SECTION G - CONTRACT ADMINISTRATION

G.1. ACCOUNTING AND APPROPRIATION DATA

CAN	PR #	OFFICE CODE	AMOUNT

G.2. INVOICING AND PAYMENT INFORMATION

A. Submission of Invoices/Vouchers:

1. A complete invoice/voucher shall consist of the following forms and shall clearly identify the following information:

- Standard Form (SF) 1034, Public Voucher for Purchases and Services Other than Personal;

- The cover sheet to the SF 1034 shall clearly document costs invoiced under any Special Project (Task 4) with a CAN number different than the base contract award. Note: The fist digit of the CAN number can be different without reporting it separately as the first digit represents the fiscal year.

- CMS Revised Form 719, Quality Improvement Organization Contract Activity and Voucher;

- CMS Form 618, Quality Improvement Organization Voucher Certification;

- Any additional supporting documentation

- Monthly fixed fee clearly and separately identified on the voucher;

- At a minimum, the following additional supporting documentation must be supplied with the monthly invoice:

a. A listing of the total direct employee costs charged to the invoice per employee including the hours charged the average rate per employee and the total cost per employee.

Corporate Management positions (i.e. CEO, CFO, COO and CMO) which are billed direct and indirect on the contract must submit a monthly activity/progress report supporting the work accomplished for the direct hours billed.

b. A detailed listing of the individual accounting line item direct costs charged for reproduction and printing, telephones, meetings and conferences, dues and subscriptions, travel, other-attached schedule exceeding $500.00 per invoice and consultant and subcontracts. The detailed list shall include the following information:

Subject Area (i.e. meetings and conferences)

Title of the Cost	Purpose of the Cost	Total Cost

c. Additional information may be requested by the Contracting Officer, the Contract Specialist or the Project Officer for each monthly invoice.

2. One (1) original and three (3) copies of the above forms shall be submitted in hard copy to CMS to the following address:

For overnight Mail:

DHHS, CMS
OFM, Division of Accounting
7500 Security Boulevard/C3-11-03
Baltimore, MD 21244-1850

For regular Mail

DHHS, CMS
OFM, Division of Accounting
P.O. Box 7520
Baltimore, MD 21207-0520

Simultaneously, upon submission of the hardcopy voucher to the Division of Accounting, the QIO shall also submit a hardcopy of the voucher to the Project Officer. **Advance/duplicate copies should not be submitted to the Contract Specialist or Contracting Officer. Facsimile versions of a voucher will not be accepted for payment.**

The QIO shall also submit an electronic version of the above-referenced forms and the 719A Backup Forms via the CMS FIVS Telecommunications Network.

NOTE: Invoice/Voucher payment is based upon the **original hard copy** submission and not on the electronic CMS FIVS submission.

B. Payment of Invoices/Vouchers

1. Payment Schedule

Payment will be made within 15 days of the close of the previous month. In accordance with the Omnibus Reconciliation Act (OBRA) of 1985 (P.L.99-272), the assumption is made that acceptable vouchers will be submitted by a QIO within 15 days of the close of the previous month. For payment date calculation purposes, the 15 days will commence upon receipt of the hardcopy voucher by CMS' Division of Accounting.

Discrepancies found as a result of Project Officer/Contracting Officer review of an invoice/voucher may result in the issuance of a suspension notice.

QIOs may log into the following website maintained by the Department of Treasury in order to check on voucher payment status:

hhtp://fms.treas.gov/paid

2. Electronic Payment

Payments will only be made by electronic funds transfer using the Central Contractor Registration (CCR) database.

In the event that during the performance of this contract, the QIO elects to designate a different financial institution for receipt of payment using the electronic funds transfer procedures, the QIO shall provide written notification of the change (including all required information) to the Contracting Officer thirty (30) days in advance of the effective date of the change.

The documents furnishing the information relating to the above change must be dated and must include the signature, title and telephone number of the QIOs official representative authorized to

provide the information, as well as the QIOs name and contract number.

The QIO shall notify CMS's Division of Accounting (per the address information provided in Section G.2) of any change in the QIOs address information in the CCR database via the following e-mail address: CCRChanges@CMS.HHS.GOV.

G.3. INDIRECT COSTS

A. All non-profit QIOs shall adhere to the cost principles as set forth under OMB Circular A-122. All non-profit QIOs are required to use one (1) of the three (3) current allocation methodologies described in the Circular.

B. All for-profit QIOs shall adhere to the cost principles as set forth under the Federal Acquisition Regulation (FAR).

All QIOs, both non-profit and for-profit, shall establish indirect cost rates.

C. Indirect Cost Rates

For the purposes of this contract, the following indirect cost rates are established and the pools defined:

TYPE	COST CENTER	PERIOD	RATE	BASE

1. In accordance with the requirements of OMB A-122 Circular and FAR Part 31, CMS has determined that AHQA professional dues is an indirect cost. Therefore, AHQA professional dues, to the extent they are allowable, allocable and reasonable must be included in the QIOs indirect cost pool.

