



# STATE OF ARKANSAS

Department of Human Services  
Office of Procurement  
700 Main Street  
Little Rock, Arkansas 72201

## REQUEST FOR PROPOSAL

### RFP SOLICITATION DOCUMENT

#### SOLICITATION INFORMATION

Solicitation Number:	710-25-010	Solicitation Issued:	April 8, 2025
Description:	Security and Privacy Control Assessments for the Arkansas Medicaid Enterprise Systems (MES)		
Agency:	Department of Human Services – Division of Medical Services		

#### SUBMISSION DEADLINE

Proposal Submission Date and Time	<b>June 4, 2025, 10:30 a.m., CST</b>	Proposal Opening Date and Time:	<b>June 4, 2025, 11:30 a.m., CST</b>
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Proposals **shall not** be accepted after the designated bid opening date and time. In accordance with Arkansas Procurement Law and Rules, it is the responsibility of Contractors to submit proposals at the designated location on or before the bid opening date and time. Proposals received after the designated bid opening date and time **shall** be considered late and **shall** be returned to the Contractor without further review. It is not necessary to return “no bids” to the Office of Procurement (OP).

#### DELIVERY OF RESPONSE DOCUMENTS

Drop off Address:	Arkansas Department of Human Services Attn: Office of Procurement 700 Main Street Little Rock, AR 72201
United States mail (USPS):	<i>Note: Hand delivered responses must be delivered directly to the security desk at 700 Main Street and logged by the security desk prior to the bid submission deadline to be accepted otherwise these deliveries will not be accepted and may be disqualified. Receipts for submissions will NOT be issued to bidders.</i>
Commercial Carrier (UPS, FedEx, or USPS Exp):	Arkansas Department of Human Services Attn: Office of Procurement P.O. Box 1437 Slot W345 Little Rock, AR 72203-1437
	Arkansas Department of Human Services Attn: Office of Procurement 112 West 8 <sup>th</sup> Street, Slot W345 Little Rock, AR 72201
	Delivery providers, USPS, UPS, and FedEx deliver mail to OP’s street address on a schedule determined by each individual provider. These providers will deliver to OP based solely on the street address. <b>Prospective Contractors assume all risk for timely, properly submitted deliveries.</b>
Proposal’s Outer Packaging:	Seal outer packaging and properly mark with the following information. If outer packaging of proposal submission is not properly marked, the package may be opened for proposal identification purposes. <input type="checkbox"/> Solicitation number <input type="checkbox"/> Date and time of proposal opening <input type="checkbox"/> Vendor’s name and return address

#### OFFICE OF PROCUREMENT CONTACT INFORMATION

OP Buyer:	Susie Taylor	Buyer’s Direct Phone Number:	501-682-9603
Email Address:	<a href="mailto:DHS.OP.Solicitations@dhs.arkansas.gov">DHS.OP.Solicitations@dhs.arkansas.gov</a>	OSP’s Main Number:	501-396-6045
DHS Website:	<a href="https://humanservices.arkansas.gov/do-business-with-dhs">https://humanservices.arkansas.gov/do-business-with-dhs</a>		
OSP Website:	<a href="http://www.arkansas.gov/dfa/procurement/bids/index.php">http://www.arkansas.gov/dfa/procurement/bids/index.php</a>		

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## SECTION 1. GENERAL INFORMATION AND INSTRUCTIONS

*Do not provide responses to items in this section unless specifically and expressly required.*

### 1.1 INTRODUCTION

This Request for Proposal (RFP) is issued by the Office of Procurement (OP) for the Arkansas Department of Human Services (DHS) to obtain proposals and award a contract for Security and Privacy Assessment Services for the Arkansas Medicaid Enterprise (AME) Module Systems.

DHS is responsible for administering the Medicaid program in the State of Arkansas. The Division of Medical Services (DMS), a division of DHS, is conducting procurements that will redefine systems and business processes for the Arkansas Medicaid Program. This RFP is to procure security and privacy services to monitor and support these Medicaid projects.

DHS will procure a contract for Security and Privacy Assessment services to ensure compliance with Federal and State regulations/standards of the Arkansas Medicaid Enterprise System.

### 1.2 INTERGOVERNMENTAL/COOPERATIVE USE OF PROPOSAL AND CONTRACT

In accordance with Arkansas Code §19-11-249, this proposal and resulting contract is available to any State Agency or Institution of Higher Education that wishes to utilize the services of the selected proposer, and the proposer agrees they may enter into an agreement as provided in this solicitation.

### 1.3 TYPE OF CONTRACT

- A. As a result of this RFP, OP intends to award a contract to a single Contractor.
- B. The term of this contract **shall** be for three (3) years. The anticipated start date for the contract is January 1, 2026. Upon mutual agreement by the Prospective Contractor and agency, the contract may be renewed by OP, on a year-to-year basis, for up to four (4) additional one-year terms or portions thereof.
- C. The total contract term **shall** not be more than seven (7) years.

### 1.4 ISSUING AGENCY

OP, as the issuing office, is the sole point of contact throughout this solicitation process. Contractor questions regarding this Bid Solicitation should be made through the Issuing Officer as shown on page one (1) of this document.

### 1.5 BID OPENING LOCATION

Bids submitted by the opening date and time will be opened via video conference. DHS will publish a link to the live bid opening on the DHS website for public access. Individuals will not be permitted to attend in-person. If the bid opening cannot be held as scheduled due to technical or other issues, DHS will publish an updated schedule and video conference link on the [DHS website](#).

### 1.6 ACCEPTANCE OF REQUIREMENTS

- A. The words “**must**” and “**shall**” signify a Requirement of this solicitation and that the Contractor’s agreement to and compliance with that item is mandatory.
- B. A Contractor’s proposal will be disqualified if a Contractor takes exceptions to any Requirements named in this RFP.

- C. Contractor may request exceptions to NON-mandatory items. Any such request **must** be declared on, or as an attachment to, the appropriate section's Agreement and Compliance Page. Contractor **must** clearly explain the requested exception and should reference the specific solicitation item number to which the exception applies. (See Agreement and Compliance Page.)
- D. DHS **must** not be required to accept any requested exceptions. Only exceptions expressly accepted by DHS will become part of the resulting contract.

## 1.7 DEFINITION OF TERMS

- A. Unless otherwise defined herein, all terms defined in Arkansas Procurement Law and used herein have the same definitions herein as specified therein.
- B. "Prospective Contractor," means a responsible offeror who submits a proposal in response to this solicitation.
- C. "Prospective Contractor," "Contractor," "bidder," "vendor," and "respondent" are used synonymously in this document.
- D. The terms "buyer" and "Issuing Officer" are used synonymously in this document.
- E. The terms "Request for Proposal," "RFP," "RFP Solicitation," "Bid Solicitation," and "Solicitation" are used synonymously in this document.
- F. "Responsive proposal" means a proposal submitted in response to this solicitation that conforms in all material respects to this RFP.
- G. "Proposal Submission Requirement" means a task a Prospective Contractor **shall** complete when submitting a proposal response. These requirements will be distinguished by using the term "**shall**" or "**must**" in the requirement.
- H. "Requirement" means a specification that a Contractor's commodity and/or service **must** meet or exceed in the performance of its contractual duties under any contract awarded as a result of this RFP. These specifications will be distinguished by using the terms "**shall**" or "**must**" in the requirement.
- I. "State" means the State of Arkansas. When the term "State" is used herein to reference any obligation of the State under a contract that results from this solicitation, that obligation is limited to the State Department using such a contract.

## 1.8 RESPONSE DOCUMENTS

- A. Original Technical Proposal Packet
- B. The following items are Proposal Submission Requirements and **must** be submitted in the original Technical Proposal Packet.
  - 1. A hard copy of the original Technical Proposal Packet **must** be received on or before the bid submittal date and time. Copy should not be two sided.
  - 2. The Proposal Packet should be clearly marked "Original" and **must** include the following:
    - a. Original signed Response Signature Page.(See Attachment D, Technical Proposal Packet.)
    - b. Original signed Vendor Agreement and Compliance Page. (See Attachment D, Technical Proposal Packet.)
    - c. Original Proposed Subcontractors Form. (See Attachment D, Technical Proposal Packet.)

- d. EO 98-04 Contract and Grant Disclosure Form. (See Attachment I, Standard Terms and Conditions, Disclosure.)
  - e. Technical Proposal response to the Information for Evaluation section included in the Technical Proposal Packet.
  - f. Other documents and/or information as may be expressly required in this Bid Solicitation.
3. The following items should be submitted in the original *Technical Proposal Packet*.
    - a. Copy of Contractor's Equal Opportunity Policy. (See Equal Opportunity Policy.)
    - b. Signed addenda to this RFP, if applicable. (See Requirement of Addendum.)
    - c. Voluntary Product Accessibility Template (VPAT), if applicable. (See Technology Access.)
    - d. Signed Combined Certifications form, Attachment G.
  4. **DO NOT** include any other documents or ancillary information, such as a cover letter or promotional/marketing information.
- C. Official Bid Price Sheet. (See Attachment O Pricing.)
1. Contractor's original *Official Bid Price Sheet* and Cost Proposal Template (Attachment E) **must** be submitted in hard copy format.
  2. Contractor should also submit one (1) electronic copy of the *Official Bid Price Sheet and Cost Proposal Template*, in PDF format, on a flash drive. All items on flash drive should be in PDF format.
  3. The *Official Bid Price Sheet and Cost Proposal Template*, including the hard copy and electronic copy, **must** be separately sealed from the *Technical Proposal Packet* and should be clearly marked as "Pricing." Contractor **must not** include any pricing in the hard copies or electronic copies of their *Technical Proposal Packet*.
- D. Additional Copies and Redacted Copy of the Technical Proposal Packet
- In addition to the original *Technical Proposal Packet*, *Official Bid Price Sheet*, and the *Cost Proposal Template*, the following items should be submitted:
1. Additional Copies of the *Technical Proposal Packet*
    - a. Three (3) complete hard copies (marked "COPY") of the Technical Proposal Packet.
    - b. One (1) electronic copies of the Technical Proposal Packet, on flash drives. All items on flash drive should be in PDF format.
    - c. All additional hard copies and electronic copies **must** be identical to the original hard copy. In case of a discrepancy, the original hard copy **shall** govern.
    - d. One (1) redacted copy, in PDF format, if applicable, (marked "REDACTED") of the original Technical Packet, on a flash drive. (See Section 1.7 Proprietary Information.)
    - e. If OP requests additional copies of the proposal, the copies **must** be delivered within twenty-four (24) hours of request.

## 1.9 ORGANIZATION OF RESPONSE DOCUMENTS

- A. It is strongly recommended that Contractors adhere to the following format and suggestions when preparing their Technical Proposal response.

- B. The original Technical Proposal Packet and all copies should be arranged in the following order:
- Response Signature Page
  - Agreement and Compliance Page
  - Signed Addenda, if applicable
  - E.O. 98-04 – Contract Grant and Disclosure Form
  - Equal Opportunity Policy
  - Proposed Subcontractors Form
  - Combined Certifications Form
  - Other documents and/or information as may be expressly required in this Bid Solicitation. Label documents and/or information to reference the Bid Solicitation's item number.
  - Technical Proposal response to the Information for Evaluation section of the Technical Proposal Packet (see Attachment D).

