to, conduct discussions with all, some, or none of the respondents admitted to the field of competition for the purpose of obtaining the best value for the agency. It may conduct discussions for the purpose of:

- obtaining clarification of proposal ambiguities;
- requesting modifications to a proposal; and/or
- obtaining a best and final offer.

DSHS may make an award prior to the completion of discussions with all respondents admitted to the field of competition if the agency determines that the award represents best value to the State of Texas.

APPENDIX

DSHS CHILD SUPPORT CERTIFICATION

The Texas Family Code, Section, 231.006 places certain restrictions on child support obligors. Contracts with governmental entities or nonprofit corporations are not subject to Section 231.006.

The contractor identified below is not a governmental entity or a nonprofit corporation and certifies to the following:

- 1. The contractor is: (check one)
 - An individual or sole proprietor, or
 - A business entity (corporation, partnership, joint venture, limited liability company, association, etc.)

- 2. The contractor certifies that the following is a complete list of the names and social security numbers of either (a) the individual or sole proprietor who is the contractor or (b) each partner, shareholder, or owner with an ownership interest of at least 25% of the contractor/business entity (attach additional sheet if necessary):

(A) Printed Name: _____
Social Security Number: _____

(B) Printed Name: _____
Social Security Number: _____

- 3. Under the Texas Family Code, Section 231.006, the contractor certifies that the individual or business entity named in this contract, bid, or proposal is not ineligible to receive the specified contract and acknowledges that this contract may be terminated and payment may be withheld if this certification is inaccurate. A child support obligor who is more than 30 days delinquent in paying child support or a business entity in which the obligor (who is more than 30 days delinquent) is the sole proprietor, partner, shareholder, or owner with an ownership interest of at least 25% is not eligible to receive the specified grant, loan or payment. The contractor understands that it is the contractor's responsibility to verify whether a child support obligor who is more than 30 days delinquent is the sole proprietor, partner, shareholder or owner with an ownership interest of at least 25%.

4. Printed Name of Contractor: _____

Printed Name of Authorized Representative
Signing this Certification: _____

Signature of Authorized Representative: _____

Date: _____

**CERTIFICATION
REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION FOR COVERED
CONTRACTS**

Federal Executive Orders 12549 and 12689 require the Texas Health and Human Services Commission (HHSC) to screen each covered potential contractor to determine whether each has a right to obtain a contract in accordance with federal regulations on debarment, suspension, ineligibility, and voluntary exclusion. Each covered contractor must also screen each of its covered subcontractors.

In this certification “contractor” refers to both contractor and subcontractor; “contract” refers to both contract and subcontract.

By signing and submitting this certification the potential contractor accepts the following terms:

1. The certification herein below is a material representation of fact upon which reliance was placed when this contract was entered into. If it is later determined that the potential contractor knowingly rendered an erroneous certification, in addition to other remedies available to the federal government, the Department of Health and Human Services, United States Department of Agriculture or other federal department or agency, or the HHSC may pursue available remedies, including suspension and/or debarment.
2. The potential contractor will provide immediate written notice to the person to which this certification is submitted if at any time the potential contractor learns that the certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
3. The words “covered contract”, “debarred”, “suspended”, “ineligible”, “participant”, “person”, “principal”, “proposal”, and “voluntarily excluded”, as used in this certification have meanings based upon materials in the Definitions and Coverage sections of federal rules implementing Executive Order 12549. Usage is as defined in the attachment.
4. The potential contractor agrees by submitting this certification that, should the proposed covered contract be entered into, it will not knowingly enter into any subcontract with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the Department of Health and Human Services, United States Department of Agriculture or other federal department or agency, and/or the HHSC, as applicable.