2. The QIO shall make no change in its established method of classifying or allocating indirect costs without the prior written approval of the Contracting Officer.

3. The QIO shall not change its methods of accounting under this contract in such a manner as to account for any item of cost on a direct-cost basis if such item of cost was previously considered as

an indirect charge. Such a change would be considered a violation of the established provision and corresponding contract ceiling rates.

D. Provisional Rates

QIO(s) that did not hold a 8th round QIO contract, must submit an indirect cost rate proposal (both electronic and hardcopy) to the Defense Contract Audit Agency (DCAA) no later than ninety (90) days from the effective date of the award of this contract at the address provided below:

Defense Contract Audit Agency
Chesapeake Bay Branch Office
One Mall North, Suite 200
10025 Governor Warfield Parkway
Columbia, MD 21044
Attn: Jane Galloway, Focal Point for CMS Audits
JGalloway@DCAA.MIL

Upon submission of the QIO(s) indirect cost rate proposal to DCAA, the QIO(s) shall inform (by letter) the Contracting Officer of the date of submission to DCAA.

If the QIO fails to submit an acceptable indirect cost rate proposal within the 90 days from the effective date of this award, the Contracting Officer reserves the right to suspend payment until such time as an acceptable proposal is received by the DCAA.

Once established, provisional indirect rates should be utilized by the QIO for submission of interim vouchers. Established provisional indirect rates may be prospectively or retroactively revised by mutual agreement between the Contracting Officer and the QIO to prevent substantial overpayment or underpayment. It is the responsibility of the QIO to notify the Contracting Officer, in writing, of any significant variances in the actual rates in comparison to the established provisional indirect rates.

E. Final Rate

On an annual basis, each QIO shall submit an indirect cost rate proposal to the DCAA no later than six (6) months after the close of the QIOs fiscal year. In the event that the QIO does not submit an acceptable indirect cost rate proposal within six (6) months after the close of the QIOs fiscal year, the Contracting Officer reserves the right to suspend payments until such time as an acceptable proposal is received by DCAA. Upon submission to DCAA, the QIOs shall also provide one (1) copy of the annual indirect cost rate proposal to the Contracting Officer.

For each final rate established through an annual indirect rate audit, the Contracting Officer reserves the right to grant an increase of no more than five (5) percentage points above the first year provisional rate(s) as established in Section G.3. The five (5) percentage point fluctuation is at the discretion of the Contracting Officer for the purpose of reflecting possible changes in the QIO's business during the three (3) years of the contract. The indirect rate ceiling(s) provided in Section B.6 is/are inclusive of the five (5) percentage point fluctuation factor.

G.4. OTHER PROVISIONS APPLICABLE TO DIRECT AND INDIRECT COSTS

Notwithstanding FAR Clause Number 52.216-7 - "Allowance Cost and Payment" and FAR Clause Number 52.244-2 – "Subcontracts," unless otherwise expressly provided elsewhere in this contract or in any modification thereto, the costs of the following items or activities shall be unallowable as direct costs:

a. Acquisition, by purchase or lease, of any interest in real property;

b. Special arrangement or alteration of facilities;

c. Purchase or lease of any item of general purpose; office furniture or office equipment;

d. DSL lines for employees working at home are unallowable whether incurred on a direct or indirect cost basis.

e. Honorariums, whether incurred on a direct or indirect basis, are not authorized under this contract and are considered unallowable.

f. Space Allocation, CMS will utilize the GSA guidelines for analyzing the appropriateness of space. The cost of space in excess of that determined to be reasonable will be disallowed.

g. Meetings and Conferences, CMS will consider the appropriateness and reasonableness of costs incurred for QIOs participation in meetings/conferences whether held within the QIOs respective state or outside the state. In determining reasonableness, CMS will consider the role of the participants attending meetings/conferences in relationship to their performance of the requirements under Section C, Statement of Work.

CMS reserves the right to consider the allowability of any of the above-listed costs on a case-by-case basis.

G.5. A-133 INTERIM AUDITS (for non-profit QIOs only)

For each non-profit QIO, there shall be an A-133 audit in accordance with OMB Circular entitled, "Audits of States, Local Governments, and Non-Profit Organizations." The QIO will contract independently with a CPA firm to perform these audits. The Office of Inspector General (OIG) for the Department of Health and Human Services (DHHS) shall serve as the cognizant oversight agency as defined by OMB Circular A-133. The QIO shall share all A-133 findings with any audit entity authorized by CMS.

G.6. CLOSEOUT AUDITS FOR PROFIT AND NON—PROFIT ORGANIZATIONS

The contract closeout audit will be performed in accordance with the terms and conditions of the contract, FAR, OMB Circular A-122 (as applicable) and other appropriate guidelines such as generally accepted accounting principles.

