

REQUEST FOR PROPOSALS FOR

**VENDOR FISCAL/EMPLOYER AGENT FINANCIAL
MANAGEMENT SERVICES**

ISSUING OFFICE

**COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF HUMAN SERVICES
Office of Administration
Bureau of Financial Operations
Division of Procurement and Contract Management
Room 402 Health & Welfare Building
625 Forster Street
Harrisburg, PA 17120**

RFP NUMBER

04-16

DATE OF ISSUANCE

April 21, 2017

**REQUEST FOR PROPOSALS FOR
VENDOR FISCAL/EMPLOYER AGENT FINANCIAL MANAGEMENT SERVICES
RFP No. 04-16**

TABLE OF CONTENTS

CALENDAR OF EVENTS	iv
Part I—GENERAL INFORMATION	1
Part II—CRITERIA FOR SELECTION	16
Part III—TECHNICAL SUBMITTAL	20
Part IV – COST SUBMITTAL	102
Part V– SMALL DIVERSE BUSINESS AND SMALL BUSINESS PARTICIPATION SUBMITTAL	103
Part VI – STANDARD GRANT TERMS AND CONDITIONS	108

APPENDICES

APPENDIX A, PROPOSAL COVER SHEET

APPENDIX B, DOMESTIC WORKFORCE UTILIZATION CERTIFICATION

APPENDIX C, TRADE SECRET CONFIDENTIAL PROPRIETARY INFORMATION NOTICE FORM

APPENDIX D, LOBBYING CERTIFICATION AND DISCLOSURE

APPENDIX E, CORPORATE REFERENCE QUESTIONNAIRE

APPENDIX F, KEY PERSONNEL REFERENCE QUESTIONNAIRE

APPENDIX G, OLTL COMMUNITY HEALTHCHOICES REGION MAP

APPENDIX H, ODP REGION MAP

APPENDIX I, COST SUBMITTAL

APPENDIX J, SMALL DIVERSE BUSINESS AND SMALL BUSINESS PARTICIPATION SUBMITTAL FORM

APPENDIX K, SMALL DIVERSE AND SMALL BUSINESS LETTER OF INTENT

APPENDIX L, MODEL FORM OF SMALL DIVERSE BUSINESS AND SMALL BUSINESS SUBCONTRACT AGREEMENT

APPENDIX M, DHS REQUIREMENTS FOR NON-COMMONWEALTH HOSTED APPLICATIONS/SERVICES

APPENDIX N, VF/EA-FMS SPECIAL PROVIDER AGREEMENT

APPENDIX O, BUSINESS ASSOCIATE ADDENDUM

APPENDIX P, IRAN FREE PROCUREMENT CERTIFICATION

CALENDAR OF EVENTS

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

Activity	Responsibility	Date
Deadline to submit Questions via email to RA-PWRFPQUESTIONS@PA.GOV	Potential Offerors	May 5, 2017 2:00 PM EST
Pre-proposal Conference – Pennsylvania Training and Technical Assistance Network (PaTTAN) 6340 Flank Drive, Suite 600 Harrisburg, PA 17112 Dauphin Room	DHS/Potential Offerors	May 1, 2017 1:30 PM EST
Answers to Potential Offeror questions posted to the Department of General Services (“DGS”) website at http://www.emarketplace.state.pa.us/Search.aspx no later than this date.	DHS	May 15, 2017
Please monitor the DGS website for all communications regarding the RFP.	Potential Offerors	Ongoing
Sealed proposal must be received by the Issuing Office at: Commonwealth of Pennsylvania Department of Human Services Bureau of Financial Operations Division of Procurement and Contract Management Room 402 Health & Welfare Building 625 Forster Street Harrisburg, PA 17120	Offerors	June 5, 2017 2:00 PM EST

PART I

GENERAL INFORMATION

- I-1. Purpose.** This request for proposals (“RFP”) provides to those interested in submitting proposals for the subject procurement (“Offerors”) sufficient information to enable them to prepare and submit proposals for the Department of Human Services’ (“DHS” or “Department”) consideration on behalf of the Commonwealth of Pennsylvania (“Commonwealth”) to satisfy a need **for Vendor Fiscal/Employment Agent (“VF/EA”) Financial Management Services (“FMS”) (“Project”)**. This RFP contains instructions governing the requested proposals, including the requirements for the information and material to be included; a description of the service to be provided; requirements which Offerors must meet to be eligible for consideration; general evaluation criteria; and other requirements specific to this RFP.
- I-2. Issuing Office.** The Department’s Office of Administration, Bureau of Financial Operations (“Issuing Office”) has issued this RFP on behalf of the Department’s Offices of Developmental Programs (“ODP”) and Long-Term Living (“OLTL”). The sole point of contact in the Commonwealth for this RFP shall be Michelle Smith, RA-PWRFQUESTIONS@PA.GOV, the Project Officer for this RFP. Please refer all inquiries to the Project Officer.
- I-3. Overview of Project.** The Department is seeking Grantees to perform payment-related employer responsibilities on behalf of participants or their representatives (“individuals”) who exercise employer or budget authority for their participant directed services in the Commonwealth’s Medical Assistance (“MA”) Program. One such type of entity that performs this type of support service is a VF/EA FMS organization. Currently, approximately 15,170 participants in the OLTL programs and approximately 780 participants in the ODP programs have chosen participant directed services and use VF/EA FMS. The following is an overview of each of the OLTL and ODP programs for which VF/EA FMS is being sought pursuant to this RFP. The Department has structured FMS services into two (2) Lots as described below.
- A. Lot 1: OLTL Administered Programs, including 5 waiver programs and the Attendant Care Act 150 state funded program:**
- 1. Aging Waiver.** Aging and Home and Community-Based Waiver Services (“HCBS”) may be available to Pennsylvanians over the age of sixty (60) to enable them to continue to live in their homes and communities with support and services. Additional information about the Aging Waiver is available at: <http://www.dhs.pa.gov/citizens/alternativestonursinghomes/agingwaiver/>
 - 2. Attendant Care Act 150 Program.** The Attendant Care Act 150 (62 P.S. § 3051 et seq.) (“Act 150”) Program provides for basic and ancillary services that enable an eligible person to remain in his or her home and community rather than an institution and to carry out functions of daily living, self-care and mobility. An eligible person as defined under Act 150 is any individual with physical disabilities who is mentally alert and at least eighteen (18) years of age but less than sixty (60)

who, in addition to requiring attendant care services, experiences a medically determinable physical impairment which can be expected to last for a continuous period of twelve (12) months or may result in death. That person must also be capable of selecting, supervising and, if needed, firing an attendant and be capable of managing their own financial and legal affairs. Additional information about the Act 150 program and the Attendant Care Services Act (62 P.S. § 3051 et seq.) is available at:

<http://www.dhs.pa.gov/citizens/attendantcare/attendantcareact150/index.htm>

- 3. Attendant Care Waiver.** The primary purpose of the Attendant Care Waiver, as part of the Attendant Care Program, is to offer persons ages eighteen (18) to fifty-nine (59) who are mentally alert with physical disabilities and who are Medicaid eligible the choice of home and community based service (“HCBS”) to avoid institutionalization. The services provided through the Attendant Care Waiver assist participants in performing activities of daily living (“ADL”) as well as instrumental activities of daily living (“IADL”) that enable them to lead a more independent lifestyle.

The term “mentally alert” in attendant care programs in Pennsylvania has traditionally been used to distinguish between those persons with physical disabilities and persons with intellectual disabilities or persons with a mental health diagnosis. In addition, mentally alert has been operationally defined as meeting the eligibility criteria for Act 150 (See above). Additional information about the Attendant Care Waiver is available at:

<http://www.dhs.pa.gov/citizens/attendantcare/attendantcareact150/index.htm>

- 4. CommCare Waiver.** The CommCare Waiver provides services to persons with traumatic brain injury who are Medicaid eligible and who are twenty-one (21) years of age and older. The waiver’s primary purpose is to prevent inappropriate and unnecessary institutionalization by providing cost-effective services as an alternative to institutionalization. The waiver allows the Commonwealth to serve persons in need of services and supports in the community. Traumatic Brain Injury (“TBI”) is defined as a sudden insult or damage by an external physical force to the brain or its coverings, not of a degenerative, congenital or post-operative nature, which is expected to last indefinitely and results in substantial functional limitations in three or more of the following life activities: mobility, behavior, communication, self-care, self-direction, independent living, cognitive capacity (judgment, memory and reasoning). Additional information about the CommCare Waiver is available at: <http://www.dhs.pa.gov/citizens/alternativestonursinghomes/commcarewaiver/index.htm>

- 5. Independence Waiver.** The Independence Waiver provides services to persons with physical disabilities who are Medicaid eligible and who are eighteen (18) to sixty (60) years of age. The primary purpose of the waiver is to prevent inappropriate and unnecessary institutionalization by providing HCBS as a cost-effective alternative to institutional care. Independence waiver services enable participants to live in the most integrated community setting appropriate to their individual service requirements and needs; exercise meaningful choices; and obtain the quality services

necessary to live independently. Additional information about the Independence Waiver is available at: <http://www.dhs.pa.gov/citizens/alternativestonursinghomes/independencewaiver/index.htm>

6. **OBRA Waiver.** The OBRA Waiver provides services to persons with an Other Related Condition who are Medicaid eligible and who are eighteen (18) to sixty (60) years of age. The primary purpose of the waiver is to prevent inappropriate and unnecessary institutionalization by providing HCBS as a cost-effective alternative to institutional care. OBRA Waiver services enable participants to live in the most integrated community setting appropriate to their individual service requirements and needs; exercise meaningful choices; and obtain the quality services necessary to live independently.

Other related conditions (“ORCs”) include physical, sensory, or neurological disabilities which are manifested before age twenty-two (22), are likely to continue indefinitely, and result in substantial functional limitations in three or more of the following areas of major life activity: capacity for independent living, mobility, self-direction, learning, understanding and use of language, and self-care. Additional information about the OBRA Waiver is available at: <http://www.dhs.pa.gov/citizens/alternativestonursinghomes/obrawaiver/index.htm>

B. Lot 2: ODP Administered Programs:

1. *Consolidated Waiver for Individuals with Intellectual Disabilities*
2. *Person/Family Directed Support (P/FDS) Waiver*
3. *Adult Autism Waiver*

ODP administers three MA HCBS waiver programs that are authorized per §1915(c) of the Social Security Act to furnish an array of home and community-based services that assist MA beneficiaries to live in the community and avoid institutionalization. These waivers are the Consolidated Waiver, the Person/Family Directed Support (“P/FDS”) Waiver, and the Adult Autism Waiver. The VF/EA FMS model is currently available in the Consolidated and P/FDS Waivers, and may be offered in the Adult Autism Waiver in the future. Additionally, in some cases, VF/EA services may be paid using State Base Allocation Funding, which is 100% state funding from ODP to county and county joiners.

Additional information about the **Consolidated Waiver** is available at: <http://www.dhs.pa.gov/learnaboutdhs/waiverinformation/consolidatedwaiverforindividualswithintellectualdisabilities/index.htm>

Additional information about the **P/FDS Waiver** is available at: <http://www.dhs.pa.gov/learnaboutdhs/waiverinformation/personfamilydirectedsupportwaiver/index.htm>

DHS will award one (1) Agreement for each Lot.

Additional detail is provided in **Part III** of this RFP.

I-4. Objectives.

A. General. The objective of this RFP is to secure VF/EA FMS for eligible participants throughout the Commonwealth who receive participant directed services in certain waiver and state funded programs and will receive these services through the Department's capitated MA managed care program called Community HealthChoices ("CHC") after its implementation in each CHC zone. The waiver and state funded programs covered by this RFP are administered by OLTL and ODP.

The Department has an agreement with a single FMS provider to support participants who have chosen to self-direct services administered by OLTL and ODP since 2013. The Department is seeking to enhance opportunities for self-directing participants as well as the quality, efficiency, effectiveness and accountability of FMS support. More specifically, the Department will select Offeror(s) to coordinate and manage FMS in a manner that is fiscally and programmatically effective and efficient for participants and the Commonwealth.

The Department seeks Offerors(s) who share the Department's vision of quality services for the participants we serve. Quality services include careful scrutiny of all aspects of participant directed services in order to prevent participant abuse as well as the fraudulent use of Commonwealth funds. As such, the Department is interested in Offeror(s) that present innovative methods to deter the risks of participant abuse and fraud.

A selected Offeror will act as the employer agent to the common law employer ("CLE") (participants receiving waiver services, state-funded programs or managed care and their representatives) in accordance with Section 3504 of the IRS Code, IRS Revenue Procedure 70-6, IRS Proposed Notice 2003-70 and REG-137036-08, as applicable. In Pennsylvania, the fiscal support services provided by a VF/EA FMS organization include, but are not limited to:

1. Acting as a neutral "bank" for individuals' public service funds;
2. Providing for payment of qualified Direct Care Workers ("DCWs") and Support Service Workers ("SSW"), vendors and small unlicensed providers in accordance with federal, state and local tax, labor and unemployment insurance laws, as applicable;
3. Preparing and distributing qualified DCWs and SSWs payroll, including the management of federal and state income tax withholding and employment taxes and locality taxes;
4. Verifying prospective DCWs and SSWs, vendors and small unlicensed provider's citizenship and alien status and determining that DCWs and SSWs, vendors and small unlicensed providers meet the qualifications for the services they are providing as per state requirements;
5. Processing and paying invoices for participant-directed goods and services in accordance with the participant's person-centered service plan ("ISP") and spending plan;

6. Processing and submitting claims, receiving MA reimbursements and paying out for services provided by qualified DCWs and SSWs, vendors and small unlicensed providers in accordance with the participant's ISP;
7. Processing and submitting monthly claims through PROMIS^e™ and receiving MA reimbursements for the fiscal support services that the selected Offeror provides to individuals;
8. Brokering workers' compensation insurance policies and renewals and paying premiums for participants who are CLEs;
9. Preparing and distributing financial reports to: CLEs, Administrative Entities ("AEs"), Service Coordinators, Managed Care Organizations ("MCOs"), OLTL, ODP, the Department and the Commonwealth as required; and
10. Providing initial orientation, initial skills training and ongoing skills training to individuals acting as CLEs.

B. Specific. The Department's specific objectives in selecting Offeror(s) are to:

1. Support the delivery of participant directed services;
2. Reduce the individual's* employer-related burden associated with participant directed services;
3. Enhance the individual's choice and control through the provision of appropriate fiscal, payroll and supportive services;
4. Ensure that the provision of participant directed services is in compliance with federal, state and local tax and labor and state workers' compensation insurance rules and requirements related to the employment of qualified DCWs and SSWs and the engagement of vendors, small unlicensed providers and independent contractors;
5. Competitively procure cost effective workers' compensation insurance for DCWs and SSWs;
6. Provide for pre-service orientation and skills training for DCWs, including training relating to workplace safety as an integral part of DCW orientation training; and
7. Achieve cost savings and efficiencies of VF/EA FMS Services while enhancing services to its participants.

*For the purpose of this RFP, when the term "individual" is used, it includes both the individual participant and his/her representative.

I-5. Method of Award. Offerors may propose on one (1) or both of the two (2) Lots. Offerors must submit a separate proposal (Technical, Cost, and Small Diverse Business) for each Lot for which it wishes to be considered. After final evaluation of proposals, if it is determined to be in the Commonwealth's best interest, the Commonwealth may request Offerors to submit integrated solutions for both Lots.

I-6. Type of Agreement. If the Department enters into an agreement(s) as a result of this RFP, it will be an agreement(s) containing the RFP, the Standard Terms and Conditions as shown in **Part VI, Standard Grant Terms and Conditions** and **Appendix O Business Associate Addendum**.

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

- I-7. Rejection of Proposals.** The Department may, in its sole and complete discretion, reject any proposal received as a result of this RFP.
- I-8. Incurring Costs.** The Department is not liable for any costs the Offeror incurs in preparation and submission of its proposal, in participating in the RFP process or in anticipation of award of the grant(s).
- I-9. Pre-proposal Conference.** The Department will hold a Pre-proposal conference as specified in the Calendar of Events. The purpose of this conference is to provide an opportunity for clarification of the RFP. Offerors should forward all questions to the Project Officer in accordance with **Part I, Section I-10** to ensure adequate time for analysis before DHS provides an answer. Offerors may also ask questions at the conference. In view of the limited facilities available for the conference, Offerors should limit their representation. The Pre-proposal conference is for information only. Any answers furnished during the conference will not be official until they have been verified, in writing, by the Department. All questions and written answers will be posted on the DGS website as an addendum to, and shall become part of, this RFP. Attendance at the Pre-proposal Conference is optional.
- I-10. Questions & Answers.** If an Offeror has any questions regarding this RFP, the Offeror must submit the questions by email (**with the subject line “RFP 04-16 Question”**) to the Project Officer named in **Part I, Section I-2** of the RFP. If the Offeror has questions, they must be submitted via email **no later than** the date indicated on the Calendar of Events. The Offeror shall not attempt to contact the Project Officer by any other means. The Department shall post the answers to the questions on the DGS website by the date stated on the Calendar of Events.

An Offeror who submits a question *after* the deadline date for receipt of questions indicated on the Calendar of Events assumes the risk that its proposal will not be responsive or competitive because the Department is not able to respond before the proposal receipt date or in sufficient time for the Offeror to prepare a responsive or competitive proposal. When submitted after the deadline date for receipt of questions indicated on the Calendar of Events, the Project Officer *may* respond to questions of an administrative nature by directing the questioning Offeror to specific provisions in the RFP. To the extent that the Department decides to respond to a non-administrative question *after* the deadline date for receipt of questions indicated on the Calendar of Events, the answer must be provided to all Offerors through an addendum.

All questions and responses as posted on the DGS website are considered as an addendum to, and part of, this RFP in accordance with RFP **Part I, Section I-11**. Each Offeror shall be responsible to monitor the DGS website for new or revised RFP information. The Department shall not be bound by any verbal information nor shall it be bound by any written information that is not either contained within the RFP or formally issued as an addendum by the Department. The Department does not consider questions to be a protest

of the specifications or of the solicitation. The required protest process for Commonwealth procurements is as described in **Part I, Section I-28** below.

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

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

I-13. Proposal Requirements.

A. Proposal Submission: To be considered, Offerors should submit a complete response to this RFP to the Issuing Office, using the format provided in **Section I-13B**, providing **seven (7) paper copies [one marked "ORIGINAL"] of the Technical Submittal; one (1) paper copy of the Cost Submittal; and two (2) paper copies of the Small Diverse Business and Small Business ("SDB/SB") Participation Submittal and related Letter(s) of Intent.** In addition to the paper copies of the proposal, Offerors shall submit one **complete and exact** copy of the entire proposal (Technical, Cost and SDB/SB submittals, along with all requested documents) on CD-ROM or Flash drive in Microsoft Office or Microsoft Office-compatible format. The electronic copy must be a mirror image of the paper copy and any spreadsheets must be in Microsoft Excel. Additionally, on the CD-ROM or Flash drive, include a separate folder which contains a complete and exact copy of the entire Technical (excluding financial capability) Submittal in PDF (portable document format). To the extent that an Offeror designates information as confidential or proprietary or trade secret protected in accordance with **RFP Part I, Section I-19**, the Offeror must also include one (1) redacted version of the Technical Submittal, excluding financial capability on a CD-ROM or Flash Drive in Microsoft Office or Microsoft Office-compatible format. The Offerors may not lock or protect any cells or tabs. The CD or Flash drive should clearly identify the Offeror and include the name and version number of the virus scanning software that was used to scan the CD or Flash drive before it was submitted.

The Offeror shall make no other distribution of its proposal to any other Offeror or Commonwealth official or Commonwealth consultant. Each proposal page should be numbered for ease of reference. An official authorized to bind the Offeror to its provisions must sign the proposal. If the official signs the **Proposal Cover Sheet**

(**Appendix A** to this RFP) and the Proposal Cover Sheet is attached to the Offeror's proposal, the requirement will be met. For this RFP, the proposal must remain valid for one hundred and twenty (120) days or until an agreement(s) is fully executed. If the Department selects the Offeror's proposal for award, the contents of the selected Offeror's proposal will become, except to the extent the contents are changed through Best and Final Offers or negotiations, contractual obligations.

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

B. Proposal Format: Offerors must submit their proposals in the format, including heading descriptions, outlined below. To be considered, the proposal must respond to all proposal requirements. Offerors should provide any other information thought to be relevant, but not applicable to the enumerated categories, as an appendix to the Proposal. All cost data relating to this proposal and all Small Diverse Business and Small Business cost data should be kept separate from and not included in the Technical Submittal. Offerors should not reiterate technical information in the cost submittal. Offerors may submit proposals on one or both Lots; however, Offerors must submit each Lot as a separate proposal. Each Proposal shall consist of the following **three** separately sealed submittals:

1. Technical Submittal:

a. In response to Part III as follows;

The Technical Submittal must include a Transmittal Letter and include Tabs 1 through 14. Offerors must format their responses as follows:

- o Tab 1: Table of Contents
- o Tab 2: Requirements
- o Tab 3: Statement of the Project
- o Tab 4: Management Summary
- o Tab 5: Work Plan
- o Tab 6: Prior Experience
- o Tab 7: Personnel
- o Tab 8: Training
- o Tab 9: Financial Capability
- o Tab 10: Objections to Standard Grant Terms and Conditions
- o Tab 11: Lobbying Certification (**Appendix D**)
- o Tab 12: Conflict Free
- o Tab 13: Corporate Reference Questionnaire (**Appendix E**)
- o Tab 14: Key Personnel Reference Questionnaire (**Appendix F**)

I-17. Oral Presentations. Offerors may be required to make an oral presentation of their proposals to the Department to demonstrate an Offeror's capabilities and ability to provide the services required in the RFP. The Department will initiate requests for oral presentations; which may include a request that key personnel be present. The oral presentation will be held in Harrisburg, Pennsylvania. Oral presentations may be requested at any stage of the evaluation and selection process prior to grant agreement execution. An Offeror who refuses a request for or does not honor an appointment for an oral presentation may be disqualified.

I-18. Prime Grantee Responsibilities. The selected Offeror(s) must perform at least 50% of the work as compared to its subcontractors and suppliers. Nevertheless, the agreement will require the selected Offeror(s) to be responsible for all services offered in its proposal whether it produces them itself or by subcontract. Further, the Department will consider the selected Offeror(s) to be the sole point of contact with regard to all contractual matters.

I-19. Proposal Contents.

A. Confidential Information. The Commonwealth is not requesting, and does not require, confidential proprietary information or trade secrets to be included as part of Offerors' submissions in order to evaluate proposals submitted in response to this RFP. Accordingly, except as provided herein, Offerors should not label proposal submissions as confidential or proprietary or trade secret protected. Any Offeror who determines that it must divulge such information as part of its proposal must submit the signed written statement described in subsection c. below and must additionally provide a redacted version of its proposal in accordance with RFP **Part I, Section I-13**, which removes only the confidential proprietary information and trade secrets, for required public disclosure purposes.

B. Commonwealth Use. All material submitted with the proposal shall be considered the property of the Commonwealth of Pennsylvania and may be returned only at the Department's option. The Commonwealth may use any or all ideas not protected by intellectual property rights that are presented in any proposal regardless of whether the proposal becomes part of a grant. Notwithstanding any Offeror copyright designations contained on proposals, the Commonwealth shall have the right to make copies and distribute proposals internally and to comply with public record or other disclosure requirements under the provisions of any Commonwealth or United States statute or regulation, or rule or order of any court of competent jurisdiction.

C. Public Disclosure. After the award of a grant agreement(s) pursuant to this RFP, all proposal submissions are subject to disclosure in response to a request for public records made under the Pennsylvania Right-to-Know-Law, 65 P.S. § 67.101, et seq. If a proposal submission contains confidential proprietary information or trade secrets, a signed written statement to this effect must be provided with the submission in accordance with 65 P.S. § 67.707(b) for the information to be considered exempt under 65 P.S. § 67.708(b)(11) from public records requests. Refer to **Appendix C** of the RFP for a **Trade Secret Confidential Proprietary Information Notice Form** that may be utilized as the signed written statement, if applicable. If financial capability information is submitted in response to **Part III-7** and **Part III-18** of this RFP, such financial

capability information is exempt from public records disclosure under 65 P.S. § 67.708(b)(26).

I-20. Best and Final Offers.

A. While not required, the Department may conduct discussions with Offerors for the purpose of obtaining “best and final offers.” To obtain best and final offers from Offerors, the Department may do one or more of the following, in any combination and order:

1. Schedule oral presentations;
2. Request revised proposals; and
3. Enter into pre-selection negotiations.

B. The following Offerors will **not** be invited by the Department to submit a Best and Final Offer:

1. Those Offerors, which the Department has determined to be not responsible or whose proposals DHS has determined to be not responsive.
2. Those Offerors, which the Department has determined in accordance with **Part II, Section II-5**, from the submitted and gathered financial and other information, do not possess the financial capability, experience or qualifications to ensure good faith performance of the grant agreement.
3. Those Offerors whose score for their technical submittal is less than 75% of the total raw technical points allotted to the technical criterion.

The Department may further limit participation in the best and final offers process to those remaining responsible Offerors which the Department has, within its discretion, determined to be within the top competitive range of responsive proposals.

C. The Evaluation Criteria found in **Part II, Section II-4**, shall also be used to evaluate the Best and Final offers.

D. Price reductions offered shall have no effect upon the Offeror’s Technical Submittal.

E. Any reduction to commitments to SDB/SB must be proportional to the reduction in the total price offered through any BAFO process or negotiations process unless approved by BDISBO.

I-21. News Releases. Offerors shall not issue news releases, Internet postings, advertisements or any other public communications pertaining to this Project without prior written approval of the Department, and then only in coordination with the Department.

- I-22. Restriction of Contact.** From the issue date of this RFP until the Department selects a proposal for award, the Project Officer is the sole point of contact for Offerors concerning this RFP. Any violation of this condition may be cause for the Department to reject the offending Offeror's proposal. If the Department later discovers that the Offeror has engaged in any violations of this condition, the Department may reject the offending Offeror's proposal or rescind its award. Offerors must agree not to distribute any part of their proposals beyond the Issuing Office. An Offeror who shares information contained in its proposal with other Commonwealth personnel and/or competing Offeror personnel may be disqualified.
- I-23. Department Participation.** Offerors shall provide all services, supplies, facilities, and other support necessary to complete the identified work, except as otherwise provided in this **Part I, Section I-23**. The Department will monitor the selected Offerors' performance. Designated Department staff will coordinate Knowledge Acquisition/Transition/Readiness Review and Turnover, provide and arrange technical assistance and monitor for compliance with grant requirements and approved program policies and procedures.
- I-24. Term of Grant Agreement.** The term of the grant agreement(s) will commence on the Effective Date and will end three (3) years after the Effective Date. The Department will have the option to extend the agreement(s) for three (3) additional six (6) month periods. The Department will fix the Effective Date after the grant agreement(s) has been fully executed by the selected Offeror(s) and by the Commonwealth and all approvals required by Commonwealth procurement procedures have been obtained. The selected Offeror(s) shall not start the performance of any work prior to the Effective Date of the grant agreement and the Commonwealth shall not be liable to pay the selected Offeror(s) for any service or work performed or expenses incurred before the Effective Date of the contract.
- I-25. Offeror's Representations and Authorizations.** By submitting its proposal, each Offeror understands, represents, and acknowledges that:
- A.** All of the Offeror's information and representations in the proposal are material and important, and the Department may rely upon the contents of the proposal in awarding the grant(s). The Commonwealth shall treat any misstatement, omission or misrepresentation as fraudulent concealment of the true facts relating to the Proposal submission, punishable pursuant to 18 Pa. C.S. § 4904.
 - B.** The Offeror has arrived at the price(s) and amounts in its proposal independently and without consultation, communication, or agreement with any other Offeror or potential offeror.
 - C.** The Offeror has not disclosed the price(s), the amount of the proposal, nor the approximate price(s) or amount(s) of its proposal to any other firm or person who is an Offeror or potential Offeror for this RFP, and the Offeror shall not disclose any of these items on or before the proposal submission deadline specified in the Calendar of Events of this RFP.
 - D.** The Offeror has not attempted, nor will it attempt, to induce any firm or person to refrain from submitting a proposal on this contract, or to submit a proposal higher than

this proposal, or to submit any intentionally high or noncompetitive proposal or other form of complementary proposal.

- E.** The Offeror makes its proposal in good faith and not pursuant to any agreement or discussion with, or inducement from, any firm or person to submit a complementary or other noncompetitive proposal.
- F.** To the best knowledge of the person signing the proposal for the Offeror, the Offeror, its affiliates, subsidiaries, officers, directors, and employees are not currently under investigation by any governmental agency and have not in the last **four (4)** years been convicted or found liable for any act prohibited by State or Federal law in any jurisdiction, involving conspiracy or collusion with respect to bidding or proposing on any public contract, except as the Offeror has disclosed in its proposal.
- G.** To the best of the knowledge of the person signing the proposal for the Offeror and except as the Offeror has otherwise disclosed in its proposal, the Offeror has no outstanding, delinquent obligations to the Commonwealth including, but not limited to, any state tax liability not being contested on appeal or other obligation of the Offeror that is owed to the Commonwealth.
- H.** The Offeror is not currently under suspension or debarment by the Commonwealth, any other state or the federal government, and have not been precluded from participation in any federally funded healthcare program and if the Offeror cannot so certify, then it shall submit along with its proposal a written explanation of why it cannot make such certification.
- I.** The Offeror has not made, under separate contract or agreement with the Department, any recommendations to the Department concerning the need for the services described in its proposal or the specifications for the services described in the proposal.
- J.** Each Offeror, by submitting its proposal, authorizes Commonwealth agencies to release to the Commonwealth information concerning the Offeror's Pennsylvania taxes, unemployment compensation and workers' compensation liabilities.
- K.** Until the selected Offeror(s) receives a fully executed and approved written grant agreement from the Department, there is no legal and valid grant, in law or in equity, and the selected Offeror(s) shall not begin to perform.
- L.** The Offeror is not currently engaged, and will not during the duration of the agreement engage, in a boycott of a person or an entity based in or doing business with a jurisdiction which the Commonwealth is not prohibited by Congressional statute from engaging in trade or commerce.

I-26. Notification of Selection.

- A. Negotiations.** The Department will notify all Offerors in writing of the Offeror(s) selected for negotiations after the Department has determined, taking into consideration

all of the evaluation factors, the proposal(s) that is the most advantageous to the Department.

B. Award. Offerors whose proposals are not selected will be notified when negotiations have been successfully completed and the Department has received the final negotiated grant agreement signed by the selected Offeror(s).

I-27. Debriefing Conferences. Upon notification of award, Offerors whose proposals were not selected will be given the opportunity to be debriefed. The Issuing Office will schedule the debriefing at a mutually agreeable time. The debriefing will not compare the Offeror with other Offerors, other than the position of the Offeror's proposal in relation to all other Offeror proposals. An Offeror's exercise of the opportunity to be debriefed does not constitute nor toll the time for filing a protest (See **Part I, Section I-28** of this RFP).

I-28. RFP Protest Procedure. Offerors and prospective Offerors who are aggrieved in connection with the solicitation or award of this RFP may file a protest with DHS. Any such protest must be in writing and must comply with the requirements set forth in the Commonwealth Procurement Code at 62 Pa.C.S. §1711.1.

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

Department of Human Services
Office of Administration, Bureau of Financial Operations
Division of Procurement and Contract Management
Room 402 Health and Welfare Building
625 Forster Street
Harrisburg, Pennsylvania 17120
Attn: Mac Spiker
Email address: RA-PWRFPQUESTIONS@PA.GOV

Offerors and prospective Offerors will file a protest electronically via email to the resource account listed above but also must simultaneously send an original and two hard copy versions of the protest to the address listed above.

I-29. Use of Electronic Versions of this RFP. This RFP is being made available by electronic means. If an Offeror electronically accepts the RFP, the Offeror acknowledges and accepts full responsibility to ensure that no changes are made to the RFP. In the event of a conflict between a version of the RFP in the Offeror's possession and Issuing Office's version of the RFP, the Issuing Office's version shall govern.

I-30. Information Technology Policies. This RFP is subject to the Information Technology Policies ("ITPs") {formerly known as Information Technology Bulletins} issued by the Office of Administration, Office for Information Technology ("OA-OIT"); and the Department's Business and Technical Standards created and published by the Department. ITPs may be found at <http://www.oa.pa.gov/Policies/Pages/itp.aspx>. The Department's Business and Technical Standards may be found at <http://www.dhs.state.pa.us/provider/busandtechstandards/index.htm>.

All proposals must be submitted on the basis that all ITPs and the Department's Business and Technical Standards are applicable to this procurement. It is the responsibility of the Offeror to read and be familiar with the ITPs and the Department's Business and Technical Standards. Notwithstanding the foregoing, if the Offeror believes that any ITP or the Department's Business and Technical Standard is not applicable to this procurement, it must list all such ITPs and the Department's Business and Technical Standards in its technical response, and explain why it believes the ITP and the Department's Business and Technical Standard is not applicable. The Department may, in its sole discretion, accept or reject any request that an ITP or the Department's Business and Technical Standard not be considered to be applicable to the procurement. The Offeror's failure to list an ITP or the Department's Business and Technical Standard will result in its waiving its right to do so later, unless the Department, in its sole discretion, determines that it would be in the best interest of the Commonwealth to waive the pertinent ITP or the Department's Business and Technical Standard.

