

**STATE PURCHASING DIVISION
OF THE
GENERAL SERVICES DEPARTMENT
AND
New Mexico Human Services Department**

REQUEST FOR PROPOSALS (RFP)

Actuarial and Consulting Services



RFP#
14-630-8000-0005

April 4, 2014

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I. INTRODUCTION

A. PURPOSE OF THIS REQUEST FOR PROPOSALS

The purpose of this Request for Proposal (RFP) is to solicit sealed proposals to establish a contract through a competitive process for the procurement of actuarial and consulting services to develop and set risk-based managed care rates for Centennial Care, the New Mexico's redesigned Medicaid Program, administered by the New Mexico State Human Services Department's (HSD) Medical Assistance Division (MAD).

The goal is to select through a competitive procurement process a qualified offeror that has the experience and expertise to perform the actuarial and consulting services as described in the Scope of Work (Section IV of this RFP) and Terms and Condition of the Contract (Appendix C). Offerors shall be required to provide the services identified in the scope of work under the direction of the project manager.

Offerors must meet the following conditions to be an eligible candidate for contract award:

1. Offeror may not be a New Mexico Medicaid provider;
2. Offeror may not currently be a subcontractor to a company performing Medicaid services for the HSD;
3. Offeror may not have a contract with any state or local government entity that is a Medicaid provider or contractor;
4. Offeror must be able to present sufficient assurances to the state that the award of the contract to the offeror will not create a conflict of interest between the contractor, the HSD, Medicaid managed care organizations (MCO) or any MCO subcontractor; and
5. By submitting a proposal in response to this RFP, the offeror agrees not to enter into any contractual relationship as a contractor or employment relationship with any managed care organizations participating in the Medicaid managed care program. The successful offeror may not enter into contractual relationships with potential Medicaid managed care offerors to conduct consultant services related to managed care for, physical health, long term care, and behavioral health services during any Medicaid managed care procurement.

In brief, the scope of work will encompass analytic, actuarial and reporting tasks that will provide HSD with meaningful information on the progress of its newly redesigned and implemented Centennial Care program. The selected offeror will assist HSD in future rate setting activities, primarily by constructing actuarially sound managed care capitation rates. The selected offeror will also conduct analyses and provide consulting services as described in Section IV and as requested by the Department.

B. BACKGROUND INFORMATION

This section provides background on the Human Services Department, the Medical Assistance Division, and the Centennial Care program that may be helpful to the offeror in preparing a proposal. The information is provided as an overview and is not intended to be a complete and exhaustive description.

1. HSD Mission Statement

To reduce the impact of poverty on people living in New Mexico by providing support services that help families break the cycle of dependency on public assistance.

2. HSD Resources and Locations

Estimated SFY 2013 Medicaid spending is about \$3.7 billion. Approximately seventy percent (70%) of HSD revenue to support the Medicaid spending is from federal sources, twenty-four percent (24%) is from the State general fund, and six percent (6%) is from other revenue sources.

HSD has more than 1,900 employees, and it contracts with community-based service providers throughout the State. There are approximately forty (40) HSD/ISD field office locations statewide. HSD's central offices are located in the following Santa Fe office buildings: Pollon Plaza Building (Office of the Secretary, ISD, CSED and Office of General Counsel); Ark Plaza Building (MAD); Building at 1474 Rodeo Rd (ASD and the Office of Inspector General); and the Siler Road Building (ITD).

3. Organization of HSD

HSD is a cabinet-level agency in the Executive Branch of the New Mexico state government, headed by a Secretary who is appointed by the Governor and confirmed by the New Mexico Senate. HSD consists of the Office of the Secretary, Administrative Services Division, Behavioral Health Services Division, Child Support Enforcement Division, Income Support Division, Information Technology Division and Medical Assistance Division.

a. Office of the Secretary

The Office of the Secretary consists of the Secretary of Human Services; the Deputy Secretary for Programs; the Deputy Secretary for Finance; the Office of General Counsel; and the Office of Inspector General.

The Secretary provides cabinet-level direction for HSD and serves as a point of appeal when contractual disputes arise. The Office of General Counsel provides legal support for the Medicaid Managed Care contract and also works with contracts other than MCOs, personnel and union issues, fair hearing representation, legislation and other matters. The Office of Inspector General investigates and pursues cases of fraud and abuse, and administers the fair hearing process.

b. Administrative Services Division (ASD)

ASD provides skilled financial and technical support to agency programs to assist them in meeting their programmatic goals. ASD Services include accounting, budget management, grant management, general services, procurement support and fiscal training.

c. Behavioral Health Services Division (BHSD)

The BHSD's primary role is to serve as the adult Mental Health and Substance Abuse State Authority for the State of New Mexico. The Authority's role is to address needs, services, and the planning, monitoring and continuous quality systemically for all adults across the state. BHSD's performance measures include youth on probation, youth suicide and children served who demonstrate improved functioning on a couple of measures.