Do you have or do you anticipate having subcontractors under this proposed contract? Yes No

5. The potential contractor further agrees by submitting this certification that it will include this certification titled “Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion for Covered Contracts” without modification, in all covered subcontracts and in solicitations for all covered subcontracts.
6. A contractor may rely upon a certification of a potential subcontractor that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered contract, unless it knows that the certification is erroneous. A contractor must, at a minimum, obtain certifications from its covered subcontractors upon each subcontract’s initiation and upon each renewal.
7. Nothing contained in all the foregoing will be construed to require establishment of a system of records in order to render in good faith the certification required by this certification document. The knowledge and information of a contractor is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
8. Except for contracts authorized under paragraph 4 of these terms, if a contractor in a covered contract knowingly enters into a covered subcontract 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, Department of Health and Human Services, United States Department of Agriculture, or other federal department or agency, as applicable, and/or the HHSC may pursue available remedies, including suspension and/or debarment.

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION FOR COVERED CONTRACTS

Indicate in the appropriate box which statement applies to the covered potential contractor:

- The potential contractor certifies, by submission of this certification, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this contract by any federal department or agency or by the State of Texas.
- The potential contractor is unable to certify to one or more of the terms in this certification. In this instance, the potential contractor must attach an explanation for each of the above terms to which he is unable to make certification. Attach the explanation(s) to this certification.

| | | |
|------------------------------|--------------------------------------|-----------------------------------|
| Name of Potential Contractor | Vendor ID No. or Social Security No. | HHSC Contract No. (if applicable) |
|------------------------------|--------------------------------------|-----------------------------------|

| | | |
|---------------------------------------|------|---|
| Signature of Authorize Representative | Date | Printed/Typed Name and Title of Authorized Representative |
|---------------------------------------|------|---|

DEFINITIONS

Covered Contracts/Subcontract.

- (1) Any non-procurement transaction which involves federal funds (regardless of amount and including such arrangements as sub-grant and are between HHSC or its agents and another entity.
- (2) Any procurement contract for goods or services between a participant and a person, regardless of type, expected to equal or exceed the federal procurement small purchase threshold fixed at 10 U.S.C. 2304(g) and 41 U.S.C. 253(g) (currently \$25,000) under a grant or sub-grant.
- (3) Any procurement contract for goods or services between a participant and a person under a covered grant, sub-grant, contract or subcontract, regardless of amount, under which that person will have a critical influence on or substantive control over that covered transaction:
 - a. Principal investigators.
 - b. Providers of audit services required by the HHSC or federal funding source.
 - c. Researchers.

Debarment. An action taken by a debarring official in accordance with 45 CFR Part 76 (or comparable federal regulations) to exclude a person from participating in covered contracts. A person so excluded is "debarred".

Grant. An award of financial assistance, including cooperative agreements, in the form of money, or property in lieu of money, by the federal government to an eligible grantee.

Ineligible. Excluded from participation in federal non-procurement programs pursuant to a determination of ineligibility under statutory, executive order, or regulatory authority, other than Executive Order 12549 and its agency implementing regulations; for example, excluded pursuant to the Davis-Bacon Act and its implement regulations, the equal employment opportunity acts and executive orders, or the environmental protection acts and executive orders. A person is ineligible where the determination of ineligibility affects such person's eligibility to participate in more than one covered transaction.

Participant. Any person who submits a proposal for, enters into, or reasonably may be expected to enter into a covered contract. This term also includes any person who acts on behalf of or is authorized to commit a participant in a covered contract as an agent or representative of another participant.

Person. Any individual, corporation, partnership, association, unit of government, or legal entity, however organized, except: foreign governments or foreign governmental entities, public international organizations, foreign government owned (in whole or in part) or controlled entities, and entities consisting wholly or partially of foreign governments or foreign governmental entities.

Principal. Officer, director, owner, partner, key employee, or other person within a participant with primary management or supervisory responsibilities; or a person who has a critical influence on or substantive control over a covered contract whether or not the person is employed by the participant. Persons who have a critical influence on or substantive control over a covered transaction are:

- (1) Principal investigators.
- (2) Providers of audit services required by the HHSC or federal funding source.
- (3) Researchers.

Proposal. A solicited or unsolicited bid, application, request, invitation to consider or similar communication by or on behalf of a person seeking to receive a covered contract.

Suspension. An action taken by a suspending official in accordance with 45 CFR Part 76 (or comparable federal regulations) that immediately excludes a person from participating in covered contracts for a temporary period, pending completion of an investigation and such legal, debarment, or Program Fraud Civil Remedies Act proceedings as may ensue. A person so excluded is "suspended".