PART II

CRITERIA FOR SELECTION

- II-1. Mandatory Responsiveness Requirements.** To be eligible for selection, a proposal must:
- A. Be timely received from an Offeror (see **Part I, Section I-12**); and
 - B. Be properly signed by the Offeror (see **Part I, Section I-13A**).
- II-2. Technical Nonconforming Proposals.** The two (2) Mandatory Responsiveness Requirements set forth in **Section II-1** above (A-B) are the only RFP requirements that the Department will consider to be *non-waivable*. The Department may, in its sole discretion, (1) waive any other technical or immaterial nonconformities in an Offeror's proposal, (2) allow the Offeror to cure the nonconformity, or (3) consider the nonconformity in the scoring of the Offeror's proposal.
- II-3. Evaluation.** The Department has selected a committee of qualified personnel to review and evaluate the technical submittal of timely submitted proposals. Independent of the committee, BDISBO will evaluate the SDB/SBs Participation Submittal and provide the Department with a rating for this component of each proposal. The Department will separately evaluate and score each Lot. The Department will notify in writing of its selection for negotiation the responsible Offeror(s) whose proposal(s) is determined to be the most advantageous to the Commonwealth as determined by the Department after taking into consideration all of the evaluation factors.
- II-4. Evaluation Criteria.** The following criteria will be used in evaluating each proposal submitted for each Lot of this RFP:
- A. **Technical:** The Department has established the weight for the Technical criterion for this RFP as **50%** of the total points. Evaluation will be based upon the following in order of importance: Soundness of Approach, Offeror Qualifications, Personnel Qualifications, and Understanding the Problem. For each Lot, the final Technical scores are determined by giving the maximum number of technical points available to the proposal with the highest raw technical score. The remaining proposals for each Lot are rated by applying the following Technical Scoring Formula:
$$\frac{\text{Raw Technical Score of Proposal Being Scored}}{\text{Highest Raw Technical Score}} \times A = \text{Final Technical Score}$$

A = Maximum number of Technical Points for technical criterion
 - B. **Cost:** The Department has established the weight for the Cost criterion for this RFP as **30%** of the total points. For each lot, the cost criterion is rated by giving the proposal with the lowest total cost the maximum number of Cost points available. The remaining proposals for the Lot are rated by applying the following Cost Formula:

$$1 - \frac{(B-A)}{A} \times C = D$$

- A—the lowest Offeror’s cost.
- B—the Offeror’s cost being scored.
- C—the maximum number of cost points allotted to the cost criterion.
- D—Offeror’s cost score (points).

Note: If the formula results in zero or a negative number (which will occur when the Offeror’s cost is more than twice the lowest cost), zero points shall be assigned.

C. Small Diverse Business and Small Business Participation: BDISBO has established the minimum evaluation weight for the SDB/SB Participation criterion for this RFP as **20%** of the total points.

1. The SDB/SB point allocation is based entirely on the percentage of the agreement cost committed to SDBs and SBs.
2. A total combined SDB/SB commitment of less than one percent (1%) of the total agreement cost is considered de minimis and will receive no SDB or SB points.
3. Two thirds (2/3) of the total points are allocated to SDB participation (SDB %).
4. One third (1/3) of the total points is allocated to SB participation (SB %).
5. Based on a maximum total of 200 available points for the SDB/SB Participation Submittal, the scoring mechanism is as follows:

<p>Small Diverse Business and Small Business Raw Score =</p> <p>200 (SDB% + (1/3 * SB %))</p>

6. Each Offeror’s raw score will be pro-rated against the Highest Offeror’s raw score by applying the formula set forth on the following webpage: http://www.dgs.pa.gov/Businesses/Materials%20and%20Services%20Procurement/Procurement-Resources/Pages/RFP_SCORING_FORMULA.aspx.
7. The Offeror’s prior performance in meeting its contractual obligations to SDBs and SBs will be considered by BDISBO during the scoring process. To the extent the Offeror has failed to meet prior contractual commitments, BDISBO may recommend to DHS that the Offeror be determined non-responsible for the limited purpose of eligibility to receive SDB and SB points.

D. Domestic Workforce Utilization: Any points received for the Domestic Workforce Utilization (“DWU”) criterion are bonus points in addition to the total points for this RFP. The maximum amount of bonus points available for this criterion is **3%** of the total points for this RFP.

To the extent permitted by the laws and treaties of the United States, each proposal will be scored for its commitment to use domestic workforce in the fulfillment of the agreement. Maximum consideration will be given to those Offerors who will perform the direct labor exclusively within the geographical boundaries of the United States or within the geographical boundaries of a country that is a party to the World Trade Organization Government Procurement Agreement. Those who propose to perform a portion of the direct labor outside of the United States and not within the geographical boundaries of a party to the World Trade Organization Government Procurement Agreement will receive a correspondingly smaller score for this criterion. The following DWU Formula will be utilized to calculate the DWU score: % of domestic workforce utilization X total number of proposal points.

- E. Iran Free Procurement Certification and Disclosure.** Prior to entering a contract worth at least \$1,000,000 or more with a Commonwealth entity, an Offeror must: a) certify that it is not on the current list of persons engaged in investment activities in Iran created by the Pennsylvania Department of General Services (“DGS”) pursuant to Section 3503 of the Procurement Code and is eligible to contract with the Commonwealth under Sections 3501 – 3506 of the Procurement Code; or b) demonstrate that it has received an exception from the certification requirement for that solicitation or contract pursuant to Section 3503(e). All offerors must complete and return the Iran Free Procurement Certification form, (**Appendix P, Iran Free Procurement Certification Form**), which is attached hereto and made part of this RFP. The completed and signed Iran Free Procurement Certification form must be submitted as part of the Technical Submittal.

See the following web page for current Iran Free Procurement list:

<http://www.dgs.pa.gov/Documents/Procurement%20Forms/ProposedIranFreeProcurementList.pdf>.

- II-5. Offeror Responsibility.** To be responsible, an Offeror must submit a responsive proposal and possess the capability to fully perform the grant requirements in all respects and the integrity and reliability to assure good faith performance of the grant agreement.

In order for an Offeror to be considered responsible for this RFP and therefore eligible for selection for best and final offers or selection for negotiations:

- A.** The total score for the technical submittal of the Offeror’s proposal must be greater than or equal to **75%** of the **available technical points**;
- B.** Must meet the conflict free requirements as set forth in this Section and **RFP Part III, Section III-1.G and RFP Part III, Section III-12.G**; and
- C.** The Offeror’s financial information must demonstrate that the Offeror possesses the financial capability to ensure good faith performance of the grant and is free from financial or external factors that may hinder its ability to operate as a going concern for the term of the agreement. The Commonwealth will review the Offeror’s previous three financial statements, any additional information received from the Offeror, and

any other publicly-available financial information concerning the Offeror, and assess each Offeror's financial capacity based on calculating and analyzing various financial ratios, and comparison with industry standards and trends.

An Offeror which fails to demonstrate sufficient financial capability to ensure good faith performance of the grant as specified herein may be considered by the Department, in its sole discretion, for Best and Final Offers or negotiations contingent upon such Offeror(s) providing performance security for the first agreement year cost proposed by the Offeror in a form acceptable to the Department. Based on the financial condition of the Offeror(s) and addition to the Performance and Payment Bonds required in Part III, Section III-1. D and Part III, Section III-12. D, the Department may require a certified or bank (cashier's) check, letter of credit, or a performance bond conditioned upon the faithful performance of the grant by the Offeror(s). The required performance security must be issued or executed by a bank or surety company authorized to do business in the Commonwealth. The cost of the required performance security will be the sole responsibility of the Offeror(s) and cannot increase the Offeror(s)'s cost proposal or the grant cost to the Commonwealth.

The Department will not select for grant award any entity that is not conflict free at the time of proposal submission. The Offeror's conflict free information must demonstrate that the Offeror meets the conflict free requirements defined in **RFP Part III, Section III-1.G and RFP Part III, Section III-12.G Requirements**.

Further, the Department will award an agreement only to an Offeror(s) determined to be responsible in accordance with the most current version of Commonwealth Management Directive 215.9, Contractor Responsibility Program.

II-6. Final Ranking and Award.

- A.** After any best and final offer process has been conducted, for the proposals submitted for each Lot, the Issuing Office will combine the evaluation committee's final technical scores, BDISBO's final SDB/SB Participation Submittal scores, the final cost scores, and (when applicable) the DWU scores, in accordance with the relative weights assigned to these areas as set forth in this Part.
- B.** The Issuing Office will rank responsible offerors according to the total overall score assigned to each, in descending order for each Lot.
- C.** For each Lot and except as provided in D., the Department must select for negotiations the Offeror with the highest overall score.
- D.** The Department has the discretion to reject all proposals or cancel one or both Lots or the request for proposals, at any time prior to the time a grant agreement(s) is fully executed, when it is in the best interests of the Commonwealth. The reasons for the rejection or cancellation shall be made part of the grant file.

PART III

TECHNICAL SUBMITTAL

Lot 1 – OLTL Administered Programs

III-1. Requirements.

A. Disaster Recovery (“DR”). The selected Offeror must develop and document a disaster recovery plan for electronic records and files maintained by the selected Offeror. The selected Offeror must utilize reasonable data backup and disaster recovery procedures to prevent loss of information and an interruption in the use of its proposed systems.

1. The Offer must describe its data backup and disaster recovery plans for restoring and maintaining operations during natural or human-induced disasters, or any other occurrence that damages systems or data.
2. The Offeror must provide detailed information regarding its backup and DR systems, architecture/frameworks, capabilities, governance, and procedures.
3. The Offeror must describe how its backup and disaster recovery plans enable the continuation of critical business processes for the protection and security of the data.
4. The selected Offeror must provide an annual update of the data backup and disaster recovery plan and the disaster recovery plan testing process and testing frequency of the yearly anniversary start date of the fully executed agreement.

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

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

- ii. How employees in your organization will carry out the essential functions if prevented from coming to the primary workplace.
- d. How your organization will communicate with staff and suppliers when primary communications systems are overloaded or otherwise fail, including key contacts, chain of communications (including suppliers), etc.

The Offeror must describe how and when your emergency plan will be tested, and if the plan will be tested by a third-party.

C. Subcontracting with a Reporting Agent. The selected Offeror may not subcontract with and delegate VF/EA FMS tasks to a reporting agent.

D. Performance and Payment Bonds. The selected Offeror must provide executed performance and payment bonds during Knowledge Acquisition/Transition period and prior to January 1, 2018, each in the sum of six (6) months of the estimated annual Agreement amount, with the Commonwealth as the obligee. The surety will be a surety company or companies listed in the Federal Registry of Surety Companies and approved by the State Corporation Commission to transact business in the Commonwealth of Pennsylvania. No payment will be due and payable to the selected Offeror, even if the Agreement has been performed in whole or in part, until the bonds have been delivered and approved by the Department. The payment bond will be used to cover delinquent payments to qualified DCWs, vendors and small unlicensed providers, and federal state and local tax and workers' compensation insurance premium payments up to the maximum of the value of the full value of the bond in the event that the selected Offeror is unable to properly, promptly and efficiently perform the Agreement and/or the Agreement is terminated by default or bankruptcy.

E. Regulatory Requirements.

1. The selected Offeror must operate in accordance with §3504 of the Internal Revenue Service ("IRS") Code, Revenue Procedure 70-6, 1970-1 C.B. 420, as modified by IRS Proposed Notice 2003-70 and IRS REG-137036-08 and any other future revenue procedures, notices or publication promulgated by the IRS.
2. The selected Offeror also must operate in compliance with state and local tax laws, federal and state labor laws and state workers' compensation insurance laws.
3. The selected Offeror must comply with existing or new applicable regulations, requirements, standards, directives, statutes, etc. issued by the Commonwealth and/or Federal and local governments that take effect during the Agreement term.
4. The selected Offeror must comply with [Medical Assistance Bulletin 99-11-05](#) titled "Provider Screening of Employees and Contractors for Exclusion from Participation and Federal Health Care Programs and the Effect of Exclusion on Participation" and any revisions or updates.
5. The selected Offeror must comply with *Section 1930 of the Social Security Act (42 U.S.C. § 1396b(l))* which requires the utilization of electronic visit verification ("EVV") for personal care services furnished under the MA program. EVV is a telephone and computer-based system that electronically verifies service visits occur

and documents the precise time service begins and ends. The selected Offeror must assist and educate all DCWs on the use of an EVV for all personal care and home health care services.

6. The selected Offeror is responsible for following record retention procedures for all applicable federal, state and local government agencies.
7. The selected Offeror must establish and maintain all archived files in an accurate, secure and confidential manner and for the required period of time as mandated by applicable federal, state and local rules and regulations.

F. Program Knowledge. The selected Offeror must have a working knowledge of the Medicaid target populations (participants with developmental disabilities or physical disabilities, or over the age of sixty (60)), participant directed services, how participant direction relates to the provision of VF/EA FMS and providing VF/EA FMS in accordance with federal, state and local tax, labor, workers' compensation insurance and program rules and regulations, as applicable.

G. Conflict Free Requirements. The selected Offeror must be free of any conflict of interest with any existing or future waiver and program providers. To ensure an objective, unbiased process, the selected Offeror and any subcontractors must be free of real or perceived conflicts of interest.

1. The selected Offeror and its subcontractors may not be a part of or affiliated with and must remain independent from any provider of HCBS. Neither the governing body of the selected Offeror nor individual members of the governing body may be affiliated with any provider of HCBS. The selected Offeror or its subcontractors may not be affiliated with or a subsidiary of any existing provider of HCBS.
2. No personnel assigned to the Project may work for any provider of HCBS. Personnel assigned to the Project may receive direct care services or supports from such provider as long as the services are purchased at fair rates (either private pay, through an HCBS program, or through another third party program).

In addition, the Commonwealth may reject a proposal from an Offeror that has been determined to have a conflict of interest based on the language above. As part of the response, the Offeror must submit complete organizational information that includes an organization chart listing all subsidiaries; a listing of all Agreements that the Offeror has within Pennsylvania; and a listing of any Agreements of its subsidiaries associated with any HCBS provider doing business in Pennsylvania.

H. Office Requirements.

1. The selected Offeror must establish a presence, during Transition in each CHC region; to be fully operational by January 1, 2018. Refer to Appendix G for the CHC zones.
2. The selected Offeror must have the capability to conduct in-person meetings with individuals in each region at least five (5) days a week during regular business hours (8:30 a.m. through 5:00 p.m.) and with, at minimum, evening hours (5:00 p.m. through 8:00 p.m.) one (1) day per week.

3. The selected Offeror must establish regional teams which can provide expertise on local tax issues and other related topics.
 4. All regional offices must be accessible and meet the Americans with Disabilities Act (“ADA”) standards.
 5. The physical site of the selected Offeror’s administrative functions, all satellite offices, and any worksites cannot be co-located with any existing HCBS provider.
 6. The selected Offeror must supply meeting rooms and normal office space for personnel, including equipment, Microsoft® Office Software, network connectivity, supplies, clerical assistance, and administrative support needed to provide these services at its headquarters and any satellite offices.
- I. Department of State.** The selected Offeror must be qualified and registered with the Pennsylvania Department of State to do business in the state.
- J. Medicaid Enrolled Provider.** The selected Offeror must be an enrolled provider in the Pennsylvania MA Program.
- K. OLTL VF/EA FMS Special Provider Agreement.** The selected Offeror must enter into and maintain the OLTL VF/EA-FMS Special Provider Agreement, **Appendix N**.
- L. Criminal Background Clearances.** The selected Offeror must, at its expense, arrange for a criminal background clearances from the Pennsylvania State Police and child abuse clearances per the Child Protective Services Law (CPL) [23 Pa. C.S. Chapter 63]. The selected Offeror must obtain written results from the Pennsylvania State Police and Office of Children, Youth and Families’ DHS-ChildLine and Abuse Registry for each of its employees, as well as the employees of any of its subcontractors and all DCWs who will:
- a. Have access to the Commonwealth’s facilities, either through on-site access or through remote access;
 - b. Be employed by a CLE; and
 - c. Perform work related to this RFP.

Criminal background checks are conducted via the Criminal History Request Online found at the Pennsylvania State Police Website, under PSP Services <http://www.psp.pa.gov>. The required criminal background checks must be conducted prior to initial access to Commonwealth facilities or employment as a DCW and on an annual basis thereafter. Child abuse clearances are obtained from www.compass.state.pa.us/cwis.

If staff that perform work related to this RFP or a potential DCW has not been a Pennsylvania resident for the previous two (2) years, the selected Offeror must obtain a Federal Criminal History Record from the Federal Bureau of Investigation (“FBI”), in addition to the Criminal History Record from the State Police.

Before the Commonwealth will permit access to Commonwealth facilities or employment as a DCW, the selected Offeror must provide written confirmation that the required background checks have been conducted. If, at any time, it is discovered that a selected Offeror employee has a criminal record that includes a felony or misdemeanor

involving terroristic behavior, violence, use of a lethal weapon, or breach of trust/fiduciary responsibility or which raises concerned about building, system or personal security or is otherwise job-related, the selected Offeror shall not assign that employee to any Commonwealth service program, shall not permit access to any participant's home, shall remove any access privileges already given to the employee and shall not permit that employee remote access unless the agency consents to the access, in writing, prior to access. The Commonwealth may withhold its consent in its complete discretion. Failure of the selected Offeror to comply with the terms of this paragraph may result in default of the selected Offeror under its Agreement.

M. Information Handling. The selected Offeror must abide by the Commonwealth's specific regulations and requirements concerning confidentiality of information and Health Insurance Portability and Accountability Act ("HIPAA") requirements (See **Appendix O**) Business Associate Language and Part VI, Standard Terms and Conditions.

The nature of VF/EA FMS requires the handling of sensitive information. All personnel and/or sub-contractors assigned to the provision of VF/EA FMS by the selected Offeror must comply with applicable federal and state laws, regulations, and rules regarding the security and confidentiality of information individuals receiving MA services.

Compliance will include:

1. All personnel and sub-contractors of the selected Offeror and its reporting agent, as applicable must comply with HIPAA.
2. All personnel and sub-contractors of the selected Offeror and its reporting agent, as applicable, must receive training in confidentiality regulations, including HIPAA Privacy and Security training and MA confidentiality requirements.
3. All personnel and sub-contractors of the selected Offeror must sign a confidentiality agreement. Personnel policies must address disciplinary procedures relevant to violation of the signed confidentiality agreement.
4. Both confidential and sensitive information are not to be used by the selected Offeror or sub-contractors or given to another agency other than for the purpose of carrying out obligations of the Agreement.

The selected Offeror is responsible for having adequate measures in place to prohibit unauthorized access, copying, and distribution of information during work on this Project. The selected Offeror is responsible for proper disposal of both hard and electronic working copies of information during work on this Project, as well as any remaining information upon the completion of the Project.

Sensitive information may need to be transferred from other agencies or shared with the Commonwealth during the course of the Agreement period, and/or transitioned to another vendor at the conclusion of this Agreement. The selected Offeror will follow Commonwealth procedures for information handling and sharing. The selected Offeror will ensure that all records are properly retained for six (6) years after becoming fully inactive or until the disposition of court hearings, audits and appeals are complete.

N. The selected Offeror must be capable of accessing the following Department systems, demonstrating its ability to use these systems, and explaining how these systems would be used:

1. The Commonwealth's claims processing and management information system, currently, the Provider Reimbursement and Operations Management Information System (PROMIS^eTM). Information is available at: <http://www.dhs.pa.gov/provider/promise/index.htm>.
2. The Home and Community-Based Services Information System ("HCSIS"), the information system used to maintain waiver participants' records specific to the Attendant Care, CommCare, Independence, OBRA, Consolidated and P/FDS waivers and the Attendant Care Act 150 state funded program. Information is available at: <https://www.hcsis.state.pa.us/hcsis-ssd/>.
3. The Social Assistance Management System ("SAMS"), the information system used to maintain waiver and state funded participants' records specific to the Aging waiver. Information is available at: https://www.mediware.com/wp-content/uploads/Mediware-Collateral/Human_Services/HS017-HarmonyforSAMsCaseMgmt.pdf
4. The Electronic Eligibility Verification System ("EVS") is the Department's system for verifying MA eligibility. Information is available at: <http://www.dhs.pa.gov/provider/softwareandservicevendors/eligibilityverificationinformation/index.htm>.
5. Additional software packages as applicable.

O. Billing Requirements. OLTL Fee-for-Service Programs and CHC Implementation.

The selected Offeror will bill FMS on a fee-for-service basis through PROMIS^eTM. As CHC is implemented in each region, the selected Offeror will bill the CHC-MCOs for FMS for the region. The Department anticipates implementing CHC as follows:

1. **Phase 1** – Beginning January 1, 2018 in the Southwest Region, the selected Offeror will bill the regional CHC-MCOs for payment. The payment process for the selected Offeror will continue as fee-for-service billings through PROMIS^eTM in the Southeast, Lehigh/Capital, Northeast and Northwest regions.
2. **Phase 2** – Beginning July 1, 2018 in the Southeast and Southwest Regions, the selected Offeror will bill the regional CHC-MCOs for payment. The payment process for the selected Offeror will continue as fee-for-service billings through PROMIS^eTM in the Lehigh/Capital, Northeast and Northwest regions.
3. **Phase 3** – Beginning January 1, 2019 with the implementation of CHC in the Lehigh/Capital, Northeast and Northwest regions, the selected Offeror will bill the CHC-MCOs for services in all regions.

P. The selected Offeror must have written internal controls, including segregation of duties, related to the completion of the tasks listed in **Part III, Section III-8 Work Plan**.

Q. Current, Comprehensive, Pennsylvania-specific VF/EA FMS Organization Procedures Manual. The selected Offeror must prepare and maintain a Pennsylvania-specific VF/EA FMS Organization Procedures Manual ("Manual"). This Manual must include procedures and internal controls for all VF/EA FMS organization tasks and

requirements outlined in this RFP. The Manual must be submitted to the Department during selected Offeror's Knowledge Acquisition/Transition period (Refer to Task A) for review and approval. The selected Offeror will update the Manual at least annually or more frequently, as necessary and all updates must be reviewed and approved by the Department. The selected Offeror will submit and make the Manual available to Commonwealth in electronic format.

R. National Provider Indicator ("NPI"). As part of the DCW hiring process, the selected Offeror must obtain for DCWs an NPI using taxonomy code "Attendant Care Provider" and including the home address for the DCW's business mailing address.

S. Lobbying Certification and Disclosure of Lobbying Activities. This Project will be funded, in whole or in part, with federal monies. Public Law 101-121, Section 319, prohibits federal funds from being expended by the recipient or by any lower tier sub-recipients of a federal contract, grant, loan, or a cooperative agreement to pay any person for influencing, or attempting to influence a federal agency or Congress in connection with the awarding of any federal contract, the making of any federal grant or loan, or entering into any cooperative agreement. All parties who submit proposals in response to this RFP must sign the "Lobbying Certification Form," (attached as **Appendix D**) and, if applicable, complete the "Disclosure of Lobbying Activities" form (attached as **Appendix D**). The signed form(s) must be included as **Tab 11** in the Technical Submittal.

III-2. Statement of the Project. State in succinct terms your understanding of the project presented and the services required by this RFP. The Offeror's response should demonstrate that the Offeror fully understands the scope of services to be provided, the Offeror's responsibilities, and how the Offeror will effectively manage the grant. The Offeror should demonstrate how it will maintain the fee-for service processes, develop and maintain partnerships with the CHC-MCOs, in order to: support person-centered planning; coordinate and communicate activities effectively; prepare and distribute financial reports; identify processes to reconcile claims; attend and participate in ad hoc meeting with CHC-MCOs upon DHS's request; and coordinate all meetings with CHC-MCOs through the Department.

III-3. Management Summary. Include a narrative description of the proposed effort and a list of the items to be delivered or services to be provided. The summary will condense and highlight the contents of the Technical Submittal in a manner that allows a broad understanding of the entire Technical Submittal.

III-4. Prior Experience. The Offeror should include experience providing VF/EA FMS or other similar services; and demonstrate a working knowledge of VF/EA FMS as described in the RFP. Experience shown should be work done by persons who will be assigned to the grant as well as that of your company. Studies or projects referred to must be identified and the name of the customer shown, including the name, address, and telephone number of the responsible official of the customer, company, or agency who may be contacted.

A. Corporate Background. The Offeror must describe the corporate history and relevant experience of the Offeror and any subcontractors. This section must detail information

on the ownership of the company (names and percent of ownership), the date the company was established, the date the company began operations, the physical location of the company, and the current size of the company. The Offeror must provide a corporate organizational chart.

The Offeror must describe its corporate identity, legal status and forms, including the name, address, telephone number, and email address for the legal entity that is submitting the proposal. In addition, the Offeror must provide the name of the principal officers, a description of its major services, and any specific licenses and accreditations held by the Offeror.

Offerors must provide similar organizational background information on any significant subcontractor for grant services. A significant subcontractor is defined as an organization undertaking more than ten (10%) on a total cost basis of the work associated with this RFP.

If an Offeror is proposing to use the services or products of a subsidiary or affiliated firm, the Offeror must describe the business arrangement with that entity and the scope of the services the entity will provide.

If the experience of any proposed subcontractor is being used to meet the qualifications and requirements of this RFP, the Offeror must provide the same information as listed above for the subcontractor. This information must be presented separately within this section, clearly identifying the subcontractor experience and name of the subcontractor.

B. References. The Offeror must provide a list of at least three (3) relevant contacts within the past three (3) years to serve as corporate references. The references must be outside clients (non-DHS). This list shall include the following for each reference:

1. Name of customer
2. Type of contract
3. Contract description, including type of service provided
4. Total contract value
5. Contracting officer's name and telephone number
6. Role of subcontractors (if any)
7. Time period in which service was provided.

The Offeror must submit **Appendix E, Corporate Reference Questionnaire**, directly to the contacts listed. The references should return the completed questionnaires in sealed envelopes to the Offeror. The Offeror must include these sealed references with its technical submittal under **Tab 13**.

The Offeror must disclose any contract or agreement cancellations, or terminations within five (5) years preceding the issuance of this RFP. If a contract or agreement was canceled or terminated for lack of performance, the Offeror must provide details on the customer's allegations, the Offeror's position relevant to the allegations, and the final resolution of the cancellation or the termination. The Offeror must also include each customer's Company or entity name, Address, Contact name, Phone number, and Email address.

The Department may disqualify an Offeror based on a failure to disclose such a cancelled or terminated contract or agreement. If the Department learns about such a failure to disclose after an agreement is awarded, the Department may terminate the agreement.

III-5. Personnel.

- A. Offeror Personnel:** Include the number of executive and professional personnel, analysts, auditors, and other individuals, who will be engaged in the Project. Show where these personnel will be physically located during the time they are engaged in the Project. Key personnel for this Project include: a Grant Administrator or Project Manager, Enrollment Services Manager, Payroll and Invoice Payment Manager, and a Medicaid Billing Manager. For key personnel, include the employee's name and, through a resume or similar document, the key personnel's education and experience including any appropriate licenses or certifications. Indicate the responsibilities each individual will have in this Project and how long each has been with your company. The Offerors may propose additional key personnel. For all other personnel, include job title, position descriptions, responsibilities and qualifications.
- B. Subcontractors:** Provide a subcontracting plan for all subcontractors, including SDB and SB subcontractors, who will be assigned to the Project. The selected Offeror is prohibited from subcontracting or outsourcing any part of this Project without the express written approval from the Commonwealth. Upon award of an agreement resulting from this RFP, subcontractors included in the proposal submission are deemed approved. For each position included in your subcontracting plan, provide:
1. Name of subcontractor;
 2. Address of subcontractor
 3. Number of years worked with the subcontractor;
 4. Number of employees by job category to work on this project;
 5. Description of services to be performed;
 6. What percentage of time the staff will be dedicated to this project;
 7. Geographical location of staff; and
 8. Resumes (if appropriate and available).
- C.** Submitted resumes are not to include personal information that will, or will be likely to, require redaction prior to release of the proposal under the Right-to-Know Law, including but not limited to home addresses and phone numbers, Social Security Numbers, Drivers' License numbers or numbers from state identification cards issued in lieu of a Drivers' License, and financial account numbers. If the Commonwealth requires any of this information for security verification or other purposes, the information will be requested separately and as necessary.

Include organizational charts outlining the staffing, reporting relationships and staff members in its description. Show the total number of staff proposed and indicate the Full Time Equivalency ("FTE") to account for any staff that are not assigned on a full-time basis. Provide similar information for any subcontractors that are proposed. The

organizational chart must illustrate the lines of authority, designate the positions responsible and accountable for the completion of each component in the RFP, indicate the names or job title and number of personnel that will be assigned to each role, and the number of hours per week each person is projected to work on the Project. The organizational chart must clearly indicate any functions that are subcontracted along with the name of the subcontracting entities and the services they will perform.

A minimum of three (3) client references for Key Personnel must be identified. All client references for Key Personnel must be outside clients (non-DHS) who can give information on the individual's experience and competence to perform project tasks similar to those requested in this RFP. Key Personnel may be a member of the Offeror's organization, or any subcontractor included in the Offeror's proposal.

The Offeror must submit **Appendix F, Key Personnel Reference Questionnaire**, directly to the contacts listed. The references should return completed questionnaires in sealed envelopes to the Offeror. The Offeror must include these sealed references with its proposal under **Tab 14**.

Key Personnel Diversions Or Replacement. Once Key Personnel are approved by the Department, the selected Offeror may not divert or replace personnel without prior approval of the DHS Grant Administrator. The selected Offeror must provide notice of a proposed diversion or replacement to the DHS Grant Administrator at least thirty (30) days in advance and provide the name, qualifications, and background check (if required) of the person who will replace the diverted personnel. The DHS Grant Administrator will notify the selected Offeror within ten (10) business days of the diversion notice whether the proposed diversion is acceptable and if the replacement is approved.

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

The DHS Grant Administrator may request that the selected Offeror remove a person from this Project at any time. In the event that a person is removed from the Project, the selected Offeror will have ten (10) days to fill the vacancy with a person acceptable in terms of experience and skills, subject to the DHS Grant Administrator's approval.

III-6. Training. If appropriate, indicate recommended training of agency personnel. Include the agency personnel to be trained, the number to be trained, duration of the program, place of training, curricula, training materials to be used, number and frequency of sessions, and number and level of instructors.

III-7. Financial Capability. Describe your company's financial stability and economic capability to perform the grant requirements. If your company is a publicly traded

company, please provide a link to your financial records on your company website in lieu of providing hardcopies.

Additionally, Offerors must provide:

- A. For the proposing entity and for each entity that owns at least five percent (5%) of the proposing entity:
 - 1. Audited financial statements for the three (3) most recent fiscal years for which statements are available. The statements must include a balance sheet, a statement of revenue and expense and a statement of cash flow. Statements must include the auditor's opinion, the notes to the financial statements and management letters submitted by the auditor to the Offeror. If audited financial statements are not available, explain why and submit unaudited financial statements;
 - 2. Unaudited financial statements for the period between the last month covered by the audited statements and the month before the proposal is submitted;
 - 3. Documentation about available lines of credit, including maximum credit amount and amount available thirty (30) business days prior to the submission of the proposal; and
 - 4. Dun & Bradstreet comprehensive report, if available.

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

- B. The full name and address of any proposed subcontractor in which the Offeror has five percent (5%) or more ownership interest. The Offeror must provide a copy of the proposed subcontractor's Financial and Accounting Policies and Procedures.
- C. A list of any financial interests a proposed subcontractor may have in the Offeror's organization or any financial interest the Offeror's organization has in the proposed subcontractors.
- D. Information about any significant pending litigation.

The Commonwealth may request additional information it deems necessary to evaluate an Offeror's financial capability.

III-8. Work Plan. Describe in narrative form your technical plan for accomplishing the work using the task descriptions as your reference point. Modifications of the task descriptions are permitted; however, reasons for changes should be fully explained. Indicate the number of person hours allocated to each task. Include a Program Evaluation and Review Technique ("PERT") or similar type display, time related, showing each event. If more than one approach is apparent, comment on why you chose this approach.

The Offeror should describe its management approach, including how it will implement its proposed work plan. Where possible, the Offeror should provide specific examples of methodologies or approaches, including monitoring approaches, it will use to fulfill the RFP requirements and examples of similar experience and approach on comparable projects. The Offeror should describe the management and monitoring controls it will use to achieve the required quality of grant services and all performance requirements. The Offeror should

also address its approach to internally monitor and evaluate the effectiveness of meeting the grant requirements.

The work plan must include the planned approach and process for establishing and maintaining communication between all parties and a technical approach that is aligned with all written specifications and requirements contained in the RFP.

Tasks:

A. Transition. The selected Offeror will be responsible for effectuating a vendor-to-vendor transition of the current FMS tasks. The grant agreement will provide up to a four (4) month period for transition from the incumbent vendor to the selected Offeror, unless extended by the Commonwealth. The selected Offeror must submit updated detailed transition work plans within five (5) business days of the start of the agreement. The OLTL will review the work plans, and the selected Offeror will revise them accordingly and resubmit updated versions to OLTL within five (5) business days from the request.

- 1. Orientation/Knowledge Acquisition.** Orientation/Knowledge Acquisition refers to a “transition phase” that consists of activities that must take place between the effective date of the agreement and when the selected Offeror assumes full responsibility of the agreement requirements and tasks.