#### 1.10 CLARIFICATION OF RFP SOLICITATION

- A. Contractor may submit written questions requesting clarification of information contained in this Bid Solicitation. Written questions should be submitted via email by 4:00 p.m., Central Time on or before **April 16, 2025**. Submit questions to the OP buyer as shown on page one (1) of this Bid Solicitation. It is the Contractor's responsibility to guarantee receipt of the questions by the specific time and date. DHS accepts no responsibility for accurate or timely receipt of email submission.
- B. The attached response template (Attachment H) should be used for submission of all written questions. For each question submitted, Contractor should reference the specific solicitation item number to which the question refers. Written questions submitted in a different format may not be answered by DHS.
- C. Contractor's written questions will be consolidated and responded to by DHS. DHS's consolidated written response is anticipated to be posted to the OP website by the close of business on April 30, 2025.
- D. Answers to verbal questions may be given as a matter of courtesy and **must** be evaluated at the Contractor's risk.
- E. Oral statements by OP **shall** not be part of any contract resulting from this solicitation and may not reasonably be relied on by any contractor as an aid to interpretation unless it is reduced to writing and expressly adopted by DHS.

#### 1.11 RESPONSE SIGNATURE PAGE

- A. An official authorized to bind the Contractor(s) to a resultant contract **must** sign the Response Signature Page included in the Technical Proposal Packet.
- B. Contractor's signature on this page **shall** signify Contractor's agreement that either of the following **shall** cause the Contractor's proposal to be disqualified:
1. Additional terms or conditions submitted intentionally or inadvertently.
  2. Any exception that conflicts with a Requirement of this *Bid Solicitation*.

### 1.12 AGREEMENT AND COMPLIANCE PAGE

- A. Contractor **must** sign the Agreement and Compliance Page relevant to each section of the Bid Solicitation Document. The Agreement and Compliance Page is included in the Technical Proposal Packet.
- B. Contractor's signature on this page **shall** signify agreement to and compliance with all Requirements within the designated section.

### 1.13 SUBCONTRACTORS

- A. Contractor **must** complete and submit the Proposed Subcontractors Form included in the Technical Proposal Packet to indicate Contractor's intent to utilize, or to not utilize, subcontractors.
- B. Additional subcontractor information may be required or requested in following sections of this Bid Solicitation or in the Information for Evaluation section provided in the Technical Proposal Packet. Do not attach any additional information to the Proposed Subcontractors Form.
- C. The utilization of any proposed subcontractor is subject to approval by DHS.

### 1.14 PRICING

- A. Contractor(s) **shall** include all pricing on the Official Price Bid Sheet and the Cost Proposal Template only. Any cost not identified by the successful contractor but subsequently incurred to achieve successful operation **shall** be borne by the Contractor. The Official Bid Price Sheet and Cost Proposal Template is provided as separate files posted with this Bid Solicitation.
- B. To allow time to evaluate proposals, prices **must** be valid for 180 days following the bid opening.
- C. The Official Bid Price Sheet and Cost Proposal Template, including the hard copy and electronic copy, **must** be separately sealed from the Technical Proposal Packet, and should be clearly marked as "Pricing." DO NOT submit any ancillary information not related to actual pricing in the sealed pricing package. The Official Bid Price Sheet is provided as a separate file posted with this Bid Solicitation.
- D. Contractor **must** not include any pricing in the hard copies or electronic copies of their Technical Proposal Packet. Should hard copies or electronic copies of their Technical Proposal Packet contain any pricing, the response **shall** be disqualified.
- E. Failure to complete and submit the Official Bid Price Sheet and Cost Proposal Template **shall** result in disqualification.
- F. All proposal pricing **must** be in United States dollars and cents.
- G. The Official Bid Price Sheet may be reproduced as needed.

### 1.15 PRIME CONTRACTOR RESPONSIBILITY

- A. A single contractor **must** be identified as the prime Contractor and **shall** be the sole point of contact.
- B. The prime Contractor **shall** be held responsible for the contract and jointly and severally liable with any of its subcontractors, affiliates, or agents to DHS for the performance thereof.



### 1.16 INDEPENDENT PRICE DETERMINATION

- A. By submission of this proposal, the Contractor certifies, and in the case of a joint proposal, each party thereto certifies as to its own organization, that in connection with this proposal:
  - 1. The prices in the proposal have been arrived at independently, without collusion; and
  - 2. No prior information concerning these prices has been received from, or given to, a competitive company.
- B. Evidence of collusion **shall** warrant consideration of this proposal by the Office of the Attorney General. All Contractors **shall** understand that this paragraph may be used as a basis for litigation.

### 1.17 PROPRIETARY INFORMATION

- A. Submission documents pertaining to this Bid Solicitation become the property of DHS and are subject to the Arkansas Freedom of Information Act (FOIA).
- B. In accordance with FOIA and to promote maximum competition in the DHS competitive bidding process, DHS may maintain the confidentiality of certain types of information described in FOIA. Such information may include trade secrets defined by FOIA and other information exempted from the Public Records Act pursuant to FOIA.
- C. Contractor may designate appropriate portions of its response as confidential, consistent with and to the extent permitted under the Statutes and Rules set forth above, by submitting a redacted copy of the response.
- D. By redacting any information contained in the response, the Contractor warrants that it has formed a good faith opinion having received such necessary or proper review by counsel and other knowledgeable advisors that the portions redacted meet the requirements of the Rules and Statutes set forth above.
- E. Under no circumstances will pricing information be designated as confidential.
- F. One (1) complete copy of the submission documents from which any proprietary information has been redacted should be submitted on a flash drive in the Technical Proposal Packet. Do not submit documents via e-mail or fax.
- G. Except for the redacted information, the redacted copy **must** be identical to the original hard copy, reflecting the same pagination as the original and showing the space from which information was redacted.
- H. The Contractor is responsible for identifying all proprietary information and for ensuring the electronic copy is protected against restoration of redacted data.
- I. The redacted copy **shall** be open to public inspection under the Freedom of Information Act (FOIA) without further notice to the Contractor.
- J. If a redacted copy of the submission documents is not provided with Contractor's Technical Proposal Packet, a copy of the non-redacted documents, with the exception of financial data (other than pricing), will be released in response to any request made under the Arkansas Freedom of Information Act (FOIA).
- K. If DHS deems redacted information to be subject to FOIA, the Contractor will be notified of DHS's determination prior to release of the documents.
- L. DHS has no liability to a Contractor with respect to the disclosure of Contractor's confidential information ordered by a court of competent jurisdiction pursuant to FOIA or other applicable law.

### 1.18 CAUTION TO CONTRACTORS

- A. Prior to any contract award, all communication concerning this Bid Solicitation **must** be addressed through the OP buyer.
- B. Contractor **must** not alter any language in any solicitation document provided by the DHS.
- C. Contractor **must** not alter the Official Bid Price Sheet.
- D. All official documents and correspondence related to this solicitation **shall** be included as part of the resultant contract.
- E. Proposals **must** be submitted only the English language.
- F. DHS **shall** have the right to award or not award a contract, if it is in the best interest of the DHS to do so.
- G. Contractor **must** provide clarification of any information in their response documents as requested by OP.
- H. Qualifications and proposed services **must** meet or exceed the required specifications as set forth in this Bid Solicitation.
- I. Contractors may submit multiple proposals. Each proposal **shall** be submitted separately and **must** include all documents and information required under this RFP in order to advance to evaluation.

### 1.19 REQUIREMENT OF ADDENDUM

- A. This Bid Solicitation **shall** be modified only by an addendum written and authorized by OP.
- B. Contractors are cautioned to ensure that they have received or obtained, and have responded to, all addenda to the Bid Solicitation prior to submission of response.
- C. An addendum posted within three (3) calendar days prior to the bid opening **shall** extend the bid opening and may or may not include changes to the Bid Solicitation.
- D. The Contractor **shall** be responsible for checking the websites listed on page one (1) for any and all addenda up to bid opening.

### 1.20 AWARD PROCESS

- A. Award Determination
- B. The Grand Total Score for each Contractor, which **shall** be the sum of the Technical Score and Cost Score, **shall** be used to determine the ranking of proposals. DHS may move forward to negotiations pursuant to Arkansas Code Annotated § 19-11-230, with those responsible Contractors determined, based on the ranking of the proposals, to be reasonably susceptible of being selected for award. Responsible Contractors reasonably susceptible of being selected for award is defined as any contractor that falls within the competitive range based on price and appears to provide the best value based on evaluation criteria.
- C. Discussions and Negotiations
  - 1. If DHS so chooses, it **shall** also have the right to enter into discussion with the qualifying contractor(s) to further define contractual details. All such discussions **shall** be conducted at the sole discretion of DHS and may be conducted at any lawful time of the DHS's choosing. DHS **shall** solely determine the items to be discussed, negotiated, or clarified.

2. If discussions or negotiations fail to result in a contract, the negotiation process may be repeated until an anticipated successful contractor(s) has been determined or an award made, or until such time that DHS decides not to move forward with an award.
3. DHS may elect to request best and final offers. Any best and final offer request made by DHS will be conducted in accordance with Ark. Code Ann. § 19-11-230 for Contractor(s) determined to be responsible and reasonably susceptible of being selected for award.

D. Anticipation to Award

1. Once the anticipated successful Contractor has been determined, the anticipated award will be posted on the websites listed on page one (1) of this RFP.
2. The anticipated award will be posted for a period of fourteen (14) days prior to the issuance of a contract. Contractors and agencies are cautioned that these are preliminary results only, and a contract will not be issued prior to the end of the fourteen-day posting period.
3. DHS **shall** have the right to waive the fourteen (14) day anticipated award posting period when it is in the best interest of DHS.
4. It is the Contractor's responsibility to check the OP website for the posting of an anticipated award.

E. Issuance of Contract

1. Any resultant contract of this *Bid Solicitation* **shall** be subject to DHS approval processes, which may include Legislative review.
2. A State Procurement Official will be responsible for award and administration of any resulting contract.
3. DHS reserves the right to award multiple contracts.

## 1.21 MINORITY AND WOMEN-OWNED BUSINESS POLICY

- A. A minority-owned business is defined by Arkansas Code Annotated § 15-4-303 as a business that is at least fifty-one percent (51%) owned by a lawful permanent resident of this State who is:
- African American
  - American Indian
  - Asian American
  - Hispanic American
  - Pacific Islander American
  - A Service-Disabled Veteran as designated by the United States Department of Veteran Affairs
- B. A woman-owned business is defined by Arkansas Code Annotated § 15-4-303(9) as a business that is at least fifty-one percent (51%) owned by one (1) or more women who are lawful permanent residents of this State.
- C. The Arkansas Economic Development Commission conducts a certification process for minority-owned and women-owned businesses. If certified, the Prospective Contractor's Certification Number should be included on the Proposal Signature Page.

### 1.22 EQUAL OPPORTUNITY POLICY

- A. In compliance with Arkansas Code Annotated § 19-11-104, DHS is required to have a copy of the anticipated Contractor's Equal Opportunity (EO) Policy prior to issuing a contract award.
- B. EO Policies should be included as a hard copy accompanying the solicitation response.
- C. Contractors are responsible for providing updates or changes to their respective policies, and for supplying EO Policies upon request to other State agencies that **must** also comply with this statute.
- D. Contractors who are not required by law to have an EO Policy **must** submit a written statement to that effect.

### 1.23 COMBINED CERTIFICATIONS

- A. Pursuant to Arkansas law, a Contractor **must** certify they are not a Scrutinized Company and that they do not currently and **shall** not for the aggregate term of any resulting contract:
  - 1. Boycott Israel. See Arkansas Code Annotated § 25-1-503.
  - 2. Knowingly employ or contract with illegal immigrants. See Arkansas Code Annotated § 19-11-105.
  - 3. Boycott Energy, Fossil Fuel, Firearms, and Ammunition Industries. See Arkansas Code Annotated § 25-1-1102.
  - 4. Employ a Scrutinized Company as a subcontractor. See Arkansas Code Annotated § 25-1-1203.
- B. Contractor **shall** submit signed Attachment G Combined Certifications for Contracting with the State of Arkansas.