Voluntary exclusion or voluntarily excluded. A status of nonparticipation or limited participation in covered transactions assumed by a person pursuant to the terms of a settlement.



TEXAS DEPARTMENT OF STATE HEALTH SERVICES

CERTIFICATION REGARDING LOBBYING

CERTIFICATION FOR CONTRACTS, GRANTS, LOANS AND COOPERATIVE AGREEMENTS

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

- (1) No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or an employee of any agency, a member of congress, an officer or employee of congress, or an employee of a member of congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- (2) If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of congress federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit, an officer or employee of congress, or an employee of a member of congress in connection with this Standard Form-11, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Signature

Date

Print Name of Authorized Individual

Application or Contract Number

Organization Name

**State of Texas Health and Human Services Commission
Nondisclosure Statement**

Acknowledgment

As a contractor to the Texas Health & Human Services Commission, I have been provided access to information, systems, operations, or procedures that are security sensitive or have been identified as confidential by the Health & Human Services Commission, the State of Texas, or the United States Government. As such, I acknowledge the following:

- that my access to this information is provided solely in my capacity as a contractor to the Texas Health & Human Services Commission;
- that access to this information is solely for the purpose of discharging my duties or the duties of my employer under Texas Health & Human Services Commission contract number HHSC-____-____-____;
- that premature or unauthorized disclosure of this information will irreparably harm the interests of the State of Texas and the Texas Health & Human Services Commission and may constitute a violation of Section 39.02 of the Texas Penal Code, the antitrust laws of the United States and the State of Texas, and the Texas Public Information Act [chapter 552, Texas Government Code];
- that the information may represent confidential or proprietary information, the release of which may be restricted or prohibited by law.

Agreement

In view of the foregoing, I agree that I shall use any information that I receive in my capacity as a contractor to the Texas Health & Human Services Commission – whether written or oral, formal or informal – for the following purposes only:

- to provide the services and/or deliverables required or requested under contract number HHSC-____-____-____;
- to provide advice, opinion or recommendation requested by the Texas Health & Human Services Commission in the course of fulfilling the duties prescribed under the contract;
- to assist the Texas Health & Human Services Commission in developing any documents, reports, working papers, evaluations, schedules, or instruments necessary to fulfill the requirements of the contract.

I further agree that I shall regard any such information as confidential and that I shall not disclose, reveal, communicate, impart or divulge the information or any summary or synopsis of the information in any manner or any form whatsoever, except under the following circumstances:

- when authorized in writing by the Project Manager employed by the Texas Health & Human Services Commission;
- when required by court order, subpoena, or ruling of the Attorney General of Texas;
- when advised by legal counsel that disclosure is required by law or legal process;
- when the information has previously been released to the general public by the Project Manager, the Texas Health & Human Services Commission;
- when required to brief or inform a superior, provided the superior is informed of and has also executed a non-disclosure statement.

In the event I receive a request for information relating to contract number HHSC-____-____-____, either during or after the performance of this contract, I agree to do the following:

- notify the Project Manager or the Texas Health & Human Services Commission as soon as practical following receipt of the request;
- seek advice from appropriate legal counsel regarding my ability to disclose the information.

By signing this statement, I acknowledge that I understand and agree to adhere to the limitations on disclosure described above.