The primary objectives of the Orientation/Knowledge Acquisition Transition Phase are the following:

- a. Successful orientation, knowledge acquisition, and operational independence from incumbent vendor;
- b. Smooth transition of responsibilities;
- c. Complete knowledge transfer and domain understanding;
- d. Strong accountability controls;
- e. Mitigation of risk to the Commonwealth, DHS, participants, CLEs, DCWs, and taxpayers; and
- f. Establishment of facilities and appropriate infrastructure to support the VF/EA FMS business functions.

2. Orientation/Knowledge Acquisition Transition Offeror Responsibilities:

- a. The selected Offeror will prepare and submit a comprehensive Orientation/Knowledge Acquisition Transition Plan (Transition Plan). The Transition Plan will incorporate the activities necessary to turn over the business systems in an orderly manner. The plan must address specialized business and computer systems operational transition of all in scope systems and operations (i.e., DHS and OLTL environments). The plan must address the resources required for the transition including those from the Commonwealth, incumbent vendor, and new vendor if any. Additionally, the plan will identify the system turnover objectives and work plan activities on a Gantt chart and document activity time frames and responsibilities. The Transition Plan will be submitted to the Department for final review and approval.
- b. The selected Offeror must have knowledge transfer occur in such a manner to enable its staff to assume ownership confidently and to manage the in-scope

operational systems independently without disrupting business operations or timely delivery of citizen services.

- c. The selected Offeror must receive the turnover of the operation and management of all in-scope operational business functions no later than the end of the transition period. This transition must be planned and managed in an orderly fashion so that no disruption of service to participants, CLEs, and DCWs takes place.
- d. Upon approval of the Transition Plan, the selected Offeror will begin transitioning the business systems, documentation, and CLE/DCW files; and provide the transition progress assessments and status updates. The selected Offeror will coordinate with DHS regarding transition tasks prioritization issues or conflicting activities interfering with maintaining and operating the systems.
- e. At the end of the transition phase, the selected Offeror will prepare the Orientation/Knowledge Acquisition Transition Results Report. The selected Offeror will document the completion of transition activities and provide the status of each high-level task and activity that took place during the transition period. The report will highlight how each of the objectives stated in the Transition Plan have been achieved and the resolution of issues identified and prioritized during the transition process.

3. Orientation/Acquisition Transition Plan: Project Initiation, Setup, and Planning

- a. **Project Initiation, Setup, and Planning.** Project Initiation, Setup, and Planning will include all activities and tasks required to begin the Project. The selected Offeror will acquire and set up facilities, acquire and install the necessary hardware and software, establish the necessary telecommunication capabilities, procure the required services, and create various plans that must be followed during the execution of the Project.
- b. **Deliverables and Outcomes: Project Initiation, Setup and Planning Deliverable to include:**
 - i. Detailed Project Work Plan. The work plan must include but is not limited to defining each of the planned tasks and subtasks along with start dates, planned completion dates, primary responsibility, and dependencies.
 - ii. Orientation/Knowledge Acquisition Plan of the in-scope systems and DHS environment. The Knowledge Acquisition plan must address the details of how the Orientation/Knowledge Acquisition needs of the project will be met. The details of the plan must include but not be limited to (a) purpose statement, (b) resource allocations, (c) details of knowledge acquisition approach, (d) dependencies, and (e) agreements that summarize and clarify roles and responsibilities among those who will execute and be part of the plan.
 - iii. Issue Management Plan. The issue management plan must provide procedures for identifying, evaluating, and resolving issues impacting the project. This plan will be developed as part of the planning process but will be updated as necessary throughout the project.
 - iv. Change Management Plan. The change management plan must provide a process for evaluating, assessing, and determining the impact of any

proposed changes to the Project. This plan should incorporate the Department's project change procedures.

- v. **Communications Management Plan.** The communications management plan must provide an explanation of the methods the selected Offeror intends to employ for communication with the Department during the Project. The plan must identify the key stakeholders, what will be communicated through the plan, when it will be communicated, and the method(s) used for communication.
 - vi. **Quality Management Plan.** The quality management plan must address the quality control processes and procedures the selected Offeror will use to ensure the quality during the Project.
 - vii. **Requirements Management Plan.** The requirements management plan must address how the selected Offeror will develop baseline requirements, the processes and procedures the selected Offeror will employ to track and monitor requirements throughout the Project. The requirements management plan should include any software tool that the selected Offeror intends to use to manage requirements.
 - viii. **Budget/Agreement Management Plan.** The budget and agreement management plan must provide the method to report up-to-date budget information periodically for the project.
 - ix. **Periodic Status Report templates.** The periodic status report templates will define the format and content of all Status Reporting documents.
 - x. **Agenda and material for the Project Kick-off Meeting.** The Agenda and material for Project Kick-off will aid in planning the kick-off meeting and getting agreement on the presentation content for the meeting.
- c. **Non-Deliverable Outcomes:**
- i. Fully setup facilities and equipment;
 - ii. Project Kick-off Meeting; and
 - iii. Readiness to commence the next set of Project activities.
- d. **Orientation/Knowledge Acquisition Transition Period.** The grant agreement will provide for a maximum of four (4) months for transition from the incumbent vendor to the selected Offeror.

The selected Offeror must carry out and participate in each of the specific activities delineated in the agreed-upon Transition Plan. During this activity, the selected Offeror must gain sufficient knowledge to understand the functionality of HCSIS and SAMS, and where appropriate, CIS – its underlying data structures, processing sequences, and key data input mechanisms, interfaces, and the operational aspects of HCSIS and SAMS, such as concurrent usage, transaction volumes, etc. in order to perform the project requirements successfully.

The selected Offeror must allocate sufficient resources and time for Orientation/Knowledge Acquisition and conduct Orientation/Knowledge Acquisition tasks in a partnership spirit and cooperative manner.

The selected Offeror will be responsible for satisfactorily meeting the deliverables and achieving the outcomes in a timely manner.

- e. **Deliverables and Outcomes: Orientation/Knowledge Acquisition**
 - i. **Knowledge Acquisition Completion Checklist.** The selected Offeror shall develop a Knowledge Acquisition Completion Checklist that will indicate that all planned Knowledge Acquisition activities have been completed.
 - ii. **Non-Deliverable Outcomes.** The selected Offeror acquires sufficient knowledge of HCSIS and SAMS and their operating environments to successfully carry out the Project requirements in an effective and timely manner.
- f. **Orientation/Knowledge Acquisition Required Items.** The selected Offeror must develop and implement a Commonwealth-approved Transition Plan. The Offeror must describe in detail how it will coordinate and work with designated Commonwealth stakeholders and third party vendors. The selected Offeror will:
 - i. Effectively roll out operations as well as perform and manage all the tasks outlined in the Orientation/Knowledge Acquisition section for a successful, completed transition by December 2017.
 - ii. Meet the primary objectives and responsibilities.
 - iii. Provide a resource plan, business rules document, and organizational chart for the transition team and crosswalks to operational positions after completion.
 - iv. Conduct activities and procedures for the evaluation, knowledge acquisition, and transition of the in-scope systems relative to but no limited to the following items:
 - (a) Work materials;
 - (b) Business and Technical Governance (Processes and Procedures);
 - (c) Software, tools, and end-user guides and operational documentation;
 - (d) Project Plans and associated status (on-going initiatives and scheduled on baseline, risk/issues logs, status reports, etc.);
 - (e) Program Office business cycles demands and operational environments abilities, strengths, and constraints;
 - (f) Program mission, vision, and strategies (domain understanding and continuity during transition);
 - (g) Program and documentation update procedures during transition;
 - (h) On-going and scheduled operational activities;
 - (i) Staffing Levels and Organizational Structures;
 - (j) Defining and transition of responsibilities;
 - (k) Skill sets requirements, staff training, and job shadowing;
 - (l) Criteria for success, validations, and certifications;
 - (m) Production program and documentation update procedures during transition;
 - (n) Program Office business plans and strategies turnover procedures;
 - (o) Transition alignment with business cycle and scheduled events; and
 - (p) Check points and transition operational readiness assessments throughout the transition period.

B. Billing for Services Rendered. The selected Offeror must:

1. Determine and incorporate all OLTL program rules and requirements for payroll and invoice payment and develop a rules-based system for billing.
2. Receive and maintain participants' initial and updated ISPs from HCSIS or SAMS and Spending Plans from the Service Coordinator for OLTL.

3. Process MA claims through the Commonwealth's PROMIS^e™ system for Medicaid waiver and Attendant Care Act 150 program services (including payments made for qualified DCWs, vendors, small unlicensed providers, and independent contractors) within one hundred and eighty (180) days of the date of service and resubmit any rejected claim within three hundred and sixty-five (365) days of the date of service in accordance with participants' ISPs and MA regulations and OLTL/OMAP billing and Agreement requirements:
 - a. The selected Offeror will be solely responsible for the reconciliation and resubmission of claims; and
 - b. The selected Offeror will identify the process it will use to reconcile claims that includes a demonstration of how it will interact with the SCEs/MCOs.
4. Process MA claims through PROMIS^e™ for the VF/EA FMS per member per month fee in accordance with the Department's billing requirements.
5. Resubmit any suspended or denied claims for Medicaid waiver services and the Attendant Care Act 150 program, as appropriate within three hundred and sixty-five (365) days from date of service in accordance with the Department's billing requirements.
6. Process MA claims for services rendered not to exceed the negotiated and/or established waiver and Attendant Care Act 150 service rate(s).
7. Verify that billing records support the amounts reported on claims that are submitted electronically through PROMIS^e™.
8. Have billing records that contain sufficient and current waiver and Attendant Care Act 150 participant and service information.
9. Have a process for determining when a participant is admitted to a nursing facility or hospital and the length of stay.
10. Have a process for reconciling hours of services billed and paid.
11. Have a process for billing the CLE directly for services provided not in accordance with the participant's approved ISP or when an established service limit is exceeded.
12. Have a process for monitoring and billing the Federal Unemployment Tax Act/State Unemployment Tax Act ("FUTA/SUTA") payments for each DCW and for determining when applicable thresholds are met to reduce the rate billed to PROMIS^e™.
13. Pay overtime in accordance with the PA Department of Labor and Industry policy.
14. Have a process for reimbursing the Commonwealth for any funds remaining in the separate bank account for managing participant directed funds at the end of the state fiscal year.

C. Managing Public Funds. The selected Offeror must:

1. Establish and maintain an accounting and information system for receiving and disbursing MA funds and for tracking all transactions and balances.
2. Establish a separate bank account for the purposes of receiving payment of the per member per month fee for providing FMS.
3. Establish a separate bank accounts for the deposit of payments for participant directed services for each participant for the purpose of managing participant directed funds ("Participant Account"). The selected Offeror must immediately deposit all payments for participant directed services from MA and the State into each account. The selected Offeror must submit to OLTL written evidence that the bank has established these accounts as set forth below. The selected Offeror must

complete all forms as specified by OLTL and the bank to establish electronic fund transfers from Medicaid and the State to the bank account. The selected Offeror must set up the Participant Account to:

- a. Prohibit the withdrawal of funds except for payment for FMS services provided to the participant, including all taxes, insurances, and fees; and
 - b. Maintain separate participant bank accounts, to the extent legally permissible, in a manner that prevents creditors of the selected Offeror from in any way encumbering or acquiring funds in the bank account.
4. Absorb any bank charges (i.e., stop payment fees) so as not reduce the balance of the Participant Account.
 5. Not use funds deposited into Participant Accounts by the selected Offeror or by any other agent or third party to satisfy, temporarily or otherwise, any selected Offeror liability or for any other purpose, except as provided under this RFP.
 6. Maintain a report on bank account activity, for both VF/EA and Participant Accounts, in accordance with the reporting requirements established by the Commonwealth. These requirements should include monthly reporting of bank account activity, including a summary of the month's bank activity, reconciliation of the bank balance to the General Ledger, and reconciliation of any amounts advanced from the Department.
 7. Not co-mingle Participant Account funds with any other funds.

D. Receiving Federal and State Authority to Act as a VF/EA FMS Organization. The selected Offeror must:

1. Apply for (through the completion and submission of the IRS Form SS-4 *Application for Employer Identification Number*) and obtain a separate FEIN for the sole purpose filing and paying federal employment taxes and insurances and other required IRS forms on behalf of CLEs it represents as agent. (Note: the selected Offeror may already have a separate FEIN and should be able to demonstrate that it is separate and distinct from the selected Offeror's corporate FEIN).
2. Maintain a copy of the completed IRS Form SS-4, separate FEIN and related correspondence with IRS in the selected Offeror's file.
3. Apply for (through the completion and submission of the IRS Form SS-4, *Application for Employer Identification Number*), and obtain a FEIN for each newly enrolled CLE it represents as employer agent.
4. Maintain a copy of the completed IRS Form SS-4 and Notice of FEIN in each CLE's file.
5. Apply for IRS agent authorization by completing and submitting an IRS Form 2678, *Employer/Payer Appointment of Agent* to the IRS per IRS Form instructions for each CLE it represents as agent.
6. Maintain a copy of the completed IRS Form 2678 in each CLE's file.
7. Receive written agent authorization from the IRS through the receipt of an IRS LTR 1997C, *Notice of Appointment*, for each CLE it represents as agent.
8. Maintain the IRS LTR 1997C, *Notice of Appointment* in each CLE's file.
9. Execute and submit an IRS Form 8821, *Tax Information Authorization* with each CLE it represents as agent.
10. Maintain a copy of the executed Form 8821 in each CLE's file.
11. Renew the executed IRS Forms 8821 with CLEs on a periodic basis per Form instructions.

12. Maintain a copy of any IRS Form 8821 renewals in each CLE's file.
13. Obtain a signed PA Department of Labor and Industry Form PA UC-884, *Unemployment Power of Attorney* from each CLE it represents as agent and file with the PA-100, *PA Enterprise Registration Form* when registering an individual as the CLE for state unemployment insurance filing and depositing purposes per PA Department of Labor and Industry, Office of UC Tax instructions.
14. Maintain a copy of the executed PA UC-884 in each CLE's file.
15. When a CLE ceases using the selected Offeror for any reason, the selected Offeror must revoke the PA UC-884 by executing a PA Form UC-2B, PA UC- *Employer's Report of Employment and Business Change*.
16. When a CLE ceases using the VF/EA FMS organization for any reason, the selected Offeror must maintain a copy of the PA Form UC-2B and all communications in each CLE's file.

E. Providing Customer Service. The selected Offeror must:

1. Implement customer service policies and procedures that reflect the principals of participant self-determination.
2. Implement customer service policies and procedures that are culturally sensitive in business practices in order to communicate effectively with a diverse population of participants of all ages and with a variety of chronic conditions.
3. Implement and maintain mandatory staffing of a toll-free telephone system for an eight hour period between the hours of 8:30 am - 5:00 pm EST/EDT, Monday through Friday, except on state and federal holidays with a voicemail box activated for after hours. Ninety-five (95%) of calls must be "live" answered.
4. Respond to all participant calls (inquires, issues and complaints) within twenty-four (24) hours of the call.
5. Have a fax.
6. Have an operational TTY/TDD line.
7. Have internet e-mail capacity.
8. Have a Web site and provide access to all individuals to view up-to-date information and have internal controls to monitor and document the accuracy of the materials included on the Web site and the effectiveness of the system.
9. Have the ability to provide translation and interpreter services (i.e., American Sign, and services for persons with Limited English Proficiency).
10. Have the ability to provide materials in alternate print (i.e., large print and Braille) and languages other than English.
11. Implement and maintain a system for receiving, responding and tracking all communications from any source (including complaints) and maintain a log that addresses:
 - a. Who made the call;
 - b. Who received the call;
 - c. The reason for the call;
 - d. Any action taken;
 - e. Whether any mandatory reporting occurred for Adult Protective Services ("APS") or Older Adult Protective Services ("OAPS"); and
 - f. Final resolution.

12. Implement and maintain a system for reporting incidents as defined by the OLTL in Critical Incident Management Bulletin Number 05-15-02, 51-15-02, 54-15-02, 55-15-02, 59-15-02.
13. Respond to all individuals' communications from any sort within one (1) business day from receipt of communication.
14. Have and maintain a complaint and grievance procedure that includes:
 - a. An Advisory/Grievance Committee that includes CLEs, and waiver or state funded program individuals, and meets either in person or via telephone or video conference at least quarterly to discuss the provision of VF/EA FMS and to evaluate any grievances filed or feedback provided by CLEs, or individuals;
 - b. Responding to complaints from CLEs, or individuals within one (1) business day;
 - c. Tracking activities related to the receipt of complaints;
 - d. Resolving VF/EA FMS related complaints and grievances within five (5) business days of receipt; and
 - e. Providing monthly reports to OLTL outlining complaints received and resolutions achieved.
15. Conduct CLE Satisfaction Surveys using the tool approved by OLTL. The survey must be implemented sixty (60) days after CLE enrollment and, thereafter, conducted bi-annually. The selected Offeror must collect and analyze survey data and prepare and submit a report to OLTL based on specifications determined by OLTL.
16. Develop and implement corrective action plans based on the results of CLE Satisfaction Survey as follows:
 - a. Developing bi-annual corrective action plans that specifically address the issues raised in each of the bi-annual CLE Satisfaction Surveys; and
 - b. Implementing the corrective action plans within fifteen (15) calendar days or such longer time as may be approved by the Department.

F. Coordinating and Communicating with Service Coordination Entities, Community Health Choices Managed Care Organizations, Administrative Entities and OLTL.

The selected Offeror must:

1. Coordinate its activities and communicate effectively with Service Coordination Entities ("SCE"), CHC-MCOs, Administrative Entities ("AE"), and OLTL staff.
2. Meet with CHC-MCOs to obtain information about their networks and to provide an overview of FMS.
3. Attend and participate in ad hoc meetings with CHC-MCOs upon the Department's request.
4. Coordinate all meetings with CHC-MCO through the Department.
5. Keep the Department informed of all issues and outcomes of meetings.
6. Provide orientation and training at a minimum on a semi-annual basis, to SCEs, AEs, and CHC-MCOs regarding the role and responsibility of the selected Offeror.
7. Report overuse of DCW hours to the entity responsible for authorizing the services in the ISP in accordance with the policy developed by OLTL.
8. Report underutilization when utilization is eighty percent (80%) or less for two or more consecutive months. One letter is sent each month by the selected Offeror to the CLE and SC. Distribute monthly budget reports to OLTL within 5 business days

after the second semi-monthly payroll period. The report will include the following for each participant:

- a. Name of the participant;
 - b. Name and address of the CLE;
 - c. The activity period;
 - d. The program;
 - e. The procedure code for each service;
 - f. Total authorized units and dollars of service by fiscal year;
 - g. Utilization to date of authorized units and dollars of service;
 - h. Remaining balance of authorized units and dollars of service;
 - i. The SUTA rate;
 - j. Name, status, date of hire, and date qualified of each DCW;
 - k. Pay type of each DCW;
 - l. Payroll summary year-to-date for each DCW; and
 - m. The rate of pay of each DCW for each service rendered.
9. A legend that explains the procedure code, service name, and unit description.
 10. Inform the entity responsible for authorizing the services in the ISP and the Service Coordinator of any CLE who does not submit timesheets or invoices for two (2) or more consecutive payroll periods (one (1) month or more).
 11. Respond to complaints or grievances submitted to the selected Offeror by SCEs and CHC-MCOs within two (2) business days.

G. Providing Common Law Employer Orientation and Skills Training. The selected Offeror must:

1. Have a CLE orientation process that uses a standard curriculum and materials that are pre-approved by the OLTL.
2. Provide to CLEs, prior to their employment of qualified DCWs, a standard orientation that includes a review of the relevant documents, a review of the information and forms contained in the CLE and Qualified DCW Employment and Vendor, Small Unlicensed Provider, and Independent Contractor Enrollment Packets and how they should be completed.
3. Assist CLEs with CLE packets and forms.
4. Conduct face-to-face meetings as requested by new participants to orient to program and to assist in completion of any necessary paper work.
5. Conduct orientation and skills training within fifteen (15) business days of referral.
6. Provide documentation and review with CLEs:
 - a. Role and responsibilities of the selected Offeror including level of interaction with qualified DCWs, vendors and small unlicensed providers and support coordinators and the incident reporting system;
 - b. Services provided by the selected Offeror;
 - c. Hours of operation;
 - d. Key contacts at the selected Offeror;
 - e. Toll free telephone, TTY and fax numbers;
 - f. Participant Bill of Rights;
 - g. VF/EA FMS Employer Handbook;
 - h. Process for receipt and processing of timesheets; and processing of qualified DCW payroll checks, including schedule for submitting timesheets and paydays;

- i. Process for purchasing approved goods and services from vendors, small unlicensed providers, and independent contractors; and submitting invoices for payment including schedule for submitting invoices and payment schedule;
 - j. Process for resolving issues and complaints;
 - k. Effective practices for hiring, establishing work schedules, training, supervising, creating job descriptions, completing and submitting time sheets and dismissing DCWs;
 - l. Process for reviewing workplace safety issues and strategies for effective management of workplace injuries;
 - m. The need to inform qualified DCWs of their right to file unemployment and workers' compensation insurance claims, when appropriate;
 - n. The need to complete and submit the Worker Termination Form to the selected Offeror within twenty-four (24) hours of when a qualified DCW ceases working for the CLE so the selected Offeror can complete the "Reason for Separation"¹ notice from the Department of Labor and Industry within ten (10) days of receipt; and
 - o. Process and timeline for completing the CLE satisfaction surveys.
7. Develop a process for providing ongoing employer skills training to CLEs using a standard curriculum and materials that are pre-approved by the Department Grant Administrator.
 8. Identify CLEs who may need or desire additional employer skills training in consultation with the SCEs.

H. Enrolling Individuals and Representatives with the selected Offeror as the Common Law Employer. The selected Offeror must:

1. Prepare and receive Department Grant Administrator approval of a *Common Law Employer Enrollment Packet*. The Packet must contain all required information and forms and be well organized and user friendly to enable a CLE to understand and be able to complete forms. The selected Offeror must submit the packet and any revisions for approval to OLTL thirty (30) days prior to making any changes. At a minimum, the packet must contain:
 - a. Cover letter or brochure that includes the selected Offeror's staff contact information, days and hours of operations, toll-free number and TTY/TDD number, availability of VF/EA FMS materials in alternate print, roles and responsibilities of the selected Offeror, CLE, waiver/program participant and representative, qualified DCWs and vendor/small unlicensed provider, as applicable;
 - b. Confirmation that the selected Offeror approved and completed the required DCW information, forms, clearances and pre-service orientation training in order to inform the CLEs that their DCWs are enrolled and qualified to provide support, known as the Enrollment Process. (http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c_260058.pdf);

¹ The Department of Labor & Industry "Reason for Separation Notice" applies when a worker files for unemployment compensation. The UC Service Center will send a form to the separating employer(s) asking the employer to supply information regarding the separation. The form number is UC-45/45A/785, Employer's Notice of Application- Request for Separation and Wage Information. The only time this form would be filed in the Direct Care Worker's file is after the UC Service Center sent it to the participant and the participant subsequently completed it. Please use the following link for more information: <http://www.uc.pa.gov/Pages/default.aspx>

- c. The [Direct Care Worker Qualification Form](http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c_260054.pdf) (http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c_260054.pdf);
- d. The Common Law Employer and Participant Services Change Form for employment changes which alter responsibilities in status/termination of the qualified DCW, vendor and small unlicensed provider, (http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c_260053.pdf);
- e. OLTL [Designated Representative Form](http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c_260057.pdf) (http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c_260057.pdf);
- f. OLTL [Common Law Employer Agreement Form](http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c_260052.pdf) (http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c_260052.pdf);
- g. OLTL Employee and Back-up Employee Qualification Form;
- h. Semi-completed Form SS-4, *Application for Employer Identification Number* and instructions;
- i. Semi-completed Form 2678, *Employer/Payer Appointment of Agent* and instructions;
- j. Semi-completed Form 8821, *Tax Information Authorization* and instructions;
- k. Semi-completed Form PA Form UC-884 *PA Unemployment Compensation Power of Attorney* and instructions;
- l. Semi-completed Form PA-100, *PA Enterprise Registration* and instructions for registering participant as an employer for state income tax withholding and unemployment tax filing and payment purposes;
- m. PA New Hire Form (form PA BUR 1575) and instructions or generic form to collect the required information for electronic filing by the selected Offeror;
- n. Process for qualified DCW employment status change;
- o. [Direct Care Worker Termination Notice Form](http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c_260055.pdf) (http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c_260055.pdf);
- p. Appropriate paperwork for obtaining workers' compensation insurance policy;
- q. Workplace safety information including but not limited to:
 - Participant site and home safety check list;
 - Procedures for identifying and reporting on qualified DCWs' injuries for workers' compensation insurance purposes;
 - Procedures for addressing emergencies;
 - List of emergency contacts and telephone numbers (home and cell if available); and
 - Universal precautions procedures, safe lifting techniques and body mechanics.
- r. Due date and payment schedule for Qualified [DCW Timesheets](http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c_260056.pdf) and authorized goods and services (http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c_260056.pdf);
- s. Common Law Employer Enrollment Forms Check List; and
- t. Self-addressed stamped envelope.

2. Distribute *Common Law Employer Enrollment Packets* to the designated individual within three (3) business days of receipt of a referral from a Service Coordinator or Support Coordinator informing the selected Offeror that a participant wishes to use participant directed services and wishes to enroll with the selected Offeror.
3. Complete or process CLE enrollment paperwork within seven business (7) days of receipt of correctly completed documents.
4. Apply for (through the completion and submission of the IRS Form SS-4, *Application for Employer Identification Number*), and obtain a FEIN for each CLE it represents as agent.
5. Maintain a copy of the completed IRS Form SS-4 and *Notice of Federal EIN* in each CLE's file.
6. Register each CLE as an employer for state income tax withholding taxes with the PA Department of Revenue using the Form PA-100, *PA Enterprise Registration*.
7. Obtain a PA Employer Withholding Account Identification Number for each participant it represents as employer agent for state income tax ("SIT") withholding purposes.
8. Maintain a copy of the Form PA-100 and the PA Employer Withholding Account Identification Number for SIT purposes in each CLE's file.
9. Register each CLE as an employer for state unemployment insurance ("SUI") taxes with the PA Department of Labor and Industry using the Form PA-100, *PA Enterprise Registration*.
10. Obtain a PA Employer UC Account Identification Number for SUI purposes for each CLE.
11. Maintain a copy of the Form PA-100 and a PA Employer UC Account Identification Number in each CLE's file.

I. Providing Direct Care Worker Orientation and Skills Training. The selected Offeror must:

1. Verify that all newly hired DCWs have completed an in-person, pre-service orientation. In the limited situations where in-person, pre-service orientation is not possible due to geographical limitations, the selected Offeror will verify that the newly hired DCW has completed pre-service orientation by a DHS approved alternative means.
2. Advertise and notify DCWs of this pre-service requirement and how they may enroll and complete this pre-service orientation.
3. Maintain documentation to verify a DCW's completion of this pre-service orientation along with the Qualified DCW Employment Packet. This pre-service orientation and documentation must be completed before a DCW is given clearance to provide services.
4. Receive prior approval by OLTL of the content of DCW pre-service orientation. Pre-service orientation must, as minimum, cover the following topics: operational procedures and paper work, roles and responsibilities in independent living system, workplace safety, transparency and fraud, eligibility for public benefits, and worker rights and responsibilities. The content of the pre-service orientation shall be consistent across the Commonwealth as well as consistent with information provided through supports brokers, SCEs, and other elements of the participant directed program. The selected Offeror must provide DCW pre-service orientation that provides a basic understanding of the functions and requirements of the

participant directed programs, including the role and responsibility of the participants as the employer to direct, supervise, train, and select the DCW.

5. Provide DCW pre-service orientation. The selected Offeror must have experience in supporting the training and orientation of home caregivers such as DCWs, in labor-management training partnerships, and in the development of relevant orientation curriculum and have statewide capacity to implement a consistent, timely pre-service orientation program. The selected Offeror may use a subcontractor to satisfy the pre-service orientation experience requirements.
6. Pay the DCW an hourly wage not to exceed the maximum DCW hourly wage rate in the applicable region in which the DCW is to provide services for all time spent in DCW pre-service orientation. The selected Offeror shall include the payment for the hours of this pre-service orientation in the first paycheck after a DCW has been cleared to provide services.
7. Invoice and seek reimbursement via DHS Medicaid Management Information Systems (“MMIS”) payment process for the payment to the DCW for his or her wages for the time spent in this pre-service orientation, with the proviso that such paid time shall not exceed four (4) hours.

J. Enrolling Qualified DCWs, Vendors, Small Unlicensed Providers, and Independent Contractors. The selected Offeror must:

1. Prepare and receive DHS Grant Administrator approval of a *Qualified DCW Employment Enrollment Packet*. The Packet must contain all required information and forms, listed below; and be well organized and user friendly so the CLE and DCW are able to understand and complete all necessary forms. The selected Offeror must submit the packet and any revisions for approval to OLTL thirty (30) days prior to making any changes. At a minimum, the packet must contain:
 - a. Introductory Letter;
 - b. Employee application and instructions (including information reporting on the relationship between the CLE and the qualified DCW);
 - c. [DCW Agreement](http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/C_260159.pdf) (http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/C_260159.pdf);
 - d. Notice form for pre-employment background checks, including state criminal background check (Form SP-164), *FBI Criminal History Check* and *DHS Child Abuse History Check* (Form CY-113) forms and instructions;
 - e. IRS Form W-4, *Employee Withholding Allowance Certificate* with instructions;
 - f. US CIS Form I-9 *Employment Eligibility Verification* with instructions;
 - g. PA New Hire Reporting Form and instructions or generic form to collect the required new hire reporting information for electronic filing by the selected Offeror;
 - h. [DCW Rate Sheet](http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c_260069.pdf) (http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c_260069.pdf);
 - i. Time sheets and instructions;
 - j. Timesheet due date and payday schedule;
 - k. The Pay Selection Option form for DCWs;
 - l. Notice of Availability of Direct Deposit information and form;
 - m. *Qualified DCW Employment Enrollment Checklist*; and

- n. Self-addressed stamped envelope.
- 2. Assist qualified DCWs with DCW packets and forms.
- 3. Conduct face to face meetings about the roles and responsibilities of the qualified DCW in the participant's home when requested.
- 4. Have pre-service orientation and skills training for qualified DCWs conducted within twenty-one (21) business days of referral by the CLE.
- 5. Procure DCW functions training for qualified DCWs through a supports broker(s).
- 6. Prepare and receive DHS Grant Administrator approval of a *Vendor, Small Unlicensed Provider, and Independent Contractor Payment Packet*. The Packet must contain all required information and be well organized and user friendly so the CLE and vendor, small unlicensed provider, and independent contractor are able to understand and complete. The selected Offeror must submit the packet and any revisions to OLTL thirty (30) days prior to making any changes. At a minimum, selected Offeror must include in the packet:
 - a. [Vendor, Small Unlicensed Provider, Independent Contractor Payment Information Form](http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c_260056.pdf) (http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c_260056.pdf);
 - b. IRS Form W-9, *Request for Taxpayer Identification Number and Certification* and instructions for vendors and small unlicensed providers who provide approved goods and services and qualify as an independent contractor;
 - c. IRS Form SS-8, *Determination of Worker Status for Purposes of Federal Employment Taxes and Income Tax Withholding* and instructions on use the Form;
 - d. *Vendor, Small Unlicensed Provider, and Independent Contractor Payment Packet Checklist*; and
 - e. Self-addressed stamped envelope.
- 7. Distribute the *Qualified DCW Employment Enrollment Packet* and the *Vendor, Small Unlicensed, and Independent Contractor Payment Packet* to the CLE within three (3) business days of receipt of call from the Service Coordinator or Support Coordinator informing the selected Offeror that the individual wishes to use participant directed services and the selected Offeror.
- 8. Have a system in place for notifying the CLE of needed information that has not been submitted.
- 9. Collect and process completed documents and forms within seven business (7) days of receipt of correctly completed documents and file with the appropriate federal, state and local government agencies. Copies of all documentation must be retained in the applicable Qualified DCW, Vendor or Small Unlicensed Provider's file.
- 10. Process DCW's IRS Forms W-4.
- 11. Maintain copies of IRS Forms W-4 in each qualified DCW's file.
- 12. Maintain copies of the US CIS Form I-9, *Employment Eligibility Verification* in each qualified DCW's file.
- 13. Submit the required documentation for *State Police Criminal Background Check* (Form SP-164), *FBI Criminal Background Check*, and *DHS Child Abuse Clearance* (Form CY-113) for the CLE's DCW candidate.
- 14. Receive and maintain background results on CLE's DCW candidate on file and provide results to the CLE upon request.

15. Confirm each qualified DCW's social security number and vendor and small business provider's social security number or FEIN, as appropriate through the SSA's *Business Services Online* system.
16. Collect information on whether a qualified DCW meets one of the criteria to be FICA/FUTA or SUTA exempt per Section 3 of IRS Publication 15 and Pennsylvania (PA) Unemployment Compensation (UC) Law Section 4(1)(4)(5), respectively.
17. Report participant's new hires through the PA New Hires Program within twenty (20) business days of hire.
18. Maintain copies of New Hire Reporting documentation in qualified DCWs' files.