### 1.24 PAST PERFORMANCE

In accordance with provisions of State Procurement Law, specifically OSP Rule R5:19-11-230(b)(1), a Contractor's past performance with the State may be used to determine if the Contractor is "responsible." Proposals submitted by Contractors determined to be non-responsible **shall** be disqualified.

### 1.25 TECHNOLOGY ACCESS

- A. When procuring a technology product or when soliciting the development of such a product, the State of Arkansas is required to comply with the provisions of Arkansas Code Annotated § 25-26-201 et seq., as amended by Act 308 of 2013, which expresses the policy of the State to provide individuals who are blind or visually impaired with access to information technology purchased in whole or in part with State funds. The Contractor expressly acknowledges and agrees that State funds may not be expended in connection with the purchase of information technology unless that technology meets the statutory Requirements found in 36 C.F.R. § 1194.21, as it existed on January 1, 2019 (software applications and operating ICSs) and 36 C.F.R. § 1194.22, as it existed on January 1, 2019 (web-based intranet and internet information and applications), in accordance with the State of Arkansas technology policy standards relating to accessibility by persons with visual impairments.
- B. ACCORDINGLY, THE CONTRACTOR EXPRESSLY REPRESENTS AND WARRANTS to the DHS through the procurement process by submission of a Voluntary Product Accessibility Template (VPAT) for 36 C.F.R. § 1194.21, as it existed on January 1, 2019 (software applications and operating ICSs) and 36 C.F.R. § 1194.22, that the technology provided to

DHS for purchase is capable, either by virtue of features included within the technology, or because it is readily adaptable by use with other technology, of:

1. Providing, to the extent required by Arkansas Code Annotated § 25-26-201 et seq., as amended by Act 308 of 2013, equivalent access for effective use by both visual and non-visual means.
  2. Presenting information, including prompts used for interactive communications, in formats intended for non-visual use.
  3. After being made accessible, integrating into networks for obtaining, retrieving, and disseminating information used by individuals who are not blind or visually impaired.
  4. Providing effective, interactive control and use of the technology, including without limitation the operating system, software applications, and format of the data presented is readily achievable by nonvisual means.
  5. Being compatible with information technology used by other individuals with whom the blind or visually impaired individuals interact.
  6. Integrating into networks used to share communications among employees, program participants, and the public; and
  7. Providing the capability of equivalent access by nonvisual means to telecommunications or other interconnected network services used by persons who are not blind or visually impaired.
- C. State agencies cannot claim a product as a whole is not reasonably available because no product in the marketplace meets all the standards. Agencies **must** evaluate products to determine which product best meets the standards. If an agency purchases a product that does not best meet the standards, the agency **must** provide written documentation supporting the selection of a different product, including any required reasonable accommodations.
- D. For purposes of this section, the phrase “equivalent access” means a substantially similar ability to communicate with, or make use of, the technology, either directly, by features incorporated within the technology, or by other reasonable means such as assistive devices or services which would constitute reasonable accommodations under the Americans with Disabilities Act or similar State and federal laws. Examples of methods by which equivalent access may be provided include, but are not limited to, keyboard alternatives to mouse commands or other means of navigating graphical displays, and customizable display appearance. As provided in Arkansas Code Annotated § 25-26-201 et seq., as amended by Act 308 of 2013, if equivalent access is not reasonably available, then individuals who are blind or visually impaired **shall** be provided a reasonable accommodation as defined in 42 U.S.C. § 12111(9), as it existed on January 1, 2013.
- E. If the information manipulated or presented by the product is inherently visual in nature, so that its meaning cannot be conveyed non-visually, these specifications do not prohibit the purchase or use of an information technology product that does not meet these standards.

#### 1.26 COMPLIANCE WITH THE STATE SHARED TECHNICAL ARCHITECTURE PROGRAM

The Contractor’s solution **must** comply with the State’s shared Technical Architecture Program, which is a set of policies and standards that can be viewed at:

<https://www.dfa.arkansas.gov/intergovernmental-services/state-technology-cost-analysis/architecture-compliance/>. Only those standards which are fully promulgated or have been approved by the Governor’s Office apply to this solution.

**1.27 MASTERCARD ACCEPTANCE**

- A. Awarded Contractor should have the capability of accepting the State's authorized MASTERCARD Procurement Card (p-card) as a method of payment.
- B. Price changes or additional fee(s) **shall** not be levied against the State when accepting the p-card as a form of payment.
- C. MASTERCARD is not the exclusive method of payment.

**1.28 PUBLICITY**

- A. Contractors **shall** not issue a news release pertaining to this Bid Solicitation or any portion of the project without OP's prior written approval.
- B. Failure to comply with this Requirement **shall** be cause for a Contractor's proposal to be disqualified or for the contract to be terminated.

**1.29 RESERVATION**

DHS **shall not** pay the costs incurred in the preparation of a proposal.

**1.30 DATA LOCATION**

Contractor **shall** under no circumstances allow Arkansas data to be relocated, transmitted, hosted, or stored outside the continental United States in connection with any services provided under this contract entered into under this RFP, either directly by the Contractor or by its subcontractors.

**1.31 SCHEDULE OF EVENTS****Exhibit 1: Solicitation Schedule**

Activity	Date
Public Notice of RFP	April 8, 2025
Deadline for Receipt of Written Questions	April 16, 2025, 4:00 pm, CST
Response to written Questions, On or About	April 30, 2025
<b>Proposal Due Date and Time</b>	<b>June 4, 2025, 10:30 a.m., CST</b>
Opening Proposal Date and Time	June 4, 2025, 11:30 a.m., CST
Intent to Award Announcement Posted, On or About	October 10, 2025
Contract Start Date (Subject to DHS and CMS Approval)	January 1, 2026

**1.32 STATE HOLIDAYS**

Holidays are those days as declared legal State holidays by authority of Act 304 of 2001. Those days are as follows:

**Exhibit 2: Holiday Schedule**

Holiday	Date
New Year's Day	January 1
Dr. Martin Luther King's Birthday	Third Monday in January

Holiday	Date
George Washington Birthday	Third Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Veteran's Day	November 11
Thanksgiving Day	Fourth Thursday in November
Christmas Eve	December 24 or last business day before
Christmas Day	December 25 or business day following

Additional days can be proclaimed as holidays by the Governor through executive proclamation. State offices are normally closed on holidays; however, there are occasions (i.e., during legislative sessions) when it may become necessary to keep state offices open on holidays. The Contractor **shall** maintain adequate staff on such working holidays.

## SECTION 2. SPECIFICATIONS

- *Do not provide responses to items in this section unless specifically and expressly required.*

### 2.1 INTRODUCTION

The Arkansas Department of Human Services (“DHS” or “State”) is a custodian of sensitive information, in which the Centers for Medicare & Medicaid Service (CMS) requires states to adhere to the Streamlined Modular Certification (SMC) guidance for all current and future module implementations. DHS and its business partners share the responsibility for ensuring the protection of sensitive information. CMS requires states to monitor and conduct regular security and privacy control testing through independent security and privacy assessments. Adopting strong security and privacy protections is, therefore, necessary to meet the regulatory requirements and to establish public trust and confidence that their personal information will be protected.

DHS requires the use of Minimum Acceptable Risk Standards for Exchanges (MARS-E) for privacy and security for Arkansas Medicaid Enterprise (AME) modules. The MARS-E is a set of privacy and security standards for the Affordable Care Act (ACA) administering entities, as well as their contractors and subcontractors. Developed by CMS, the standards are based on the National Institute of Standards and Technology (NIST) Special Publication 800-53. This framework establishes the security and privacy requirements for compliance under MARS-E, ensuring the availability, confidentiality, and integrity of protected health information (PHI), personally identifiable information (PII), and federal tax information (FTI).

Medicaid solutions **must** adhere to NIST, the Health Insurance Portability and Accountability Act (HIPAA), and/or the latest version of MARS-E or Acceptable Risk Controls for ACA, Medicaid, and Partner Entities (ARC-AMPE) standards. ARC-AMPE is the standard that will replace MARS-E.

DHS is procuring a Third-Party Independent Assessor (“Contractor”) to conduct Security and Privacy Control Assessments (SCAs) for each AME Module System outlined in Exhibit 3 to determine whether the security and privacy controls are implemented correctly, operate as intended, and produce the desired outcomes for meeting the security and privacy requirements of the information system. The Contractor will conduct the assessment on the production environment and boundaries.

The Contractor **shall** assess compliance with the most current version of HIPAA, NIST, MARS-E, or ARC-AMPE and other Federal and State privacy and security standards. As new standards become available, the Contractor **shall** assess per the new standards within a timeframe approved by DHS.

For further details, see deliverables section 2.9 of this RFP.

DHS requires all current and future AME Module Systems to conform to the highest security and privacy standards. Therefore, the requirements outlined in this RFP apply to each AME Module System. The AME Module System Security and Privacy Assessment duties may overlap or run concurrently, as agreed mutually between DHS and the Contractor.

DHS requires the Contractor to assess all environments that use production data. In addition, DHS may require the Contractor to assess additional related modules and middleware.

DHS identified the following AME Module Systems and timeframes for the scope of work outlined in this RFP.



**Exhibit 3: AME Module Systems Requiring Security and Privacy Assessments**

<b>Security and Privacy Assessment Activity</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Existing Arkansas Integrated Eligibility System (ARIES and MCI)	Full Comprehensive Assessment	Year 1 Partial Assessment	Year 2 Partial Assessment
Existing Decision Support System (DSS)	Full Comprehensive Assessment	Year 1 Partial Assessment	Year 2 Partial Assessment
Independent Assessment System (Optum)*	Full Comprehensive Assessment	Year 1 Partial Assessment	Year 2 Partial Assessment
Pharmacy System	Full Comprehensive Assessment	Year 1 Partial Assessment	Year 2 Partial Assessment
<b>Anticipated Future Modules</b>			
<i>*First year for anticipated future modules will entail a full comprehensive assessment, followed by a three-year partial assessment cycle as outlined above. Dates are TBD.</i>			
Core Medicaid Management Information System (MMIS)			
New Decision Support System (DSS)			
Electronic Visit Verification (EVV) System			
Managed Care			
Patient-Centered Medical Home (PCMH)			
Provider Enrollment			
Customer Service Center			
Prior Authorization and Utilization Review (PA/UR)			

\*This system is related to beneficiary needs determination and is not related to security and privacy assessments.

While Exhibit 3 above defines the anticipated schedule for those systems that are to be currently assessed, the anticipated future modules may come online at any time. Refer to Attachment E: Cost Proposal Template for maximum expected assessments per year. The maximum quantity includes the possibility of both potential future modules coming online and other assessments as needed (for instance, in the case of optional follow-behind assessments after a system breach). Assessment quantities not used in a particular year roll over for potential use in later years.

When new AME Module Systems go live, the Contractor **shall** first conduct a full SCA. Thereafter, the Contractor **shall** follow a three-year assessment cycle.

During the three-year assessment cycle, the Contractor **shall** assess all controls that are required to be assessed on an annual basis and **shall** also assess at least one-third of the controls that do not have to be tested annually, such that the system has been fully evaluated every three years. Partial assessments are defined by CMS MARS-E guidelines. The Contractor **shall** assess all non-annual controls as determined by DHS. Contractor is required to continuously maintain a Plan of Action & Milestone document (POAM) for each AME Module System.