G.7. KEY PERSONNEL

A. HHSAR 352.270-5 Key Personnel (JAN 2006)

The personnel specified in this contract are considered to be essential to work performance. At least 30 days prior to diverting any of the specified individuals to other programs or contracts (or as soon as possible, if an individual must be replaced, for example, as a result of leaving the employ of the Contractor), the Contractor shall notify the Contracting Officer and shall submit comprehensive justification for the diversion or replacement request (including proposed substitutions for key personnel) to permit evaluation by the Government of the impact on performance under this contract. The Contractor shall not divert or otherwise replace any key personnel without the written consent of the Contracting Officer. The Government may modify the contract to add or delete key personnel at the request of the Contractor or Government.

Note: Contractor shall be interpreted as QIO.

B. Chief Executive Officer (CEO)/Executive Director/Equivalent Position

1. _____is the CEO for this contract. This position is defined as Key Personnel in accordance with HHSAR 352.270-5, as provided in paragraph A, above. It is his/her responsibility to lead the organization and obtain the staff and resources necessary to conduct the contract.

As a key person, this position may not be vacant and may not be filled in a temporary capacity for more than 180 consecutive days of

the contract. In the event that the QIO cannot meet this timeframe for a permanent CEO/Executive Director, CMS will institute a performance improvement plan and will consider the necessity of termination for default in accordance with the Termination Clause as provided in Section I of the contract.

2. The CEO shall be responsible for all staff employed by the QIO organization, including consultants paid for work under this QIO contract.

3. The CEO/Executive Director shall be responsible for all work performed under this contract and shall be held accountable for the outcomes of the QIO and the resolution of obstacles to achieving the outcomes necessary for success under this contract.

4. The CEO/Executive Director shall be required to provide the QIO Board of Directors with information necessary for the Board to make informed decisions regarding this contract, including all evaluations and reviews.

5. The CEO/Executive Director shall be required to have a Standard Data Processing System (SDPS) address for critical communications between the Contracting Officer and the QIO.

G.8. PROJECT OFFICER

A. Designation

_____is hereby designated as the Government Project Officer.

B. Responsibilities

1. Authority for directing and managing implementation of the program/technical aspects of the Act, as amended, has been redelegated from the Administrator through the Director of the Office of Clinical Standards and Quality.

2. Performance of the work under this contract shall be subject to the technical direction of the Project Officer. The Project Officer shall be the authorized representative of the Contracting Officer and the person representing CMS for the purpose of providing technical direction and monitoring of contract performance. It is within the purview of the Project Officer to conduct on-site visits as deemed necessary. Such visits are to be used as a tool to gather or verify information regarding such things as SDPS property, performance issues and/or financial issues.

3. It is the responsibility of the Project Officer to conduct necessary evaluations throughout the term of the contract. The Project Officer may include any CMS personnel considered necessary in order to conduct these reviews.

4. It is the responsibility of the Project Officer to monitor the contractor's progress against the QIO's contract management plan. The Project Officer may use the contract management plan as a tool in providing appropriate technical direction to the QIO.

5. The term "technical direction" is defined as government guidance of a Contractor's effort toward areas of effort that fall within the statement of work. For the purposes of this contract, this definition shall include the following:

    - recommendations from the Project Officer that must be implemented by the Contractor to bring their performance into compliance with the minimum requirements of the contract,
    - review, and, where required by the contract, approval of reports and other technical information to be delivered by the Contractor under the contract.

6. The Project Officer may also provide advice and consultation on the Statement of Work and deliverables and services to be furnished under the provisions of the contract. Unlike technical direction, however, the Contractor is not required to implement these suggestions.

7. The Project Officer may work with the Government Task Leader to provide information to the Contractor which assists in the interpretation of the work and services to be furnished within a given task area.

8. Any and all technical direction and advice and consultation must be within the general scope of the contract. The Project Officer does not have the authority to and shall not issue any technical direction or advice which:

    - constitutes an assignment of additional work outside the scope of the contract;

    - constitutes a change as defined in the contract clause at FAR 52.243-2, Alt I;

    - in any manner, causes an increase or decrease in the total estimated contract cost; and,

- changes any of the expressed terms, conditions, or specifications of the contract.

9. Technical direction which is within the scope of the contract, as written, shall, whenever possible, be in writing and a copy submitted to the Contracting Officer.

10. The Contractor shall proceed promptly with the performance of technical direction duly issued by the Project Officer in the manner prescribed by his/her authority under the provisions of this article.

11. If the Contractor believes that instruction issued by the Project Officer does not follow the definition of technical direction, and results in a contractual change or cost impact, the Contractor shall not proceed but shall notify the Contracting Officer immediately.

    If the Contractor believes that information provided as a result of interaction with other technical personnel as defined in G.8.0 below is inconsistent with the statement of work, the Contractor shall contact the Project Officer for resolution.