K. Processing a Common Law Employer's Disenrollment from VF/EA FMS Organization. The selected Offeror must:

1. Revoke the IRS Form 2678 with the CLE, when appropriate.
2. Maintain a copy of the revoked Form 2678 and the IRS revocation confirmation letter (LTR 4228C) in the CLE's archived file.
3. Revoke the IRS Form 8821 with the CLE, when appropriate.
4. Maintain a copy of the revoked Form 8821 in the CLE's archived file.
5. Retire the CLE's FEIN, when appropriate.
6. Maintain a copy of the documentation of the FEIN retirement in the CLE's archived file.
7. Revoke the PA UC-884, *Power of Attorney* with the CLE, when appropriate.
8. Maintain a copy of the revoked PA UC-884, *Power of Attorney* in the CLE's archived file.
9. Retire the CLE's PA Department of Revenue state income tax withholding employer tax account number, when appropriate, by filing the PA DoR Form REV-1706, *Business Cancellation Form*.
10. Maintain a copy of the PA DoR Form REV-1706 in the CLE's archived file.
11. Retire the CLE's State Department of Labor and Industry state unemployment insurance tax employer tax account number when appropriate, by using the PA Form UC-2B, *Employer's Report of Employment and Business Changes*.
12. Maintain a copy of the PA Form UC-2B in the CLE's archived file.
13. Compute, withhold and file final state income tax taxes (even when the final filing is zero wages).
14. Deposit final state income tax (even when the final filing is zero wages).
15. Maintain a copy of the final state income tax filing and deposit and related correspondence in the CLE's archived file.
16. Compute, withhold and file final state unemployment taxes (even when the final filing is zero wages).
17. Deposit final state unemployment taxes (even when the final filing is zero wages).
18. Maintain copies of the documentation of the filing and payment of the CLE's final state income tax and unemployment taxes in the CLE's archived file.
19. Terminate the CLEs workers' compensation insurance policy, when appropriate and submit any premium refund to DHS (i.e., via offset of future payment).
20. Maintain documentation related to terminating the CLE's workers' compensation insurance policy in the CLE's archived file.

- L. Processing and Distributing Qualified DCWs Payroll and Related Taxes and Insurances.** The selected Offeror must:
1. Determine if the qualified DCW is a family member who is exempt from paying into FICA and/or FUTA and SUTA and process payroll and related federal taxes accordingly.
 2. Maintain documentation on relationship of CLE to the qualified DCW in the DCW's file.
 3. Determine if a qualified DCW is a non-resident of Pennsylvania and the appropriate method to be used for state income tax withholding.
 4. Maintain documentation on the qualified DCW's non-Pennsylvania resident status in the DCW's file.
 5. Verify qualified DCW hourly wage is in compliance with federal, state, and PA Department of Labor and Industry wage and hour rules for domestic service workers in accordance with OLTL policies.
 6. Develop and produce timesheets and instructions for qualified DCWs.
 7. Collect, verify and process qualified DCW time sheets per PA Department of Labor and Industry and OLTL requirements.
 8. Maintain copies of time sheets in qualified DCW's file. If the selected Offeror receives a qualified DCW's timesheet with more hours than approved in the CLE's ISP, the selected Offeror must address the issue immediately by:
 - a. Contacting and informing the CLE or representative of the overage.
 - The CLE must adjust his or her qualified DCW's time accordingly on the next time sheet.
 - b. Contacting and informing the Service Coordinator of the overage.
 - The Service Coordinator should develop a strategy with the CLE to stay within the service plan/budget; and
 - The Service Coordinator should determine if a change in the CLE's medical or social situation has occurred. If so, the service plan/budget should be revised to reflect those changes.
 - c. If the CLE authorizes a qualified DCW to work hours above and beyond those approved in the ISP and the additional hours cannot be covered by a modified service plan/budget, the selected Offeror will collect from the CLE the total cost of those hours in excess of those approved in the service plan/budget. Total cost that must be collected from the CLE includes the sum of gross wages plus the sum of employer taxes due on such wages, including Social Security, Medicare, State Unemployment and Federal Unemployment taxes.
 - d. The selected Offeror must notify the AE of any such overages within five (5) business days of receipt of the involved time sheet.
 11. Compute, withhold, file, and track federal income tax withholding quarterly in the aggregate using the selected Offeror's separate FEIN and using the IRS Form 941, *Employer's Quarterly Federal Tax Report* and IRS Form 941 Schedule R, *Allocation for Aggregate Form 941 Filers* and Schedule B, *Report of Tax Liability for Semi-Annual Schedule Depositors*, as appropriate.
 12. Process requests for voluntary deductions from the wages paid to DCWs for the convenience of those employees as permitted and authorized by Section 3 of the Wage Payment and Collection Law (43 P.S. §260.3) and its implementing regulations, provided that the third party receiving the deductions is a not-for-profit

organization exempt from taxes under Section 501(c) of the Internal Revenue Code in good standing. The selected Offeror's process will:

- a. Require that the cost of processing such voluntary requests for deductions and transmittal of those deductions to the third party be borne by the third party, with the proviso that said costs shall be limited to the actual and reasonable costs of modifying the existing payroll system to permit these periodic deductions.
 - b. Create an accurate payroll deduction mechanism that deducts the applicable payments each two-week pay period and transmits the payments on a monthly basis to the third party.
 - c. Print the amount deducted on the DCW's payroll form.
 - d. Any authorization for voluntary deductions from the wages paid to DCWs shall terminate and such deductions shall cease upon the happening of any of the following events:
 - Termination of the DCW's employment;
 - Written notice by the third party that the DCW's authorization has been cancelled; or
 - When the third party states that it will no longer accept payment from the DCW.
 - e. Have a record keeping system in place which maintains an accurate list of those DCWs who have submitted signed authorizations for the voluntary deductions and transmittal of those deductions to the third party.
13. Compute, withhold, file and track Medicare and Social Security taxes ("FICA") quarterly in the aggregate using the selected Offeror's separate FEIN, using the IRS Form 941, *Employer's Quarterly Federal Tax Report*, along with IRS Forms 941 Schedule R, *Allocation for Aggregate Form 941 Filers* and Schedule B, *Report of Tax Liability for Semi-Annual Schedule Depositors*, as appropriate.
 14. Maintain copies of the filed IRS Forms 941, Schedule R and Schedule B and related correspondence in the selected Offeror's file.
 15. Deposit federal income tax withholding electronically ("EFTS filing") in the aggregate using the selected Offeror's separate FEIN per IRS depositing rules.
 15. Maintain copies of federal income tax withholding deposit documentation in the selected Offeror's file.
 16. Deposit FICA in the aggregate electronically EFTS filing using the selected Offeror's separate FEIN per IRS depositing rules.
 17. Maintain copies of FICA deposit documentation in the selected Offeror's file.
 18. Compute, withhold and file FUTA payments annually in the aggregate using the selected Offeror's separate FEIN and the IRS Form 940, *Employer's Annual Federal Unemployment (FUTA) Report*, Schedule R, *Allocation Schedule for Form 940 Filers* and Schedule A, *Multi-State Employer and Credit Reduction Information*, as appropriate.
 19. Maintain copies of filed Form 940, Schedules A and R, as appropriate, and related documentation in the selected Offeror's files.
 20. Deposit FUTA in the aggregate electronically EFTS filing using the selected Offeror's separate FEIN per IRS depositing rules.
 21. Maintain copies of FUTA deposit documentation in the selected Offeror's file.
 22. Create a User ID/Password and register PA Employer Withholding Account Identification Number to electronically file returns and payments when using e-TIDES Internet Filing Systems at <http://www.etides.state.pa.us>.

23. Maintain copies of all documentation related to e-TIDES authorization for state income tax withholding in the selected Offeror's file.
24. Compute and withhold, at the current PA State Income tax rate, state income tax withholding for each CLE's qualified DCW (resident or nonresident).
25. Deposit state income tax withholding for each CLE's qualified DCW (resident or nonresident) electronically using the *e-TIDES Internet Filing System* based on the payment filing frequency determined by PA Department of Revenue (semi-monthly, monthly or quarterly).
26. Maintain copies of state income tax withholding deposits and related correspondence in each CLE's file.
27. File quarterly reconciliation of state income tax withholding withheld, including zero wages for each CLE (resident or nonresident) electronically using the *e-TIDES Internet Filing System*.
28. Maintain copies of quarterly reconciliation of state income tax withholding withheld and other related documentation and correspondence in each CLE's file.
29. File an annual reconciliation (along with the accompanying individual wage statements) for each CLE (resident or nonresident) electronically using the e-TIDES Internet Filing System.
30. Maintain copies of the annual reconciliation (Form REV-1667 and other appropriate documentation) and related correspondence in each CLE's file.
31. File for and receive authorization from the PA Department of Labor and Industry to file state unemployment taxes electronically through the Pennsylvania Unemployment Compensation Management System (UCMS).
32. Maintain copies documentation related to UCMS for state unemployment insurance taxes in the selected Offeror's file.
33. Determine if any CLE's qualified DCWs are family employees that are exempt from filing and paying state unemployment insurance taxes and process accordingly.
34. Compute, withhold and file state unemployment insurance tax quarterly for each CLE (even when zero wages are reported) using the UCMS.
35. Maintain a report of wages paid and correspondence in calendar year for each CLE's qualified DCW who are currently non-liable, in each CLE's file.
36. Deposit state unemployment insurance tax quarterly for each CLE (including last filing even when zero wages are reported) using the UCMS.
37. Maintain copies of state unemployment insurance deposits and correspondence in each CLE's file.
38. File state income tax withholding for non-PA resident employees, (Form REV 420, *Employee's Statement of Non residence in PA and Authorization to Withhold State Income Tax*, and Form REV-419, *Employee Non Withholding Application*, and others as required), as appropriate.
39. Maintain copies of non-PA resident employee state income tax withholding filings and correspondence in each qualified DCWs file.
40. Deposit state income tax withholding for non-PA resident DCWs, as appropriate and maintain copies of filings, payments and correspondence in each qualified DCWs file.
41. Maintain copies of non-PA resident DCW state income tax withholding payments and correspondence in each qualified DCWs file.
42. File local earned income taxes ("EIT") and local services taxes ("LST"), per the requirements of the jurisdiction.

43. Maintain copies of the EIT and LST forms and any additional correspondence in each CLE's and qualified DCWs file.
44. Deposit local EIT and LST, per the requirements of the jurisdiction.
45. Maintain copies of proof payments and any additional correspondence in each CLE's and qualified DCW's file.
46. Reconcile the filing and payment local EIT withholding and applicable LST for each CLE, as required, using each locality's reconciliation forms, as applicable.
47. Maintain copies of local EIT withholding and applicable LST reconciliation forms and correspondence in each CLE's file.
48. Process all judgments, garnishments, tax levies or other related holds on qualified DCWs' pay as may be required by federal or state governments.
49. Maintain copies of judgments, garnishments, tax levies, and other related hold documentation in qualified DCWs' files.
50. Generate and disburse payroll checks to all CLEs' qualified DCWs within the time period required by PA Department of Labor and Industry for each pay period of two (2) consecutive work weeks.
51. Process direct deposit of qualified DCWs' payroll checks as requested.
52. Maintain copies of direct deposit documentation in qualified DCWs' files.
53. Develop a system for managing improperly cashed or issued payroll checks, stop payment on checks, and for the re-issuance of lost, stolen or improperly issued checks including:
 - a. Maintenance of a log of voided and reissued checks, including all pertinent information;
 - b. Proper authorization of all stop payments and re-issuances; and
 - c. Timeframe for re-issuance of checks and issuance of stop payment request.
54. Research and resolve any tax notices received from the IRS, PA Department of Revenue and PA Department of Labor and Industry regarding DCW tax liabilities/liens, including all pertinent information and steps to resolution.
55. Maintain a spreadsheet of all tax notices received from the IRS, PA Department of Revenue and PA Department of Labor and Industry regarding DCW liabilities/liens, including all pertinent information and steps to resolution.
56. Process Department of Labor and Industry Reason for Separation Notice for DCWs who no longer work for a participant within ten (10) days of receipt of notice.

M. End of Year Tax and Other Activities. The selected Offeror must:

1. Update CLE and qualified DCW address or phone number changes prior to mailing out tax information in January of each year.
2. Process refunds of over collected FICA for eligible CLEs (to DHS) and qualified DCWs in accordance with IRS and OLTL directives.
3. Maintain documentation related to FICA refunding in each applicable CLE and qualified DCW file.
4. Process, file and distribute IRS Forms W-2, *Wage and Tax Statement* for all qualified DCWs in accordance with IRS instructions for agents. As part of this process, the total gross payroll per the Form W-2 must be reconciled to the calendar year's total gross payroll.

5. Verify that each qualified DCW's social security number matches the name and date of birth information obtained from SSA's *Business Services Online* prior to submitting IRS Forms W-2 to SSA each calendar year.
6. Maintain copies of the federal copy of Forms W-2 and related documentation in each qualified DCW's file.
7. Process and file IRS Form W-3, *Transmittal of Wage and Tax Statement*, as appropriate (Note: If IRS Forms W-2 are filed electronically the IRS Form W-3 is not necessary).
8. Maintain copies of IRS Form W-3, as appropriate, in the selected Offeror's file.
9. Process any returned qualified DCW payroll checks or vendor or small unlicensed provider payments in accordance with PA Unclaimed Property Laws.
10. Maintain copies of PA Unclaimed Property-related documentation in the qualified DCW's, vendor's or small unlicensed provider's file.

N. Processing and Tracking Payments for Approved Participant-Directed Goods and Services. The selected Offeror must:

1. Receive, verify, process and pay all invoices from vendors providing participant-directed goods and services in accordance with the participant's authorized ISP and Spending Plan; and monitor expenditures against the participant's Spending Plan.
2. Maintain the appropriate payment related documentation in the vendor's or small unlicensed provider's file.
3. Process any returned vendor or small unlicensed provider payments in accordance with PA Unclaimed Property Laws.
4. Process the results of any IRS ruling related to a CLE's filing of an IRS Forms SS-8, *Determination of Worker Status for Purpose of Federal Employment Taxes and Income Tax Withholding* when there is a question of whether his or her qualified DCW is an independent contractor (i.e., does not have a FEIN), when applicable.
5. Distribute, collect and process IRS Form W-9, *Request for Taxpayer Identification and Certification* for CLEs' qualified DCWs who are determined to be independent contractors.
6. Process and file IRS Forms 1099-Misc, Miscellaneous Income, as applicable, for independent contractors who earn more than \$600 in a calendar year and maintain copies of documentation in the independent contractors' files.
7. File an applicable IRS Form 1096, when not filing the IRS Form 1099-Misc electronically, with the IRS and the PA Department of Revenue and maintain copies of documentation in independent contractors' files.

O. Establishing and Maintaining Files and Documentation. The selected Offeror must:

1. Establish and maintain CLE files in an accurate, complete, secure and confidential manner and for the required period of time as mandated by applicable federal, state and local rules and regulations. The files must include, but not be limited to the following documents:

Common Law Employer File

- a. CLE's name.
- b. CLE's address and email address if available.
- c. CLE's phone number (home and cell if available).
- d. Name, address, email address (if available), phone number (home and cell if available) of individual if he/she is not the CLE.

- e. Participant's Medicaid Identification (MCI) Number.
- f. Participant's emergency contact person's phone number (home and cell if available) and email address (if available).
- g. Name, address, phone number (home and cell if available, and email address (if available) for representative if he/she is not the CLE.
- h. Completed Common Law Employer Enrollment Packet forms as outlined in Section H.
- i. Verification of qualified DCW's initial pre-service orientation.
- j. Completed Qualified DCW Employment and Vendor and Small Unlicensed Provider Enrollment Packet forms as outlined in Section J.
- k. ISP and updates.
- l. Copy revoked IRS Form 2678, IRS confirmation of IRS Form 2678 revocation and any related correspondence from the IRS, as applicable.
- m. Copy of letter retiring CLE's FEIN, when applicable.
- n. Copy of IRS Form 8821 renewal (as applicable) and any related correspondence from the IRS, as applicable.
- o. Copy of IRS Form 8821 revocation (as applicable) and any related correspondence with the IRS, as applicable.
- p. Copy of PA Form UC-2B, *Employer's Report of Employment Business Change*, revoking individual's SUTA account number and Power of Attorney, when appropriate.
- q. Copy of the PA DOR Form REV-1706, *Business Account Cancellation*, when appropriate.
- r. Copies of all PA DOR Form PA-W3, *Employer Quarterly Return of Income Tax Withheld* (for remittance monthly, semi-monthly) including final return filed (even if it is zero reporting) or copies of proof of filing if return filed electronically.
- s. Copies of the Form PA-501 *Employer Quarterly Deposit Statement of Withholding Tax* or copies of proof of filing if return filed electronically.
- t. Copies of all Forms PA REV-1667, (*Annual Reconciliation*) or copies of proof of filing if return filed electronically.
- u. State Income Tax ("SIT") and State Unemployment Insurance ("SUI") account numbers.
- v. Copies of documentation of all payments of SIT withholding or payment of receipt if payments are made electronically.
- w. Copies of filing and payments of income tax withholding for PA non residence employees, as applicable.
- x. Copy of Form UC-851, *Notice of Pennsylvania Unemployment Compensation Responsibilities* (provides the UC account number assigned as well as other UC tax information).
- y. Copies of Form UC-657, *Contribution Rate Notice*.
- z. Copies of quarterly Form UC-2, *Employer's Report for Unemployment Compensation*, and Form UC-2A, *Employer's Quarterly Report of Wages Paid to Each Employee* or copy of proof or filing if return filed electronically.
- aa. Copies of proof of payment of Unemployment Compensation taxes for individual or payment receipt if payment is made electronically.
- bb. Copies of all individual-specific state unemployment insurance benefits payments.

- cc.** Copies of the PA UC-2B, *Employer's Report of Employment Business Change*, when appropriate.
 - dd.** Copy of registration of CLE with local taxation authorities as an employer for purpose of locality tax filing and payment.
 - ee.** Copies of all CLE local EIT and locality tax filings, or copy of proof of filing if return filed electronically.
 - ff.** Copies of all CLE local EIT and LST payments or payment receipts if payments are made electronically.
 - gg.** Copies of documentation related to any FICA refunding (employee portion) process and returned to eligible, qualified DCW.
 - hh.** Copies of documentation related to any FICA refunding (employer portion) processed and returned to the State Treasury.
 - ii.** Copies of workers' compensation insurance policies, premium invoices and documentation of payments, refunds and all notices and correspondence.
 - jj.** Copies of completed workers' compensation (or other insurer's) audit reports, as applicable.
 - kk.** Copies of Qualified DCW Termination Form.
 - ll.** Documentation of any independent contractors used to provide goods and services for OLTL vendor services.
2. Establish and maintain current DCWs' files in an accurate, complete, secure and confidential manner and for the required period of time as mandated by applicable federal, state and local rules and regulations. Files will include, but not be limited to the following documents:
- Qualified DCW File
- a.** CLE's name.
 - b.** CLE's address.
 - c.** CLE's phone number (home and Cell if available).
 - d.** CLE's email address (if available).
 - e.** Name, address, email address (if available) and phone number (home and cell if available) of individual if he/she is not the CLE.
 - f.** Participant's Medicaid Identification ("MCI") Number.
 - g.** Participant's emergency contact person.
 - h.** Name, address, email address (if available) and phone number (home and cell if available) for representative if he/she is not the CLE.
 - i.** Copy of the Qualified DCW Employment Enrollment Packet forms as described in Section J.
 - j.** Copies of documentation verifying the DCW's social security number matches the name and date of birth information provided obtained through the Social Security Administration's *Business Service Online*.
 - k.** Verification of qualified DCW's initial orientation. Dates of employment for each qualified DCW.
 - l.** Copies of qualified DCW State Police Criminal Background, FBI Criminal History Clearance, and DHS Child Abuse History Clearance (as applicable) consent, forms (State Police Criminal Background Check Form SP-164 and PA DHS/OCYF Child Abuse History Clearance Form CY-113 and FBI Criminal History Clearance form) and results.
 - m.** Determination of qualified DCWs' state of residence.

- n. If a DCS is a non-PA resident, copy of Form REV-419, *Employee's Non withholding Application* and Form REV-420, *Employee's Statement of Non residence in Pennsylvania and Authorization to Withhold Other State's Income Tax*, as applicable and required.
 - o. Copies of filings and payments of out-of-state income tax withholding, when applicable.
 - p. Determination that the qualified DCW is a paid family member who is exempt from paying into FICA and/or FUTA per IRS Publication 15 and SUTA and documentation that applicable taxes have not been withheld and deposited;
 - q. Copies of DCW's time sheets.
 - r. Copy of completed State New Hire Reporting documentation.
 - s. Copies of documentation regarding any judgments, garnishments and tax levies or any related holds on the DCW pay as may be required by federal or state government.
 - t. Copies of completed IRS Forms W-2 and W-2(c), as applicable.
 - u. Copies of documentation regarding any FICA refunds processed (employee portion) and copies of cancelled refund checks.
 - v. Copies of documentation of requests for verification of DCW wages requested by federal and state agencies, as applicable.
 - w. Copies of documentation of any workers' compensation insurance claims filed by DCW or documentation that the selected Offeror made every attempt to obtain the documentation.
 - x. Copies of documentation of submission of DCW returned/not cancelled payroll checks, FICA refund checks or any other payments due to the PA Department of Treasury, Bureau of Unclaimed Property.
 - y. Copy of Qualified DCW Termination Form.
 - z. Copy of completed Pennsylvania Department of Labor & Industry ("DL&I") Reason for Separation Notice.
3. Establish and maintain current vendor and small unlicensed provider, including independent contractor files in an accurate, complete, secure and confidential manner and for the required period of time as mandated by applicable federal, state and local rules and regulations. Files will include, but not be limited to the following documents:
- Vendors and Small Unlicensed Providers, Including Independent Contractors File
- a. Copy of the *Vendor, Small Unlicensed Providers, and Independent Contractors Payment Packet* forms as described in Section J.
 - b. Copies of invoices and receipts from vendors, small unlicensed providers, and independent contractors for authorized services rendered.
 - c. Copies of payments made to vendors, small unlicensed providers, and independent contractors for authorized services rendered.
 - d. Copy of potential independent contractor's completed Form SS-8, *Determination of Worker Status for Purposes of Federal Employment Taxes and Income Tax Withholding* and IRS worker employment status ruling letter, as applicable.
 - e. Copy of independent contractor's IRS Forms W-9, *Request for Taxpayer Identification Number and Certification*.
 - f. Copies of the IRS Form 1099-M, *Miscellaneous Income*, when an independent contractor is paid \$600 or more in a calendar year.

4. The selected Offeror must establish and maintain files in an accurate, complete, secure and confidential manner and for the required period of time as mandated by applicable federal, state and local rules and regulations. Files must include, but not be limited to the following documents:

VF/EA FMS Organization File

- a. Copy of all Provider Agreements as described in Section III-1 Requirements.
 - b. Documentation regarding registration with the Pennsylvania Department of State to do business in the state.
 - c. Documentation verifying financial viability as described in Section III-1 Requirements.
 - d. Documentation regarding the IRS Form SS-4 to receive the selected Offeror's separate FEIN, FEIN Notification from the IRS and the retirement of the selected Offeror's separate FEIN, when/if applicable.
 - e. Aggregate filings of IRS Forms 941 (federal income tax withholding and FICA [Social Security and Medicare]) with individual-level income tax withholding, Schedules R and Schedule B, IRS Form 941-X, as appropriate, and FICA filing back-up for each CLE and qualified DCW.
 - f. Aggregate payments of FICA and federal income tax withholding and the individual-level tax payment back-up for each individual and qualified DCW.
 - g. Documentation of the receipt of aggregate FICA refunds and documentation on the individual-level related to FICA refunds (CLEs and DCWs).
 - h. Aggregate filings of IRS Forms 940 (FUTA) and Schedule R and the individual FUTA filing back-up for each CLE.
 - i. Aggregate payment of FUTA and the individual-level payment back-up for each CLE.
 - j. All communications with federal, state and local tax, labor and workers' compensation insurance, and DHS, OLTL, SCEs, CHC-MCOs and AEs as applicable.
 - k. Other documentation, as applicable.
5. The selected Offeror will make an individual's specific documentation and records pertaining to the individual and his or her qualified DCWs and vendors, small unlicensed providers, and independent contractors including independent contractor available to the individual upon request.

P. Procure Worker's Compensation Insurance. The selected Offeror must competitively procure a broker or third party administrator ("TPA") to provide worker's compensation insurance for CLE's. The selected Offeror must provide ongoing management and oversight of the selected broker or TPA. This includes, but is not limited to:

1. Monitoring the broker/TPA services, including for;
 - a. adjuster handling regarding medical condition, disability, independent medical exams, malingering, and fraud;
 - b. Case Loads
2. Continual review of claims with dollar valuations and description of the incidents;
3. Conduct analysis for trends in the loss experience which require intervention, as necessary; and
4. Enforcing and collecting reimbursement from a liable party when a loss is caused by a third party.

Q. Managing Worker' Compensation Insurance for Common Law Employers. The selected Offeror must:

1. Manage the initial application and receipt of individual workers' compensation insurance policies for each CLE.
2. Manage the renewal of individual workers' compensation insurance policies for each CLE.
3. Manage the payment of each CLE's individual workers' compensation insurance premium.
4. Provide wage information to workers' compensation insurer(s) to determine qualified DCWs benefits, when requested.
5. Facilitate any other workers' compensation insurer's annual audit process, including hosting insurer staff on site, providing necessary documentation.
6. Maintain the following information related to workers' compensation insurance in the CLE's file:
 - a. Workers' compensation insurance application and renewal documentation for each CLE;
 - b. Workers' compensation insurance policies for each CLE;
 - c. Workers' compensation premium documentation for each CLE;
 - d. Qualified DCWs wage documentation for determining workers' compensation insurance benefits; and
 - e. Relevant workers' compensation insurance audit related documentation for each CLE.

R. Turnover Services. Turnover is defined as those activities that are required for a selected Offeror to turnover grant services to a subsequent vendor or to Commonwealth resources at the end of the grant agreement.

1. **Turnover Scope.** During turnover, the selected Offeror must provide services so that participants and program stakeholders do not experience any adverse impact from the transfer. Six (6) months prior to the end of the grant agreement term, the selected Offeror must implement a Department approved Turnover Plan. Turnover activities include, but are not limited to:
 - a. Transfer of information including documentation relating to software and interfaces; functional business process flows; and operational information concerning subcontractors;
 - b. The implementation of a quality assurance process to monitor turnover activities;
 - c. The plan for training the State and/or a successor vendor's staff in the delivery of services;
 - d. Post-Turnover services including a Turnover Results Report and access to the selected Offeror's staff with technical and operational expertise; and
 - e. Appoint, with State approval, a manager to manage and coordinate all turnover activities outlined in the Turnover Plan as approved by the State.
2. **Selected Offeror Requirements:** The selected Offeror will:
 1. Execute the approved Turnover Plan in cooperation with selected successor Offeror's Transition Plan.
 2. Maintain service delivery staffing levels (**no** reduction in staffing) during the turnover period with all changes requiring prior approval by the DHS Grant Administrator.

3. Not restrict or prevent the selected Offeror's staff from accepting employment or positions with the Department or with any successor vendor. The Department will work with the incumbent and selected Offeror on the timing of any transition of staff.
4. Notify the DHS Grant Administrator of the reassignment or termination of employment or contract with any of its staff during turnover prior to reassignment or termination of the staff.
5. Provide to the Department or its agent, within fifteen (15) business days of the request, all documentation and records required by the DHS or its agents.
6. Turn over the operation and management of all service delivery functions to the Department or its successor vendor.
7. Work closely with DHS to complete the turnover of responsibilities and the necessary knowledge transfer by the end of the grant agreement period.
8. Submit turnover deliverables as outlined in the tables below.
9. Respond to all the Department requests regarding turnover information, in the timeframe defined by the Commonwealth at the time of the request.

3. Turnover Deliverables.

a. Turnover Plan Deliverable

Turnover Plan	
Activity	Turnover
Expected Delivery	Submitted for approval no later than nine (9) months prior to the end of the grant agreement term or within three (3) months of request by the Department.
Frequency	Once
Description	<p>The selected Offeror must develop and implement a DHS-approved Turnover Plan covering the possible turnover of the operational business activities and systems to either the Department or a successor vendor. The Turnover Plan must be a comprehensive document detailing the proposed schedule, activities and systems, and resource requirements associated with the turnover tasks. Additionally, the Turnover Plan must be provided in a format and media specified by the Department.</p> <p>The Turnover Plan must include:</p> <ul style="list-style-type: none"> ▪ Turnover of copies of all relevant data, documentation, or other pertinent information necessary for the Department or its successor vendor to take over and successfully assume operational business activities. ▪ Turnover of correspondence, documentation of outstanding issues, and other service delivery support documentation. ▪ Incorporation of lessons learned from selected Offeror's Orientation/Knowledge Acquisition period. ▪ Turnover Inventory of Documents and Plan. ▪ Turnover Completion Report.

b. Turnover Lessons Learned Report Deliverable

Turnover Lessons Learned Report

Activity	Turnover
Expected Delivery	Submitted for approval no later than nine (9) months prior to the end of the grant agreement term or within three (3) months of request by the Department.
Frequency	Once
Description	The selected Offeror must provide a Turnover Lessons Learned Report to either the Department or its designee. The Turnover Lessons Learned Report must be a comprehensive document detailing the lessons learned from selected Offeror's Orientation/Knowledge Acquisition plan and process. Additionally, the Turnover Lessons Learned Report, must be provided in a format and media specified by the Department.

c. Turnover Results Report Deliverable

Turnover Results Report	
Activity	Turnover
Expected Delivery	Submitted for approval within thirty (30) calendar days of the completion of Turnover activities.
Frequency	Once
Description	<ol style="list-style-type: none"> 1 Following turnover of service delivery, the selected Offeror must provide the Department with a Turnover Results Report documenting the completion and outcomes of each step of the approved Turnover Plan. Turnover will not be considered complete and final payment will not be made until the Turnover Results Report is received and approved by the DHS Grant Administrator. 2 Project Closure Correspondence.

III-9. Reports and Project Control. The Offeror will provide the following reports within the following timeframes.

A. Quarterly and Annual Status Reports: The selected Offeror must submit quarterly status reports, within 15 calendar days after the end of each quarter, covering activities and issues encountered during the reporting period. The fourth quarterly report must be an annual status report covering activities and issues of the past full Agreement year as well as recommendations for the next Agreement year. The selected Offeror will present all figures by month, by region, by county, by waiver or state funded program, and in the aggregate; additional categories apply for some statistics and are listed individually.

Report	Quarterly	Annually
1. <u>Referrals Report.</u> A report of the number of referrals received, presented by referral source.	X	X
2. <u>Current VF/EA FMS Report.</u> A report of the number of individuals receiving VF/EA FMS during the report period.	X	X
3. <u>New Individuals Receiving VF/EA FMS Report.</u> A report of the number of new	X	X

individuals who receive VF/EA FMS, also presented by service coordination provider and AE.		
4. <u>Current Individuals Receiving Services My Way (“SMW”) Report.</u> A report of the number of individuals in SMW receiving VF/EA FMS during the reporting period.	X	X
5. <u>New Individuals Receiving Services My Way (“SMW”) Report.</u> A report of the number of new individuals in SMW who received VF/EA FMS, also presented by service coordination provider.	X	X
6. <u>Individual Termination of VF/EA FMS Termination Report.</u> A report of the number of individuals who stopped receiving VF/EA FMS from the selected Offeror by reason for termination.	X	X
7. <u>Individual Services My Way (“SMW”) Termination Report.</u> A report of the number of individuals in SMW who stopped receiving VF/EA FMS from the selected Offeror by reason for termination.	X	X
8. <u>Individuals Resuming VF/EA FMS Report.</u> A report of the number of individuals who previously stopped receiving VF/EA FMS from the selected Offeror, but then resumed services during the reporting period.	X	X
9. <u>Individuals Resuming Services My Way (“SMW”) Report.</u> A report of the number of individuals in SMW who previously stopped receiving VF/FMS from the selected Offeror, but then resumed services during the reporting period.	X	X
10. <u>Staff Resources Report.</u> A report of the average number of staff resource hours per individual, also presented by service coordination agency.	X	X
11. <u>Denied Claims Report.</u> Within 15 business days of the last business day of the quarter, a Point-in-time report reflecting the denied claims for dates of service during the month prior only . Report will exclude timely denial for timesheets submitted late after report is generated.	X	X
12. <u>Reconciliation Report.</u> Within 15 business days of the end of a quarter, prepare a detailed report of the denied claims for timely submitted timesheets for dates of service during the prior quarter prior only, i.e. January, February and March will be due 15 business days after the last business day of June.		

In addition to the information in Numbers 1-13 above, the selected Offeror will include in its quarterly report the information contained in the Monthly Reports described below.

B. Monthly Reports: The selected Offeror must provide accurate and timely reports as specified below on a monthly basis to OLTL. These reports must be submitted 15 days following the end of the previous month. The selected Offeror must present all figures by month, region, county, waiver or state funded program, and in the aggregate; additional categories apply for some elements and are listed individually.