The above expectations are based on current MARS-E guidelines. ARC-AMPE guidance may differ. Contractor **shall** be able to assess compliance with the ARC-AMPE standards within ninety (90) calendar days of the release at no additional cost to DHS.

It is the goal of DHS to migrate all its Medicaid Security and Privacy assessments for the Medicaid Enterprise systems to the MARS-E or ARC-AMPE standards as it procures new MMIS modules. Vendors **shall** use their expertise to take into account the anticipated transition from the MARS-E standard to the ARC-AMPE standard when completing their cost bids documented in Attachment E, Cost Proposal Template.

Under Arkansas procurement law, DHS may secure contracts for up to seven years, and DHS intends to procure this contract for an initial period of three (3) years with the option of annual renewals for up to four (4) 1-year contract renewals.

## 2.2 OVERVIEW OF DHS ORGANIZATION AND OPERATIONS

DHS is the largest State agency in Arkansas with approximately 7,000 employees. Act 348 of 1985 allowed DHS to create a unified, comprehensive delivery system to improve the accessibility, availability, quality, and accountability of services delivered or purchased by DHS and to improve the administration and management of resources available to DHS.

The Division of Medical Services (DMS) is one of fourteen Divisions and Offices that comprise DHS. The Divisions provide services to the people of Arkansas, and the Offices provide the necessary support to the Divisions and DHS.

DMS is the administrative arm of Arkansas Medicaid, overseeing provider enrollment, billing, beneficiary support, and fee-for-service and managed care programs funded by Medicaid. Arkansas Medicaid, which is jointly funded and operated by DHS and CMS, provides medically necessary healthcare services for eligible Arkansans from birth through the end of life.

## 2.3 MINIMUM QUALIFICATIONS

To be considered as a viable Contractor for this project, the Contractor or its Subcontractors or employees **must** meet all the below minimum qualifications:

- A. The Contractor **must** be bondable. As proof of meeting this requirement, the Contractor **shall** submit a Letter of Bondability from an admitted Surety Insurer with its bid submission. The letter **must** unconditionally offer to guarantee to the extent of one hundred percent (100%) of the annual contract price the Contractor's performance in all respects of the terms and conditions of the RFP and the resultant contract.
- B. The Contractor **shall** have at least three (3) years of active experience with at least six (6) MARS-E assessments in the past five (5) years. For verification purposes, the Prospective Contractor **must** complete and submit Attachment N Client History Form.
- C. The Contractor **shall** have experience in the past five (5) years providing Independent Assessment of Security and Privacy Controls services using the MARS-E standard for at least two (2) similar systems as those listed in this RFP. For verification purposes, the Prospective Contractor **must** complete and submit Attachment N Client History Form.
- D. The Contractor **shall** be free from any real or perceived conflicts of interest, including being free from personal, external, and organizational impairments to independence, or the appearance of such impairments to independence. Among the conflict-of-interest requirements are those outlined in CMS' Framework for Independent Assessment of Security and Privacy Controls document. The Contractor is considered independent if there is no perceived or actual conflict of interest involving the developmental, operational, financial, and/or management chain associated with the AME Module Systems and the determination of security and privacy

control effectiveness. For verification purposes, the Prospective Contractor **must** complete the Statement of Attestation and Statement of Acknowledgement located in the Technical Proposal Packet.

- E. The Contractor **must** be registered to do business in the State of Arkansas and in good standing by the initial start of any resulting contract. For verification purposes, Contractor **must** provide a [Certificate of Good Standing](#), [Certificate of Authority](#), other required [Arkansas Secretary of State documentation](#) such as non-filing or nonqualifying statements, upon DHS request.

## 2.4 COMPANY AND STAFF INFORMATION AND EXPERIENCE

The Contractor **shall** have acceptable privacy and security experience that includes, but is not limited to:

- A. Reviewing compliance with HIPAA security standards
- B. Reviewing compliance with the most current NIST SP 800-53, Security and Privacy Controls for Federal Information Systems and Organizations, or the most current NIST SP 800-171, Protecting Controlled Unclassified Information in Nonfederal Systems and Organizations
- C. Reviewing compliance with the MARS-E, current version
- D. Reviewing compliance with the Federal Information Security Management Act (FISMA)
- E. Experience assessing the implementation of the Center for Internet Security (CIS) benchmarks
- F. Reviewing compliance with the Open Web Application Security Project (OWASP)

## 2.5 SCOPE OF WORK

- A. The Contractor **shall** plan, develop, conduct AME Module System security and privacy assessments and report its findings to DHS. These required services support DHS in advancing its goals of enabling secure, high-quality, and accessible data for Arkansas Medicaid stakeholders.
- B. Because several AME Module Systems will be implemented over the next six (6) years, DHS is seeking a Third-Party Independent Assessor (“Contractor”) who has project management experience to ensure all security and privacy assessments are delivered on time, within budget, and with minimal disruption to the AME operation.
- C. The Contractor **shall** provide warranty of the assessments conducted, and DHS **must** have access to all documents, artifacts, and all evidence for ten (10) years from creation, last update or publication, whichever is later. During the warranty period, any issues identified **shall** be addressed by the Contractor at no additional cost to DHS. The Contractor may leverage processes to manage the issues and report progress in a report format.
- D. The Contractor **shall**:
  - 1. Provide all services and meet all requirements requested in this RFP and all Attachments
  - 2. Perform services and produce required deliverables by the due dates outlined in Exhibit 5: Deliverables Summary Table.
  - 3. Provide any/all hardware or software required by the Contractor team for project tracking, reporting, management, and production of deliverables.
  - 4. Develop and provide deliverables and services in accordance with the following standards:
    - a. MARS-E and/or ARC-AMPE Frameworks and Templates

- b. Current Medicaid Information Technology Architecture (MITA) framework
- E. The Contractor **shall** comply fully with standards as required by statute, and any updated statutes established during the life of the contract, including those listed below:
1. Federal Information Security Modernization Act of 2014 (FISMA), December 2014.
  2. Office of Management and Budget (OMB) Circular A-130, Appendix I: Responsibilities for Protecting and Managing Federal Information Resources, July 2016.
  3. Title 18 of the United States Code (U.S.C.) §641, Criminal Code: Public Money, Property, or Records, January 2012.
  4. Title 18 of the United States Code (U.S.C.) § 1905, Criminal Code: Disclosure of Confidential Information, January 2011.
  5. Health Insurance Portability and Accountability Act (HIPAA) of 1966 (Public Law [PL] 104-191), August 1996.
  6. National Institute of Standards and Technology (NIST) Special Publication (SP) 800-39, Managing Information Security Risk, March 2011.
  7. The Patient Protection and Affordable Care Act of 2010 (ACA) (PL 111-148), as amended by the Health Care and Education Reconciliation Act of 2010 (PL 111-152), March 2010.
  8. Department of Health and Human Services (HHS) Regulation 45 Code of Federal Regulation (C.F.R.) §155.260, Privacy and Security of Personally Identifiable Information (PII), October 2014.
  9. Department of Health and Human Services (HHS) Regulation 45 Code of Federal Regulation (C.F.R.) §155.280, Oversight and Monitoring of Privacy and Security Requirements, October 2015.
  10. The Privacy Act of 1974, Title 5 of the Code of Federal Regulation (U.S.C.) §552a. System of Records Notice citation: "Health Insurance Exchanges Program", Title 78 of the Federal Register 8538, February 2013.
  11. Department of Health and Human Services (HHS) Title 45 C.F.R. §155.260(b) – Privacy and Security of Personally Identifiable Information (PII) for Exchange Functions, October 2014.
  12. Social Security Act, Section 1943(b) (as added by Section 2201 of the Patient Protection and Affordable Care Act of 2010 (ACA) (PL 111-148), March 2010.
  13. The Minimum Acceptable Risk Standards for Exchanges (MARS-E) or ARC-AMPE Document Suite, most recent.
  14. Department of Information Services (DIS) and the State standards and policies relating to information systems, information systems security, physical security, confidentiality, and privacy. (<https://www.transform.ar.gov/information-systems/policies-standards/standards/>).
  15. Computer Fraud and Abuse Act [PL 99-474, 18 USC 1030]
  16. E-Authentication Guidance for Federal Agencies [OMB M-04-04]
  17. Freedom of Information Act as amended in 2002 [PL 104-232, 5 USC 552]
  18. Guidance on Inter-Agency Sharing of Personal Data – Protecting Personal Privacy [OMB M-01-05]
  19. Homeland Security Presidential Directive-7, Critical Infrastructure Identification,
  20. Prioritization and Protection [HSPD-7]

21. Internal Control Systems [OMB Circular A-123]
  22. Management's Responsibility for Internal Control [OMB Circular A-123, Revised 12/21/2004]
  23. Protection of Sensitive Agency Information [OMB M-06-16]
  24. Records Management by Federal Agencies [44 USC 31]
  25. Responsibilities for the Maintenance of Records About Individuals by Federal Agencies
  26. [OMB Circular A-108, as amended]
  27. Security of Federal Automated Information Systems [OMB Circular A-130, Appendix III]
- F. The Contractor **shall** recommend publicly and commercially available computer-based training (CBTs) modules that focus on the proper handling and security protocols for PHI, FTI, and other secure data. The Contractor **shall** make a recommendation for administering and tracking training pass/fail/expired outcomes in cooperation with DHS. The intent of annual certification is to ensure all vendors and DHS staff with access to sensitive data are equipped with the skills and knowledge to maintain the highest level of confidentiality and integrity around sensitive information. The implementation of the CBTs and tracking software will be the responsibility of DHS.

## 2.6 PRINCIPLES AND GUIDELINES

- A. To ensure success for all AME Module Systems, the following principles and guidelines are required by DHS leadership:
1. **Adherence to Federal Requirements:** AME Module Systems **must** adhere to all Federal requirements.
  2. **Scalable and Extensible:** AME Module Systems **must** be scalable to accommodate additional users and extensible in expanding capabilities to meet future business needs and Federal and State mandates.
  3. **Agile:** AME Module Systems **must** be able to readily adapt to changing business needs quickly and with minimal technical resources.
  4. **Data Availability:** The most up-to-date version of data **must** be always available to AME Module System users.
  5. **Data Quality:** AME Module Systems **must** promote completeness, accuracy, consistency, and timeliness of data, including approaches to actively monitor and manage data quality.
  6. **Secure and Manageable:** The target architecture for all AME Module Systems needs to be protected against common internet threats and will be manageable within the existing operational and financial constraints.

## 2.7 PROJECT GOVERNANCE AND MANAGEMENT

- A. The Division of Medical Services (DMS) and the Office of Information Technology (OIT) are accountable for managing the contract and overseeing the engagement established through this RFP. Their main duties include:
1. **Providing Strategic Direction:** Provide high-level guidance and direction for the project.
  2. **Approving Contract Changes:** Review and authorize any proposed amendments to the contract, including scope of work adjustments.

3. **Resolving Issues and Risks:** Address any issues or risks requiring DMS and/or OIT leadership intervention and advice on project management concerns.
  4. **Project Scope and Budget Control:** Authorize amendments to the project's scope, schedule, or budget, or to cancel the project if needed.
  5. **Reviewing Solution Designs:** Evaluate proposed solutions to ensure compliance with DHS architecture standards and business requirements, aiming to reuse existing technology whenever possible.
- B. DMS and OIT Leadership will convene regularly to provide support for the project and the DHS project management team.
- C. Oversight Support
1. The AME PMO will assign project management staff to the project to coordinate with the Contractor's team, collaborate on developing and managing the project, and drive DHS-specific tasks and activities.
  2. The various tasks associated with designing, developing, implementing, evolving, and supporting the AME Module Systems will be split across DHS and the partners listed in Exhibit 4.
  3. The Contractor **must** collaborate with all partners to ensure the success of the project.