G.9. GOVERNMENT THEME LEADER/TASK LEADER (GTL)

A. Designation

The following are hereby designated as the Government Theme Leader(s) (GTL):

Theme 6.1.	Beneficiary Protection	Thomas Kessler, Lead Donna Williamson, R.N., GTL
Theme 6.2.	Patient Safety	Elizabeth Donohoe, M.D., Lead Jade Perdue
Theme 6.3.	Prevention	Eugene Freund, M.D., Lead Linda Smith, R.N., GTL
Theme 7.1.	Disparities	Eugene Freund, M.D., Lead Linda Smith, R.N., GTL
Theme 7.2.	Patient Pathways	Douglas Brown, GTL
Theme 7.3.	Chronic Kidney Disease	Eugene Freund, M.D., Lead Linda Smith, R.N., GTL

Section C.8 Special Projects— the responsible Special Projects Government Task Leader(s) (SPGTLs) will be identified at the time of issuance of each Special Project.

B. Theme Lead Responsibilities

1. Developing conceptual design of project.

2. Providing advice to GTL and Team members.

3. Conducting Theme analysis.

4. Providing recommendations on progress and next steps.

5. Communicating with the Department of Health and Human Services (DHHS) and the Office of Management and Budget (OMB).

6. Communicating progress on 9th SoW with DHHS and national-level external entities.

7. Providing continuous communication, both to OCSQ management, and to GTL and other staff, of new management strategy and tools.

8. Acting as primary agent to change culture of contract management in QIO program.

C. GTL Responsibilities

1. Authority for directing and managing implementation of the program/technical aspects of the Act, as amended, has been redelegated from the Administrator through the Director of the Office of Clinical Standards and Quality.

2. The GTL will be the authorized representative of the Contracting Officer and the person representing CMS for the purpose of providing program content and clarification.

3. It is the responsibility of the GTL to participate with the Project Officer in monitoring the contractor's progress against the QIO's contract management plan.

4. It is the responsibility of the GTL to provide information to the Contractor which assists in the interpretation of the work and services to be furnished within their task area.

5. The GTL may provide advice and consultation on a Contractor's implementation of the Statement of Work and deliverables and services to be furnished under the provisions of the contract. The GTL, however, may not provide technical direction to the Contractor as distinguished from advice and consultation in Section G. 8.B.5.

6. Any and all advice and consultation must be within the general scope of the contract. The GTL does not have the authority to and shall not issue any advice which:

   - constitutes an assignment of additional work outside the scope of the contract;

   - constitutes a change as defined in the contract clause at FAR 52.243-2, Alt I;

   - in any manner, causes an increase or decrease in the total estimated contract cost; and,

   - changes any of the expressed terms, conditions, or specifications of the contract.

G.10. OTHER TECHNICAL PERSONNEL

Through performance of this statement of work, each QIO has the potential to interact with some or all of the following workgroups/personnel (this list is not all-inclusive):

QIOSC
Special Project Lead QIOs

As a result of this contract, the QIO shall recognize that only the Project Officer identified, above, has the legal authority to issue technical direction. In the event that the QIO believes that technical direction has been issued by any other person/group such as those noted above, the QIO shall follow the procedures established in G.8. for resolution.

G.11. CONTRACTING OFFICER (CO)

A. The Contracting Officer is the only person under this contract with the ability to bind the government legally by signing the contract and any/all subsequent modifications.

B. The Contracting Officer is responsible for ensuring performance of all necessary actions for effective contracting, for ensuring compliance with

all terms and conditions of the contract, and for safeguarding the interest of the government in its contractual relationships.

C. The Contracting Officer is the only individual authorized to:

- accept nonconforming work or waive any requirement of this contract;
- authorize reimbursement to the Contractor for any costs incurred during the performance of the contract; and
- modify any term or condition of this contract, extend the period of performance, change the delivery schedule…etc.

D. The Contracting Officer may conduct status conferences with members of the QIO Board of Directors, the QIO CEO/Executive Director, or QIO staff at any time during the period of performance.

G.12. PROPERTY ADMINISTRATION

A. The QIO is responsible for an annual physical inventory accounting for all government property under this contract. The inventory must be conducted by September 30th and the Form 565 Report of Accountable Personal Property (provided in Section J, Attachment J-11) submitted by October 31st of each year.

B. The inventory report shall include all items acquired, furnished, rented or leased under the contract. Employees who conduct the inventories should not be the same individuals who maintain the property records. Following the physical inventory, the QIO shall prepare an inventory report and submit the report to the CMS Property Administrator at the address on the following page:

Centers for Medicare & Medicaid Services
OICS, Administrative Services Group
Division of Property and Space Management
7500 Security Boulevard, MS SLL-14-06
Baltimore, Maryland 21244-1850

C. Commercially leased software is subject to these reporting requirements.

D. The QIO shall submit a consolidated report of all accountable government property under this contract, including subcontractor inventory information.

E. The final inventory report shall indicate that all items required for continued contract performance are acceptable and free from

contamination. Property that is no longer usable or required shall be reported and disposition requested.