Signature

Date

Printed Name

RESPONDENT INFORMATION AND DISCLOSURES

| RESPONDENT INFORMATION | |
|---|---|
| 1) LEGAL NAME: | |
| 2) MAILING Address Information (include mailing address, street, city, county, state and zip code): | Check if address change <input type="checkbox"/> |
| 3) PAYEE Mailing Address (if different from above): | |
| Check if address change <input type="checkbox"/> | |
| 4) Federal Tax ID No. (9 digit), State of Texas Comptroller Vendor ID No. (14 digit) or if an individual, Social Security Number (9 digit) : | |
| <i>*The vendor acknowledges, understands and agrees that the vendor's choice to use a social security number as the vendor identification number for the contract, may result in the social security number being made public via state open records requests.</i> | |
| 5) TYPE OF ENTITY (check all that apply): | |
| <input type="checkbox"/> City <input type="checkbox"/> County <input type="checkbox"/> Other Political Subdivision <input type="checkbox"/> State Agency <input type="checkbox"/> Indian Tribe | <input type="checkbox"/> Nonprofit Organization* <input type="checkbox"/> For Profit Organization* <input type="checkbox"/> HUB Certified <input type="checkbox"/> Community-Based Organization <input type="checkbox"/> Minority Organization <input type="checkbox"/> Faith-based Organization |
| <input type="checkbox"/> Individual <input type="checkbox"/> FQHC <input type="checkbox"/> State Controlled Institution of Higher Learning <input type="checkbox"/> Hospital <input type="checkbox"/> Private <input type="checkbox"/> Other (specify): _____ | |
| <i>*If incorporated, provide 10-digit charter number assigned by Secretary of State:</i> | |
| 6) CONTRACT TERM: | Start Date: _____ End Date: _____ |
| 7) COUNTIES SERVED BY PROJECT: Statewide benefit (or specify) | |
| 8) TOTAL DOLLAR AMOUNT PROPOSED: | |
| 9) PROJECT CONTACT PERSON | 10) FINANCIAL OFFICER |
| Name: Phone: Fax: E-mail: | Name: Phone: Fax: E-mail: |
| The facts affirmed by me in this proposal are truthful and I warrant that the respondent is in compliance with the assurances and certifications contained in DSHS Assurances and Certifications . I understand that the truthfulness of the facts affirmed herein and the continuing compliance with these requirements are conditions precedent to the award of a contract. This document has been duly authorized by the governing body of the respondent and I (the person signing below) am authorized to represent the respondent. | |
| 11) REPRESENTATIVE | 12) SIGNATURE OF AUTHORIZED REPRESENTATIVE |
| AUTHORIZED <input type="checkbox"/> Check if change <input type="checkbox"/> Name: Title: Phone: Fax: E-mail: | 13) DATE |

RESPONDENT INFORMATION AND DISCLOSURES

This form provides basic information about the respondent and the proposed project with the Department of State Health Services (DSHS), including the signature of the authorized representative. Signature affirms that the facts contained in the respondent's response are truthful and that the respondent is in compliance with the assurances and certifications contained in **DSHS Assurances and Certifications** and acknowledges that continued compliance is a condition for the award of a contract. Please follow the instructions below to complete the face page form and return with the respondent's response.

- 1) **LEGAL NAME** - Enter the legal name of the respondent.
- 2) **MAILING ADDRESS INFORMATION** - Enter the respondent's complete street and mailing address, city, county, state, and zip code.
- 3) **PAYEE MAILING ADDRESS** – Payee- Entity involved in a contractual relationship with respondent to receive payment for goods provided or services rendered by respondent and to maintain accounting records for the contract, i.e. fiscal agent. Enter the PAYEE's name and mailing address if PAYEE is different from the respondent. The PAYEE is the corporation, entity or vendor who will be receiving payments.
- 4) **FEDERAL TAX ID/STATE OF TEXAS COMPTROLLER VENDOR ID/SOCIAL SECURITY NUMBER** - Enter the Federal Tax Identification Number (9-digit) or the Vendor Identification Number assigned by the Texas State Comptroller (14-digit). *The vendor acknowledges, understands and agrees that the vendor's choice to use a social security number as the vendor identification number for the contract, may result in the social security number being made public via state open records requests.
- 5) **TYPE OF ENTITY** - The type of entity is defined by the Secretary of State and/or the Texas State Comptroller. Check all appropriate boxes that apply.

HUB is defined as a corporation, sole proprietorship, or joint venture formed for the purpose of making a profit in which at least 51% of all classes of the shares of stock or other equitable securities are owned by one or more persons who have been historically underutilized (economically disadvantaged) because of their identification as members of certain groups: Black American, Hispanic American, Asian Pacific American, Native American, and Women. The HUB must be certified by the Texas Building and Procurement Commission or another entity.