**Exhibit 4: DHS and Partner Roles Table**

Partner	Primary Role
DHS	<ul style="list-style-type: none"> <li>• Provide project leadership and decision-making.</li> <li>• Direct and oversee the development of the governance framework and vendor solutions.</li> <li>• Serve as liaison to State agency principals and advisory committees, to defend/explain work output.</li> </ul>
Project Management Office (PMO) Vendor	<ul style="list-style-type: none"> <li>• Develop, document, and oversee integrated project plan/schedule.</li> <li>• Collate and reconcile stakeholder activities, dependencies, and schedules.</li> <li>• Facilitate regular team meetings with the Solution Vendor teams, and others as needed, to ensure that all are working together effectively to meet all project milestones and goals.</li> </ul>
Independent Validation & Verification (IV&V) Vendor	<ul style="list-style-type: none"> <li>• Conduct evaluations of the project's overall progress toward milestones and outcomes.</li> <li>• Identify gaps and risks and provide recommendations.</li> <li>• Assess the progress of Certification activities/progress.</li> </ul>
Solution Vendor(s)	<ul style="list-style-type: none"> <li>• Design, develop, implement, and support vendor solutions as needed to support DHS.</li> <li>• Provide subject matter expertise on evolving vendor solutions, its processes, and approach over time – advise on industry improvements, standards, etc.</li> <li>• Fulfill Solution Vendor contractual requirements.</li> </ul>

Partner	Primary Role
Third-Party Independent Assessor(s)	<ul style="list-style-type: none"> <li>• Evaluate the security compliance of DHS module systems and the practices, policies, and procedures of the Solution Vendor(s).</li> <li>• Test and audit the security effectiveness of the systems (e.g., penetration testing, phishing assessment, etc.).</li> <li>• Create and document recommendations for remediation and/or improvement of security and report findings to DHS.</li> </ul>

## 2.8 PROJECT STAFFING

- A. DHS understands that staffing will be critical to the success of this contract and will rigorously evaluate Proposals for the appropriate consideration and structure of the proposed staffing model, including the identified Attachment A: Key Personnel. Consideration will be given to Proposals that can effectively use identified staff and do not require unrealistic expectations of DHS staff.
- B. The Contractor **shall** provide personnel to complete all tasks and deliverables. The Contractor **shall** lead these activities and deliver the related services and should not expect direct DHS support resources to be available beyond what is described within this RFP. The Contractor will employ staff in sufficient numbers and with sufficient expertise and experience to meet the needs of DHS. All staff **must** reside in the Continental U.S.; offshore staff is prohibited.
- C. The Contractor **must** maintain the minimum number and levels of qualified project staff required to maintain defined service level performance and, in all other respects, meet the project staffing requirements. The Contractor **must** produce and submit to DHS a functional operational organization chart, upon any changes or annually, that denotes key/lead positions/titles and names. Positions that are designated as Key Personnel that become vacant **shall** have a temporary replacement in place within fourteen (14) calendar days after the position becomes vacant. A permanent replacement **must** be approved by DHS and filled within ninety (90) calendar days of the date the position becomes vacant. No position may be filled with a temporary appointee for more than ninety calendar days in any one (1) year period.
- D. With the exclusion of State-observed holidays and State-observed inclement weather closing, the Contractor's Key Personnel **must** be available 8:00 a.m. to 4:30 p.m. Central time, and at mutually agreed upon hours outside of that time period, every DHS workday during an assessment, (or as agreed upon with DHS in advance for Key Personnel schedule changes or commitments).
- E. The Contractor **must** perform criminal background checks on all proposed staff members. Pursuant to those background checks, no staff member **shall** be staffed on this project if they have committed an offense that would preclude State employment as a "designated information technology position" pursuant to Arkansas Code Annotated § 21- 15-111.
- F. The Contractor **must** maintain responsibility for all costs related to providing all the staff necessary to meet the requirements in this RFP, including but not limited to staff, staff expenses, staff overhead, staff travel, or any related staff expenses, except as specifically provided in the Contract.
- G. Projected DHS Staffing for the Security and Privacy Assessments are as follows:
1. AME DHS – Key Stakeholders
    - a. Arkansas Medicaid Enterprise IT Director



- b. Arkansas Medicaid Enterprise IT Deputy Director
  - c. Chief Information Security Officer
  - d. Privacy Officer
2. AME PMO
- a. Security Project Manager Security Analysts

## 2.9 DELIVERABLES OVERVIEW

- A. All Contractor deliverables are subject to DHS review before final approval, acceptance, and payment. Such review and approval **must** include the DHS AME IT Deputy Director, the Chief Information Security Officer, and the Chief Privacy Officer. Where appropriate, the Contractor **shall** perform a walkthrough of a draft version of the deliverable with all appropriate DHS and DHS designated staff and solicit feedback before submission.
- B. DHS will have no less than ten (10) business days to complete its initial review of the deliverable. DHS will accept or reject deliverables in writing. In the event of the rejection of any deliverable, the Contractor will be notified of the reason(s) for rejection. Unless agreed by DHS due to the complexity of the deliverable, the Contractor **shall** have five (5) business days to correct the rejected deliverable and return it to DHS. Failure by DHS to complete activities within the timeframes noted does NOT constitute acceptance, approval, or completion unless otherwise agreed upon by DHS and the Contractor. DHS's acceptance or rejection of a deliverable or the delay of the due date will be made in writing by an authorized DHS representative.
- C. All payment requests (e.g., invoices) **must** include copies of the approval signed by the DHS stakeholder authorized to approve the deliverable.
1. Deliverables Summary and Due Dates
- a. The following table summarizes the required Contractor deliverables and due dates. The deliverables are described in section 2.10 of this RFP.
  - b. Due Dates for AME Module System Assessments are based on the start date of the assessment, as determined by DHS. If the due date occurs on a non-working day, the deliverable is due on the previous business day. Deliverables **shall** be updated as noted on a schedule determined by DHS. The Contractor **must** update deliverables within 15 calendar days of a change in content.

**Exhibit 5: Deliverables Summary Table**

No	Deliverable Name	Due Dates
1	Contract Kick-Off Presentation	7 calendar days after contract start date
2	Assessment Kickoff Meeting	At the start of each module assessment
3	Security and Privacy Assessment Plan (SAP)	14 calendar days after each module assessment begin date.
4	Weekly Status Report	Weekly during assessments
5	Security And Privacy Control Assessment Activities (SCA)	120 calendar days after each module assessment begin date
6	Security and Privacy Assessment Report (SAR)	120 calendar days after each module assessment begin date



No	Deliverable Name	Due Dates
7	Plan of Action & Milestones (POA&M)	120 calendar days after each module assessment begin date (to be delivered with SAR)
8	Security and Privacy Assessment Workbook (SAW)	120 calendar days after each module assessment begin date
9.	Penetration Testing Results Report	120 calendar days after each module assessment begin date If standalone, then 30 calendar days after testing start date

## 2.10 REQUIRED VENDOR ACTIVITIES AND DELIVERABLES

This section outlines DHS's expectations for the required Contractor activities and deliverables for the Independent Security and Privacy Assessments. This RFP is intended to offer Respondents the leeway to propose their optimal path to conducting independent security and privacy assessments.

### A. Contract Kick-Off Presentation

1. The Contractor **shall** provide a detailed overview and walkthrough of how they plan to manage the assessments throughout the Contract.
2. The Contractor **shall** conduct the Kick-Off Presentation for DHS and the AME PMO within 15 days of contract award.

### B. Assessment Kick-Off Presentation Deliverable

1. At the start of each assessment or standalone penetration testing, the Contractor **shall** conduct a Kick-Off Presentation. The goal of the Assessment Kick-Off Presentation is to confirm the necessary assessment scope information outside of that which was documented in the Contract statement of work. The Contractor **shall** confirm the assessment scope information to accurately complete the Security and Privacy Assessment Plan (SAP).
2. To expedite the process, the Contractor **shall** be prepared to present a preliminary SAP at the assessment kickoff meeting.
3. The assessment kick-off **shall** include a presentation to DHS key stakeholders and the AME PMO to familiarize stakeholders with the AME Module System security and privacy assessment project. The presentation **shall** include, at a minimum:
  - a. Project Overview
  - b. Project Schedule (high-level)
  - c. Objectives and Definitions
  - d. Processes (including high-level change management, the security controls that will be used for the module assessment, and issue/risk management)
  - e. Roles, responsibilities and expectations for the time commitments of key DHS and AME PMO staff
  - f. Keys to Success

### C. Security And Privacy Assessment Plan Deliverable

1. The Contractor **shall** develop a Security and Privacy Assessment Plan (SAP) for each assessment and standalone penetration testing, in accordance with instructions contained in the CMS System Security and Privacy Plan (SSPP) template. The SAP **shall** address either MARS-E standards or ARC-AMPE standards, whichever DHS has determined is applicable at the time of the assessment.
2. The goal of the Security Assessment Plan is to clearly explain the information the Contractor expects to obtain, the areas that will be examined, and the proposed scheduled activities the Contractor expects to perform during the assessment.
3. The SAP **must** be submitted to DHS within 14 calendar days from the start of the assessment. The SAP **must** be approved by DHS before the start of testing.
4. DHS will submit the SAP to CMS. The SAP will be used by CMS, network engineers, and system administrators responsible for system operations. The SAP **shall** be comprehensive and address all aspects of the required system assessment and be capable of producing the required reports. Based on industry knowledge and experience, the Contractor may offer additional suggestions on the method for ensuring quality. DHS **must** review and approve any additional suggestions presented by the Contractor. At a minimum, the SAP **must** include:
  - a. Assigned named resources suitable for completing the assessment
  - b. Clear objectives and constraints
  - c. Well-defined roles and responsibilities
  - d. A project management plan that includes defined events and deliverables and supports program/project schedule milestones
  - e. Rules of engagement

**D. Weekly Status Report Deliverable**

1. While an assessment is underway, the Contractor **shall** provide Weekly Status Reports. If multiple assessments are underway simultaneously, the reports may be combined into one report. The status report **must**, at a minimum, include:
  - a. Graphical statuses of scope, schedule, and budget (red, yellow, or green and a definition of each color level)
  - b. Accomplishments of the last reporting period
  - c. Objectives for the next reporting period
  - d. Updated Project Schedule dates versus baseline Project Schedule milestone dates
  - e. Recovery plan for all work activities that are not tracking to the approved schedule
  - f. Status of specific activities, depending upon the stage of the assessment
  - g. One-page graphical summary of the Project Schedule status of all major tasks and subtasks

**E. Security And Privacy Control Assessment Activities and Deliverable**

1. The Contractor **shall** conduct Security and Privacy Control Assessment (SCA) activities for each AME Module System outlined in this RFP. CMS' Streamlined Modular Certification (SMC) for Medicaid Enterprise Systems Guidance **must** be adhered to when conducting security and privacy assessments.