G.13. REPRESENTATIONS AND CERTIFICATIONS

The QIOs Representations and Certifications provided in response to Section K of the Request for Proposal are incorporated by reference as Section G.13

G.14. SUBCONTRACTING PROGRAM FOR SMALL, SMALL DISADVANTAGED AND WOMEN-OWNED AND HUBZONES

A. A non-profit QIO is considered a large business and shall submit a subcontracting plan and reports. A for-profit QIO shall follow the size standards provided at www.SBA.gov in order to determine the applicability of the subcontracting plan and subsequent reports. For the purposes of this contract, the NAICS is 541618.

B. The Subcontracting Plan submitted by the QIO and approved by the Contracting Officer for this contract is incorporated into the contract. A Sample Subcontracting Plan is included as Section J, Attachment J-18.

C. The QIO shall report all subcontract awards to small, small disadvantaged, women-owned, HUBZones, veteran-owned and service-disabled veteran-owned small business concerns. The reports shall be prepared using the electronic Subcontracting Reporting System (eSRS) via the internet at http://www.esrs.gov. The Individual Subcontracting Report (ISR), formerly SF 294, and the Summary Subcontracting Report (SSR), formerly, SF 295 shall be submitted as follows:

Reporting Period	Report Due	Due Date
Oct 1 – Mar 31	SF 294 (ISR)	Apr 30
Apr 1 – Sept 30	SF 294 (ISR)	Oct 30
Oct 1 – Sept 30	SF 295 (SSR)	Oct 30

G15. CONSENT TO SUBCONTRACT

A. The QIO shall be in compliance with FAR 44.202-2 and FAR 52.244-2 when entering into a subcontract arrangement for the purpose of performing this contract.

B. Each QIO shall complete and submit the Subcontract Checklist (provided in Section J, Attachment J-9) in order to obtain subcontract consent after award of the contract.

C. Based upon this cost-type contract, prior consent is required for:

1. **All** cost reimbursement, time and materials, labor hour subcontracts, and
2. **Fixed price** subcontracts **over $100,000 or 5% of the total estimated cost of the contract**.
3. Consent **is not required** for Physician Reviewers.

D. Consent is granted to the following subcontracts:

CDAC
IFMC for SDPS
Physician Reviewers
Westat

G.16. CONSULTANT SERVICES APPROVAL

A. In addition to the requirements of FAR Clause 52.244-2 Subcontracts, the QIO shall obtain prior written consent from the Contracting Officer whenever an individual and/or commercial entity is to be reimbursed as a "Consultant" under this contract. For the purposes of this clause, Consultant is defined as, "persons possessing special knowledge or skill(s) that may be combined with extensive operational experience, thereby enabling them to provide information, opinions, advice, or recommendations to enhance understanding of complex issues or to improve the quality and timeliness of policy development or decision making."

B. To obtain written approval of any proposed consultant(s), the QIO must submit the following to the Contracting Officer:

1) The need for the use of the consultant(s).

2) The work the consultant(s) is being hired to perform.

3) A proposal from the consultant.

4) A written determination that the rate proposed for the consultant(s) is fair and reasonable. This determination must include a statement regarding whether or not the fees paid to the consultant will exceed the lowest fee charged by others for performing similar consulting services.

5) A copy of the market research performed or a written justification as to why the consultant(s) is the only one who can perform the work.

6) The proposed consultant agreement between the QIO and the consultant stating the work to be performed, the period of time the consultant will be hired, the negotiated consultant's rate and any other negotiated terms.

7) Based on the forgoing, the following consultant(s) are hereby approved for the period of time and rate shown:

Name	NTE # Of Days	Daily/Hourly Rate	NTE Total Amount
To Be Determined			

G.17. PAST PERFORMANCE DATABASE AND CENTRAL CONTRACTOR REGISTRATION

In accordance with the past performance requirements of the FAR, CMS requires each QIO to register with the National Institutes of Health (NIH) Contractor Performance System. This database allows for electronic collection, maintenance and dissemination of Contractor performance information. Registration instructions are provided at https://cpscontractor.nih.gov/

In addition, per FAR 52.204-7, each QIO shall register in the Central Contractor Registration (CCR) database. Failure of a QIO to register may prohibit CMS from making a contract award, contract renewal or issuance of future contract modification(s).

G.18. DATA DE-IDENTIFICATION PROCESS

A. The Standard Data Processing System (SDPS) Contractor shall be responsible for de-identifying, duplicating and maintaining duplicate data requests received from QIOs on behalf of entities engaging in Data Use Agreements with the QIOs are provided at Section J, Attachment J-13.

B. For all data requests under this contract, the QIO shall follow the procedures identified below:

1. The QIO shall submit a written request for de-identified data to the SDPS Help Desk.

2. Within seven (7) working days, the SDPS Contractor shall provide to the QIO a budget for the de-identification of the data. The budget shall include only the costs associated with the effort and shall not provide for any associated fee.

3. The QIO shall submit payment to the SDPS Contractor based upon the budget.

4. Within ten (10) working days of receipt of payment by the SDPS Contractor, the data de-identification request shall be completed and returned to the QIO for distribution to the requesting entity.