MINORITY ORGANIZATION is defined as an organization in which the Board of Directors is made up of 50% racial or ethnic minority members.

If a Non-Profit Corporation or For-Profit Corporation, provide the 10-digit charter number assigned by the Secretary of State.

- 6) **CONTRACT TERM** - Enter the contract term for this proposal. Contract term is defined in the RFP.
- 7) **COUNTIES SERVED BY PROJECT** - Enter the proposed counties served by the project.
- 8) **TOTAL DOLLAR AMOUNT PROPOSED**- Enter the total amount proposed for the project activities. This amount must match the total column in Form G, Deliverable Price Proposal
- 9) **PROJECT CONTACT PERSON** - Enter the name, phone, fax, and e-mail address of the person responsible for the proposed project.
- 10) **FINANCIAL OFFICER** - Enter the name, phone, fax, and e-mail address of the person responsible for the financial aspects of the proposed project.
- 11) **AUTHORIZED REPRESENTATIVE** - Enter the name, title, phone, fax, and e-mail address of the person authorized to represent the respondent. Check the "Check if change" box if the authorized representative is different from previous submission to DSHS.
- 12) **SIGNATURE OF AUTHORIZED REPRESENTATIVE** - The person authorized to represent the respondent signs in this blank.
- 13) **DATE** - Enter the date the person authorized to represent the respondent signed this form.

CONTACT PERSON INFORMATION

Legal Name of Respondent: _____

This form provides information about the appropriate contacts in the respondent's organization in addition to those on the Respondent Information page. If any of the following information changes during the term of the contract, please send written notification to the contact identified in this RFP.

| | |
|--|--|
| Contact: _____ Title: _____ Phone: _____ Ext. _____ Fax: _____ E-mail: _____ | Mailing Address (incl. street, city, county, state, & zip): _____ _____ _____ |
| Contact: _____ Title: _____ Phone: _____ Ext. _____ Fax: _____ E-mail: _____ | Mailing Address (incl. street, city, county, state, & zip): _____ _____ _____ |
| Contact: _____ Title: _____ Phone: _____ Ext. _____ Fax: _____ E-mail: _____ | Mailing Address (incl. street, city, county, state, & zip): _____ _____ _____ |
| Contact: _____ Title: _____ Phone: _____ Ext. _____ Fax: _____ E-mail: _____ | Mailing Address (incl. street, city, county, state, & zip): _____ _____ _____ |
| Contact: _____ Title: _____ Phone: _____ Ext. _____ Fax: _____ E-mail: _____ | Mailing Address (incl. street, city, county, state, & zip): _____ _____ _____ |

ADMINISTRATIVE INFORMATION

This form provides information regarding identification and contract history of the respondent, executive management, project management, governing board members, and/or principal officers. Respond to each request for information or provide the required supplemental document behind this form. If responses require multiple pages, identify the supporting pages/documentation with the applicable request.

Legal Name of Respondent: _____

Identifying Information

**1. The respondent must attach the following information:
If a Governmental Entity**

- Names (last, first, middle) and addresses for the officials who are authorized to enter into a contract on behalf of the respondent.

If a Nonprofit or For profit Corporation

- Full names (last, first, middle), addresses, telephone numbers, titles and occupation of members of the Board of Directors or any other principal officers. Indicate the office held by each member (e.g. chairperson, president, vice-president, treasurer, etc.).
- Full names (last, first, middle), and addresses for each partner, officer, and director as well as the full names and addresses for each person who owns five percent (5%) or more of the stock if respondent is a for-profit corporation.

2. Is respondent a private, nonprofit organization?

YES NO

If YES, respondent must include evidence of its nonprofit status with the proposal. Any one of the following is acceptable evidence. Check the appropriate box for the attached evidence or complete the "Previously Filed" section, whichever is applicable.