2. Assessment types will vary depending on the AME Module System. AME Module Systems requiring CMS Authority to Operate (ATO) certification will require a MARS- E security and privacy assessment and can take, at a minimum, 24 weeks to complete the assessment. The Contractor **shall** recommend the assessment type and obtain DHS confirmation on which security control standards are appropriate for each AME Module System.
3. The Contractor **shall** modify or supplement the procedures to evaluate the AME Module System's vulnerability to several types of threats, including those from insiders, the internet, or the network. DHS requires the Contractor to analyze the collected information using the agreed-upon frameworks and security standards, including but not limited to NIST, HIPAA, MARS-E, or ARC-AMPE when applicable and as defined by CMS Streamlined Modular Certification, to assess/evaluate each AME Module System's security posture. The Contractor **shall** provide DHS access to all source data, and the Contractor **shall** retain evidence of the security and privacy assessment for a minimum of 10 years.
4. The assessment methods **shall** include examination of documentation, logs and configurations, interviews of personnel, and testing of technical controls. Control assessment procedures and associated test results **must** provide information to identify the following:
  - a. Application or system vulnerabilities, the associated business and system risks, and potential impact
  - b. Weaknesses in the configuration management process, such as weak system configuration settings that may compromise the confidentiality, integrity, and availability of the system
  - c. State and/or Federal policies not followed
  - d. Major documentation omissions and/or discrepancies

#### F. Penetration Testing

1. As a part of SCA activities, the Contractor **must** perform comprehensive internal and external penetration testing on each AME Module System. Penetration testing will be conducted in an open box context, where the Contractor will have complete knowledge of the AME Module System's architecture, design, and infrastructure.
2. The Contractor's internal penetration testing **must** assess internal network security and identify vulnerabilities within the AME Module System's internal infrastructure. Internal penetration testing **must** also verify the effectiveness of access controls and segregation of duties and examine the AME Module System's configuration and hardening practice.
3. The Contractor's external penetration testing **must** assess external-facing infrastructure (i.e., firewalls, routers, and web applications). External penetration testing **must** also identify vulnerabilities that could be exploited by external threat actors, evaluate the effectiveness of perimeter defenses, and verify the AME Module System's resilience against common attacks (i.e., Denial of Service attacks, Structured Query Language injection, and cross-site scripting).
4. The Contractor's penetration testing methodology **shall** include all guidance from:
  - a. NIST SP 800.115, Technical Guide to Information Security Testing and Assessment (all seven sections required)
  - b. Open Worldwide Application Security Project (OWASP) (as applicable)
  - c. Penetration Testing Execution Standard (PTES)

- d. Open Source Security Testing Methodology Manual (OSSTMM) (as applicable)
5. The Contractor **must** scan for identification of a penetration vulnerability then actively attempt to penetrate the vulnerability, and report on the findings.
  6. Penetration testing **must** evaluate the Static Code scan, Dynamic Code scan, and credentialed network and system vulnerability scans from the information system for additional evaluation of potential vulnerabilities.
  7. Only a penetration test against the information system and provided services to Arkansas will be accepted as a final work product.
  8. DHS may request the Contractor to perform standalone penetration testing on additional information systems. Standalone penetration testing will be costed per the bidder's cost sheet per the sizing parameters listed in Exhibit 6.

**Exhibit 6: System Sizing for Penetration Testing**

Information System Size Category	End Points	Systems
Small	Ten or fewer	Fewer than 100
Medium	11 to 29	100 to 199
Large	30 to 80	200 to 299

9. The above sizing parameters are guidelines. For instance, a system with 81 end points and 205 systems is not necessarily disqualified as "large." The Contractor and DHS will discuss systems that do not easily fall into the above guidelines. At any given moment, the number of end points and systems that interact with a given information system may vary. It is the Contractor's responsibility to initiate discussion with DHS when and if they believe it is appropriate for an information system to be categorized as a different size than previously defined.

Exhibit 7 reflects DHS estimate of current information system size categorization.

**Exhibit 7: Estimate of System Sizes**

Information System	Estimated System Size Category
Existing ARIES and MCI	Large
Existing DSS	Medium
CORE MMIS	Large
Independent Assessment System (Optum)*	Medium
New Pharmacy	Medium
EVV	Small
PCMH	Small
Customer Service Center	Medium
Prior Authorization and Utilization Review (PA/UR)	Medium

\*This system is related to beneficiary needs determination and is not related to security and privacy assessments.

10. The Contractor **shall** complete SCAs within 120 days of the module assessment begin date.

G. Security and Privacy Assessment Report Deliverable

1. The Contractor **shall** provide Security and Privacy Assessment Report (SAR) for each AME Module System with the required elements to meet the requirements for each system being assessed.
2. The Contractor **must** use the most current CMS template for each AME Module System undergoing a security and privacy assessment. The SAR **must** indicate what audit checks were performed, what passed and what failed, and the final summary list of vulnerabilities that were found. The SAR **must** highlight the findings from security control assessments conducted as part of the initial system authorization process for the newly deployed system, as required under the Federal Information Security Modernization Act of 2014 (FISMA).
3. The SAR content **must** include, but is not limited to, the following:
  - a. System Overview
  - b. Executive Summary Report
  - c. Detailed Findings Report
  - d. Scan Results
    - Infrastructure Scan
    - Database Scan
    - Web Applications Scan
  - e. Penetration Test Report
  - f. Penetration Test and Scan Results Summary
4. The Contractor **shall** schedule and facilitate a walkthrough with DHS and the AME PMO to review the SAR assessment findings 90 calendar days after the module assessment begin date. The SAR deliverable is due to DHS within 120 calendar days of the module assessment begin date.

H. Plan of Action & Milestones Activities and Deliverable

1. The Contractor **shall** develop an effective Plan of Action & Milestones (POA&M) for each AME Module System. The Contractor's POA&M will inform the system vendors' POA&M, and the system vendors will be responsible for operational follow-up on the weaknesses or deficiencies identified during the security and privacy assessment. The Contractor **shall** use the CMS POA&M template. The Contractor **shall** provide detailed recommendations for correcting the weakness. Contractor findings identified during the assessment should be documented within the POA&M using the same risk levels reported in the SAR. The Contractor may also be asked to reevaluate the remediation of any POA&M findings.
2. The POA&M is due to DHS at the time of SAW and SAR delivery to DHS.

I. Security and Privacy Assessment Workbook Deliverable

1. Per CMS Guidance, the Contractor **shall** create a Security and Privacy Assessment Workbook (SAW) to complement the findings for each AME Module System Assessment to help DHS understand the approach used to assess the module. It should be used as a demonstrative tool for DHS, Module vendors, and the AME PMO to see what approach was used in assessing the AME Module System. The final SAW includes results of all

controls tested, detailed findings and recommendations, and incorporates the results of Penetration Testing.

2. The SAW is due to DHS within 120 days of the module assessment begin date.

J. Penetration Testing Results Report

1. The Contractor **shall** provide a Penetration Testing Results Report for each AME Module System with the required elements to meet the requirements for each system being assessed.
2. The Contractor **shall** schedule and facilitate a walkthrough with DHS to review the Penetration Testing Results Report within 90 calendar days after the module assessment begin date.
3. The Penetration Testing Results Report is due to DHS within 120 calendar days after the module assessment begin date.
4. If performing a standalone penetration test, the Penetration Testing Results Report is due to DHS within 30 calendar days after testing start date.

K. Ad Hoc Security and Privacy Analysis and Consultation Work

1. On occasion DHS may have need for the expertise the Contractor can provide outside of regular Security and Privacy Assessments or Penetration Testing activity.
2. This potential work will be negotiated at time of need and billed at the rates the Contractor listed in the Cost Proposal.

## 2.11 45 CFR § 95.617 SOFTWARE AND OWNERSHIP RIGHTS

- A. General. The State or local government **must** include a clause in all procurement instruments that provides that the State or local government will have all ownership rights in software or modifications thereof and associated documentation designed, developed or installed with Federal financial participation under this subpart.
- B. Federal license. The Department reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, or otherwise use and to authorize others to use for Federal Government purposes, such software, modifications, and documentation.
- C. Proprietary software. Proprietary operating/vendor software packages which are provided at established catalog or market prices and sold or leased to the general public **shall** not be subject to the ownership provisions in paragraphs (a) and (b) of this section. FFP is not available for proprietary applications software developed specifically for the public assistance programs covered under this subpart.

## 2.12 PERFORMANCE STANDARDS

- A. State law requires that all contracts for services include Performance Standards for measuring the overall quality of services provided. *Attachment C: Performance Standards* identifies expected deliverables, performance measures, or outcomes; and defines the acceptable standards the Contractor **must** meet to avoid assessment of damages.
- B. DHS may be open to negotiations of Performance Standards prior to contract award, prior to the commencement of services, or at times throughout the contract duration.
- C. DHS **shall** have the right to modify, add, or delete Performance Standards throughout the term of the contract, should DHS determine it is in its best interest to do so. Any changes or additions to performance standards will be made in good faith following acceptable industry

standards and may include the input of the Contractor to establish standards that are reasonably achievable.

- D. All changes made to the Performance Standards **shall** become an official part of the contract.
- E. Performance Standards **shall** continue throughout the term of the contract.
- F. Failure to meet the minimum Performance Standards as specified may result in the assessment of damages.
- G. In the event a Performance Standard is not met, the Contractor will have the opportunity to defend or respond to the insufficiency. DHS may waive damages if it determines there were extenuating factors beyond the control of the Contractor that hindered the performance of services or if it is in the best interest of DHS to do so. In these instances, DHS **shall** have final determination of the performance acceptability.
- H. Should any compensation be owed to DHS due to the assessment of damages, the Contractor **shall** follow the direction of DHS regarding the required compensation process.

## SECTION 3. SELECTION

*Do not provide responses to items in this section unless specifically and expressly required.*

### 3.1 RFP CONTENTS

In preparing a proposal, the Contractor should reference and use the attachments listed as described in Exhibit 8.

**Exhibit 8: RFP Attachments**

Attachment	Name	Description	Bid Submission Requirement
A	Key Personnel	This attachment is Key Personnel requirements	Mandatory
B	Glossary of terms and acronyms	This is a collection of common acronyms and terms used throughout the RFP documents.	Informational
C	Performance Based Contracting Standards	Performance Contracting Standards	Informational
D	Technical Proposal Packet	This is a template Respondents should use in preparing their Technical Proposals	Mandatory
E	Cost Proposal Template	This is a template Respondents should use in proposing a cost for the project	Mandatory
F	Terms and Conditions	Required Terms and Conditions contract	Informational
G	Combined Certifications Form	Required Certification Form	Mandatory
H	Written Questions	Respondents should use this form to submit written questions to DHS pursuant to RFP Section 1.10	Non-Mandatory
I	Disclosure Form	Required Disclosure Form	Mandatory
J	DSA	Data Sharing Agreement	Informational
K	Pro forma contract	Pro forma contract	Informational
L	Business Associate Agreement (BAA)	Business Associate Agreement	Informational
M	Organizational or Personal Conflict of Interest Policy	Organizational or Personal Conflict of Interest Policy	Informational
N	Client History Form	This is a template Respondents <b>must</b> use to list all experience align with the time frames and any other pertinent information	Mandatory



Attachment	Name	Description	Bid Submission Requirement
O	Official Bid Price Sheet	This is a required sheet Respondents should use to provide pricing information	Mandatory
	Bidders' Library	This is a collection of files that Respondents should reference and review to get a better understanding of what is expected by the RFP.	Informational

### 3.2 TECHNICAL PROPOSAL SCORE

- A. OP will review each Technical Proposal Packet to verify submission Requirements have been met. Technical Proposals Packets that do not meet submission Requirements **shall** be rejected and **shall** not be evaluated.
- B. An agency-appointed Evaluation Committee will evaluate and score qualifying Technical Proposals. Evaluation will be based on the Prospective Contractor's response to the Information for Evaluation section included in the Technical Proposal Packet.
- Members of the Evaluation Committee will individually review and evaluate proposals and complete an Individual Score Worksheet for each proposal. Individual scoring for each Evaluation Criteria is described in Exhibit 9.