5. In the event that the size of the data request is too large to be completed within the above timeframe, the SDPS Contractor will notify the QIO when the SDPS Contractor provides the QIO with the budget. The SDPS Contractor and the QIO shall reach agreement on a reasonable timeframe for processing the data request.

G.19. ENGINEERING REVIEW BOARD (ERB) PROCESS FOR OBTAINING ADDITIONAL HARDWARE/SOFTWARE

NOTE: The procedures provided below apply to requests for "ADDITIONAL HARDWARE/SOFTWARE." CMS will determine each QIO's initial Hardware/Software configuration. CMS will initiate an order for such hardware/software with the CMS Contractor. CMS will inform the QIO of the CMS determined configuration.

A. The Standard Data Processing System (SDPS) Contractor shall be responsible for de-identifying, duplicating and maintaining duplicate data requests received from QIOs on behalf of entities engaging in Data Use Agreements (DAUs) with the QIOs. Instructions for completing the DUA are provided in Section J, Attachment J-13.

B. The QNet SDPS ERB Team shall review a QIO request and provide a written recommendation and cost estimate to CMS for approval/disapproval with ten (10) working days of receipt of a completed ERB Purchase Request form (provided in Section J, Attachment J-6).

C. CMS will review the QNet SDPS ERB Team's recommendation and provide a signed and dated approval/disapproval of the Purchase Request (within seven (7) working days) in the Remedy AR system. In cases where there is not enough information on the Purchase Request or there is a request for Non-Standard equipment, the Purchase Request may be held for an undetermined period in a Pending status before it is approved/disapproved.

D. Within three (3) working days of the CMS decision (approved/disapproved), the status of the ERB Purchase Request will be updated in the Remedy AR system.

E. If the Purchase Request is approved, the QNet Support Contractor will use the Remedy AR system to request a Purchase Order (PO) from the QIO. Upon receipt of a QIO PO number in Remedy, the QNet Support Contractor will order the requested item and have it shipped to the QIO.

F. Within ten (10) working days of receipt of the CMS approval from the ERB, the QNet Support Contractor shall submit a Purchase Order (PO) to the vendor of the required equipment.

G. The QIO shall pay the QNet Support Contractor directly for all materials within thirty (30) days of receipt of the required materials. The QIO will be reimbursed for the equipment by CMS in accordance with the monthly vouchering procedures as identified in this contract.

H. The QIO shall notify the QNet Support Contractor within five (5) working days of receipt of equipment will fax a copy of the packing slip to the QNet Support Contractor and provide all hardware item serial numbers and/or software license keys in the Remedy AR system's Inventory module for tracking and government auditing purposes.

NOTE: The QIO shall be responsible through its QIO contract for installation services and associated costs. The QNet Support Contractor is not responsible for payment issues between the selected vendor, CMS, and the QIO.

G.20. PROCEDURES FOR TASK 4 SPECIAL PROJECTS (SP)

In addition to the work performed under Section C, Statement of Work, CMS reserves the right to incorporate Special Projects (SP). All SP incorporated into this contract shall be authorized through the formal contract modification process.

A. Competition

To the extent practicable, CMS-initiated SP will be competed among the QIO community. In determining the extent of competition, CMS reserves the right to consider factors such as time, QIO expertise, and specific scientific requirements which may impact location for performance of the SP.

For each SP awarded, whether based on a CMS-initiated concept paper or a QIO-initiated concept paper, the QIO shall submit a technical and business proposal to the Contracting Officer. Each SP technical proposal shall include a proposed project management/work plan in sufficient detail for CMS to determine the timing of project activities in relation to one another and the work performed under the QIO's base contract.

B. CMS-initiated:

Specifications for the technical and business proposal will be identified individually for each CMS-initiated SP. The SP Statement of Work and Schedule of Deliverables will be funded and incorporated into the contract through execution of a bilateral modification. SP will be identified by SP Number (see Section B.5) and incorporated as a Section J attachment. The QIO is required to perform the SP according to the work statement and schedule of deliverables. **Performance of the SP shall not commence until a fully executed modification incorporating the SP into the contract has been completed.**

C. QIO-Initiated SP:

QIO initiated SP shall include a technical and business proposal. The technical proposal shall include, but not necessarily be limited to, a detailed draft work statement and schedule of deliverables. If accepted by CMS, the work statement and schedule of deliverables will be incorporated into the contract and funded through execution of a bilateral modification. **Performance of the SP shall not commence until a fully executed modification incorporating the SP into the contract has been completed.**

D. Revised Budget

Upon execution of the modification incorporating the SP, the QIO shall submit a revised three (3) year budget via the Financial Information and Vouchering System (FIVS).

E. Order of Precedence for Contract Terms and Conditions

All SP shall comply with the terms and conditions of the contract. In the event of a conflict between the terms and conditions of the SP and the base contract, the terms and conditions of the base contract shall supersede the terms and conditions of the SP.