Report	Monthly
1. <u>Failure to Submit Timesheets and/Invoices Report.</u> A report to OLTL that will be used to inform the Service Coordinators of any CLE who does not submit timesheets or invoices to the selected Offeror for two or more consecutive payroll periods (one month or more) as evidenced by the selected Offeror’s documentation and results of OLTL monitoring of the service coordinator entity.	X
2. <u>Overutilization Report.</u> A report that provides written notification of overutilization when utilization exceeds the monthly budget by 10% or more for two (2) or more consecutive months. One (1) letter is sent each month by the selected Offeror to the CLE and Service Coordinator.	X
3. <u>Underutilization Report.</u> A report of underutilization of services by participant when underutilization is 80% or less for two or more consecutive months, including date(s) of notification to CLE and SC.	X
4. A list of enrolled DCWs qualified to render services, including name, mailing address, email address if available, phone number (home and cell, if available), unique provider number, NPI, waiver program for which services are provided, average number of hours worked for the month, hire date, pay cycle, payroll status (direct deposit or check), live-in exemption, wage rate and the date of the last qualification determination.	X
5. A list of participants that have active authorizations for services.	X
6. CLE’s relationship to DCW.	X
7. A list of DCWs that have worked for sixteen (16) hours or more in a single shift.	X
8. Each CLE’s SUTA rate.	X
9. A list of DCWs that are tax exempt.	X
10. A list of DCWs that are employed by more than	X

one (1) CLE and have overlapping time submitted.	
11. A list of outstanding payments or reimbursements from PROMIS ^e ™ to any DCW or vendor and the reason for the outstanding payment and the reason for not being reimbursed.	X
12. A list of requests for program exceptions based on established limits.	X
13. A list of approved CLE enrollment packets by date sent and initial referral date.	X
14. A list comparing the receipt of DCW documents to DCW qualifications to provide support date.	X

The DHS Grant Administrator will approve report formats and data sources during the Knowledge Acquisition/Transition period.

C. Problem Identification Report. The selected Offeror will provide “as required” reports, identifying problem areas.

Problem Identification Report	Other
The selected Offeror will describe the problem(s) and its impact on the overall Project and on each affected task and list possible courses of action with advantages and disadvantages of each and include selected Offeror’s recommendations with supporting rationale.	X

D. Final Report. The selected Offeror must submit draft copies of the final report prior to submission of the actual report. The final report will be due either at the end of the three (3) year Agreement period, or at the end of any renewal year if a renewal option is exercised. The final report must include:

Final Report	Other
1. An abstract or summary of the VF/EA FMS activity in terminology that will be meaningful to management and others generally familiar with the subject areas.	X
2. A description of data collection and analysis and other techniques used during the Agreement period.	X
3. A summary of findings, conclusions and recommendations for improving the VF/EA FMS activities.	X
4. All supporting documentation; e.g. flow charts, forms, questionnaires, etc.	X
5. A time-phased work plan for implementing the recommendations.	X

III-10. Performance Standards. The Commonwealth has developed a set of minimum standards, defined below, which the selected Offeror must meet or exceed, in order to ensure critical tasks are delivered as specified in this RFP and resulting Agreement. The selected Offeror shall describe the nature of its solution and demonstrate how its particular approach will result in services that meet the performance standards.

PERFORMANCE STANDARD	MINIMUM ACCEPTABLE	MEASURE AND VALIDATION METHOD	NONCOMPLIANT REMEDIAL ACTION	REPORTING FREQUENCY
1. Mail Department approved CLE enrollment packets within three (3) business days of referral.	Mail Department approved CLE Enrollment packet within five (5) business days of referral.	Report of mail out date and referral date.	For each referred participant not having CLE enrollment packets sent within five (5) business days, an assessment of up to \$5,000.	Performance standard to be submitted via monthly report
2. Completion or processing of CLE enrollment paperwork within seven (7) business days of receipt of correctly completed documents.	Seven (7) business days unless acceptable documentation is provided	Report of comparison of document receipt date to participant's ability to begin services.	For each CLE enrollment not completed within the prescribed timeframe, an assessment of up to \$5,000.	Performance measurement to be submitted via monthly report
3. Collect and process completed documents and forms for enrollment of DCWs, Vendors, Small Unlicensed Providers and Independent Contractors (Part III, Section III-8.J.) within seven (7) days of receipt of correctly completed documents and file with the appropriate federal, state, and local government agencies.	Seven (7) business days (unless acceptable documentation for a delay is provided). This minimum standard assumes that only the State Police background check is required and that the DCW has no record. ChildLine and FBI Clearance require longer dissemination times by the agency.	Report of comparison of receipt of DCW documents to qualification to provide support date.	For each DCW enrollment not completed within the prescribed timeframe, an assessment of liquidated damages up to \$5,000.	Performance measurement to be submitted via monthly report
4. Conduct face to face meetings as requested by new participants to orient	Requested visit occurs on dates scheduled with individual.	Requested visit occurs on date scheduled (unless	For each requested face to face visit not conducted on scheduled date, an	Report of Scheduled Visits with status of visit.

to program and to assist in completion of any necessary paper work (Part III, Section III-8.G).		cancelled or rescheduled by individual).	assessment of liquidated damages up to \$5,000.	
5. Level of Customer satisfaction based on customer satisfaction surveys.	95% satisfaction rate from active participants.	Submitted survey results from representative sample of participants.	Failure to develop a plan that addresses satisfaction will result in an assessment of liquidated damages up to \$5,000.	Performance measurement to be submitted bi-annually.
6. Within fifteen (15) business days of last business day of quarter, prepare a point-in-time quarterly report reflecting denied claims for dates of service during the month prior only . Report will exclude timely denial for timesheets submitted late after report is generated.	Ten (10) business days from fifteen (15) business days after the last business day of the quarter.	Prepare a quarterly summary report to include the name of each SCE, the total number of affected participants and the date that the report was sent.	Failure to prepare and distribute the report will result in an assessment of liquidated damages of up to \$5,000.	Performance measurement to be reported quarterly
7. Within fifteen (15) business days of the end of the quarter, prepare a point-in-time report reflecting denied claims that have not been resolved by the SCEs for dates of service two months prior only , i.e. March's report should reflect January's denied claims after outreach to the SCEs. Note: Report will exclude timely denial for timesheets submitted late after the report is generated.	Up to five (5) business days after the last business day of quarter.	Submitted report quarterly	Failure to prepare and distribute the report will result in an assessment of liquidated damages of up to \$5,000.	Performance measurement to be reported quarterly
8. Within fifteen (15) business days of the end of a quarter, prepare a detailed reconciliation report of the denied claims for timely submitted	Ten (10) business days from the fifteen (15) days after the last business day the quarter.	Submitted report quarterly.	Failure to prepare and distribute the report will result in an assessment of liquidated damages of up to \$5,000.	Performance measurement to be reported quarterly.

timesheets for dates of service during the quarter prior only , i.e. January, February and March will be due fifteen (15) days after the last business day of June.				
--	--	--	--	--

The Department will monitor the selected Offeror's performance on an ongoing basis using various methods.

- A. Failure to meet the performance standards will result in damages to participants and the Department, which will be difficult or impractical to ascertain and may result in DHS assessing liquidated damages. The Department may waive an assessment of liquidated damages at its discretion. The DHS Grant Administrator will give written notice of a failure to meet a performance standard to the selected Offeror. Even if the Department does not assess liquidated damages in a particular instance, the Department is not precluded from pursuing other assessments or remedies relating to those performance standards and their associated damages.

- B. For any performance deficiency, including those related to performance standards and in addition to any other remedy the Department may have, the selected Offeror will prepare and submit a corrective action plan for all findings contained in a notice of deficiency. The selected Offeror must submit the corrective action plan to the Department within ten (10) business days of notification of the deficiency or such longer time as permitted by the Department.

- C. The corrective action plan must include, but is not limited to:
 - 1. Brief description of the findings;
 - 2. Specific steps the selected Offeror will take to correct the situation or reasons why it believes corrective action is not necessary;
 - 3. Name(s) and title(s) of responsible staff person(s);
 - 4. Timetable for performance of the corrective action steps;
 - 5. Monitoring that will be performed to ensure that corrective action steps were implemented;
 - 6. Signature of the selected Offeror's project manager or a senior executive.

- D. The selected Offeror must implement the corrective action plan within the timeframe agreed to by the parties. The Department may take further action based on selected Offeror's failure to implement the agreed upon corrective action plan.

III-11. Objections and Additions to Standard Grant Terms and Conditions. The Offeror will identify which, if any, of the terms and conditions (contained in **Part VI**) it would like to negotiate and what additional terms and conditions the Offeror would like to add to the standard grant terms and conditions. The Offeror's failure to make a submission under this paragraph will result in its waiving its right to do so later, but the Department may consider late objections and requests for additions if to do so, in the Department's sole discretion, would be in the best interest of the Commonwealth. The Department may, in its sole

discretion, accept or reject any requested changes to the standard grant terms and conditions. The Offeror shall not request changes to the other provisions of the RFP, nor shall the Offeror request to completely substitute its own terms and conditions for **Part VI**. All terms and conditions must appear in one integrated grant. The Department will not accept references to the Offeror's, or any other, online guides or online terms and conditions contained in any proposal.

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

Lot 2 – ODP Administered Programs

III-12. Requirements

A. Disaster Recovery (“DR”). The selected Offeror must develop and document a disaster recovery plan for electronic records and files maintained by the selected Offeror. The selected Offeror must utilize reasonable data backup and disaster recovery procedures to prevent loss of information and an interruption in the use of its proposed systems.

1. The Offeror must describe its data backup and disaster recovery plans for restoring and maintaining operations during natural or human-induced disasters, or any other occurrence that damages systems or data.
2. The Offeror must provide detailed information regarding its backup and DR systems, architecture/frameworks, capabilities, governance, and procedures.
3. The Offeror must describe how its backup and disaster recovery plans enable the continuation of critical business processes for the protection and security of the data.
4. The selected Offeror must provide an annual update of the data backup and disaster recovery plan and the disaster recovery plan testing process and testing frequency of the yearly anniversary start date of the fully executed agreement.

B. Emergency Preparedness. To support continuity of operations during an emergency, including a pandemic, the Commonwealth requires a strategy for maintaining operations for an extended period of time. One part of this strategy is to ensure that entities providing essential services to MA beneficiaries have planned for such an emergency and put contingencies in place to provide needed goods and services.

1. Describe how you anticipate such a crisis will impact your operations.
2. Describe your emergency response continuity of operations plan. Please attach a copy of your plan, or at a minimum, summarize how your plan addresses the following aspects of pandemic preparedness:
 - a. Employee training (including a description of your organization’s training plan, and how frequently your plan will be shared with employees)
 - b. Identified essential business functions and key employees (within your organization) necessary to carry them out
 - c. Contingency plans for:
 - i. How your organization will handle staffing issues when a portion of key employees are incapacitated due to illness.
 - ii. How employees in your organization will carry out the essential functions if prevented from coming to the primary workplace.
 - d. How your organization will communicate with staff and suppliers when primary communications systems are overloaded or otherwise fail, including key contacts, chain of communications (including suppliers), etc.

The Offeror should describe how and when your emergency plan will be tested, and if the plan will be tested by a third-party.

C. Subcontracting with a Reporting Agent. The selected Offeror may not subcontract with and delegate VF/EA FMS tasks to a reporting agent.

D. Performance and Payment Bonds. The selected Offeror must provide executed performance and payment bonds during the Readiness Review period, each in the sum of six (6) months of the estimated annual Agreement amount, with the Commonwealth as the obligee. The surety will be a surety company or companies listed in the Federal Registry of Surety Companies and approved by the State Corporation Commission to transact business in the Commonwealth of Pennsylvania. No payment will be due and payable to the selected Offeror, even if the Agreement has been performed in whole or in part, until the bonds have been delivered and approved by the Department. The payment bond will be used to cover delinquent payments to qualified Support Service Workers (SSWs), vendors, individuals providing transportation for mileage reimbursement, and federal state and local tax and workers' compensation insurance premium payments up to the maximum of the value of the full value of the bond in the event that the selected Offeror is unable to properly, promptly and efficiently perform the Agreement and/or the Agreement is terminated by default or bankruptcy.

E. Regulatory Requirements.

1. The selected Offeror must operate in accordance with §3504 of the Internal Revenue Service ("IRS") Code, Revenue Procedure 70-6, 1970-1 C.B. 420, as modified by IRS Proposed Notice 2003-70 and IRS REG-137036-08 and any other future revenue procedures, notices or publication promulgated by the IRS.
2. The selected Offeror also must operate in compliance with state and local tax laws, federal and state labor laws and state workers' compensation insurance laws.
3. The selected Offeror must comply with existing or new applicable regulations, requirements, standards, directives, statutes, etc. issued by the Commonwealth and/or Federal and local governments that take effect during the Agreement term.
4. The selected Offeror is responsible for following record retention procedures for all applicable federal, state and local government agencies.
5. The selected Offeror must establish and maintain all archived files in an accurate, secure and confidential manner and for the required period of time as mandated by applicable federal, state and local rules and regulations.
6. The selected Offeror must comply with [Medical Assistance Bulletin 99-11-05](#) titled "Provider Screening of Employees and Contractors for Exclusion from Participation and Federal Health Care Programs and the Effect of Exclusion on Participation" and any revisions or updates.

F. The selected Offeror must be aware of and understand the structure of ODP's Vendor/Fiscal Employer Agent Participant-Directed Services Model as set forth in the following documents:

- The ODP Consolidated Waiver, which can be viewed at: http://dhs.pa.gov/cs/groups/webcontent/documents/document/c_234990.pdf
- The ODP Person/Family Directed Support Waiver, which can be viewed at: http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c_234591.pdf
- The ODP Individual Support Plan ("ISP") Manual for Individuals with an Intellectual Disability, which can be viewed at:

http://www.dhs.pa.gov/cs/groups/webcontent/documents/bulletin_admin/c_179246.pdf,

- Developmental Programs Bulletin 00-08-14, *Vendor Fiscal/Employer Agent Financial Management Services (“VF/EA FMS”)* and
- *The Pennsylvania Guide to Participant-Directed Services*, which can be viewed at: https://www.temple.edu/thetrainingpartnership/resources/pds/docs/02_18_09_PA_Guide.pdf.

G. Conflict Free Requirements. The selected Offeror must be free of any conflict of interest with any providers that render ODP-funded services now or in the future. To ensure an objective, unbiased process, the selected Offeror and any subcontractors must be free of real or perceived conflicts of interest:

1. The selected Offeror and its subcontractors may not be a part of or affiliated with any provider that renders ODP-funded services now or in the future, and must remain wholly independent from any such provider. Neither the governing body of the selected Offeror nor individual members of the governing body may be affiliated with any provider that renders ODP-funded services now or in the future, nor may the selected Offeror or its subcontractors be affiliated with or a subsidiary of any provider that renders ODP-funded services now or in the future.
2. No personnel assigned to the Project may work for any provider that renders ODP funded services now or in the future. However, personnel assigned to the Project may receive direct services or supports from such provider as long as the services are purchased at fair rates that are either privately paid for by the participant, through an ODP-funded program, or any other third-party program.

The Commonwealth may reject a proposal from an Offeror that has been determined to have a conflict of interest. As part of your response, the Offeror must submit complete organizational information that includes an organization chart listing all subsidiaries; a listing of all Agreements that the Offeror has within Pennsylvania; a listing of any Agreements of its subsidiaries associated with any ODP funded home and community-based services provider doing business in Pennsylvania.

H. Office Requirements. The selected Offeror must establish at least one physical office in the Commonwealth and staff presence in each region. Refer to Appendix H for the ODP regions.

1. All physical site(s) must be accessible and meet the Americans with Disabilities Act (“ADA”) standards.
2. All physical site(s) of the selected Offeror’s administrative functions, all satellite offices, and any worksites cannot be co-located with any provider of ODP funded services.
3. The selected Offeror must have a physical site and the equipment that is appropriate and supports the provision of VF/EA FMS as required by this RFP.
4. The selected Offeror must supply meeting rooms and normal office space for personnel, including equipment, Microsoft® Office Software, network connectivity, supplies, clerical assistance, and administrative support needed to perform the Project.

5. The selected Offeror must have the capability to conduct in-person meetings with individuals, families, and representatives in each region at least five (5) days a week during regular business hours (8:30 a.m. through 5:00 p.m.) and with, at minimum, evening hours (5:00 p.m. through 8:00 p.m.) one (1) day per week.

I. Department of State. The selected Offeror must be qualified and registered with the Pennsylvania Department of State to do business in the state.

J. Medicaid Enrolled Provider. The selected Offeror must be an enrolled provider in the Pennsylvania MA Program.

K. Criminal Background Clearances. The selected Offeror must, at its expense, arrange for a criminal background clearances from the Pennsylvania State Police and child abuse clearances per the Child Protective Services Law (CPL) [23 Pa. C.S. Chapter 63]. The selected Offeror must obtain written results from the Pennsylvania State Police and Office of Children, Youth and Families' DHS-ChildLine and Abuse Registry for each of its employees, as well as the employees of any of its subcontractors; and all SSWs who will:

1. Have access to Commonwealth facilities, either through on-site access or through remote access;
2. Be employed by the CLE; and
3. Perform work related to this RFP.

Criminal background checks are conducted via the Criminal History Request Online found at the Pennsylvania State Police Website, under PSP Services <http://www.psp.pa.gov>. The selected Offerors must conduct the required criminal background checks prior to initial access to Commonwealth facilities or employment as a DCW and on an annual basis thereafter. Child abuse clearances are obtained from www.compass.state.pa.us/cwis

If staff that perform work related to this RFP or a potential SSW has not been a Pennsylvania resident for the previous two (2) years, the selected Offeror and CLE employee must obtain a Federal Criminal History Record from the Federal Bureau of Investigation ("FBI"), in addition to the Criminal History Record from the State Police.

Before the Commonwealth will permit access to Commonwealth facilities or employment as a SSW, the selected Offeror must provide written confirmation that the background checks have been conducted. If, at any time, it is discovered that a selected Offeror employee has a criminal record that includes a felony or misdemeanor involving terroristic behavior, violence, use of a lethal weapon, or breach of trust/fiduciary responsibility or which raises concerned about building, system or personal security or is otherwise job-related, the selected Offeror shall not assign that employee to any Commonwealth service program, shall not permit access to any participant's home, shall remove any access privileges already given to the employee and shall not permit that employee remote access unless the agency consents to the access, in writing, prior to access. The Commonwealth may withhold its consent in its complete discretion. Failure of the selected Offeror to comply with the terms of this paragraph may result in default of the selected Offeror under its Agreement.

L. Information Handling. The selected Offeror must abide by the Commonwealth's specific regulations and requirements concerning confidentiality of information and Health Insurance Portability and Accountability Act ("HIPAA") and Appendix O HIPAA Business Associate Addendum and **Part VI, Standard Grant Terms and Conditions.**

The nature of VF/EA FMS requires the handling of sensitive information. All personnel and/or sub-contractors assigned to the provision of VF/EA FMS by the selected Offeror must comply with applicable federal and state laws, regulations, and rules regarding the security and confidentiality of information individuals receiving MA services.

Compliance will include:

1. All personnel and sub-contractors of the selected Offeror and its reporting agent, as applicable must comply with HIPAA.
2. All personnel and sub-contractors of the selected Offeror and its reporting agent, as applicable, must receive training in confidentiality regulations, including HIPAA Privacy and Security training and MA confidentiality requirements.
3. All personnel and sub-contractors of the selected Offeror must sign a confidentiality agreement. Personnel policies must address disciplinary procedures relevant to violation of the signed confidentiality agreement.
4. Both confidential and sensitive information are not to be used by the selected Offeror and sub-contractors or given to another agency other than for the purpose of carrying out obligations of the Agreement.

The selected Offeror is responsible for having adequate measures in place to prohibit unauthorized access, copying, and distribution of information during work on this Project. The selected Offeror is responsible for proper disposal of both hard and electronic working copies of information during work on this Project, as well as any remaining information upon the completion of the Project.

Sensitive information may need to be transferred from other agencies or shared with the Commonwealth during the course of the Agreement period, and/or transitioned to another vendor at the conclusion of this Agreement. The selected Offeror will follow Commonwealth procedures for information handling and sharing. The selected Offeror will ensure that all records are properly retained for six (6) years after becoming fully inactive or until the disposition of court hearings, audits and appeals are complete.

M. Current, Comprehensive, Pennsylvania-specific VF/EA FMS Organization Procedures Manual. The selected Offeror must prepare and maintain a Pennsylvania-specific VF/EA FMS Organization Procedures Manual ("Manual"). This Manual must include procedures and internal controls for all VF/EA FMS organization tasks and requirements outlined in this RFP. The Manual must be submitted to the Commonwealth during the selected Offeror's Readiness Review period, for review and approval. The selected Offeror will update the Manual at least annually or more frequently, as necessary and provide all updates for review and approval by the Department. The selected Offeror will submit and make the Manual available to the Department in electronic format.

N. The selected Offeror must be capable of accessing the following Department systems, demonstrating its ability to use these systems, and explaining how these systems would be used:

- The Department's claims processing and management information system, currently, the Provider Reimbursement and Operations Management Information System (PROMIS^e™), the Commonwealth's claims processing and management information system. Information is available at: <http://www.dhs.pa.gov/provider/promise/index.htm>.
- The Home and Community-Based Services Information System ("HCSIS"), the information system used to maintain waiver participants' records specific to the Consolidated, P/FDS, and Adult Autism waivers. HCSIS information is available at: <https://www.hcsis.state.pa.us/hcsis-ssd/>.
- Electronic Eligibility Verification System ("EVS") is the Department's system for verifying Medicaid recipient eligibility. Information is available at: <http://www.dhs.pa.gov/provider/softwareandservicevendors/eligibilityverificationinformation/index.htm>.
- Additional software packages as applicable.

O. Lobbying Certification and Disclosure of Lobbying Activities. This Project will be funded, in whole or in part, with federal monies. Public Law 101-121, Section 319, prohibits federal funds from being expended by the recipient or by any lower tier sub-recipients of a federal contract, grant, loan, or a cooperative agreement to pay any person for influencing, or attempting to influence a federal agency or Congress in connection with the awarding of any federal contract, the making of any federal grant or loan, or entering into any cooperative agreement. All parties who submit proposals in response to this RFP must sign the "Lobbying Certification Form," (attached as **Appendix D**), and if applicable, complete the "Disclosure of Lobbying Activities" form (attached as **Appendix D**). The signed form(s) must be included as **Tab 11** in the Technical Submittal.

III-13. Statement of the Project. State in succinct terms your understanding of the Project presented or the service required by this RFP Lot. The Offeror's response should demonstrate that the Offeror fully understands the scope of services to be provided, the Offeror's responsibilities, and how the Offeror will effectively manage the grant.

III-14. Management Summary. Include a narrative description of the proposed effort and a list of the items to be delivered or services to be provided. The summary will condense and highlight the contents of the Technical Submittal in a manner that allows a broad understanding of the entire Technical Submittal.

III-15. Prior Experience. The Offeror should include experience providing VF/EA FMS or other similar services; and demonstrate a working knowledge of VF/EA FMS as described in the RFP. Experience shown should be work done by persons who will be assigned to the grant as well as that of your company. Studies or projects referred to must be identified and the name of the customer shown, including the name, address, and telephone number of the responsible official of the customer, company, or agency who may be contacted.

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

The Offeror must describe its corporate identity, legal status and forms, including the name, address, telephone number, and email address for the legal entity that is submitting the proposal. In addition, the Offeror must provide the name of the principal officers, a description of its major services, and any specific licenses and accreditations held by the Offeror.

Offerors must provide similar organizational background information on any significant subcontractor for grant services. A significant subcontractor is defined as an organization undertaking more than ten (10%) on a total cost basis of the work associated with this RFP.

If an Offeror is proposing to use the services or products of a subsidiary or affiliated firm, the Offeror must describe the business arrangement with that entity and the scope of the services the entity will provide.

If the experience of any proposed subcontractor is being used to meet the requirements of this RFP, the Offeror must provide the same information as listed above for the subcontractor. This information must be presented separately within this section, clearly identifying the subcontractor experience and name of the subcontractor.

B. References. The Offeror must provide a list of at least three (3) relevant contacts within the past three (3) years to serve as corporate references. The references must be outside clients (non-DHS). This list shall include the following for each reference:

1. Name of customer;
2. Type of contract;
3. Contract description, including type of service provided;
4. Total contract value;
5. Contracting officer's name and telephone number;
6. Role of subcontractors (if any); and
7. Time period in which service was provided.

The Offeror must submit **Appendix E, Corporate Reference Questionnaire**, directly to the contacts listed. The references should return the completed questionnaires in sealed envelopes to the Offeror. The Offeror must include these sealed references with its technical submittal under **Tab 13**.

The Offeror must disclose any contract or agreement cancellations, or terminations within five (5) years preceding the issuance of this RFP. If a contract or agreement was canceled or terminated for lack of performance, the Offeror must provide details on the customer's allegations, the Offeror's position relevant to the allegations, and the final resolution of the cancellation or the termination. The Offeror must also include each

customer's Company or entity name, Address, Contact name, Phone number, and Email address.

The Department may disqualify an Offeror based on a failure to disclose such a cancelled or terminated contract or agreement. If the Department learns about such a failure to disclose after an agreement is awarded, the Department may terminate the agreement.

III-16. Personnel.

- A. Offeror Personnel:** Include the number of executive and professional personnel, analysts, auditors, and other individuals, who will be engaged in the Project. Show where these personnel will be physically located during the time they are engaged in the Project. Key personnel for this Project include: a Grant Administrator or Project Manager, Enrollment Services Manager, Payroll and Invoice Payment Manager, and a Medicaid Billing Manager. For key personnel, include the employee's name and, through a resume or similar document, the key personnel's education and experience including any appropriate licenses or certifications. Indicate the responsibilities each individual will have in this Project and how long each has been with your company. The Offerors may propose additional key personnel. For all other personnel, include job title, position descriptions, responsibilities and qualifications.
- B. Subcontractors:** Provide a subcontracting plan for all subcontractors, including SDB and SB subcontractors, who will be assigned to the Project. The selected Offeror is prohibited from subcontracting or outsourcing any part of this Project without the express written approval from the Commonwealth. Upon award of the grant agreement resulting from this RFP, subcontractors included in the proposal submission are deemed approved. For each position included in your subcontracting plan, provide:
1. Name of subcontractor;
 2. Address of subcontractor;
 3. Number of years worked with the subcontractor;
 4. Number of employees by job category to work on this project;
 5. Description of services to be performed;
 6. What percentage of time the staff will be dedicated to this project;
 7. Geographical location of staff; and
 8. Resumes (if appropriate and available).
- C.** Submitted resumes are not to include personal information that will, or will be likely to, require redaction prior to release of the proposal under the Right-to-Know Law, including but not limited to home addresses and phone numbers, Social Security Numbers, Drivers' License numbers or numbers from state identification cards issued in lieu of a Drivers' License, and financial account numbers. If the Commonwealth requires any of this information for security verification or other purposes, the information will be requested separately and as necessary.
- D.** Include organizational charts outlining the staffing, reporting relationships and staff members in its description. Show the total number of staff proposed and indicate the

Full Time Equivalency (“FTE”) to account for any staff that are not assigned on a full-time basis. Provide similar information for any subcontractors that are proposed. The organizational chart must illustrate the lines of authority, designate the positions responsible and accountable for the completion of each component in the RFP, indicate the names or job title and number of personnel that will be assigned to each role, and the number of hours per week each person is projected to work on the Project. The organizational chart must clearly indicate any functions that are subcontracted along with the name of the subcontracting entities and the services they will perform.

A minimum of three (3) client references for each Key Personnel must be identified. All client references for Key Personnel must be outside clients (non-DHS) who can give information on the individual’s experience and competence to perform project tasks similar to those requested in this RFP. Key Personnel may be a member of the Offeror’s organization, or any subcontractor included in the Offeror’s proposal.

The Offeror must submit **Appendix F, Personnel Reference Questionnaire**, directly to the contacts listed. The references should return completed questionnaires in sealed envelopes to the Offeror. The Offeror must include these sealed references with its proposal under **Tab 14**.

Key Personnel Diversions Or Replacement. Once Key Personnel are approved by the Department, the selected Offerors may not divert or replace personnel without prior approval of the DHS Grant Administrator. The selected Offeror must provide notice of a proposed diversion or replacement to the DHS Grant Administrator at least thirty (30) days in advance and provide the name, qualifications, and background check (if required) of the person who will replace the diverted personnel. The DHS Grant Administrator will notify the selected Offeror within ten (10) business days of the diversion notice whether the proposed diversion is acceptable and if the replacement is approved.

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

The DHS Grant Administrator may request that the selected Offeror remove a person from this Project at any time. In the event that a person is removed from the Project, the selected Offeror will have ten (10) days to fill the vacancy with a person acceptable in terms of experience and skills, subject to the DHS Grant Administrator’s approval.

III-17. Training. If appropriate, indicate recommended training of agency personnel. Include the agency personnel to be trained, the number to be trained, duration of the program, place of training, curricula, training materials to be used, number and frequency of sessions, and number and level of instructors.

III-18. Financial Capability. Describe your company's financial stability and economic capability to perform the grant requirements. If your company is a publicly traded company, please provide a link to your financial records on your company website in lieu of providing hardcopies.

Additionally, Offerors must provide;

- A. For the proposing entity and for each entity that owns at least five percent (5%) of the proposing entity:
 - 1. Audited financial statements for the three (3) most recent fiscal years for which statements are available. The statements must include a balance sheet, a statement of revenue and expense and a statement of cash flow. Statements must include the auditor's opinion, the notes to the financial statements and management letters submitted by the auditor to the Offeror. If audited financial statements are not available, explain why and submit unaudited financial statements;
 - 2. Unaudited financial statements for the period between the last month covered by the audited statements and the month before the proposal is submitted;
 - 3. Documentation about available lines of credit, including maximum credit amount and amount available thirty (30) business days prior to the submission of the proposal; and
 - 4. Dun & Bradstreet comprehensive report, if available.

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

- B. The full name and address of any proposed subcontractor in which the Offeror has five percent (5%) or more ownership interest. The Offeror must provide a copy of the proposed subcontractor's Financial and Accounting Policies and Procedures.
- C. A list of any financial interests a proposed subcontractor may have in the Offeror's organization or any financial interest the Offeror's organization has in the proposed subcontractors.
- D. Information about any significant pending litigation.

The Commonwealth may request additional information it deems necessary to evaluate an Offeror's financial capability.

III-19. Work Plan. Describe in narrative form your technical plan for accomplishing the work using the task descriptions as your reference point. Modifications of the task descriptions are permitted; however, reasons for changes should be fully explained. Indicate the number of person hours allocated to each task. Include a Program Evaluation and Review Technique ("PERT") or similar type display, time related, showing each event. If more than one approach is apparent, comment on why you chose this approach.

The Offeror should describe its management approach, including how it will implement its proposed work plan. Where possible, the Offeror should provide specific examples of methodologies or approaches, including monitoring approaches, it will use to fulfill the RFP requirements and examples of similar experience and approach on comparable projects. The Offeror should describe the management and monitoring controls it will use to achieve

the required quality of grant services and all performance requirements. The Offeror should also address its approach to internally monitor and evaluate the effectiveness of meeting the grant requirements.

The work plan must include the planned approach and process for establishing and maintaining communication between all parties and a technical approach that is aligned with all written specifications and requirements contained in the RFP.

Tasks

A. Readiness Review. The selected Offeror must:

Prior to rendering VF/EA FMS services, the selected Offeror shall participate in the VF/EA FMS Organization Readiness Review (“Readiness Review”) process, to be conducted by ODP, for a period of up to four (4) months, unless extended by the Commonwealth. The selected Offeror will not be permitted to provide VF/EA services if it does not show acceptable evidence of readiness relative to each requirement during the Readiness Review and detailed descriptions of how it will comply with the VF/EA FMS requirements. Additionally, as a part of the Readiness Review, ODP may conduct an onsite visit on a date to be determined by ODP.

During Readiness Review, the selected Offeror will demonstrate for the following elements of the Lot, at a minimum:

1. An ability to meet timeframes for preparing enrollment and employment packets and distributing them to new and current individuals who will become CLEs;
2. The technology necessary to meet all requirements of this RFP and agreement, including computer networks and MA billing systems;
3. A current call center with the ability to return customer calls as specified in this RFP and agreement;
4. An effective and functioning website;
5. The ability to enroll existing CLEs/participants with the Selected Offeror;
6. A quality management system to monitor the requirements of this RFP and agreement; and
7. Sufficient knowledge of ODP’s VF/EA FMS model.

ODP may continue the development of elements and forms to be used for the Readiness Review process.

The Selected Offeror must have sufficient staff devoted to the Readiness Review process. Selected Offeror’s staff will play an active role in the Readiness Review and demonstrate progress in an ongoing manner.

Once the Readiness Review is completed and the findings presented to the Selected Offeror by ODP, the Selected Offeror will, if necessary, prepare a corrective action plan that addresses all outstanding issues identified during the Readiness Review prior to providing VF/EA FMS.

During the Readiness Review and the implementation of corrective action plan, if any, the Selected Offeror will have regular status meetings with the ODP Readiness Review Team as needed and requested by ODP. These meetings could occur either face-to-face or via conference call.

The VF/EA FMS Organization Readiness Review is not a paid task.