#### Exhibit 9: Scoring Description

Quality Rating	Quality of Response	Description	Confidence in the Proposed Approach
5	Excellent	When considering the RFP evaluation factor, the proposal squarely meets the requirement and exhibits outstanding knowledge, creativity, ability, or other exceptional characteristics. Extremely good.	Very High
4	Good	When considering the RFP evaluation factor, the proposal squarely meets the requirement and is better than merely acceptable.	High
3	Acceptable	When considering the RFP evaluation factor, the proposal is of acceptable quality.	Moderate
2	Marginal	When considering the RFP evaluation factor, the proposal's acceptability is doubtful.	Low
1	Poor	When considering the RFP evaluation factor, the proposal is inferior.	Very Low
0	Unacceptable	When considering the RFP evaluation factor, the proposal does not meet the requirement. Either nothing in the proposal is responsive to the evaluation factor or the proposal affirmatively shows that it is unacceptable to the evaluation factor.	No Confidence

2. After initial individual evaluations are complete, the Evaluation Committee members will meet to discuss their ratings in a consensus scoring meeting. At this consensus scoring meeting, each evaluator will be allowed to discuss his or her rating for each evaluation criterion.
  3. After committee members have had an opportunity to discuss their scores recorded on the preliminary Individual Score Worksheet with the committee, the individual committee members will be allowed to change their initial individual score, if they feel that is appropriate.
  4. The final individual scores of the evaluators will be recorded on the Consensus Score Sheets and averaged to determine the group or consensus score for each proposal. For purposes of scoring, only the final scores of the evaluators reflected on the Consensus Score Sheet will be used. Each evaluator **shall** sign the Consensus Score Sheet affirming that the score noted is the score intended by the evaluator.
  5. Other agencies, consultants, and experts may also examine documents at the discretion of the Agency.
- C. The *Information for Evaluation* section is divided into sub-sections.
1. In each sub-section, each item/question is assigned a maximum point value of five (5) points. The total point value for each sub-section is reflected in the table below as the Maximum Raw Score Possible.
  2. The agency has assigned Weighted Percentages to each sub-section according to its significance as shown in Exhibit 10.

**Exhibit 10: Information for Evaluation Scoring**

Information for Evaluation Sub-Sections	Maximum Raw Points Possible	Sub-Section's Weighted Percentage	*Maximum Weighted Score Possible
E.1 Section 2.4 Company and Staff Information and Experience	10	28%	196
E.2 RFP Section 2.7 Project Governance and Management	25	12%	84
E.3 RFP Sections 2.10 Required Vendor Activities and Deliverables	60	34%	238
E.4 RFP Attachment A Key Personnel	20	26%	182
<b>Total Technical Score</b>	<b>115</b>	<b>100%</b>	<b>700</b>

*\*Sub-Section's Percentage Weight x Total Weighted Score = Maximum Weighted Score Possible for the sub-section.*

- D. The proposal's weighted score for each sub-section will be determined using the following formula:

$$(A/B) * C = D$$

A = Actual Raw Points received for sub-section in evaluation  
 B = Maximum Raw Points possible for sub-section  
 C = Maximum Weighted Score possible for sub-section

D = Weighted Score received for sub-section

- E. The proposal's weighted scores for sub-sections will be added to determine the Total Technical Score for the Proposal.
- F. Technical Proposals that do not receive a minimum weighted score/subtotal of 450 may not move forward in the solicitation process. The pricing for proposals that do not move forward will not be scored.

### 3.3 COST SCORE

- A. When pricing is opened for scoring, the maximum amount of cost points will be given to the proposal with the lowest grand total cost as shown on the Official Bid Price Sheet. (See Grand Total Score for maximum points possible for cost score.)
- B. The amount of cost points given to the remaining proposals will be allocated by using the following formula:

$$(A/B) * (C) = D$$

A = Lowest Total Cost

B = Second (third, fourth, etc.) Lowest Total Cost

C = Maximum Points for Lowest Total Cost

D = Total Cost Points Received

### 3.4 GRAND TOTAL SCORE

The Technical Score and Cost Score will be added together to determine the Grand Total Score for the proposal. The Prospective Contractor's proposal with the highest Grand Total Score will be selected as the apparent successful Contractor (See Award Process).

	Maximum Points Possible
Technical Proposal	700
Cost	300
Maximum Possible Grand Total Score	1,000

### 3.5 PROSPECTIVE CONTRACTOR ACCEPTANCE OF EVALUATION TECHNIQUE

- A. The Contractor **must** agree to all evaluation processes and procedures as defined in this solicitation.
- B. The submission of a Technical Proposal Packet **shall** signify the Contractor's understanding and agreement that subjective judgments **shall** be made during the evaluation and scoring of the Technical Proposals.

## SECTION 4. GENERAL CONTRACTUAL REQUIREMENTS

*Do not provide responses to items in this section unless expressly required.*

### 4.1 PAYMENT AND INVOICE PROVISIONS

- A. Payment will be made in accordance with applicable State of Arkansas accounting procedures upon acceptance of goods and services by the agency.
- B. DHS **shall** not be invoiced in advance of delivery and acceptance of any goods or services. Payment will be made only after the Contractor has successfully satisfied the agency as to the reliability and effectiveness of the goods or services purchased as a whole.
- C. The Contractor should invoice the agency by an itemized list of charges. The agency's Purchase Order Number and/or the Contract Number should be referenced on each invoice.
- D. Other sections of this Bid Solicitation may contain additional Requirements for invoicing.
- E. Selected Contractor **must** be registered to receive payment and future Bid Solicitation notifications. Contractors may register on-line at <https://www.ark.org/vendor/index.html>.

### 4.2 GENERAL INFORMATION

- A. DHS **shall not** lease any equipment or software for a period of time which continues past the end of a fiscal year unless the contract allows for cancellation by the State Procurement Official upon a thirty (30) day written notice to the Contractor/lessor in the event funds are not appropriated.
- B. DHS **shall not** pay damages, legal expenses or other costs and expenses of any other party.
- C. DHS **shall not** continue a contract once any equipment has been repossessed.
- D. Any litigation involving DHS **must** take place in Pulaski County, Arkansas.
- E. DHS **shall not** agree to any provision of a contract which violates the laws or constitution of the State of Arkansas.
- F. DHS **shall not** enter a contract which grants to another party any remedies other than the following:
  - 1. The right to possession.
  - 2. The right to accrued payments.
  - 3. The right to expenses of de-installation.
  - 4. The right to expenses of repair to return the equipment to normal working order, normal wear and tear excluded.
  - 5. The right to recover only amounts due at the time of repossession and any unamortized non-recurring cost as allowed by Arkansas Law.
- G. The laws of the State of Arkansas **shall** govern this contract.
- H. A contract **shall not** be effective prior to award being made by a State Procurement Official.
- I. In a contract with another party, DHS will accept the risk of loss of the equipment or software and pay for any destruction, loss or damage to the equipment or software while DHS has such risk, when:
  - 1. The extent of liability for such risk is based upon the purchase price of the equipment or software at the time of any loss, and

2. The contract has required DHS to carry insurance for such risk.

#### 4.3 CONDITIONS OF CONTRACT

- A. The Contractor **shall** always observe and comply with federal and State of Arkansas laws, local laws, ordinances, orders, and regulations existing at the time of, or enacted subsequent to the execution of a resulting contract which in any manner affect the completion of the work.
- B. The Contractor **shall** indemnify and save harmless the agency and all its officers, representatives, agents, and employees against any claim or liability arising from or based upon the violation of any such law, ordinance, regulation, order or decree by an employee, representative, or subcontractor of the Contractor.
- C. The Contractor agrees to the Performance Based Contracting standards as presented in Attachment C, DHS Standard Terms and Conditions as presented in Attachment F, a pro forma contract as presented in Attachment K, the Business Associate Agreement as presented in Attachment L, and the Organizational or Personal Conflict of Interest policy as presented in Attachment M. Do not complete and return any of the above-named attachments. They are for your information only.

#### 4.4 STATEMENT OF LIABILITY

- A. DHS will demonstrate reasonable care but will not be liable in the event of loss, destruction or theft of Contractor-owned equipment or software and technical and business or operations literature to be delivered or to be used in the installation of deliverables and services. The Contractor will retain total liability for equipment, software and technical and business or operations literature. DHS **shall** not at any time be responsible for or accept liability for any Contractor-owned items.
- B. The Contractor's liability for damages to DHS **shall** be limited to the value of the Contract or \$5,000,000, whichever is higher. The foregoing limitation of liability **shall** not apply to claims for infringement of United States patent, copyright, trademarks or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of the Contract calling for damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on the Contract. The Contractor and DHS **shall** not be liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages. This limitation of liability **shall** not apply to claims for infringement of United States patent, copyright, trademark or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of the Contract calling for damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on the Contract.
- C. Language in these terms and conditions **shall** not be construed or deemed as DHS's waiver of its right of sovereign immunity. The Contractor agrees that any claims against DHS, whether sounding in tort or in contract, **shall** be brought before the Arkansas Claims Commission as provided by Arkansas law, and **shall** be governed accordingly.

#### 4.5 PERFORMANCE BONDING

- A. The Contractor **shall** be required to obtain performance bonds to protect DHS's interest as follows:
  1. The amount of the performance bonds **shall** be one hundred percent (100%) of the annual contract price, unless DHS determines a lesser amount would be adequate for the

protection of DHS. The performance bond **must** be provided to DHS prior to signing the contract.

2. DHS **shall** require additional performance bond protection when a contract price is increased or modified.
3. The additional performance bond **must** be delivered to the Arkansas Department of Human Services Chief Procurement Officer within fourteen (14) calendar days of request.
4. The contractor **shall** notify DHS of any changes, modification, or renewals for the performance bond during the term of the contract. The performance bond documentation **must** be provided to DHS with each required notice.
5. Failure to provide is a breach of contract and may result in immediate contract termination, prohibition against future bidding with the State, the addition of Contractor to the DHS excluded provider list, etc.

#### 4.6 RECORD RETENTION

- A. The Contractor **shall** maintain all pertinent financial and accounting records and evidence pertaining to the contract in accordance with generally accepted principles of accounting and as specified by the State of Arkansas Law. Upon request, access **shall** be granted to DHS or Federal Government entities or any of their duly authorized representatives.
- B. Financial and accounting records **shall** be made available, upon request, to DHS's designee(s) at any time during the contract period and any extension thereof, and for five (5) years from expiration date and final payment on the contract or extension thereof.
- C. Other sections of this Bid Solicitation may contain additional Requirements regarding record retention.

#### 4.7 PRICE ESCALATION

- A. Price increases will be considered at the time of contract renewal.
- B. The Contractor **must** provide to OP a written request for the price increase. The request **must** include supporting documentation demonstrating that the increase in contract price is based on an increase in market price. OP has the right to require additional information pertaining to the requested increase.
- C. Increases will not be considered to increase profit or margins.
- D. OP has the right to approve or deny the request.

#### 4.8 CONFIDENTIALITY

- A. The Contractor, Contractor's subsidiaries, and Contractor's employees **shall** be bound to all laws and to all Requirements set forth in this Bid Solicitation concerning the confidentiality and secure handling of information of which they may become aware of while providing services under a resulting contract.
- B. Consistent and/or uncorrected breaches of confidentiality may constitute grounds for cancellation of a resulting contract, and DHS **shall** have the right to cancel the contract on these grounds.
- C. Previous sections of this Bid Solicitation may contain additional confidentiality Requirements.

#### 4.9 CONTRACT INTERPRETATION

Should DHS and Contractor interpret specifications differently, either party may request clarification. However, if an agreement cannot be reached, the determination of DHS **shall** be final and controlling.