G.21. ON-SITE VISITS

At any time during the period of performance, the Contracting Officer, and delegated/authorized CMS personnel may conduct an on-site visit to the QIO. These visits may be announced or unannounced. The visits will be conducted during normal working hours of the QIO and will not disrupt the on-going work of the QIO.

G.22. BIENNIAL WAGE DETERMINATIONS

Every two (2) years, calculated from the anniversary date of the contract, the Contracting Officer will obtain revised wage determination rate table from the U.S. Department of Labor. The revised wage determination will be incorporated into the contract as Section J, Attachment 14. The revised wage determination shall be implemented within 45 days of issuance of the modification by CMS.

G.23. FOOD COSTS

On June 12, 2007, the Department of Health and Human Services (DHHS) issued a follow-up memorandum to Operating Division Heads articulating the Department's policy on the purchase of food with appropriated funds. The general principle stated in the memoranda of July 26, 2005 and October 12, 2004 remains unchanged; that is, food cannot be purchased with appropriated funds.

For the purposes of this contract, Food Expense either incurred as a direct or indirect expense will be considered an **unallowable cost.**

Note: This contract clause does not pertain to the meals portion of allowable costs incurred as a part of the per diem expense allowed under the Federal Travel Regulations (FTRs). However, Contractor employees must remove the cost of the meal(s) from their allowable per diem reimbursement when attending a conference where meals are included in the cost of the conference.

G.24. SECURITY CLAUSE – BACKGROUND INVESTIGATIONS FOR CONTRACTOR PERSONNEL

If applicable, Contractor personnel performing services for CMS under this contract shall be required to undergo a background investigation. CMS will pay for the background investigations.

After contract award, the CMS Project Officer (PO) and the Emergency Management & Response Group (EMRG), with the assistance of the Contractor, shall perform a position-sensitivity analysis based on the duties contractor personnel shall perform on the contract, task order or delivery order. The results of the position-sensitivity analysis will determine first, whether the provisions of this clause are applicable to the contract and second, if applicable, determine each position's sensitivity level (i.e., high risk, moderate risk or low risk) and dictate the appropriate level of background investigation to be processed. Investigative packages may contain the following forms:

1. SF-85, Questionnaire for Non-Sensitive Positions, 09/1995

2. SF-85P, Questionnaire for Public Trust Positions, 09/1995

3. OF-612, Optional Application for Federal Employment, 12/2002

4. OF-306, Declaration for Federal Employment, 01/2001

5. Credit Report Release Form

6. FD-258, Fingerprint Card, 5/99, and

7. CMS-730A, Request for Physical Access to CMS Facilities (NON-CMS ONLY), 11/2003.

A copy of each of the forms can be found at the General Services Administration website www.gsa.gov under their Forms Library.

The Contractor personnel shall be required to undergo a background investigation commensurate with one of these position-sensitivity levels:

(1) High Risk (Level 6)

Public Trust positions that would have a potential for exceptionally serious impact on the integrity and efficiency of the service. This would include computer security of a major automated information system (AIS). This includes positions in which the incumbent's actions or inaction could diminish public confidence in the integrity, efficiency, or effectiveness of assigned government activities, whether or not actual damage occurs, particularly if duties are especially critical to the agency or program mission with a broad scope of responsibility and authority.

Major responsibilities that would require this level include:

a. development and administration of CMS computer security programs, including direction and control of risk analysis and/or threat assessment;

b. significant involvement in mission-critical systems;

c. preparation or approval of data for input into a system which does not necessarily involve personal access to the system but with relatively high risk of causing grave damage or realizing significant personal gain;

d. other responsibilities that involve relatively high risk of causing damage or realizing personal gain;

e. policy implementation;

f. higher level management duties/assignments or major program responsibility; or

g. independent spokespersons or non-management position with authority for independent action.

Approximate cost of each investigation: $3,500

2) Moderate Risk (Level 5)

Public Trust positions that have potential for moderate to serious impact on the integrity and efficiency of the service, including computer security. These positions involve duties of considerable importance to the CMS mission with significant program responsibilities that could cause damage to large portions of AIS. Duties involved are considerably important to the agency or program mission with significant program responsibility, or delivery of service.

Responsibilities that would require this level include:

a. the direction, planning, design, operation, or maintenance of a computer system and whose work is technically reviewed by a higher authority at the High Risk level to ensure the integrity of the system;

b. systems design, operation, testing, maintenance, and/or monitoring that are carried out under the technical review of a higher authority at the High Risk level;

c. access to and/or processing of information requiring protection under the Privacy Act of 1974;

d. assists in policy development and implementation;

e. mid-level management duties/assignments;

f. any position with responsibility for independent or semi-independent action; or

g. delivery of service positions that demand public confidence or trust.

Approximate cost range of each investigation: $150 - $2,600

3) Low Risk (Level 1)

Positions having the potential for limited interaction with the agency or program mission, so the potential for impact on the integrity and efficiency of the service is small. This includes computer security impact on AIS.