- (a) A reference to the organization's listing in the Internal Revenue Service's (IRS's) most recent list of tax-exempt organizations described in section 501(c)(3) of the IRS Code.
- (b) A copy of a currently valid IRS Tax exemption certificate.
- (c) A statement from a State taxing body, State Attorney General, or other appropriate State official certifying that the respondent organization has a nonprofit status and that none of the net earnings accrue to any private shareholders or individuals.
- (d) A certified copy of the organization's certificate of incorporation or similar document if it clearly establishes the nonprofit status of the organization.
- (e) Any of the above proof for a State or national parent organization, and a statement signed by the parent organization that the respondent organization is a local nonprofit affiliate.

If a respondent has evidence of current nonprofit status on file with a program of DSHS, indicate name of program and date of filing.

Previously Filed with: (DSHS Program)

On (Date)

ADMINISTRATIVE INFORMATION continued

Conflict of Interest and Contract History

The respondent must disclose any existing or potential conflict of interest relative to the performance of the requirements of this RFP. Examples of potential conflicts may include an existing business or personal relationship between the respondent, its principal, or any affiliate or subcontractor, with DSHS, the Health and Human Services Commission, or any other entity or person involved in any way in any project that is the subject of this RFP. Similarly, any existing or potential personal or business relationship between the respondent, the principals, or any affiliate or subcontractor, with any employee of DSHS, or Health and Human Services Commission, must be disclosed. Any such relationship that might be perceived, or represented as a conflict, must be disclosed. Failure to disclose any such relationship may be cause for contract termination or disqualification of the proposal. If, following a review of this information, it is determined by DSHS that a conflict of interest exists the respondent may be disqualified from further consideration for the award of a contract.

Pursuant to Texas Government Code Section 2155.004, a respondent is ineligible to receive a contract under this RFP if the bid includes financial participation with the respondent by a person who received compensation from DSHS to participate in preparing the specifications or RFP on which the bid is based.

- 1. Does anyone in the respondent organization have an existing or potential conflict of interest relative to the performance of the requirements of this RFP?**

YES NO

If YES, detail any such relationship(s) that might be perceived or represented as a conflict. (Attach no more than one additional page.)

- 2. Will any person who received compensation from DSHS for participating in the preparation of the specifications or documentation for this RFP participate financially with respondent as a result of a contract under this RFP?**

YES NO

If YES, indicate his/her name, social security number, job title, separation date, and reason for separation.

- 3. Has any member of respondent's executive management, project management, governing board or principal officers been employed by the State of Texas 24 months prior to the proposal due date?**

YES NO

If YES, indicate his/her name, social security number, job title, agency employed by, separation date, and reason for separation.

- 4. Has respondent had a contract with DSHS within the past 24 months?**

YES NO

If YES, indicate the contract number(s):

| Contract Number(s) | |
|--------------------|--|
| | |
| | |
| | |
| | |

If NO, respondent must be able to demonstrate fiscal solvency. Submit a copy of the organization's most recently audited balance sheet, statement of income and expenses and accompanying financial footnotes. If an organization does not have an audited balance sheet, submit a copy of your IRS Form 990 and an explanation why an audited statement is not available. DSHS will review the documents that are submitted and may, at its sole discretion, reject the proposal on the grounds of the respondent's financial capability.

5. Is respondent or any member of respondent's executive management, project management, board members or principal officers:

- Delinquent on any state, federal or other debt;
- Affiliated with an organization that is delinquent on any state, federal or other debt; or
- In default on an agreed repayment schedule with any funding organization?

YES NO

If YES, please explain. (Attach no more than one additional page.)

6. Has the respondent had a contract suspended or terminated prior to expiration of contract or not been renewed under an optional renewal by any local, state, or federal department or agency or non-profit entity?

YES NO

If YES, indicate the reason for such action that includes the name and contact information of the local, state, or federal department or agency, the date of the contract and a contract reference number, and provide copies of any and all decisions or orders related to the suspension, termination, or non-renewal by the contracting entity.

HIV CONTRACTOR ASSURANCES

1. ADVOCATE AND PROMOTE

The applicant agency assures that it does not advocate or promote conduct that violates state law, in compliance with the HIV Services Act, Texas Health and Safety Code, Section 85.011, as follows:

"Grants may not be awarded to an entity or community organization that advocates or promotes conduct that violates state law. This subsection does not prohibit the award of a grant to an entity or community organization that provides accurate information about ways to reduce the risk of exposure to or transmission of HIV."