#### 4.10 CANCELLATION

- A. For Cause. DHS may cancel any contract resulting from this solicitation for cause at its discretion. DHS **shall** give the vendor written notice of cancellation, specifying the terms and the effective date of contract termination.
- B. For Convenience. DHS may cancel any contract resulting from the solicitation by giving the Contractor written notice of such cancellation no less than thirty (30) days prior to the date of cancellation.
- C. If upon cancellation the Contractor has provided commodities or services which DHS has accepted, and there are no funds legally available to pay for the commodities or services, the Contractor may file a claim with the Arkansas Claims Commission under the laws and regulations governing the filing of such claims.

#### 4.11 SEVERABILITY

If any provision of the contract, including items incorporated by reference, is declared or found to be illegal, unenforceable, or void, then both the agency and the Contractor will be relieved of all obligations arising under such provision. If the remainder of the contract is capable of performance, it **shall not** be affected by such declaration or finding and **must** be fully performed.

## SECTION 5. STANDARD TERMS AND CONDITIONS

*Do not provide responses to items in this section.*

1. **GENERAL:** Any special terms and conditions included in this solicitation **shall** override these Standard Terms and Conditions. The Standard Terms and Conditions and any special terms and conditions **shall** become part of any contract entered into if any or all parts of the bid are accepted by DHS.
2. **ACCEPTANCE AND REJECTION:** DHS **shall** have the right to accept or reject all or any part of a bid or any and all bids, to waive minor technicalities, and to award the bid to best serve the interest of DHS.
3. **BID SUBMISSION:** Original Proposal Packets **must** be submitted to the Office of Procurement on or before the date and time specified for bid opening. The Proposal Packet **must** contain all documents, information, and attachments as specifically and expressly required in the *Bid Solicitation*. The bid **must** be typed or printed in ink. The signature **must** be in ink. Unsigned bids **shall** be disqualified. The person signing the bid should show title or authority to bind his firm in a contract. Multiple proposals **must** be placed in separate packages and should be completely and properly identified. Late bids **shall not** be considered under any circumstances.
4. **PRICES:** Bid unit price F.O.B. destination. In case of errors in extension, unit prices **shall** govern. Prices **shall** be firm and **shall not** be subject to escalation unless otherwise specified in the *Bid Solicitation*. Unless otherwise specified, the bid **must** be firm for acceptance for thirty days from the bid opening date. "Discount from list" bids are not acceptable unless requested in the *Bid Solicitation*.
5. **QUANTITIES:** Quantities stated in a *Bid Solicitation* for term contracts are estimates only and are not guaranteed. Contractor **must** bid unit price on the estimated quantity and unit of measure specified. DHS may order more or less than the estimated quantity on term contracts. Quantities stated on firm contracts are actual Requirements of the ordering agency.
6. **BRAND NAME REFERENCES:** Unless otherwise specified in the *Bid Solicitation*, any catalog brand name or manufacturer reference used in the *Bid Solicitation* is descriptive only, not restrictive, and used to indicate the type and quality desired. Bids on brands of like nature and quality will be considered. If bidding on other than referenced specifications, the bid **must** show the manufacturer, brand or trade name, and other descriptions, and should include the manufacturer's illustrations and complete descriptions of the product offered. DHS **shall** have the right to determine whether a substitute offered is equivalent to and meets the standards of the item specified, and DHS may require the Contractor to supply additional descriptive material. The Contractor **shall** guarantee that the product offered will meet or exceed specifications identified in this *Bid Solicitation*. Contractors not bidding an alternate to the referenced brand name or manufacturer **shall** be required to furnish the product according to brand names, numbers, etc., as specified in the solicitation.
7. **GUARANTY:** All items bid **shall** be newly manufactured, in first-class condition, latest model and design, including, where applicable, containers suitable for shipment and storage, unless otherwise indicated in the *Bid Solicitation*. The Contractor hereby guarantees that everything furnished hereunder **shall** be free from defects in design, workmanship and material, that if sold by drawing, sample or specification, it **shall** conform thereto and **shall** serve the function for which it was furnished. The Contractor **shall** further guarantee that if the items furnished hereunder are to be installed by the Contractor, such items **shall** function properly when installed. The Contractor **shall** guarantee that all applicable laws have been complied with relating to construction, packaging, labeling and registration. The Contractor's obligations under this paragraph **shall** survive for a period of one year from the date of delivery, unless otherwise specified herein.
8. **SAMPLES:** Samples or demonstrators, when requested, **must** be furnished free of expense to DHS. Each sample should be marked with the Contractor's name and address, bid or contract number and item number. If requested, samples that are not destroyed during reasonable examination will be returned at Contractor's expense. After reasonable examination, all demonstrators will be returned at Contractor's expense.



9. **TESTING PROCEDURES FOR SPECIFICATIONS COMPLIANCE:** Tests may be performed on samples or demonstrators submitted with the bid or on samples taken from the regular shipment. In the event products tested fail to meet or exceed all conditions and Requirements of the specifications, the cost of the sample used, and the reasonable cost of the testing **shall** be borne by the Contractor.
10. **AMENDMENTS:** Contractor's proposals cannot be altered or amended after the bid opening except as permitted by regulation.
11. **TAXES AND TRADE DISCOUNTS:** Do not include State or local sales taxes in the bid price. Trade discounts should be deducted from the unit price and the net price should be shown in the bid.
12. **AWARD:** Term Contract: A contract award will be issued to the successful Contractor. It results in a binding obligation without further action by either party. This award does not authorize shipment. Shipment is authorized by the receipt of a purchase order from the ordering agency. Firm Contract: A written DHS purchase order authorizing shipment will be furnished to the successful Contractor.
13. **DELIVERY ON FIRM CONTRACTS:** This solicitation shows the number of days to place a commodity in the ordering agency's designated location under normal conditions. If the Contractor cannot meet the stated delivery, alternate delivery schedules may become a factor in an award. The Office of Procurement **shall** have the right to extend delivery if reasons appear valid. If the date is not acceptable, the agency may buy elsewhere, and any additional cost **shall** be borne by the Contractor.
14. **DELIVERY REQUIREMENTS:** No substitutions or cancellations are permitted without written approval of the Office of Procurement. Delivery **shall** be made during agency work hours only 8:00 a.m. to 4:30 p.m. Central Time, unless prior approval for other delivery has been obtained from the agency. Packing memoranda **shall** be enclosed with each shipment.
15. **STORAGE:** The ordering agency is responsible for storage if the Contractor delivers within the time required and the agency cannot accept delivery.
16. **DEFAULT:** All commodities furnished **shall** be subject to inspection and acceptance of the ordering agency after delivery. Back orders, default in promised delivery, or failure to meet specifications **shall** authorize the Office of Procurement to cancel this contract or any portion of it and reasonably purchase commodities elsewhere and charge full increase, if any, in cost and handling to the defaulting Contractor. The Contractor **must** give written notice to the Office of Procurement and ordering agency of the reason and the expected delivery date. Consistent failure to meet delivery without a valid reason may cause removal from the Contractors list or suspension of eligibility for award.
17. **VARIATION IN QUANTITY:** DHS assumes no liability for commodities produced, processed or shipped in excess of the amount specified on the agency's purchase order.
18. **INVOICING:** The Contractor **shall** be paid upon the completion of all the following: (1) submission of an original and the specified number of copies of a properly itemized invoice showing the bid and purchase order numbers, where itemized in the *Bid Solicitation*, (2) delivery and acceptance of the commodities and (3) proper and legal processing of the invoice by all necessary State agencies. Invoices **must** be sent to the "Invoice To" point shown on the purchase order.
19. **STATE PROPERTY:** Any specifications, drawings, technical information, dies, cuts, negatives, positives, data or any other commodity furnished to the Contractor hereunder or in contemplation hereof or developed by the Contractor for use hereunder **shall** remain property of DHS, **shall** be kept confidential, **shall** be used only as expressly authorized, and **shall** be returned at the Contractor's expense to the F.O.B. point provided by the agency or by OSP. Contractor **shall** properly identify items being returned.
20. **PATENTS OR COPYRIGHTS:** The Contractor **must** agree to indemnify and hold DHS harmless from all claims, damages and costs including attorneys' fees, arising from infringement of patents or copyrights.

21. **ASSIGNMENT:** Any contract entered into pursuant to this solicitation **shall not** be assignable nor the duties thereunder delegable by either party without the written consent of the other party of the contract.
22. **CLAIMS:** Any claims the Contractor may assert under this Agreement **shall** be brought before the Arkansas State Claims Commission ("Commission"), which **shall** have exclusive jurisdiction over any and all claims that the Contractor may have arising from or in connection with this Agreement. Unless the Contractor's obligations to perform are terminated by DHS, the Contractor **shall** continue to provide the Services under this Agreement even if the Contractor has a claim pending before the Commission.
23. **CANCELLATION:** In the event DHS no longer needs the commodities or services specified for any reason, (e.g., program changes; changes in laws, rules or regulations; relocation of offices; lack of appropriated funding, etc.), DHS **shall** have the right to cancel the contract or purchase order by giving the Contractor written notice of such cancellation thirty (30) days prior to the date of cancellation.
- Any delivered but unpaid for goods will be returned in normal condition to the Contractor by DHS. If DHS is unable to return the commodities in normal condition and there are no funds legally available to pay for the goods, the Contractor may file a claim with the Arkansas Claims Commission under the laws and regulations governing the filing of such claims. If upon cancellation the Contractor has provided services which DHS has accepted, the Contractor may file a claim. **NOTHING IN THIS CONTRACT SHALL BE DEEMED A WAIVER OF DHS'S RIGHT TO SOVEREIGN IMMUNITY.**
24. **DISCRIMINATION:** In order to comply with the provision of Act 954 of 1977, relating to unfair employment practices, the Contractor agrees that: (a) the Contractor **shall not** discriminate against any employee or applicant for employment because of race, sex, color, age, religion, handicap, or national origin; (b) in all solicitations or advertisements for employees, the Contractor **shall** state that all qualified applicants **shall** receive consideration without regard to race, color, sex, age, religion, handicap, or national origin; (c) the Contractor will furnish such relevant information and reports as requested by the Human Resources Commission for the purpose of determining compliance with the statute; (d) failure of the Contractor to comply with the statute, the rules and regulations promulgated thereunder and this nondiscrimination clause **shall** be deemed a breach of contract and it may be cancelled, terminated or suspended in whole or in part; (e) the Contractor **shall** include the provisions of above items (a) through (d) in every subcontract so that such provisions **shall** be binding upon such subcontractor or Contractor.
25. **CONTINGENT FEE:** The Contractor guarantees that he has not retained a person to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, except for retention of bona fide employees or bona fide established commercial selling agencies maintained by the Contractor for the purpose of securing business.
26. **ANTITRUST ASSIGNMENT:** As part of the consideration for entering into any contract pursuant to this solicitation, the Contractor named on the *Proposal Signature Page* for this solicitation, acting herein by the authorized individual or its duly authorized agent, hereby assigns, sells and transfers to DHS all rights, title and interest in and to all causes of action it may have under the antitrust laws of the United States or this State for price fixing, which causes of action have accrued prior to the date of this assignment and which relate solely to the particular goods or services purchased or produced by DHS pursuant to this contract.
27. **DISCLOSURE:** Failure to make any disclosure required by Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that order, **shall** be a material breach of the terms of this contract. Any Contractor, whether an individual or entity, who fails to make the required disclosure or who violates any rule, regulation, or policy **shall** be subject to all legal remedies available to the agency.