B. Billing for Services Rendered. The selected Offeror must:

1. Determine and incorporate all ODP program rules and requirements for payroll and invoice payment and develop a rules-based system for billing;
2. Receive and maintain participant's initial and updated ISP service authorizations from HCSIS;
3. Process MA claims through the PROMIS^eTM or a successor claims processing system for MA waiver services (including payments made for qualified SSWs and vendors) within one hundred and eighty (180) days of the date of service and resubmit any rejected claim within three hundred and sixty-five (365) days of the date of service in accordance with participant's ISP and the Department's billing and Agreement requirements;
 - a. The selected Offeror will be solely responsible for the reconciliation and resubmission of claims; and
 - b. The selected Offeror will identify the process it will use to reconcile claims that includes a demonstration of how it will interact with the Service Coordinator Organizations ("SCO").
4. Process MA claims through PROMIS^eTM or subsequent claims processing system for the VF/EA FMS per member per month ("PMPM") fee in accordance with the Department's billing requirements;
5. When the selected Offeror provides VF/EA FMS services for participants funded with Base allocation funds:
 - a. The selected Offeror will not charge the county an administrative fee that exceeds the PMPM for this agreement; and
 - b. The selected Offeror will receive payment from the county/joinder for services rendered as reported on the County payment file generated by PROMIS^eTM or subsequent claims processing system.
6. For ODP participants enrolled in the P/FDS waiver only, the selected Offeror will provide VF/EA FMS for rendered services that are authorized with Base allocation funds when the services exceed the annual P/FDS cap. The selected Offeror will receive payment from the county/joinder for services rendered as reported on the County payment file generated by PROMIS^eTM; or subsequent claims processing system;
7. Process MA claims for services rendered not to exceed the established wage ranges or service rate ranges;
8. Verify that billing records support the amounts reported on claims that are submitted electronically through PROMIS^eTM or subsequent claims processing system;

9. Have billing records that contain sufficient and current waiver participant and service information;
10. Have a process for reconciling hours of services billed and paid;
11. Have a process for billing the CLE directly for services provided not in accordance with the authorized service/units/dollar amount in the participant's approved ISP or when an established service limit is exceeded;
12. Have a process for monitoring and billing the Federal Unemployment Tax Act ("FUTA") and State Unemployment Tax Act ("SUTA") paid for each SSW and when applicable thresholds are met to reduce the rate billed to PROMISE™; and
13. Have a process for reimbursing the Commonwealth for any funds remaining in the separate bank account for managing participant directed funds at the end of the state fiscal year.

C. Managing Public Funds. The selected Offeror must:

1. Establish and maintain an accounting and information system for receiving and disbursing MA funds and for tracking all transactions and balances;
2. Establish a separate bank account for the purposes of receiving payment of the VF/EA PMPM for FMS.
3. Establish a separate bank accounts for the deposit of payments for participant directed service for each participant for the purpose of managing participant directed funds ("Participant Account"). The selected Offeror must immediately deposit all payments for participant directed services from MA and the State into each account. The selected Offeror must submit to ODP written evidence that the bank has established these accounts as set forth below. The selected Offeror must complete all forms as specified by ODP and the bank to establish electronic fund transfers from MA and the State to the bank account. The selected Offeror must set up the Participant Account to:
 - a. Prohibit the withdrawal of funds except for payment for FMS services provided to participants including all taxes, insurances, and fees; and
 - b. Be maintained, to the extent legally permissible, in a manner that prevents creditors of the selected Offeror from in any way encumbering or acquiring funds in the bank account.
4. Absorb any bank charges (i.e., stop payment fees) so as not to reduce the balance of the Participant Account;
5. Prohibit the use of funds deposited into the Participant Account by the selected Offeror or by its agent or third party to satisfy, temporarily or otherwise, any selected Offeror liability or for any other purpose, except as provided under this RFP;
6. Maintain a report on bank account activity in accordance with the reporting requirements established by the Department. The selected Grantee will report bank account activity for the Participant Accounts, including a summary of the month's bank activity, reconciliation of the bank balance to the General Ledger, and reconciliation of any amounts advanced from the Department; and,
7. Not co-mingle Participant Accounts funds with any other funds.

D. Receiving Federal and State Authority to Act as a VF/EA FMS Organization. The selected Offeror must:

1. Apply for (through the completion and submission of the IRS Form SS-4 *Application for Employer Identification Number*) and obtain a separate FEIN for the sole purpose of filing and paying federal employment taxes and insurances and other required IRS forms on behalf of CLEs it represents as agent. (Note: the selected Offeror may already have a separate FEIN and should be able to demonstrate that it is separate and distinct from the organization's corporate FEIN);
2. Maintain a copy of the completed IRS Form SS-4, separate FEIN and related correspondence with IRS in the selected Offeror's file;
3. Apply for (through the completion and submission of the IRS Form SS-4, *Application for Employer Identification Number*), and obtain a FEIN for each newly enrolled CLE it represents as employer agent;
4. Maintain a copy of the completed IRS Form SS-4 and Notice of FEIN in each CLE's file;
5. Apply for IRS agent authorization by completing and submitting an IRS Form 2678, *Employer/Payer Appointment of Agent* to the IRS per IRS Form instructions for each CLE it represents as agent;
6. Maintain a copy of the completed IRS Form 2678 in each CLE's file;
7. Receive written agent authorization from the IRS through the receipt of an IRS LTR 1997C, *Notice of Appointment*, for each CLE it represents as agent;
8. Maintain the IRS LTR 1997C, *Notice of Appointment* in each CLE's file;
9. Execute and submit an IRS Form 8821, *Tax Information Authorization* with each CLE it represents as agent;
10. Maintain a copy of the executed Form 8821 in each CLE's file;
11. Renew the executed IRS Forms 8821 with CLEs on a periodic basis per Form instructions;
12. Maintain a copy of any IRS Form 8821 renewals in each CLE's file;
13. Obtain a signed PA Department of Labor and Industry Form PA UC-884, *Unemployment Power of Attorney* from each CLE it represents as agent and file with the PA-100, *PA Enterprise Registration Form* when registering a waiver participant or surrogate as the CLE for state unemployment insurance filing and depositing purposes per PA Department of Labor and Industry, Office of UC Tax instructions;
14. Maintain a copy of the executed PA UC-884 in each CLE's file;
15. When a CLE ceases using the selected Offeror for any reason, the selected Offeror must revoke the PA UC-884 by executing a PA Form UC-2B, PA UC- *Employer's Report of Employment and Business Change*; and
16. When a CLE ceases using the VF/EA FMS organization for any reason, the selected Offeror must maintain a copy of the PA Form UC-2B and all communications in each CLE's file.

E. Providing Customer Service. The selected Offeror must:

1. Implement customer service policies and procedures that reflect the principals of the Department;
2. Implement customer service policies and procedures that are culturally sensitive in business practices in order to communicate effectively with a diverse population of individuals and SSWs;
3. Implement and maintain mandatory staffing of the toll-free telephone system for an eight-hour period between the hours of 8:30 a.m. – 5:00 p.m. EST/EDT, Monday

- through Friday, except on state and federal holidays. A voicemail or similar system must be in place to receive customer messages during non-business hours;
4. Respond to all calls from individuals (inquires, issues and complaints) within two (2) business days of the call;
 5. Maintain an operating fax to receive business information;
 6. Have an operational TTY/TDD line;
 7. Have internet e-mail capacity;
 8. Have a Web site and provide access to individuals to view up-to-date information and have internal controls to monitor the accuracy of the materials included on the Web site and the effectiveness of the system;
 9. Have the ability to provide translation and interpreter services (e.g., American Sign Language, and services for persons with Limited English Proficiency);
 10. Have the ability to provide materials in alternate print (e.g., large print and Braille) and languages other than English;
 11. Implement and maintain a system for receiving, responding and tracking all communications from any source (including complaints) and maintain a log that addresses:
 - a. Who made the call;
 - b. Who received the call;
 - c. The reason for the call;
 - d. Any action taken;
 - e. Whether the communication resulted in any mandated reporting as required by Child Protective Services Law, the Adult Protective Services Act, or the Older Adult Protective Services Act; and
 - f. Final resolution;
 12. Implement and maintain a system for reporting critical incidents or events as defined by ODP;
 13. Respond to all contacts from participants and CLEs within two (2) business days of receipt of the contact;
 14. Have a complaint and grievance procedure that includes:
 - a. An Advisory/Grievance Committee that includes CLEs, and program participants, which meets either in person or via telephone or video conference at least quarterly to discuss the provision of VF/EA FMS and to evaluate any grievances filed or feedback provided by CLEs and participants;
 - b. Responding to complaints from CLEs and participants within two (2) business days;
 - c. Tracking activities related to the receipt of complaints;
 - d. Resolving VF/EA FMS related complaints and grievances within five (5) business days of receipt; and
 - e. Providing monthly reports to ODP outlining complaints received and resolutions achieved;
 15. Conduct two (2) Common Law Employer Satisfaction Surveys annually using a tool approved by ODP; and report findings to ODP in a format approved by ODP; and
 16. Develop and implement corrective action procedures based on the results of each Common Law Employer Satisfaction Survey, which include at a minimum:
 - a. Developing corrective action plans that specifically address the issues raised in each of the Common Law Employer Satisfaction Surveys;

- b. Implementing the correction action plans within fifteen (15) calendar days of the development of the corrective action plans or such longer time that may be approved by the Department.

F. Coordinating and Communicating with Supports Coordination Organizations, Administrative Entities and ODP. A Supports Coordination Organization (“SCO”) supports ODP in coordinating services and provides supports for people with intellectual disabilities and their families. An Administrative Entity (“AE”) is a county/joinder or non-governmental entity with an agreement or contract with the Department to perform operational and administrative functions delegated by the Department, related to the Department's approved Consolidated and P/FDS Waivers. The selected Offeror must:

1. Coordinate its activities and communicate effectively with SCOs, AEs, and ODP staff;
2. Provide orientation and training as needed or requested, to SCOs and AEs regarding the role and responsibility of the selected Offeror;
3. Report overuse of SSW hours to the entity responsible for authorizing the services in the ISP in accordance with policies developed by ODP; and
4. Respond to complaints or grievances submitted to the selected Offeror by Supports Coordinators and SCOs and/or AEs within two (2) business days.

G. Providing Common Law Employer Orientation and CLE Skills Training. The selected Offeror must:

1. Have a CLE orientation process that uses a standard curriculum and materials that are pre-approved by ODP;
2. Provide to CLEs orientation, prior to their employment of qualified SSWs, a standard orientation that includes, but is not necessarily limited to, an introduction to the contents of the CLE and SSW enrollment materials and how they should be completed;
3. Assist CLEs with completing CLE packets and forms, as requested;
4. Conduct face-to-face meetings about the roles and responsibilities of the CLE in the participant’s home when requested;
5. Provide orientation and CLE skills training within fifteen (15) business days of receipt of a request for someone to become a CLE;
6. Provide documentation and review with each CLE:
 - a. The role and responsibilities of the selected Offeror’s organization, including level of interaction with qualified SSWs, vendors and support coordinators and the incident reporting system;
 - b. The functions provided by the selected Offeror;
 - c. The selected Offeror’s hours of operation;
 - d. Key contacts at the selected Offeror;
 - e. The toll-free telephone, TTY and fax numbers;
 - f. A Participant Bill of Rights approved by ODP;
 - g. The Common Law Employer Handbook;
 - h. The protocol for returning calls/voice mail messages from CLEs, participants and SSWs;
 - i. The process for receipt and processing of timesheets and processing of qualified SSW payroll options including schedule for submitting timesheets and paydays;

- j. The process for purchasing approved goods and services from vendors, paying for mileage reimbursement, and submitting invoices for payment including schedule for submitting invoices and payment schedule;
 - k. The process and timeframe for resolving issues and complaints;
 - l. Effective practices for creating job descriptions, recruiting, screening, interviewing, hiring, establishing work schedules, training, supervising, completing and submitting time sheets, completing SSW evaluations and dismissing SSWs from employment;
 - m. The process for reviewing workplace safety issues and strategies for effective management of workplace injuries;
 - n. The need to inform qualified SSWs of their right to file unemployment and workers' compensation insurance claims, when appropriate;
 - o. The need to and process for completing and submitting Worker Termination Forms to the selected Offeror within twenty-four (24) hours of when a qualified SSW ceases working for the CLE; and
 - p. The process and timeline for conducting the CLE satisfaction surveys.
7. Develop a process for providing ongoing employer skills training to CLEs using a standard curriculum and materials that are pre-approved by ODP; and
 8. Identify CLEs who may need or desire additional employer skills training in consultation with the SCOs, AEs and ODP.

H. Enrolling Individuals with the selected Offeror as the Common Law Employer.

The selected Offeror must:

1. Have written policies and procedures related to the completion of the tasks listed below;
2. Have written internal controls, including segregation of duties, related to the completion of the tasks listed below;
3. Prepare and receive ODP approval of a *Common Law Employer Enrollment Packet*. The selected Offeror must submit the packet and any subsequent revisions to ODP thirty (30) days prior to distributing the packet or making any changes to an existing packet. The packet must include, at a minimum:
 - a. Cover letter or brochure that includes the selected Offeror's staff contact information, days and hours of operations, toll-free number and TTY/TDD number, availability of VF/EA FMS materials in alternate print, roles and responsibilities of the selected Offeror, CLE, waiver/program participant, qualified SSWs and vendor, as applicable;
 - b. Verification that the Offeror approved the completed SSW required information and forms in order to let the CLE know that the SSWs are enrolled and qualified to provide support (<https://www.myodp.org/course/view.php?id=416>);
 - c. ODP Back-up Qualified SSW and/or Natural Supports Staff Designation Form and Instructions (<https://www.myodp.org/course/view.php?id=416>);
 - d. ODP Common Law Employer Agreement Form and Instructions (<https://www.myodp.org/course/view.php?id=416>);
 - e. ODP Employee Qualification Form and Instructions (<https://www.myodp.org/course/view.php?id=416>);
 - f. ODP Common Law Employer Monthly Progress Notes Form and Instructions (<https://www.myodp.org/course/view.php?id=416>);

- g. Semi-completed Form SS-4, *Application for Employer Identification Number* and instructions;
 - h. Semi-completed Form 2678, *Employer/Payer Appointment of Agent* and instructions;
 - i. Semi-completed Form 8821, *Tax Information Authorization* and instructions;
 - j. Semi-completed Form PA Form UC-884 *PA Unemployment Compensation Power of Attorney* and instructions;
 - k. Semi-completed Form PA-100, *PA Enterprise Registration* and instructions for registering participant as an employer for state income tax withholding and unemployment tax filing and payment purposes;
 - l. PA New Hire Form (form PA BUR 1575) and instructions or generic form to collect the required information for electronic filing by the selected Offeror;
 - m. The process for qualified employee employment status change;
 - n. *Qualified SSW Termination Form* (<https://www.myodp.org/course/view.php?id=416>) ;
 - o. Appropriate paperwork for obtaining workers' compensation insurance policy;
 - p. *FMS Individual Termination Form* (<https://www.myodp.org/course/view.php?id=416>);
 - q. Workplace safety information including but not limited to:
 - Participant site and home safety check list;
 - Procedures for identifying and reporting on qualified employees injuries for workers' compensation insurance purposes;
 - Procedures for addressing emergencies;
 - List of emergency contacts and telephone numbers (home and cell if available); and
 - Universal precautions procedures, safe lifting techniques and body mechanics.
 - r. Qualified SSW Timesheet and instructions;
 - s. The due date and payment schedule for Qualified SSW Timesheets and authorized goods and services, vendor services (<https://www.myodp.org/course/view.php?id=416>);
 - t. The Common Law Employer Enrollment Forms Check List; and
 - u. A self-addressed stamped envelope, and options to fax or scan/email
4. Provide the *Common Law Employer Enrollment Packets*, as described above, to the individual within three (3) business days of receipt of a request for someone to become a CLE;
 5. Collect and process completed documents and forms included in the Common Law Employer Enrollment Packet and review for completeness, and enroll CLEs within fifteen (15) business days of receipt of a correctly completed enrollment packet;
 6. Apply for (through the completion and submission of the IRS Form SS-4, *Application for Employer Identification Number*), and obtain a FEIN for each CLE it represents as agent;
 7. Maintain a copy of the completed IRS Form SS-4 and *Notice of Federal EIN* in each CLE's file;
 8. Register each CLE as an employer for state income tax withholding taxes with the PA Department of Revenue using the Form PA-100, *PA Enterprise Registration*;

9. Obtain a PA Employer Withholding Account Identification Number for each participant it represents as employer agent for state income tax (“SIT”) withholding purposes;
10. Maintain a copy of the Form PA-100 and the PA Employer Withholding Account Identification Number for SIT purposes in each CLE’s file;
11. Register each CLE as an employer for state unemployment insurance (SUI) taxes with the PA Department of Labor and Industry using the Form PA-100, *PA Enterprise Registration*;
12. Obtain a PA Employer UC Account Identification Number for SUI purposes for each CLE; and
13. Maintain a copy of the Form PA-100 and a PA Employer UC Account Identification Number in each CLE’s file.

I. Enrolling Qualified SSWs and Vendors. The selected Offeror must:

1. Prepare and receive ODP approval of a *Qualified SSW Employment Enrollment Packet*. The selected Offeror must submit to ODP the packet and any subsequent revisions for approval thirty (30) calendar days prior to distributing the initial packet or making any changes to an existing packet. The selected Offeror will include , at a minimum, the following information:
 - a. An introductory letter;
 - b. The SSW application and instructions (including information reporting on the relationship between the CLE and the qualified SSW);
 - c. The Qualified SSW Agreement (<https://www.myodp.org/course/view.php?id=416>);
 - d. A Notice form for pre-employment criminal background checks and state criminal background check (Form SP-164), *FBI Criminal History Check* and *DHS Child Abuse History Check* (Form CY-113) forms and instructions;
 - e. IRS Form W-4, *Employee Withholding Allowance Certificate* with instructions;
 - f. US CIS Form I-9 *Employment Eligibility Verification* with instructions;
 - g. PA New Hire Reporting Form and instructions or generic form to collect the required new hire reporting information for electronic filing by the selected Offeror;
 - h. The SSW Rate Sheet (<https://www.myodp.org/course/view.php?id=416>);
 - i. Time sheets and instructions;
 - j. Timesheet due dates and payday schedule;
 - k. The Pay Selection Option form for the SSW;
 - l. Notice of Availability of Direct Deposit information and form;
 - m. *The Qualified SSW Employment Enrollment Checklist*; and
 - n. Self-addressed stamped envelope.
2. Assist SSW with completion of forms, if requested;
3. The selected Offeror will enroll SSWs within twenty-one (21) business days of receipt of a complete, qualified enrollment packet.
4. Prepare a *Vendor Packet*. The selected Offeror must submit the initial packet and any subsequent revisions to ODP for approval thirty (30) calendar days prior to issuing the initial packet or making any changes to an existing packet. The selected Offeror must include the following information, at a minimum:
 - a. The Vendor Payment Information Form (<https://www.myodp.org/course/view.php?id=416>);

- b. IRS Form W-9, *Request for Taxpayer Identification Number and Certification* and instructions for vendors who provide approved goods and services;
 - c. IRS Form SS-8, *Determination of Worker Status for Purposes of Federal Employment Taxes and Income Tax Withholding* and instructions for when to use the Form;
 - d. The *Vendor Payment Packet Checklist*; and
 - e. A Self-addressed stamped envelope;
5. Distribute the *Qualified SSW Employment Enrollment Packet* and the *Vendor Payment Packet* to the CLE within three (3) business days of receipt of referral from the Support Coordinator informing the selected Offeror that the participant wishes to use VF/EA FMS services.
 6. Have a system in place for notifying the CLE of needed information that has not been submitted;
 7. Collect and process completed documents and forms and file with the appropriate federal, state and local government agencies. Copies of all documentation must be retained in the applicable Qualified SSW or Vendor file;
 8. Process SSW's IRS Forms W-4;
 9. Maintain copies of IRS Forms W-4 in each qualified SSW's file;
 10. Maintain copies of the US CIS Form I-9, *Employment Eligibility Verification* in each qualified SSW's file;
 11. Submit the required documentation for *State Police Criminal Background Check* (Form SP-164), *FBI Criminal Background Check*, and *DHS Child Abuse Clearance* (Form CY-113) for the CLE's SSW candidate;
 12. Receive and maintain background results on CLE's SSW candidates on file and provide results to the CLE upon request;
 13. Confirm each qualified SSW's social security number and vendor's social security number or FEIN, as appropriate through the SSA's *Business Services Online* system;
 14. Collect information on whether a qualified SSW meets one of the criteria to be FICA/FUTA or SUTA exempt per Section 3 of IRS Publication 15 and Pennsylvania ("PA") Unemployment Compensation ("UC") Law Section 4(l)(4)(5), respectively;
 15. Report participants' new hires through the PA New Hires Program within twenty (20) calendar days of hire; and
 16. Maintain copies of New Hire Reporting documentation in qualified SSWs' files.

J. Processing a Common Law Employer's Disenrollment from a VF/EA FMS Organization. The selected Offeror must:

1. Revoke the IRS Form 2678 with the CLE, when appropriate;
2. Maintain a copy of the revoked Form 2678 and the IRS revocation confirmation letter (LTR 4228C) in the CLE's archived file;
3. Revoke the IRS Form 8821 with the CLE, when appropriate;
4. Maintain a copy of the revoked Form 8821 in the CLE's archived file;
5. Retire the CLE's FEIN, when appropriate;
6. Maintain a copy of the documentation of the FEIN retirement in the CLE's archived file;
7. Revoke the PA UC-884, *Power of Attorney* with the CLE, when appropriate;
8. Maintain a copy of the revoked PA UC-884, *Power of Attorney* in the CLE's archived file;

9. Retire the CLE's PA Department of Revenue state income tax withholding employer tax account number, when appropriate, by filing the PA DoR Form REV-1706, *Business Cancellation Form*;
10. Maintain a copy of the PA DoR Form REV-1706 in the CLE's archived file;
11. Retire the CLE's State Department of Labor and Industry state unemployment insurance tax employer tax account number when appropriate, by using the PA Form UC-2B, *Employer's Report of Employment and Business Changes*;
12. Maintain a copy of the PA Form UC-2B in the CLE's archived file;
13. Compute, withhold and file final state income tax taxes (even when the final filing is zero wages);
14. Deposit final state income tax (even when the final filing is zero wages);
15. Maintain a copy of the final state income tax filing and deposit and related correspondence in the CLE's archived file;
16. Compute, withhold and file final state unemployment taxes (even when the final filing is zero wages);
17. Deposit final state unemployment taxes (even when the final filing is zero wages);
18. Maintain copies of the documentation of the filing and payment of the CLE's final state income tax and unemployment taxes in the CLE's archived file;
19. Terminate the CLE's workers' compensation insurance policy, when appropriate and submit any premium refund to the Department (i.e., via offset of future payment); and
20. Maintain documentation related to terminating the CLE's workers' compensation insurance policy in the CLE's archived file.

K. Processing and Distributing Qualified SSWs Payroll and Related Taxes and Insurances. The selected Offeror must:

1. Determine if the qualified SSW is a family member who is exempt from paying into FICA and/or FUTA and SUTA and process payroll and related federal taxes accordingly;
2. Maintain documentation on relationship of CLE to the qualified SSW in the SSW's file;
3. Determine if a qualified SSW is a non-resident of Pennsylvania and the appropriate method to be used for state income tax withholding;
4. Maintain documentation on the qualified SSW's non Pennsylvania resident status in the worker's file;
5. Verify qualified SSW hourly wage is in compliance with federal, state, and PA Department of Labor and Industry wage and hour rules for domestic service workers;
6. Develop and produce timesheets and instructions for qualified SSWs;
7. Collect, verify and process qualified SSW time sheets per PA Department of Labor & Industry requirements;
8. Maintain copies of time sheets in qualified SSWs file;
9. Compute, withhold, file, and track federal income tax withholding quarterly in the aggregate using the selected Offeror's separate FEIN and using the IRS Form 941, *Employer's Quarterly Federal Tax Report* and IRS Form 941 Schedule R, *Allocation for Aggregate Form 941 Filers* and Schedule B, *Report of Tax Liability for Semi-Annual Schedule Depositors*, as appropriate;

- 10.** Process requests for voluntary deductions from the wages paid to SSW for the convenience of those employees as permitted and authorized by Section 3 of the Wage Payment and Collection Law (43 P.S. § 260.3) and its implementing regulations, provided that the third party receiving the deductions is a not-for-profit organization exempt from taxes under Section 501(c) of the Internal Revenue Code in good standing. When requests for voluntary deductions are made, the cost of processing such voluntary requests for deductions and transmittal of those deductions to the third party shall be borne by the third party, with the proviso that said costs shall be limited to the actual and reasonable costs of modifying the existing payroll system to permit these periodic deductions. When processing such requests, the selected Offeror shall:
 - a.** Create an accurate payroll deduction mechanism that deducts the applicable payments each two-week pay period and transmits the payments on a monthly basis to the third party;
 - b.** Print the amount deducted on the SSW's payroll form; and
 - c.** Have a record keeping system which maintains an accurate list of those SSWs who have submitted signed authorizations for the voluntary deductions and transmittal of those deductions to the third party.

The authorization for voluntary deductions shall cease when any of the following occur:

- a.** The SSW has been terminated from employment;
 - b.** The SSW no longer authorizes voluntary deductions; or
 - c.** The third party will no longer accept deductions from the SSW.
- 11.** Compute, withhold, file and track Medicare and Social Security taxes ("FICA") quarterly in the aggregate using the selected Offeror's separate FEIN, using the IRS Form 941, *Employer's Quarterly Federal Tax Report*, along with IRS Forms 941 Schedule R, *Allocation for Aggregate Form 941 Filers* and Schedule B, *Report of Tax Liability for Semi-Annual Schedule Depositors*, as appropriate;
- 12.** Maintain copies of the filed IRS Forms 941, Schedule R and Schedule B and related correspondence in the selected Offeror's file;
- 13.** Deposit federal income tax withholding electronically ("EFTS filing") in the aggregate using the selected Offeror's separate FEIN per IRS depositing rules;
- 14.** Maintain copies of federal income tax withholding deposit documentation in the selected Offeror's file;
- 15.** Deposit FICA in the aggregate electronically (EFTS filing) using the selected Offeror's separate FEIN per IRS depositing rules;
- 16.** Maintain copies of FICA deposit documentation in the selected Offeror's file;
- 17.** Compute, withhold and file FUTA annually in the aggregate using the selected Offeror's separate FEIN and the IRS Form 940, *Employer's Annual Federal Unemployment (FUTA) Report*, Schedule R, *Allocation Schedule for Form 940 Filers* and Schedule A, *Multi-State Employer and Credit Reduction Information*, as appropriate;
- 18.** Maintain copies of filed Form 940, Schedules A and R, as appropriate, and related documentation in the selected Offeror's files;

19. Deposit FUTA in the aggregate electronically (EFTS filing) using the selected Offeror's separate FEIN per IRS depositing rules;
20. Maintain copies of FUTA deposit documentation in the selected Offeror's file;
21. Create a User ID/Password and register PA Employer Withholding Account Identification Number to electronically file returns and payments when using e-TIDES Internet Filing Systems at <http://www.etides.state.pa.us>;
22. Maintain copies of all documentation related to e-TIDES authorization for state income tax withholding in the selected Offeror's file;
23. Compute and withhold, at the current PA SIT tax rate, state income tax withholding for each CLE's qualified SSW (resident or nonresident);
24. Deposit state income tax withholding for each CLE's qualified SSW (resident or nonresident) electronically using the *e-TIDES Internet Filing System* based on the payment filing frequency determined by PA Department of Revenue (semi-monthly, monthly or quarterly);
25. Maintain copies of state income tax withholding deposits and related correspondence in each CLE's file;
26. File quarterly reconciliations of state income tax withholding withheld, including zero wages for each CLE (resident or nonresident) electronically using the *e-TIDES Internet Filing System*;
27. Maintain copies of quarterly reconciliations of state income tax withholding withheld and other related documentation and correspondence in each CLE's file;
28. File an annual reconciliation (along with the accompanying individual wage statements) for each CLE (resident or nonresident) electronically using the e-TIDES Internet Filing System;
29. Maintain copies of the annual reconciliation (Form REV-1667 and other appropriate documentation) and related correspondence in each CLE's file;
30. File for and receive authorization from the PA Department of Labor and Industry to file state unemployment taxes electronically through the Pennsylvania Unemployment Compensation Management System ("UCMS");
31. Maintain copies documentation related to UCMS for state unemployment insurance taxes in the selected Offeror's file;
32. Determine if any CLE has qualified SSWs that are exempt from filing and paying state unemployment insurance taxes pursuant to the Fair Labor Standards Act and process them accordingly;
33. Compute, withhold and file state unemployment insurance tax quarterly for each CLE (even when zero wages are reported) using the UCMS;
34. Maintain a report of wages paid and correspondence in calendar year for each CLE's qualified SSW who are currently non-liable, in each CLE's file;
35. Deposit state unemployment insurance tax quarterly for each CLE (including last filing even when zero wages are reported) using the UCMS;
36. Maintain copies of state unemployment insurance deposits and correspondence in each CLE's file;
37. File state income tax withholding for non-PA resident employees, (Form REV 420, *Employee's Statement of Non residence in PA and Authorization to Withhold State Income Tax*, and Form REV-419, *Employee Non Withholding Application*, and others as required), as appropriate;
38. Maintain copies of non-PA resident employee state income tax withholding filings and correspondence in each qualified SSW's file;

39. Deposit state income tax withholding for non-PA resident SSWs, as appropriate and maintain copies of filings, payments and correspondence in each qualified SSWs file;
40. Maintain copies of non-PA resident SSW state income tax withholding payments and correspondence in each qualified SSW's file;
41. File local earned income taxes ("EIT") and local services taxes ("LST"), per the requirements of the jurisdiction;
42. Maintain copies of the EIT and LST forms and any additional correspondence in each CLE's and qualified SSWs file;
43. Deposit local EIT and LST, per the requirements of the jurisdiction;
44. Maintain copies of proof payments and any additional correspondence in each CLE's and qualified SSWs file;
45. Reconcile the filing and payment local EIT withholding and applicable LST for each CLE, as required, using each locality's reconciliation forms, as applicable;
46. Maintain copies of local EIT withholding and applicable LST reconciliation forms and correspondence in each CLE's file;
47. Process all judgments, garnishments, tax levies or other related holds on qualified SSWs pay as may be required by federal or state governments;
48. Maintain copies of judgments, garnishments, tax levies, and other related hold documentation in qualified SSWs' files;
49. Generate and disburse payment to SSWs on or before the Friday following the prior two-week pay period;
50. Process direct deposit of qualified SSWs' payroll options as requested;
51. Maintain copies of direct deposit documentation in qualified SSWs' files;
52. Develop a system for managing improperly issued payroll options, stop payment on payroll transactions, and for the re-issuance of lost, stolen or improperly issued payroll transactions including:
 - a. Maintenance of a log of voided and reissued transactions, including all pertinent information;
 - b. Proper authorization of all stop payments and re-issuances; and
 - c. Timeframe for re-issuance payroll and issuance of stop payment request;
53. Research and resolve any tax notices received from the IRS, PA Department of Revenue and PA Department of Labor and Industry regarding SSW tax liabilities/liens;
54. Maintain an accounting system of all tax notices received from the IRS, PA Department of Revenue and PA Department of Labor and Industry regarding SSW liabilities/liens; and
55. Process Department of Labor and Industry Reason for Separation Notice for SSWs who no longer work for a participant within ten (10) days of receipt of notice.

L. End of Year Tax and Other Activities. The selected Offeror must:

1. Maintain a written procedure to update CLE and qualified SSW address or phone number changes prior to mailing out tax information in January of each year;
2. Process refunds of over-collected FICA for SSWs in accordance with state and federal requirements;
3. Maintain documentation related to FICA refunding in each applicable CLE and qualified SSW file;

4. Process, file and distribute IRS Forms W-2, *Wage and Tax Statement* for all qualified SSWs in accordance with IRS instructions for agents. As part of this process, the total gross payroll per the Form W-2 must be reconciled to the calendar year's total gross payroll;
5. Verify that each qualified SSW's social security number matches the name and date of birth information obtained from SSA's *Business Services Online* prior to submitting IRS Forms W-2 to SSA each calendar year;
6. Maintain copies of the federal copy of Forms W-2 and related documentation in each qualified SSW's file;
7. Process and file IRS Form W-3, *Transmittal of Wage and Tax Statement*, as appropriate (Note: If IRS Forms W-2 are filed electronically the IRS Form W-3 is not necessary);
8. Maintain copies of IRS Form W-3, as appropriate, in the selected Offeror's file;
9. Process any returned qualified SSW payroll options or vendor payments in accordance with PA Unclaimed Property Laws; and
10. Maintain copies of PA Unclaimed Property-related documentation in the qualified SSW's or vendor's file.