2. CONFIDENTIALITY

The applicant agency and its employees or subcontractors, if applicable, provide assurance to the Department of State Health Services that confidentiality of all records shall be maintained. No information obtained in connection with the examination, care, or provision of programs or services to any person with HIV shall be disclosed without the individual's consent, except as may be required by law, such as for the reporting of communicable diseases. Information may be disclosed in statistical or other summary form, but only if the identity of the individuals diagnosed or provided care is not disclosed.

We are aware that the Health and Safety Code, §81.103, provides for both civil and criminal penalties against anyone who violates the confidentiality of persons protected under the law. Furthermore, all employees and volunteers who provide direct client care services or handle direct care records wherein they may be informed of a client's HIV status or any other information related to the client's care, are required to sign a statement of confidentiality assuring compliance with the law. An entity that does not adopt a confidentiality policy as required by law is not eligible to receive state funds until the policy is developed and implemented.

3. CONFLICT OF INTEREST

The applicant agency and its employees or subcontractors, if applicable, provide assurance to the Department of State Health Services that no person who is an employee, agent, consultant, officer, board member, or elected or appointed official of this agency, and, therefore, in a position to obtain a financial interest or benefit from an activity, or an interest in any contract, subcontract, or agreement with respect thereto, or the proceeds thereunder, either for himself or herself or for those with whom he or she has family or business ties, during his or her tenure or for one year thereafter shall participate in the decision making process or use inside information with regard to such activity. Furthermore, this agency will adopt procedural rules which require the affected person to withdraw from his or her functions and responsibilities or the decision-making process with respect to the specific assisted activity from which they would derive benefit.

4. TUBERCULOSIS COLLABORATION

The applicant agency assures the DSHS that it maintains collaborative efforts with local Tuberculosis (TB) Control programs in order to insure that HIV and TB treatment and prevention services are provided to persons at risk of HIV and TB.

5. DRUG-FREE WORKPLACE REQUIREMENTS

The undersigned (authorized official signing for the applicant organization) certifies that it will provide a drug-free workplace in accordance with 45 CFR Part 76 by:

- (a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
- (b) Establishing a drug-free awareness program to inform employees about-

- (1) The dangers of drug abuse in the workplace;
 - (2) The grantee's policy of maintaining a drug-free workplace;
 - (3) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
- (c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a) above;
- (d) Notifying the employee in the statement required by paragraph (a), above, that, as a condition of employment under the grant, the employee will-
- (1) Abide by the terms of the statement; and
 - (2) Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five days after such conviction;
- (e) Notifying the agency within ten days after receiving notice under subparagraph (d)(2), above, from an employee or otherwise receiving actual notice of such conviction;
- (f) Taking one of the following actions, within 30 days of receiving notice under subparagraph (d)(2), above, with respect to any employee who is so convicted-
- (1) Taking appropriate personnel action against such an employee, up to and including termination; or
 - (2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
- (g) Making a good faith effort to continue to maintain a drug free workplace through implementation of paragraphs (a), (b), (c), (d), (e), and (f), above.

6. POLICIES OF THE HIV/STD PROGRAM

The applicant agency assures the DSHS that it will abide by all policies of the HIV/STD Program that apply to the programs being provided. A list of policies applicable to all HIV and STD contractors is provided at the Bureau website at <http://www.tdh.state.tx.us/hivstd/policy/default.htm>.

| | |
|---|-------|
| Signature of Authorized Certifying Official | Title |
| Date | |
| Legal Name of Applicant Organization | |

CONTRACTOR ASSURANCE REGARDING PHARMACY NOTIFICATION

To ensure that pharmacies providing prescriptions to HIV services clients do not fill medications on deceased clients, the applicant agency provides assurance to the Department of State Health Services that it will notify the client's pharmacy when a client dies.

| | |
|---|-------|
| Signature of Authorized Certifying Official | Title |
| Date | |
| Legal Name of Organization | |