Approximate cost of each investigation: $100

The Contractor shall submit the investigative package(s) to the EMRG within three (3) days after being advised by the EMRG of the need to submit packages. Investigative packages shall be submitted to the following address:

Centers for Medicare & Medicaid Services
Office of Operations Management
Emergency Management & Response Group
Mail Stop SL-13-15
7500 Security Boulevard
Baltimore, Maryland 21244-1850

The Contractor shall submit a copy of the transmittal letter to the Contracting Officer (CO).

Contractor personnel shall submit a CMS-730A (Request for Badge) to the EMRG (see attachment in Section J). The Contractor and the PO shall obtain all necessary signatures on the CMS-730A prior to any Contractor employee arriving for fingerprinting and badge processing.

The Contractor must appoint a Security Investigation Liaison as a point of contact to resolve any issues of inaccurate or incomplete form(s). Where personal information is involved, EMRG may need to contact the contractor employee directly. The Security Investigation Liaison may be required to facilitate such contact.

After EMRG fingerprints contractor personnel and issues them a temporary CMS identification badge, the EMRG will send their completed investigative package to the Office of Personnel Management (OPM). OPM will conduct the background investigation. Badges will be provided by EMRG while contractor personnel investigative forms are being processed. The Contractor remains fully responsible for ensuring contract, task order or delivery order performance pending completion of background investigations of contractor personnel.

EMRG shall provide written notification to the CO with a copy to the PO of all suitability decisions. The PO shall then notify the Contractor in writing of the approval of the Contractor's employee(s), at that time the Contractor's employee(s) will receive a permanent identification badge. Contractor personnel who the EMRG determines to be ineligible may be required to cease working on the contract immediately.

The Contractor shall report immediately in writing to EMRG with copies to the CO and the PO, any adverse information regarding any of its employees that may impact their ability to perform under this contract, task order or delivery order. Reports should be based on reliable and substantiated information, not on rumor or innuendo. The report shall include the contractor employee's name and social security number, along with the adverse information being reported.

Contractor personnel shall be provided an opportunity to explain or refute unfavorable information found in an investigation to EMRG before an adverse adjudication is made. Contractor personnel may request, in writing, a copy of their own investigative results by contacting:

Office of Personnel Management
Freedom of Information
Federal Investigations Processing Center
PO Box 618
Boyers, PA 16018-0618.

At the Agency's discretion, if an investigated contractor employee leaves the employment of the contractor, or otherwise is no longer associated with the contract, task order, or delivery order within one (1) year from the date the background investigation was completed, then the Contractor may be required to reimburse CMS for the full cost of the investigation. Depending upon the type of background investigation conducted, the cost could be approximately $100 to $3,500. The amount to be paid by the Contractor shall be due and payable when the CO submits a written letter notifying the Contractor as to the cost of the investigation. The Contractor shall pay the amount due within thirty (30) days of the date of the CO's letter by check made payable to the "United States Treasury."The Contractor shall provide a copy of the CO's letter as an attachment to the check and submit both to the Office of Financial Management at the following address:

Centers for Medicare & Medicaid Services
PO Box 7520
Baltimore, Maryland 21207

The Contractor must immediately provide written notification to EMRG (with copies to the CO and the PO) of all terminations or resignations of Contractor personnel working on this contract, task order or delivery order. The Contractor must also notify EMRG (with copies to the CO and the PO) when a Contractor's employee is no longer working on this contract, task order or delivery order.

At the conclusion of the contract, task order or delivery order and at the time when a contractor employee is no longer working on the contract, task order or delivery order due to termination or resignation, all CMS-issued parking permits,

identification badges, access cards, and/or keys must be promptly returned to EMRG. Contractor personnel who do not return their government-issued parking permits, identification badges, access cards, and/or keys within 48 hours of the last day of authorized access shall be permanently barred from the CMS complex and subject to fines and penalties authorized by applicable federal and State laws.

G.25. CONTRACTING OFFICER'S AUTHORIZATIONS (COA)

In order to efficiently document approval of property purchases and to facilitate invoice approval and final contract audits, a system of COA's will be utilized.

A COA provides written evidence that the Government considers an expenditure reasonable, allowable and allocable to the contract, subject to final audit. QIOs do not need a COA unless there is a question concerning the reasonableness, allowability and allocability of a particular expenditure. QIOs will need a COA for certain equipment purchases.

If the QIO intends to incur costs shown below, the QIO must obtain prior approval from the Contracting Officer:

a. Items of nonexpendable, non-information technology (IT), personal property with a life expectancy of two (2) years or greater, and a unit acquisition cost of $1,000 to $25,000 for direct purchases and $5,000 to $25,000 for indirect purchases

b. All IT equipment purchased in the direct and indirect pool that is not purchased through the ERB process.

c. Purchase requests submitted through the ERB process will be approved by the Contracting Officer. Therefore, a COA is not required for ERB process purchases.

Note: CMS may waive the COA requirement on indirect purchases if it is determined to be in the best interest of the Government.

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