M. Processing and Tracking Payments for Vendor-Delivered Participant-Directed Goods and Services and Mileage Reimbursement. The selected Offeror must:

1. Receive, verify, process and pay all invoices from vendors providing outcome-based participant-directed goods and services (e.g. assistive technology, specialized supplies, etc.) in accordance with the participant's authorized ISP;
2. Maintain the appropriate payment related documentation in the vendor's file;
3. Process any returned vendor payments in accordance with PA Unclaimed Property Laws;
4. Process and file IRS Forms 1099-Misc, *Miscellaneous Income*, as applicable, for mileage reimbursement to individuals who are not SSWs that provide transportation services to participants when such individuals earn more than six hundred dollars (\$600) in a calendar year and maintain copies of documentation in the individuals' files; and
5. File an applicable IRS Form 1096, when not filing the IRS Form 1099-Misc electronically, for individuals who receive mileage reimbursement with the IRS and the PA Department of Revenue and maintain copies of documentation in the individual's files.

N. Establishing and Maintaining Files and Documentation. The selected Offeror must:

1. Establish and maintain CLE files in an accurate, complete, secure and confidential manner and for the required period of time as mandated by applicable federal, state and local rules and regulations. The files must include, but not be limited to the following information:
 - a. CLE's name;
 - b. CLE's address and email address if available;
 - c. CLE's phone number (home and cell if available);
 - d. Name, address, email address if available, phone numbers (home and cell if available) of individual if he/she is not the CLE;
 - e. Participant's MA Identification (MCI) Number;
 - f. Participant's emergency contact person;

- g.** Participant's emergency contact person's phone number (home and cell if available) and email address (if available).
- h.** Completed Common Law Employer Enrollment Packet forms as outlined in Part III, Section III-19.H;
- i.** Verification of qualified Common Law Employer orientation (as needed)
- j.** Completed Qualified SSW Employment and Vendor and Enrollment Packet forms as outlined in Part III, Section III-19.H;
- k.** The participant's current ISP;
- l.** Copy of the revoked IRS Form 2678, IRS confirmation of IRS Form 2678 revocation and any related correspondence from the IRS, as applicable;
- m.** Copy of the letter retiring CLE's FEIN, when applicable;
- n.** Copy of the IRS Form 8821 renewal (as applicable) and any related correspondence from the IRS, as applicable;
- o.** Copy of the IRS Form 8821 revocation (as applicable) and any related correspondence with the IRS, as applicable;
- p.** Copy of the PA Form UC-2B, *Employer's Report of Employment Business Change*, revoking the individual's SUTA account number and Power of Attorney, when appropriate;
- q.** Copy of the PA DOR Form REV-1706, *Business Account Cancellation*, when appropriate;
- r.** Copies of all PA DOR Form PA-W3, *Employer Quarterly Return of Income Tax Withheld* (for remittance monthly and semi-monthly) including final return filed (even if its zero reporting) or copies of proof of filing if return filed electronically;
- s.** Copies of the Form PA-501 *Employer Quarterly Deposit Statement of Withholding Tax* or copies of proof of filing if return filed electronically;
- t.** Copies of all Form PA REV-1667, (*Annual Reconciliation*) or copies of proof of filing if return filed electronically;
- u.** SIT and SUI account numbers;
- v.** Copies of documentation of all payments of SIT withholding or payment of receipt if payments are made electronically;
- w.** Copies of filing and payments of income tax withholding for PA non residence employees, as applicable;
- x.** Copy of Form UC-851, *Notice of Pennsylvania Unemployment Compensation Responsibilities* (provides the UC account number assigned as well as other UC tax information);
- y.** Copies of Form UC-657, *Contribution Rate Notice*;
- z.** Copies of quarterly Form UC-2, *Employer's Report for Unemployment Compensation*, and Form UC-2A, *Employer's Quarterly Report of Wages Paid to Each Employee* or copy of proof or filing if return filed electronically;
- aa.** Copies of proof of payment of UC taxes for individual or payment receipt if payment is made electronically;
- bb.** Copies of all individual-specific state unemployment insurance benefits payments;
- cc.** Copies of the PA UC-2B, *Employer's Report of Employment Business Change*, when appropriate.
- dd.** Copy of registration of CLE with local taxation authorities as an employer for purpose of locality tax filing and payment;

- ee.** Copies of all CLE local earned income tax and locality tax filings, or copy of proof of filing if return filed electronically;
 - ff.** Copies of all CLE local EIT and LST payments or payment receipts if payments are made electronically;
 - gg.** Copies of documentation related to any FICA refunding (employee portion) process and returned to eligible, qualified SSW's;
 - hh.** Copies of documentation related to any FICA refunding (employer portion) processed and returned to the State Treasury;
 - ii.** Copies of workers' compensation insurance policies, premium invoices and documentation of payments, refunds and all notices and correspondence;
 - jj.** Copies of completed workers' compensation audit reports, as applicable; and
 - kk.** Copies of Qualified SSW Termination Form.
- 2.** Establish and maintain current SSW's files in an accurate, complete, secure and confidential manner and for the required period of time as mandated by applicable federal, state and local rules and regulations. Files must include, but not be limited to the following information:
- a.** CLE's name;
 - b.** CLE's address;
 - c.** CLE's phone numbers (home and cell if available);
 - d.** CLE's email address if available;
 - e.** Name, address, email address if available, and phone numbers (home and cell if available) of individual if he/she is not the CLE;
 - f.** SSW's name;
 - g.** SSW's address;
 - h.** SSW's phone numbers (home and cell if available);
 - i.** SSW's email address if available;
 - j.** CLE's MA Identification (MCI) Number;
 - k.** CLE's emergency contact person;
 - l.** Copy of the Qualified SSW Employment Enrollment Packet forms as described in Part III, Section III-19.I;
 - m.** Copies of documentation verifying the SSW's social security number matches the name and date of birth information provided obtained through the Social Security Administration's *Business Service Online*;
 - n.** Dates of employment for each qualified SSW;
 - o.** Copies of qualified SSW State Police Criminal Background, FBI Criminal History Clearance, and DHS Child Abuse History Clearance (as applicable) consent, forms (State Police Criminal Background Check Form SP-164 and PA DHS/OCYF Child Abuse History Clearance Form CY-113 and FBI Criminal History Clearance form) and results;
 - p.** Determination of qualified SSWs state of residence;
 - q.** If worker is a non-PA resident, copy of Form REV-419, *Employee's Non withholding Application* and Form REV-420, *Employee's Statement of Non residence in Pennsylvania and Authorization to Withhold Other State's Income Tax*, as applicable and required;
 - r.** Copies of filings and payments of out-of-state income tax withholding, when applicable;
 - s.** Copies of SSWs time sheets;
 - t.** Copy of completed State New Hire Reporting documentation;

- u. Copies of documentation regarding any judgments, garnishments and tax levies or any related holds on the SSW's pay as may be required by federal or state government;
 - v. Copies of completed IRS Forms W-2 and W-2(c), as applicable;
 - w. Copies of documentation regarding any FICA refunds processed (employee portion) and copies of cancelled refund checks;
 - x. Copies of documentation of requests for verification of SSW wages requested by federal and state agencies, as applicable;
 - y. Copies of documentation of any workers' compensation insurance claims filed by SSW or documentation that the selected Offeror made every attempt to obtain the documentation;
 - z. Copies of documentation of submission of SSW returned/not cancelled payroll options, FICA refund checks or any other payments due to the PA Department of Treasury, Bureau of Unclaimed Property;
 - aa. Copy of Qualified SSW Termination Form; and
 - bb. Copy of completed PA Department of Labor & Industry Reason for Separation Notice, if applicable.
3. Establish and maintain files for each vendor and any person who received mileage reimbursement, in an accurate, complete, secure and confidential manner and for the required period of time as mandated by applicable federal, state and local rules and regulations. Files must include, but not be limited to the following documents:
- a. A copy of the *Vendor, Payment Packet* forms as described in Part III, Section III-19.I;
 - b. Copies of invoices and receipts for authorized services rendered;
 - c. Copies of payments made for authorized services rendered;
 - d. A copy of vendor's completed Form SS-8, *Determination of Worker Status for Purposes of Federal Employment Taxes and Income Tax Withholding* and IRS worker employment status ruling letter, as applicable;
 - e. Copy of IRS Forms W-9, *Request for Taxpayer Identification Number and Certification*; and
 - f. Copies of the IRS Form 1099-M, *Miscellaneous Income*, when an individual who receives mileage reimbursement is paid six hundred dollars (\$600) or more in a calendar year.
4. Establish and maintain the selected Offeror's files in an accurate, complete, secure and confidential manner and for the required period of time as mandated by applicable federal, state and local rules and regulations. Files will include, but not be limited to the following information:
- a. Copy of the Selected Offeror's MA Provider Agreement;
 - b. Documentation regarding registration with the Pennsylvania Department of State to do business in the state;
 - c. Documentation verifying financial viability as described in Section III-18;
 - d. Documentation regarding the IRS Form SS-4 to receive the selected Offeror's separate FEIN, FEIN Notification from the IRS and the retirement of the selected Offeror's separate FEIN, when/if applicable;
 - e. Aggregate filings of IRS Forms 941 (federal income tax withholding and FICA [Social Security and Medicare]) with individual-level income tax withholding, Schedules R and Schedule B, IRS Form 941-X, as appropriate, for each CLE and qualified SSW;

- f. Aggregate payments of FICA and federal income tax withholding and the individual-level tax payment back-up for each individual/qualified SSW;
 - g. Documentation of the receipt of aggregate FICA refunds and documentation on the individual-level related to FICA refunds;
 - h. Aggregate filings of IRS Forms 940 (FUTA) and Schedule R and the individual FUTA filing back-up for each CLE;
 - i. Aggregate payment of FUTA and the individual-level payment back-up for each CLE;
 - j. All communications with federal, state and local tax, labor and workers' compensation insurance, and DHS, ODP, SCEs, and AEs as applicable; and
 - k. Other documentation, as applicable.
5. Make an individual's specific documentation and records pertaining to the individual and his or her CLE and qualified SSWs and vendors, available to the individual upon request.

O. Procure Worker's Compensation Insurance. The selected Offeror must competitively procure a broker or third party administrator ("TPA") to provide worker's compensation insurance for CLEs. The selected Offeror must provide ongoing management and oversight of the selected broker or TPA. This includes, but is not limited to:

- a. Monitoring the broker/TPA services, including for;
 - i. adjuster handling regarding medical condition, disability, independent medical exams, malingering, and fraud;
 - ii. Case Loads.
- b. Continual review of claims with dollar valuations and description of the incidents;
- c. Conduct analysis for trends in the loss experience which require intervention, as necessary;
- d. Enforcing and collecting reimbursement from a liable party when a loss is caused by a third party.

P. Managing Workers' Compensation Insurance for Common Law Employers. The selected Offeror must:

- 1. Manage the initial application and receipt of individual workers' compensation insurance policies for each CLE;
- 2. Manage the renewal of individual workers' compensation insurance policies for each CLE;
- 3. Manage the timely payment of each CLE's individual workers' compensation insurance premium;
- 4. Provide wage information to workers' compensation insurer(s) to determine qualified SSW benefits, when requested; and
- 5. Facilitate the workers' compensation insurer's annual audit process, including hosting staff on site, and providing necessary documentation; and
- 6. Maintain the following information related to workers' compensation insurance in the CLE's file:
 - a. Workers' compensation insurance application and renewal documentation for each CLE;
 - b. Workers' compensation insurance policies for each CLE;
 - c. Workers' compensation premium documentation for each CLE;

- d. Qualified SSW s wage documentation for determining workers' compensation insurance benefits; and
- e. Relevant workers' compensation insurance audit related documentation for each CLE.

Q. Turnover Services. Turnover is defined as those activities that are required for a selected Offeror to turnover grant services to a subsequent vendor or to Commonwealth resources at the end of the grant agreement.

1. Turnover Scope. During turnover, the selected Offeror must conduct turnover so that participants and program stakeholders do not experience any adverse impact from the transfer of services. Six (6) months prior to the end of the grant agreement term, the selected Offeror must implement a Department approved Turnover Plan. Turnover activities include, but are not limited to:

- a. Transfer of information including documentation relating to software and interfaces; functional business process flows; and operational information concerning subcontractors;
- b. The implementation of a quality assurance process to monitor turnover activities;
- c. The plan for training the State and a subsequent vendor in the delivery of services;
- d. Post-Turnover services including a Turnover Results Report and access to the selected Offeror's staff with technical and operational expertise; and
- e. Appoint, with State approval, a manager to manage and coordinate all turnover activities outlined in the Turnover Plan approved by the State.

2. Selected Offeror Requirements: The selected Offeror will:

- a. Execute the approved Turnover Plan in cooperation and in coordination with the subsequent vendor's Transition Plan.
- b. Maintain service delivery staffing levels (**no** reduction in staffing) during the turnover period, with all changes receiving prior approval by the DHS Grant Administrator.
- c. Not restrict or prevent the selected Offeror's staff from accepting employment or contract positions with the Department or with any successor vendor. The Department will work with the incumbent and selected Offeror on the timing of any transition of incumbent staff.
- d. Notify the DHS Grant Administrator of reassignment or termination of employment or contract with any of its staff during turnover prior to reassignment or termination of the staff.
- e. Provide to the Department or its designee, within fifteen (15) business days of the request, all documentation and records required by the Department or its agents.
- f. Turn over the operation and management of all service delivery functions to the Department or its designee.
- g. Work closely with the Department so that the turnover of responsibilities and the necessary knowledge transfer are completed by the end of the grant agreement period.
- h. Submit turnover deliverables as outlined in the tables below.
- i. Respond to all Department requests regarding turnover information, in the timeframe defined by the Commonwealth at the time of the request.

3. Turnover Deliverables.

a. Turnover Plan Deliverable

Turnover Plan	
Activity	Turnover
Expected Delivery	Submitted for approval no later than nine (9) months prior to the end of the grant agreement term or within three (3) months of request by the Department.
Frequency	Once
Description	<p>The selected Offeror must develop and implement a DHS-approved Turnover Plan covering the turnover of the operational business activities and systems to either the Department or its designee. The Turnover Plan must be a comprehensive document detailing the proposed schedule, activities and systems, and resource requirements associated with the turnover tasks. Additionally, the Turnover Plan must be provided in a format and media specified by the Department.</p> <p>The Turnover Plan must include:</p> <ul style="list-style-type: none"> ▪ Turnover of copies of all relevant data, documentation, or other pertinent information necessary for the Department or its designee to take over and successfully assume operational business activities. ▪ Turnover of correspondence, documentation of outstanding issues, and other service delivery support documentation. ▪ Incorporation of lessons learned from selected Offeror’s Readiness Review. ▪ Turnover Inventory of Documents and Plan. ▪ Turnover Completion Report.

b. Turnover Lessons Learned Report Deliverable

Turnover Lessons Learned Report	
Activity	Turnover
Expected Delivery	Submitted for approval no later than nine (9) months prior to the end of the grant agreement term or within three (3) months of request by the Department.
Frequency	Once
Description	<p>The selected Offeror must provide a Turnover Lessons Learned Report to either the Department or its designee. The Turnover Lessons Learned Report must be a comprehensive document detailing the lessons learned from the Readiness Review process. Additionally, the Turnover Lessons Learned Report, must be provided in a format and media specified by the Department.</p>

c. Turnover Results Report Deliverable

Turnover Results Report	
Activity	Turnover
Expected Delivery	Submitted for approval within thirty (30) calendar days of the completion of Turnover activities.
Frequency	Once
Description	Following turnover of service delivery, the selected Offeror(s) must provide the Department with a Turnover Results Report documenting the completion and outcomes of each step of the Turnover Plan previously approved by the Department. Turnover will not be considered complete and final payment will not be made until the Turnover Results Report is received and approved by the DHS Grant Administrator. Project Closure Correspondence.

III-20. Reports and Project Control. The DHS Grant Administrator will approve report formats and data sources during the selected Offeror’s Readiness Review period. The Department must have read only access to the accounting and information systems for validation of all data contained in reports and to perform ad hoc data queries. The selected Offeror must supply the selected Offeror Relationship Diagram to the DHS Grant Administrator for facilitation of ad hoc reporting. The selected Offeror must provide reports via File Transfer Process (FTP) using the Department’s e-gov application or other secure electronic file transfer process.

A. Quarterly and Annual Status Reports. The selected Offeror must submit quarterly status reports, within 30 calendar days after the end of each quarter, covering activities and issues encountered during the reporting period. The fourth quarterly report must be an annual progress report covering activities and issues of the past full Agreement year as well as recommendations for the next Agreement year. The selected Offeror will present all figures by month, region, county, waiver program and in the aggregate; additional categories apply for some statistics and are listed individually. Quarterly and annual status reports must include:

1. The number and type of training and coordination activities performed as described in Part III-19, Task G;
2. The number of referrals received, from Supports Coordinators, by Supports Coordination Organization, as described in Part III-19 Task I. 5;
3. The number of individuals who stopped receiving VF/EA FMS from the selected Offeror. This number must also be presented by reason for termination, if known;
4. The number of individuals who previously stopped receiving VF/EA FMS from the selected Offeror, but then resumed services during the reporting period;
5. A list of Participants who had no payroll services for the fiscal year; and
6. A Customer Service Report showing the number of calls received, answering time, lost calls, summary of reasons for calls, and how resolution was achieved.

In addition, as appropriate, the selected Offeror will include the following information in its quarterly reports:

1. A description of issues identified by the VF/EA FMS organization, which pose or may pose unnecessary barriers to or delays in the provision of VF/EA FMS. These

issues may be systemic or specific to the business processes within one region or county;

2. Updates on all work plans that are active during the reporting period; and
3. For the annual status report only, identify any trends in the provision of FMS and an explanation of how both best practices and lessons learned will be acted upon.

B. Monthly Reports. The selected Offeror must provide accurate and timely monthly reports, within 10 business days after the end of each month, to ODP and the DHS Grant Administrator, and others as indicated below. The selected Offeror will present all figures by month, region, county, waiver program, and in the aggregate; additional categories apply for some elements and are listed individually. The selected Offeror will:

1. Prepare and distribute monthly utilization reports to CLEs, as specified by ODP;
2. Report overuse of SSW hours to ODP in accordance with the process developed by the selected Offeror and ODP;
3. The selected Offeror will provide monthly reports that include the following information. Reports will be provided in a format agreed upon by the selected Offeror and ODP:
 - a. A list of enrolled SSWs qualified to render services, including name, mailing address, email address if available, phone number (home and cell, if available), unique provider number, NPI, waiver program for which services are provided, average number of hours worked for the month, hire date, pay cycle, payroll status (direct deposit or check), live-in exemption, wage rate and the date of the last qualification determination;
 - b. A list of participants that have active authorizations for services;
 - c. Each SSW's hourly rate;
 - d. The CLE's relationship to each SSW employed by the CLE;
 - e. Each CLE's SUTA rate;
 - f. A list of each SSW that is tax exempt;
 - g. A list of SSWs that are employed by more than one (1) CLE and have overlapping time submitted;
 - h. A list of payments that were not made to any SSW on or before the Friday following any two-week pay period, and the reason(s) payment was not made;
 - i. A list of requests for program exceptions based on established limits;
 - j. A list of CLEs that have paid overtime, the associated participant, the amount of overtime paid, and the SSW that received the overtime payment;
 - k. A list of all payments not processed, and the reason the payments were not processed;
 - l. A list of qualified SSWs by service qualified and status report of qualification during re-qualification period;
 - m. The dates a new participant was referred to the Selected Offeror by a Supports Coordinator and the dates the participant was initially contacted, listed by participant;
 - n. The dates the enrollment packet was sent to the CLE, the enrollment packet, the date the CLE submitted the enrollment packet, the day the Selected Offeror contacted the CLE, and the days between each date, listed by participant;
 - o. The dates new CLE packets were received by the selected Offeror, the date(s) necessary background clearances were completed, and the confirmation that

Offeror approved all required information and forms in order to inform the CLEs that their staff are enrolled and ready to provide support, and the days between each date, listed by participant;

- p. A list of denied claims that have not been resolved after two months of initial denial, listed by participant;
- q. A list of SSWs who are relatives or legal guardians of the participant and who provide more than 40 hours of Companion and/or Home and Community Habilitation services to the participant under the Consolidated or P/FDS waivers in any given work week, AND cases where multiple SSWs who are relatives or legal guardians of the participant provide a collective total of more than 60 hours of Companion and/or Home and Community Habilitation services to the participant under the Consolidated and/or P waivers in any given work week;
- r. A list of SSWs who provide 2:1 staff-to-participant Enhanced Home and Community Habilitation and/or Enhanced Respite, including the number of SSWs working that meet Consolidated and/or P/FDS waiver qualifications, the number of hours worked, and whether the hours worked are consistent with the authorized hours in the participant's ISP; and
- s. Other information as specified by ODP.

C. Problem Identification Report. The selected Offeror must provide an “as required” report, identifying problem areas. The report should describe the problem and its impact on the overall Project and on each affected task. It should list possible courses of action with advantages and disadvantages of each, and include recommendations with supporting rationale.

D. Final Report. The selected Offeror must submit draft copies of the final report prior to submission of the actual report. The final report will be due either at the end of the three-year Agreement period, or at the end of any renewal year if a renewal option is exercised. The final report must include:

- a. An abstract or summary of the selected Offeror activity period in terminology that will be meaningful to management and others generally familiar with the subject areas.
- b. A description of data collection and analysis and other techniques used during the Agreement period.
- c. A summary of findings, conclusions and recommendations for improving the selected Offeror activities.
- d. All supporting documentation; e.g., flow-charts, forms, questionnaires, etc.
- e. A time-phased work plan for implementing the recommendations.

III-21. Performance Standards. The Commonwealth has developed a set of minimum standards, defined below, which the selected Offeror must meet or exceed, in order to ensure critical tasks are delivered as specified in this RFP. The selected Offeror shall describe the nature of its solution and demonstrate how its particular approach will result in services that meet the performance standards.

PERFORMANCE STANDARD	MINIMUM ACCEPTABLE	MEASURE AND VALIDATION METHOD	NONCOMPLIANT REMEDIAL ACTION	REPORTING FREQUENCY
1. Enrollment of CLEs within fifteen (15) business days of selected Offeror's receipt of correctly submitted CLE enrollment Packet.	Up to fifteen (15) business days unless an exception is requested from and approved by ODP.	Comparison of CLE Packet receipt date to completion of enrollment of CLE as documented on the monthly report submitted to ODP.	When five (5) or more CLE enrollments are not completed within the prescribed timeframe, up to 10% of the total amount of the PM/PM for each participant for whom the CLE was not enrolled will be assessed.	Performance measurement to be submitted via monthly report
2. Enrollment of SSWs within twenty-one (21) business days of receipt of the correctly completed enrollment packet.	Up to twenty-one (21) business days unless an exception is requested from and approved by ODP.	Comparison of receipt of correctly completed packet and criminal clearances to written confirmation (date) when the selected Offeror verified the SSW was enrolled and qualified to provide support as documented on the monthly report.	When five (5) or more SSW enrollments are not completed within the prescribed timeframe, up to 10% of the total amount of the PM/PM for each participant for whom the SSW was not enrolled will be assessed.	Performance measurement to be submitted via monthly summary report.
3. Submission of a report showing denied claims that have not been resolved after two (2) months of initial denial	Up to ten (10) business days from the last business day of the previous month, unless an exception is requested and approved by ODP.	Analysis of report showing denied claims that have not been resolved after two (2) months of initial denial	0.5% of the total PM/PM for all participants.	Performance measurement to be submitted monthly
4. Payments to SSWs to be made on or before the Friday following the prior two-week pay period.	On or before the Friday following the prior two-week pay period unless reasonable circumstances for failure to pay are demonstrated; "reasonable	Analysis of monthly report submitted to ODP.	For each SSW enrollment that is not paid within the prescribed timeframe, up to 10% of the total amount of the PM/PM for the	Performance measurement to be submitted monthly.

	circumstances” are at the sole discretion of ODP.		participant the SSW serves may be assessed.	
--	---	--	---	--

- A. The Department will monitor the selected Offeror's performance on an ongoing basis using various methods.
- B. Failure to meet the performance standards will result in damages to the participants and the Department, which will be difficult or impractical to ascertain and may result in the Department assessing liquidated damages. The Department may waive an assessment of liquidated damages at its discretion. The DHS Grant Administrator will give written notice of a failure to meet a performance standard to the selected Offeror. Even if the Department does not assess liquidated damages in a particular instance, the Department is not precluded from pursuing other assessments or remedies relating to those performance standards and their associated damages.
- C. For any performance deficiency, including those related to performance standards and in addition to any other remedy the Department may have, the selected Offeror will prepare and submit a corrective action plan for all findings contained in a notice of deficiency. The selected Offeror must submit the corrective action plan to the Department within ten (10) business days of notification of the deficiency or such longer time as permitted by the Department.
- D. The corrective action plan must include, but is not limited to:
 1. Brief description of the findings;
 2. Specific steps the selected Offeror will take to correct the situation or reasons why it believes corrective action is not necessary;
 3. Name(s) and title(s) of responsible staff person(s);
 4. Timetable for performance of the corrective action steps;
 5. Monitoring that will be performed to ensure that corrective action steps were implemented; and
 6. Signature of the selected Offeror’s project manager or a senior executive.
- E. The selected Offeror must implement the corrective action plan within the timeframe agreed to by the parties. The Department may take further action based on selected Offeror’s failure to implement the agreed upon corrective action plan.

III-22. Objections and Additions to Standard Contract Terms and Conditions. The Offeror will identify which, if any, of the terms and conditions (contained in **Part VI**) it would like to negotiate and what additional terms and conditions the Offeror would like to add to the standard contract terms and conditions. The Offeror’s failure to make a submission under this paragraph will result in its waiving its right to do so later, but the Department may consider late objections and requests for additions if to do so, in the Department’s sole discretion, would be in the best interest of the Commonwealth. DHS may, in its sole discretion, accept or reject any requested changes to the standard contract terms and conditions. The Offeror shall not request changes to the other provisions of the RFP, nor shall the Offeror request to completely substitute its own terms and conditions for **Part VI**. All terms and conditions must appear in one integrated contract. The Department will not

accept references to the Offeror's, or any other, online guides or online terms and conditions contained in any proposal.

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

PART IV

COST SUBMITTAL

IV-1. Cost Submittal. The information requested in this **Part IV** shall constitute the Cost Submittal. The Cost Submittal shall be placed in a separate sealed envelope within the sealed proposal, separated from the technical submittal. The total proposed cost should be broken down into the components set forth in **Appendix I – Cost Submittal Worksheet**. The percentage of commitment to Small Diverse Businesses and Small Businesses should not be stated in the Cost Submittal. Offerors should **not** include any assumptions in their cost submittals. If the Offeror includes assumptions in its cost submittal, the Department may reject the proposal. Offerors should direct in writing to the Department pursuant to **Part I, Section I-10** of this RFP any questions about whether a cost or other component is included or applies. All Offerors will then have the benefit of the Department's written answer so that all proposals are submitted on the same basis.

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

PART V

SMALL DIVERSE BUSINESS AND SMALL BUSINESS PARTICIPATION SUBMITTAL

V-1. Small Diverse Business and Small Business General Information. The Department encourages participation by Small Diverse Businesses and Small Businesses as prime contractors, and encourages all prime contractors to make significant commitments to use Small Diverse Businesses and Small Businesses as subcontractors and suppliers.

A Small Business must meet each of the following requirements:

- The business must be a for-profit, United States business;
- The business must be independently owned;
- The business may not be dominant in its field of operation;
- The business may not employ more than 100 full-time or full-time equivalent employees;
- The business, by type, may not exceed the following three-year average gross sales:
 - Procurement Goods and Services: \$20 million
 - Construction: \$20 million
 - Building Design Services: \$7 million
 - Information Technology Goods and Services: \$25 million

For credit in the RFP scoring process, a Small Business must complete the DGS/BDISBO self-certification process. Additional information on this process can be found at: <http://www.dgs.pa.gov/Businesses/Small%20Business%20Contracting%20Program/Pages/default.aspx>.

A Small Diverse Business is a DGS-verified minority-owned small business, woman-owned small business, veteran-owned small business, service-disabled veteran-owned small business, LGBT-owned small business, Disability-owned small business, or other small businesses as approved by DGS, that are owned and controlled by a majority of persons, not limited to members of minority groups, who have been deprived of the opportunity to develop and maintain a competitive position in the economy because of social disadvantages.

For credit in the RFP scoring process, a Small Diverse Business must complete the DGS verification process. Additional information on this process can be found at: <http://www.dgs.pa.gov/Businesses/Small%20Diverse%20Business%20Program/Pages/default.aspx>.

An Offeror that qualifies as a Small Diverse Business or a Small Business and submits a proposal as a prime contractor is not prohibited from being included as a subcontractor in separate proposals submitted by other Offerors.

A Small Diverse Business or Small Business may be included as a subcontractor with as many prime contractors as it chooses in separate proposals.

The Department's directory of self-certified Small Businesses and DGS/BDISBO-verified Small Diverse Businesses can be accessed from:
<http://www.dgs.pa.gov/Businesses/Small%20Diverse%20Business%20Program/Small-Diverse-Business-Verification/Pages/Finding-Small-Diverse-Businesses.aspx>.

Questions regarding the Small Diverse Business and Small Business Programs, including questions about the self-certification and verification processes can be directed to:

Department of General Services
Bureau of Diversity, Inclusion and Small Business Opportunities (BDISBO)
Room 601, North Office Building
Harrisburg, PA 17125
Phone: (717) 783-3119
Fax: (717) 787-7052
Email: RA-BDISBOVerification@pa.gov
Website: www.dgs.pa.gov

V-2. Small Diverse Business and Small Business (SDB/SB) Participation Submittal. All Offerors are required to submit **two (2)** copies of the Small Diverse Business and Small Business Participation Submittal Form contained in (**Appendix J**) and related Letter(s) of Intent (**Appendix K**). The submittal must be sealed in its own envelope, separate from the remainder of the proposal, and must be provided on the Small Diverse Business and Small Business Participation Submittal form, with information as follows:

- A.** Offerors must indicate their status as a Small Diverse Business and as a Small Business through selection of the appropriate checkboxes.
- B.** Offerors must include a numerical percentage which represents the total percentage of the total cost in the Cost Submittal that the Offeror commits to paying to Small Diverse Businesses and Small Businesses as subcontractors.
- C.** Offerors must include a listing of and required information for each of the Small Diverse Businesses and/or Small Businesses with whom they will subcontract to achieve the participation percentages outlined on the Small Diverse Business and Small Business Participation Submittal.
- D.** Offerors must include a Letter of Intent (attached as **Appendix K** is a Letter of Intent template which may be used to satisfy these requirements) signed by both the Offeror and the Small Diverse Business or Small Business for each of the Small Diverse Businesses and Small Businesses identified in the Small Diverse Business and Small Business Participation Submittal form. At minimum, the Letter of Intent must include the following:
 - 1.** The fixed numerical percentage commitment and associated estimated dollar value of the commitment made to the Small Diverse Business or Small Business; and
 - 2.** A description of the services or supplies the Small Diverse Business or Small Business will provide; and

3. The timeframe during the initial contract term and any extensions, options and renewals when the Small Diverse Business or Small Business will perform or provide the services and/or supplies; and
 4. The name and telephone number of the Offeror's point of contact for Small Diverse Business and Small Business participation; and
 5. The name, address, and telephone number of the primary contact person for the Small Diverse Business or Small Business.
- E. Each Small Diverse Business and Small Business commitment which is credited by BDISBO along with the overall percentage of Small Diverse Business and Small Business commitments will become contractual obligations of the selected Offeror.

NOTE: Offerors will not receive credit for any commitments for which information as above is not included in the Small Diverse Business and Small Business Participation Submittal. Offerors will not receive credit for stating that after the contract is awarded they will find a Small Diverse or Small Business.

NOTE: Equal employment opportunity and contract compliance statements referring to company equal employment opportunity policies or past contract compliance practices do not constitute proof of Small Diverse Business and/or Small Business Status or entitle an Offeror to receive credit for Small Diverse Business or Small Business participation.

V-3. Contract Requirements—Small Diverse Business and Small Business Participation.

All contracts containing Small Diverse Business and Small Business Participation must contain the following contract provisions to be maintained through the initial contract term and any subsequent options or renewals:

- A. Each Small Diverse Business and Small Business commitment which was credited by BDISBO and the total percentage of such Small Diverse Business and Small Business commitments made at the time of proposal submittal, BAFO or contract negotiations, as applicable, become contractual obligations of the selected Offeror upon execution of its contract with the Commonwealth.
- B. All Small Diverse Business and Small Business subcontractors credited by BDISBO must perform at least 50% of the work subcontracted to them.
- C. The individual percentage commitments made to Small Diverse Businesses and Small Businesses cannot be altered without written approval from BDISBO.
- D. Small Diverse Business and Small Business commitments must be maintained in the event the contract is assigned to another prime contractor.
- E. The selected Offeror and each Small Diverse Business and Small Business for which a commitment was credited by BDISBO must submit a final, definitive subcontract

agreement signed by the selected Offeror and the Small Diverse Business and/or Small Business to BDISBO within 30 business days of the final execution date of the Commonwealth contract. A Model Subcontract Agreement which may be used to satisfy this requirement is provided in **Appendix L – Model Form of Small Diverse and Small Business Subcontract Agreement**. The subcontract must contain:

1. The specific work, supplies or services the Small Diverse Business and/or Small Business will perform; location for work performed; how the work, supplies or services relate to the project; and the specific timeframe during the initial term and any extensions, options and renewals of the prime contract when the work, supplies or services will be provided or performed.
 2. The fixed percentage commitment and associated estimated dollar value that each Small Diverse Business and/or Small Business will receive based on the final negotiated cost for the initial term of the prime contract.
 3. Payment terms indicating that the Small Diverse Business and/or Small Business will be paid for work satisfactorily completed within 14 business days of the selected Offeror's receipt of payment from the Commonwealth for such work.
 4. Commercially reasonable terms for the applicable business/industry that are no less favorable than the terms of the selected Offeror's contract with the Commonwealth and that do not place disproportionate risk on the Small Diverse Business and/or Small Business relative to the nature and level of the Small Diverse Business' and/or Small Business' participation in the project.
- F.** If the selected Offeror and a Small Diverse Business or Small Business credited by BDISBO cannot agree upon a definitive subcontract within 30 business days of the final execution date of the Commonwealth contract, the selected Offeror must notify BDISBO.
- G.** The selected Offeror shall complete the Prime Contractor's Quarterly Utilization Report and submit it to the contracting officer of the Department and BDISBO within ten (10) business days at the end of each quarter of the contract term and any subsequent options or renewals. This information will be used to track and confirm the actual dollar amount paid to Small Diverse Business and Small Business subcontractors and suppliers and will serve as a record of fulfillment of the contractual commitment. If there was no activity during the quarter, the form must be completed by stating "No activity in this quarter." A late fee of \$100.00 per business day may be assessed against the selected Offeror if the Utilization Report is not submitted in accordance with the schedule above.
- H.** The selected Offeror shall notify the Contracting Officer of the Department and BDISBO when circumstances arise that may negatively impact the selected Offeror's ability to comply with Small Diverse Business and/or Small Business commitments and to provide a corrective action plan. Disputes will be decided by the Department and DGS.

- I. If the selected Offeror fails to satisfy its Small Diverse Business and/or Small Business commitment(s), it may be subject to a range of sanctions BDISBO deems appropriate. Such sanctions include, but are not limited to, one or more of the following: a determination that the selected Offeror is not responsible under the Contractor Responsibility Program; withholding of payments; suspension or termination of the contract together with consequential damages; revocation of the selected Offeror's Small Diverse Business status and/or Small Business status; and/or suspension or debarment from future contracting opportunities with the Commonwealth.

Part VI

STANDARD GRANT TERMS AND CONDITIONS FOR SERVICES

1. TERM OF GRANT

The term of the Grant shall commence on the Effective Date (as defined below) and shall end on the Expiration Date identified in the Grant, subject to the other provisions of the Grant. The Effective Date shall be fixed after the Grant has been fully executed by the Grantee and by the Commonwealth and all approvals required by Commonwealth procedures have been obtained. No agency employee has the authority to verbally direct the commencement of any work under this Grant. The Commonwealth reserves the right, upon notice to the Grantee, to extend the term of the Grant for up to three (3) months upon the same terms and conditions. This will be utilized to prevent a lapse in Grant coverage and only for the time necessary, up to three (3) months, to enter into a new Grant.

2. INDEPENDENT GRANTEE

In performing the services required by the Grant, the Grantee will act as an independent Grantee and not as an employee or agent of the Commonwealth.

3. COMPLIANCE WITH LAW

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

4. ENVIRONMENTAL PROVISIONS

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

5. POST-CONSUMER RECYCLED CONTENT

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

6. COMPENSATION/EXPENSES

The Grantee shall be required to perform the specified services at the price(s) quoted in the Grant. All services shall be performed within the time period(s) specified in the Grant. The Grantee shall be compensated only for work performed to the satisfaction of the Commonwealth. The Grantee shall not be allowed or paid travel or per diem expenses except as specifically set forth in the Grant.

7. INVOICES

Unless the Grantee has been authorized by the Commonwealth for Evaluated Receipt Settlement or Vendor Self-Invoicing, the Grantee shall send an *invoice itemized by line item* to the address referenced on the grant promptly after services are satisfactorily completed. The invoice should include only amounts due under the Grant agreement. The grant number must be included on all invoices. In addition, the Commonwealth shall have the right to require the Grantee to prepare and submit a "Work In Progress" sheet that contains, at a minimum, the tasks performed, number of hours, hourly rate, and the Grant number or task order to which it refers.

8. PAYMENT

- a. The Commonwealth shall put forth reasonable efforts to make payment by the required payment date. The required payment date is: (a) the date on which payment is due under the terms of the Grant; (b) thirty (30) days after a proper invoice actually is received at the "Provide Service and Bill To" address if a date on which payment is due is not specified in the Grant (a "proper" invoice is not received until the Commonwealth accepts the service as satisfactorily performed); or (c) the payment date specified on the invoice if later than the dates established by (a) and (b) above. Payment may be delayed if the payment amount on an invoice is not based upon the price(s) as stated in the Grant. If any payment is not made within fifteen (15) days after the required payment date, the Commonwealth may pay interest as determined by the Secretary of Budget in accordance with Act No. 266 of 1982 and regulations promulgated pursuant thereto. Payment should not be construed by the Grantee as acceptance of the service performed by the Grantee. The Commonwealth reserves the right to conduct further testing and inspection after payment, but within a reasonable time after performance, and to reject the service if such post payment testing or inspection discloses a defect or a failure to meet specifications. The Grantee agrees that the Commonwealth may set off the amount of any state tax liability or other obligation of the Grantee or its subsidiaries to the Commonwealth against any payments due the Grantee under any Grant with the Commonwealth.
- b. The Commonwealth shall have the option of using the Commonwealth purchasing card to make purchases under the Grant or purchase order. The Commonwealth's purchasing card is similar to a credit card in that there will be a small fee which the Grantee will be required to pay and the Grantee will receive payment directly from the card issuer rather than the Commonwealth. Any and all fees related to this type of payment are the responsibility of the Grantee. In no case will the Commonwealth allow increases in prices to offset credit card fees paid by the Grantee or any other charges incurred by the Grantee, unless specifically stated in the terms of the Grant or purchase order.

9. TAXES

The Commonwealth is exempt from all excise taxes imposed by the Internal Revenue Service and has accordingly registered with the Internal Revenue Service to make tax free purchases under Registration No. 23740001-K. With the exception of purchases of the following items, no exemption certificates are required and none will be issued: undyed diesel fuel, tires, trucks, gas guzzler emergency vehicles, and sports fishing equipment. The Commonwealth is also exempt

from Pennsylvania state sales tax, local sales tax, public transportation assistance taxes and fees and vehicle rental tax. The Department of Revenue regulations provide that exemption certificates are not required for sales made to governmental entities and none will be issued. Nothing in this paragraph is meant to exempt a construction Grantee from the payment of any of these taxes or fees which are required to be paid with respect to the purchase, use, rental, or lease of tangible personal property or taxable services used or transferred in connection with the performance of a construction Grant.

10. WARRANTY

The Grantee warrants that all services performed by the Grantee, its agents and subGrantees shall be free and clear of any defects in workmanship or materials. Unless otherwise stated in the Grant, all services and parts are warranted for a period of one year following completion of performance by the Grantee and acceptance by the Commonwealth. The Grantee shall correct any problem with the service and/or replace any defective part with a part of equivalent or superior quality without any additional cost to the Commonwealth.

11. PATENT, COPYRIGHT, AND TRADEMARK INDEMNITY

The Grantee warrants that it is the sole owner or author of, or has entered into a suitable legal agreement concerning either: a) the design of any product or process provided or used in the performance of the Grant which is covered by a patent, copyright, or trademark registration or other right duly authorized by state or federal law or b) any copyrighted matter in any report document or other material provided to the commonwealth under the Grant. The Grantee shall defend any suit or proceeding brought against the Commonwealth on account of any alleged patent, copyright or trademark infringement in the United States of any of the products provided or used in the performance of the Grant. This is upon condition that the Commonwealth shall provide prompt notification in writing of such suit or proceeding; full right, authorization and opportunity to conduct the defense thereof; and full information and all reasonable cooperation for the defense of same. As principles of governmental or public law are involved, the Commonwealth may participate in or choose to conduct, in its sole discretion, the defense of any such action. If information and assistance are furnished by the Commonwealth at the Grantee's written request, it shall be at the Grantee's expense, but the responsibility for such expense shall be only that within the Grantee's written authorization. The Grantee shall indemnify and hold the Commonwealth harmless from all damages, costs, and expenses, including attorney's fees that the Grantee or the Commonwealth may pay or incur by reason of any infringement or violation of the rights occurring to any holder of copyright, trademark, or patent interests and rights in any products provided or used in the performance of the Grant. If any of the products provided by the Grantee in such suit or proceeding are held to constitute infringement and the use is enjoined, the Grantee shall, at its own expense and at its option, either procure the right to continue use of such infringement products, replace them with non-infringement equal performance products or modify them so that they are no longer infringing. If the Grantee is unable to do any of the preceding, the Grantee agrees to remove all the equipment or software which are obtained contemporaneously with the infringing product, or, at the option of the Commonwealth, only those items of equipment or software which are held to be infringing, and to pay the Commonwealth: 1) any amounts paid by the Commonwealth towards the purchase of the product, less straight line depreciation; 2) any license fee paid by the Commonwealth for the use of any software, less an amount for the period of usage; and 3) the pro rata portion of any maintenance fee representing the time remaining in any period of maintenance

paid for. The obligations of the Grantee under this paragraph continue without time limit. No costs or expenses shall be incurred for the account of the Grantee without its written consent.

12. OWNERSHIP RIGHTS

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

13. ASSIGNMENT OF ANTITRUST CLAIMS

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

14. HOLD HARMLESS PROVISION

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

15. AUDIT PROVISIONS

The Commonwealth shall have the right, at reasonable times and at a site designated by the Commonwealth, to audit the books, documents and records of the Grantee to the extent that the books, documents and records relate to costs or pricing data for the Grant. The Grantee agrees to maintain records which will support the prices charged and costs incurred for the Grant. The Grantee shall preserve books, documents, and records that relate to costs or pricing data for the Grant for a period of five (5) years from date of final payment. The Grantee shall give full and free access to all records to the Commonwealth and/or their authorized representatives.

16. DEFAULT

- a. The Commonwealth may, subject to the provisions of Paragraph 17, Force Majeure, and in addition to its other rights under the Grant, declare the Grantee in default by written notice thereof to the Grantee, and terminate (as provided in Paragraph 18, Termination Provisions) the whole or any part of this Grant for any of the following reasons:
 - 1) Failure to begin work within the time specified in the Grant or as otherwise specified;

- 2) Failure to perform the work with sufficient labor, equipment, or material to insure the completion of the specified work in accordance with the Grant terms;
- 3) Unsatisfactory performance of the work;
- 4) Failure or refusal to remove material, or remove and replace any work rejected as defective or unsatisfactory;
- 5) Discontinuance of work without approval;
- 6) Failure to resume work, which has been discontinued, within a reasonable time after notice to do so;
- 7) Insolvency or bankruptcy;
- 8) Assignment made for the benefit of creditors;
- 9) Failure or refusal within 10 days after written notice by the Granting Officer, to make payment or show cause why payment should not be made, of any amounts due for materials furnished, labor supplied or performed, for equipment rentals, or for utility services rendered;
- 10) Failure to protect, to repair, or to make good any damage or injury to property; or
- 11) Breach of any provision of this Grant.

- b. In the event that the Commonwealth terminates this Grant in whole or in part as provided in Subparagraph a. above, the Commonwealth may procure, upon such terms and in such manner as it determines, services similar or identical to those so terminated, and the Grantee shall be liable to the Commonwealth for any reasonable excess costs for such similar or identical services included within the terminated part of the Grant.
- c. If the Grant is terminated as provided in Subparagraph a. above, the Commonwealth, in addition to any other rights provided in this paragraph, may require the Grantee to transfer title and deliver immediately to the Commonwealth in the manner and to the extent directed by the Issuing Office, such partially completed work, including, where applicable, reports, working papers and other documentation, as the Grantee has specifically produced or specifically acquired for the performance of such part of the Grant as has been terminated. Except as provided below, payment for completed work accepted by the Commonwealth shall be at the Grant price. Except as provided below, payment for partially completed work including, where applicable, reports and working papers, delivered to and accepted by the Commonwealth shall be in an amount agreed upon by the Grantee and Granting Officer. The Commonwealth may withhold from amounts otherwise due the Grantee for such completed or partially completed works, such sum as the Granting Officer determines to be necessary to protect the Commonwealth against loss.
- d. The rights and remedies of the Commonwealth provided in this paragraph shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Grant.
- e. The Commonwealth's failure to exercise any rights or remedies provided in this paragraph shall not be construed to be a waiver by the Commonwealth of its rights and remedies in regard to the event of default or any succeeding event of default.

- f. Following exhaustion of the Grantee's administrative remedies as set forth in Paragraph 19, the Grantee's exclusive remedy shall be to seek damages in the Board of Claims.

17. FORCE MAJEURE

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

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

In the event of a declared emergency by competent governmental authorities, the Commonwealth by notice to the Grantee, may suspend all or a portion of the Grant.

18. TERMINATION PROVISIONS

The Commonwealth has the right to terminate this Grant for any of the following reasons. Termination shall be effective upon written notice to the Grantee.

- a. **TERMINATION FOR CONVENIENCE:** The Commonwealth shall have the right to terminate the Grant for its convenience if the Commonwealth determines termination to be in its best interest. The Grantee shall be paid for work satisfactorily completed prior to the effective date of the termination, but in no event shall the Grantee be entitled to recover loss of profits.
- b. **NON-APPROPRIATION:** The Commonwealth's obligation to make payments during any Commonwealth fiscal year succeeding the current fiscal year shall be subject to availability and appropriation of funds. When funds (state and/or federal) are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal year period, the Commonwealth shall have the right to terminate the Grant. The Grantee shall be reimbursed for the reasonable value of any nonrecurring costs incurred but not amortized in the price of the supplies or services delivered under this Grant. Such reimbursement shall not include loss of profit, loss of use of money, or administrative or overhead costs. The reimbursement amount may be paid for any appropriations available for that purpose

- c. **TERMINATION FOR CAUSE:** The Commonwealth shall have the right to terminate the Grant for Grantee default under Paragraph 16, Default, upon written notice to the Grantee. The Commonwealth shall also have the right, upon written notice to the Grantee, to terminate the Grant for other cause as specified in this Grant or by law. If it is later determined that the Commonwealth erred in terminating the Grant for cause, then, at the Commonwealth's discretion, the Grant shall be deemed to have been terminated for convenience under the Subparagraph 18.a.

19. GRANT CONTROVERSIES

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

20. ASSIGNABILITY AND SUBGRANTING

- a. Subject to the terms and conditions of this Paragraph 20, this Grant shall be binding upon the parties and their respective successors and assigns.
- b. The Grantee shall not subGrant with any person or entity to perform all or any part of the work to be performed under this Grant without the prior written consent of the Granting Officer, which consent may be withheld at the sole and absolute discretion of the Granting Officer.
- c. The Grantee may not assign, in whole or in part, this Grant or its rights, duties, obligations, or responsibilities hereunder without the prior written consent of the

Granting Officer, which consent may be withheld at the sole and absolute discretion of the Granting Officer.

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

21. NONDISCRIMINATION/SEXUAL HARASSMENT CLAUSE

During the term of the Grant, the Grantee agrees as follows:

- a. In the hiring of any employee(s) for the manufacture of supplies, performance of work, or any other activity required under the grant agreement or any subgrant agreement, contract, or subcontract, the Grantee, a subgrantee, a contractor, a subcontractor, or any person acting on behalf of the Grantee shall not discriminate in violation of the Pennsylvania Human Relations Act (PHRA) and applicable federal laws against any citizen of this Commonwealth who is qualified and available to perform the work to which the employment relates.
- b. The Grantee, any subgrantee, contractor or any subcontractor or any person on their behalf shall not in any manner discriminate in violation of the PHRA and applicable federal laws against or intimidate any of its employees.
- c. The Grantee, any subgrantee, contractor or any subcontractor shall establish and maintain a written nondiscrimination and sexual harassment policy and shall inform their employees of the policy. The policy must contain a provision that sexual harassment will not be tolerated and employees who practice it will be disciplined. Posting this Nondiscrimination/Sexual Harassment Clause conspicuously in easily-accessible and well-lighted places customarily frequented by employees and at or near where the grant services are performed shall satisfy this requirement.

- d. The Grantee, any subgrantee, contractor or any subcontractor shall not discriminate in violation of the PHRA and applicable federal laws against any subgrantee, contractor, subcontractor or supplier who is qualified to perform the work to which the grant relates.
- e. The Grantee and each subgrantee, contractor and subcontractor represents that it is presently in compliance with and will maintain compliance with all applicable federal, state, and local laws and regulations relating to nondiscrimination and sexual harassment. The Grantee and each subgrantee, contractor and subcontractor further represents that it has filed a Standard Form 100 Employer Information Report (“EEO-1”) with the U.S. Equal Employment Opportunity Commission (“EEOC”) and shall file an annual EEO-1 report with the EEOC as required for employers subject to Title VII of the Civil Rights Act of 1964, as amended, that have 100 or more employees and employers that have federal government contracts or first-tier subcontracts and have 50 or more employees. The Grantee, any subgrantee, any contractor or any subcontractor shall, upon request and within the time periods requested by the Commonwealth, furnish all necessary employment documents and records, including EEO-1 reports, and permit access to their books, records, and accounts by the granting agency and the Bureau of Small Business Opportunities (BSBO), for the purpose of ascertaining compliance with the provisions of this Nondiscrimination/Sexual Harassment Clause.
- f. The Grantee, any subgrantee, contractor or any subcontractor shall include the provisions of this Nondiscrimination/Sexual Harassment Clause in every subgrant agreement, contract or subcontract so that those provisions applicable to subgrantees, contractors or subcontractors will be binding upon each subgrantee, contractor or subcontractor.
- g. The Granter’s and each subgrantee’s, contractor’s and subcontractor’s obligations pursuant to these provisions are ongoing from and after the effective date of the grant agreement through the termination date thereof. Accordingly, the Grantee and each subgrantee, contractor and subcontractor shall have an obligation to inform the Commonwealth if, at any time during the term of the grant agreement, it becomes aware of any actions or occurrences that would result in violation of these provisions.
- h. The Commonwealth may cancel or terminate the grant agreement and all money due or to become due under the grant agreement may be forfeited for a violation of the terms and conditions of this Nondiscrimination/Sexual Harassment Clause. In addition, the granting agency may proceed with debarment or suspension and may place the Grantee, subgrantee, contractor, or subcontractor in the Contractor Responsibility File.

22. CONTRACTOR INTEGRITY PROVISIONS

It is essential that those who seek to contract with the Commonwealth of Pennsylvania (“Commonwealth”) observe high standards of honesty and integrity. They must conduct themselves in a manner that fosters public confidence in the integrity of the Commonwealth contracting and procurement process.

1. **DEFINITIONS.** For purposes of these Contractor Integrity Provisions, the following terms shall have the meanings found in this Section:

- a. **“Affiliate”** means two or more entities where (a) a parent entity owns more than fifty percent of the voting stock of each of the entities; or (b) a common shareholder or group of shareholders owns more than fifty percent of the voting stock of each of the entities; or c) the entities have a common proprietor or general partner.
- b. **“Consent”** means written permission signed by a duly authorized officer or employee of the Commonwealth, provided that where the material facts have been disclosed, in writing, by prequalification, bid, proposal, or contractual terms, the Commonwealth shall be deemed to have consented by virtue of the execution of this contract.
- c. **“Contractor”** means the individual or entity, that has entered into this contract with the Commonwealth.
- d. **“Contractor Related Parties”** means any affiliates of the Contractor and the Contractor’s executive officers, Pennsylvania officers and directors, or owners of 5 percent or more interest in the Contractor.
- e. **“Financial Interest”** means either:
 - (1) Ownership of more than a five percent interest in any business; or
 - (2) Holding a position as an officer, director, trustee, partner, employee, or holding any position of management.
- f. **“Gratuity”** means tendering, giving, or providing anything of more than nominal monetary value including, but not limited to, cash, travel, entertainment, gifts, meals, lodging, loans, subscriptions, advances, deposits of money, services, employment, or contracts of any kind. The exceptions set forth in the *Governor’s Code of Conduct, Executive Order 1980-18, the 4 Pa. Code §7.153(b)*, shall apply.
- g. **“Non-bid Basis”** means a contract awarded or executed by the Commonwealth with Contractor without seeking bids or proposals from any other potential bidder or offeror.

2. In furtherance of this policy, Contractor agrees to the following:

- a. Contractor shall maintain the highest standards of honesty and integrity during the performance of this contract and shall take no action in violation of state or federal laws or regulations or any other applicable laws or regulations, or other requirements applicable to Contractor or that govern contracting or procurement with the Commonwealth.

- b.** Contractor shall establish and implement a written business integrity policy, which includes, at a minimum, the requirements of these provisions as they relate to the Contractor activity with the Commonwealth and Commonwealth employees and which is made known to all Contractor employees. Posting these Contractor Integrity Provisions conspicuously in easily-accessible and well-lighted places customarily frequented by employees and at or near where the contract services are performed shall satisfy this requirement.
- c.** Contractor, its affiliates, agents, employees and anyone in privity with Contractor shall not accept, agree to give, offer, confer, or agree to confer or promise to confer, directly or indirectly, any gratuity or pecuniary benefit to any person, or to influence or attempt to influence any person in violation of any federal or state law, regulation, executive order of the Governor of Pennsylvania, statement of policy, management directive or any other published standard of the Commonwealth in connection with performance of work under this contract, except as provided in this contract.
- d.** Contractor shall not have a financial interest in any other contractor, subcontractor, or supplier providing services, labor, or material under this contract, unless the financial interest is disclosed to the Commonwealth in writing and the Commonwealth consents to Contractor's financial interest prior to Commonwealth execution of the contract. Contractor shall disclose the financial interest to the Commonwealth at the time of bid or proposal submission, or if no bids or proposals are solicited, no later than Contractor's submission of the contract signed by Contractor.
- e.** Contractor certifies to the best of its knowledge and belief that within the last five (5) years Contractor or Contractor Related Parties have not:

 - (1)** been indicted or convicted of a crime involving moral turpitude or business honesty or integrity in any jurisdiction;
 - (2)** been suspended, debarred or otherwise disqualified from entering into any contract with any governmental agency;
 - (3)** had any business license or professional license suspended or revoked;
 - (4)** had any sanction or finding of fact imposed as a result of a judicial or administrative proceeding related to fraud, extortion, bribery, bid rigging, embezzlement, misrepresentation or anti-trust; and
 - (5)** been, and is not currently, the subject of a criminal investigation by any federal, state or local prosecuting or investigative agency and/or civil anti-trust investigation by any federal, state or local prosecuting or investigative agency.

If Contractor cannot so certify to the above, then it must submit along with its bid, proposal or contract a written explanation of why such certification cannot be made and the Commonwealth will determine whether a contract may be entered into with the Contractor. The Contractor's obligation pursuant to this certification is ongoing

from and after the effective date of the contract through the termination date thereof. Accordingly, the Contractor shall have an obligation to immediately notify the Commonwealth in writing if at any time during the term of the contract it becomes aware of any event which would cause the Contractor's certification or explanation to change. Contractor acknowledges that the Commonwealth may, in its sole discretion, terminate the contract for cause if it learns that any of the certifications made herein are currently false due to intervening factual circumstances or were false or should have been known to be false when entering into the contract.

Contractor shall comply with the requirements of the *Lobbying Disclosure Act (65 Pa.C.S.*

§13A01 et seq.) regardless of the method of award. If this contract was awarded on a Non-bid Basis, Contractor must also comply with the requirements of the *Section 1641 of the Pennsylvania Election Code (25 P.S. §3260a)*.

- f. When Contractor has reason to believe that any breach of ethical standards as set forth in law, the Governor's Code of Conduct, or these Contractor Integrity Provisions has occurred or may occur, including but not limited to contact by a Commonwealth officer or employee which, if acted upon, would violate such ethical standards, Contractor shall immediately notify the Commonwealth contracting officer or the Office of the State Inspector General in writing.
- g. Contractor, by submission of its bid or proposal and/or execution of this contract and by the submission of any bills, invoices or requests for payment pursuant to the contract, certifies and represents that it has not violated any of these Contractor Integrity Provisions in connection with the submission of the bid or proposal, during any contract negotiations or during the term of the contract, to include any extensions thereof. Contractor shall immediately notify the Commonwealth in writing of any actions for occurrences that would result in a violation of these Contractor Integrity Provisions. Contractor agrees to reimburse the Commonwealth for the reasonable costs of investigation incurred by the Office of the State Inspector General for investigations of the Contractor's compliance with the terms of this or any other agreement between the Contractor and the Commonwealth that results in the suspension or debarment of the Contractor. Contractor shall not be responsible for investigative costs for investigations that do not result in the Contractor's suspension or debarment.
- h. Contractor shall cooperate with the Office of the State Inspector General in its investigation of any alleged Commonwealth agency or employee breach of ethical standards and any alleged Contractor non-compliance with these Contractor Integrity Provisions. Contractor agrees to make identified Contractor employees available for interviews at reasonable times and places. Contractor, upon the inquiry or request of an Inspector General, shall provide, or if appropriate, make promptly available for inspection or copying, any information of any type or form deemed relevant by the Office of the State Inspector General to Contractor's integrity and compliance with these provisions. Such information may include, but shall not be limited to, Contractor's business or financial records, documents or files of any type or form that refer to or concern this contract. Contractor shall incorporate this

paragraph in any agreement, contract or subcontract it enters into in the course of the performance of this contract/agreement solely for the purpose of obtaining subcontractor compliance with this provision. The incorporation of this provision in a subcontract shall not create privity of contract between the Commonwealth and any such subcontractor, and no third party beneficiaries shall be created thereby.

- i. For violation of any of these Contractor Integrity Provisions, the Commonwealth may terminate this and any other contract with Contractor, claim liquidated damages in an amount equal to the value of anything received in breach of these Provisions, claim damages for all additional costs and expenses incurred in obtaining another contractor to complete performance under this contract, and debar and suspend Contractor from doing business with the Commonwealth. These rights and remedies are cumulative, and the use or non-use of any one shall not preclude the use of all or any other. These rights and remedies are in addition to those the Commonwealth may have under law, statute, regulation, or otherwise.

23. GRANTEE RESPONSIBILITY PROVISIONS

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

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

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

24. AMERICANS WITH DISABILITIES ACT

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

25. HAZARDOUS SUBSTANCES

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

- a. Labeling. The Grantee shall insure that each individual product (as well as the carton, container or package in which the product is shipped) of any of the following substances (as defined by the Act and the regulations) supplied by the Grantee is clearly labeled, tagged or marked with the information listed in Paragraph (1) through (4):

1) Hazardous substances:

- a) The chemical name or common name,
- b) A hazard warning, and
- c) The name, address, and telephone number of the manufacturer.

2) Hazardous mixtures:

- a) The common name, but if none exists, then the trade name,
- b) The chemical or common name of special hazardous substances comprising .01% or more of the mixture,
- c) The chemical or common name of hazardous substances consisting 1.0% or more of the mixture,
- d) A hazard warning, and
- e) The name, address, and telephone number of the manufacturer.

3) Single chemicals:

- a) The chemical name or the common name, A hazard warning, if appropriate, and
- b) The name, address, and telephone number of the manufacturer.

4) Chemical Mixtures:

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

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

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

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

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

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

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

26. COVENANT AGAINST CONTINGENT FEES

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

27. APPLICABLE LAW

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

28. INTEGRATION

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

29. CHANGE ORDERS

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

For purposes of this Grant, "change order" is defined as a written order signed by the Granting Officer directing the Grantee to make changes authorized under this clause.

30. RIGHT TO KNOW LAW 8-K-1580

- a. Grantee or Subgrantee understands that this Grant Agreement and records related to or arising out of the Grant Agreement are subject to requests made pursuant to the Pennsylvania Right-to-Know Law, 65 P.S. §§ 67.101-3104, ("RTKL"). For the purpose of these provisions, the term "the Commonwealth" shall refer to the granting Commonwealth agency.
- b. If the Commonwealth needs the Grantee's or Subgrantee's assistance in any matter arising out of the RTKL related to this Grant Agreement, it shall notify the Grantee or Subgrantee using the legal contact information provided in the Grant Agreement. The Grantee or Subgrantee, at any time, may designate a different contact for such purpose upon reasonable prior written notice to the Commonwealth.
- c. Upon written notification from the Commonwealth that it requires Grantee's or Subgrantee's assistance in responding to a request under the RTKL for information related to this Grant Agreement that may be in Grantee's or Subgrantee's

possession, constituting, or alleged to constitute, a public record in accordance with the RTKL (“Requested Information”), Grantee or Subgrantee shall:

1. Provide the Commonwealth, within ten (10) calendar days after receipt of written notification, access to, and copies of, any document or information in Grantee’s or Subgrantee’s possession arising out of this Grant Agreement that the Commonwealth reasonably believes is Requested Information and may be a public record under the RTKL; and
 2. Provide such other assistance as the Commonwealth may reasonably request, in order to comply with the RTKL with respect to this Grant Agreement.
- d. If Grantee or Subgrantee considers the Requested Information to include a request for a Trade Secret or Confidential Proprietary Information, as those terms are defined by the RTKL, or other information that Grantee or Subgrantee considers exempt from production under the RTKL, Grantee or Subgrantee must notify the Commonwealth and provide, within seven (7) calendar days of receiving the written notification, a written statement signed by a representative of Grantee or Subgrantee explaining why the requested material is exempt from public disclosure under the RTKL.
 - e. The Commonwealth will rely upon the written statement from Grantee or Subgrantee in denying a RTKL request for the Requested Information unless the Commonwealth determines that the Requested Information is clearly not protected from disclosure under the RTKL. Should the Commonwealth determine that the Requested Information is clearly not exempt from disclosure, Grantee or Subgrantee shall provide the Requested Information within five (5) business days of receipt of written notification of the Commonwealth’s determination.
 - f. If Grantee or Subgrantee fails to provide the Requested Information within the time period required by these provisions, Grantee or Subgrantee shall indemnify and hold the Commonwealth harmless for any damages, penalties, costs, detriment or harm that the Commonwealth may incur as a result of Grantee’s or Subgrantee’s failure, including any statutory damages assessed against the Commonwealth.
 - g. The Commonwealth will reimburse Grantee or Subgrantee for any costs associated with complying with these provisions only to the extent allowed under the fee schedule established by the office of Open Records or as otherwise provided by the RTKL if the fee schedule is inapplicable.
 - h. Grantee or Subgrantee may file a legal challenge to any Commonwealth decision to release a record to the public with the Office of Open Records, or in the Pennsylvania Courts, however, Grantee or Subgrantee shall indemnify the Commonwealth for any legal expenses incurred by the Commonwealth as a result of such a challenge and shall hold the Commonwealth harmless for any damages, penalties, costs, detriment or harm that the Commonwealth may incur as a result of Grantee’s or Subgrantee’s failure, including any statutory damages assessed against the Commonwealth, regardless of the outcome of such legal challenge. As between the parties, Grantee or Subgrantee agrees to waive all rights or remedies that may be available to it as a result of the Commonwealth’s disclosure of Requested Information pursuant to the RTKL.
 - i. The Grantee’s or Subgrantee’s duties relating to the RTKL are continuing duties that survive the expiration of this Grant Agreement and shall continue as long as the Grantee or Subgrantee has Requested Information in its possession.

ENHANCED MINIMUM WAGE PROVISIONS

- 1. Enhanced Minimum Wage.** Contractor/Lessor agrees to pay no less than \$10.15 per hour to its employees for all hours worked directly performing the services called for in this Contract/Lease, and for an employee's hours performing ancillary services necessary for the performance of the contracted services or lease when such employee spends at least twenty per cent (20%) of their time performing ancillary services in a given work week.
- 2. Adjustment.** Beginning January 1, 2017, and annually thereafter, Contractor/Lessor shall pay its employees described in Paragraph 1. above an amount that is no less than the amount previously in effect; increased from such amount by the annual percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (United States city average, all items, not seasonally adjusted), or its successor publication as determined by the United States Bureau of Labor Statistics; and rounded to the nearest multiple of \$0.05. The applicable adjusted amount shall be published in the Pennsylvania Bulletin by March 1 of each year to be effective the following July 1.
- 3. Exceptions.** These Enhanced Minimum Wage Provisions shall not apply to employees:

 - a. exempt from the minimum wage under the Minimum Wage Act of 1968;
 - b. covered by a collective bargaining agreement;
 - c. required to be paid a higher wage under another state or federal law governing the services, including the Prevailing Wage Act and Davis-Bacon Act; or
 - d. required to be paid a higher wage under any state or local policy or ordinance.
- 4. Notice.** Contractor/Lessor shall post these Enhanced Minimum Wage Provisions for the entire period of the contract conspicuously in easily-accessible and well-lighted places customarily frequented by employees at or near where the contracted services are performed.
- 5. Records.** Contractor/Lessor must maintain and, upon request and within the time periods requested by the Commonwealth, furnish all employment and wage records necessary to document compliance with these Enhanced Minimum Wage Provisions.
- 6. Sanctions.** Failure to comply with these Enhanced Minimum Wage Provisions may result in the imposition of sanctions, which may include, but shall not be limited to, termination of the contract or lease, nonpayment, debarment or referral to the Office of General Counsel for appropriate civil or criminal referral.
- 7. Subcontractors.** Contractor/Lessor shall include the provisions of these Enhanced Minimum Wage Provisions in every subcontract so that these provisions will be binding upon each subcontractor.