The Human Services Department is a member of the New Mexico Behavioral Health Purchasing Collaborative (Collaborative) and BHSD works with the Collaborative in establishing policy and in its contractual relationship with the Statewide Entity to implement strategies to manage the adult behavioral health system.

d. Child Support Enforcement Division (CSED)

CSED provides child support enforcement services to the general public and to recipients of TANF and Medicaid. The division was created to establish and enforce support obligations owed by absent parents and/or their financial assets, legally establishing paternity and support obligations, collecting and distributing child support payments according to Federal and State regulations and enforcing support obligations through income withholding, tax refund inception and other remedies.

e. Income Support Division (ISD)

ISD determines financial eligibility for all programs administered by HSD, including Medicaid. The division's field staff members are administered through district operations offices under the direction of a Deputy Director. Field staff is responsible for interviewing clients, determining financial eligibility and issuing benefits for the SNAP, TANF, Medicaid and other assistance programs.

f. Information Technology Division (ITD)

Under the direction of the HSD Chief Information Officer (CIO), the HSD Information Technology Division (ITD) provides timely and cost-effective information technology services to the department, its programs, divisions and offices, enabling them to fulfill the mission of HSD in an efficient and responsive manner and ensuring that HSD gains full benefit from its current and future investments in technology.

g. Medical Assistance Division (MAD)

The Medical Assistance Division (MAD) is the direct administrator of the New Mexico Medicaid program. On January 1, 2014, Medicaid launched the new Centennial Care program. Centennial Care also has a small Fee-For-Service (FFS), non-managed care component.

Medicaid is authorized under Title XIX of the Social Security Act. The program provides access to medically necessary health services for eligible individuals. The MAD is also the lead agency for the Children's Health Insurance Program (Title XXI). Implementation of this program includes enrolling children between 190-300% of the federal poverty level in Medicaid. The program is an extension of Title XIX of the state's Medicaid program and began on March 1, 1998, on a statewide basis. The federal and state governments jointly fund both programs, with the federal contribution determined by the relative national ranking of the state in per capita income. In SFY 2014, New Mexico is expected to receive about 72 federal dollars for every 28 state dollars to fund the program.

3. Overview of the Medical Assistance Program - Medicaid

The Medicaid Program will change periodically as a result of Congressional mandates, issuance of new Federal regulations, considerations given to Federal financial participation in certain program services, State legislative actions and State program and budget considerations. As a result, the configuration of the Medicaid Program may differ at any given time from the description, which follows.

a. Centennial Care

On January 1, 2014, New Mexico implemented its re-designed and predominantly managed care Medicaid Program, Centennial Care. Centennial Care consolidates the operation of the Medicaid Program to a single 1115 Waiver, for which the state has contracted with four (4) Managed Care Organizations (MCOs) to provide services through two (2) benefit plans; the alternative benefit plan which is only for the Other Adult Group and the standard Medicaid services plan. The alternative benefit plan includes both physical and behavioral health lines of service. The standard Medicaid services plan includes physical health, behavioral health and long term care lines of services.

The overall goal of Centennial Care is to provide recipients with the right amount of care at the right time in the right setting. Additionally, in implementing Centennial Care, New Mexico hopes to create a unified system that focuses on cost effective care while emphasizing quality over quantity, to slow the rate of cost growth while avoiding cuts to the program, and to modernize the program in anticipation of continued growth as a result of New Mexico's decision to expand Medicaid eligibility under the Patient Protection & Affordable Care Act. With Centennial Care, all Medicaid recipients - with the exception of Native Americans - not accessing long term care services and individuals receiving only family planning services will be enrolled in managed care. More information about Centennial Care can be found in the procurement library.

b. Medicaid Eligibles

Eligibility for all Medicaid programs requires that individuals meet certain state and federal guidelines. These guidelines include citizenship and residency as well as medical and financial criteria. Currently Medicaid beneficiaries are divided among more than fifty (50) eligibility categories. The following are the major groups of eligibility for Medicaid: individuals in households receiving TANF under welfare reform; blind and disabled individuals receiving Supplemental Security Income (SSI); certain aged, blind, and disabled individuals requiring nursing home level of care; children under the jurisdiction of the state; pregnant women in households with modified adjusted gross incomes (MAGI) at or below two hundred fifty percent (250%) of the federal poverty level (FPL) guidelines; children up to age nineteen (19) in households with MAGI at or below two hundred forty percent (240%) of the FPL; and children in households with MAGI up to three hundred percent (300%) of the FPL under Title XXI. In January 2014, a new category of eligibility was created for adults at or below one hundred thirty eight percent (138%) of the FPL. Other eligibility categories are related to special circumstances or services. New Mexico's Medicaid enrollment is expected to increase to more than six hundred fifty thousand (650,000) by June 2014, with an estimated eighty three percent (83%) of the population enrolled in managed care.

c. Covered Services

Medicaid program regulations allow reimbursement for a wide array of health services. Under managed care, each benefit plan includes a combination of the mandated and optional services. Mandated services include: general acute inpatient hospital care, outpatient hospital services, physician services provided in a variety of settings, nursing home care, home health care, hospice care, rural health clinic services including services in Federally Qualified Health Care centers, laboratory and radiology, nurse practitioner services, medically necessary EPSDT (Early Periodic Screening, Diagnosis, and Treatment) services for clients under age 21, family planning, nurse midwife services, and emergency and non-emergency transportation. Optional services covered in New Mexico include specialty inpatient hospital services, outpatient drugs, rehabilitation services, dental services, medical supplies and durable medical equipment, case management, home and community-based waiver services, optometry and related services, prosthetics, and intermediate care services for the mentally retarded.

d. Administration of the Medicaid Program

The Medical Assistance Division, staffed by approximately one hundred ninety (190) employees, is organized by functional area and includes ten (10) bureaus: Office of the Division Director, Budget Planning & Reporting Bureau, Centennial Care Bureau, Communication & Education Bureau, Eligibility Bureau, Exempt Services & Programs Bureau, Financial Management Bureau, Program Policy & Integrity Bureau, Quality Bureau, and Systems Bureau. Administrative support and program coordination functions are assigned to the Office of the Division Director. The Medical Assistance Division works collaboratively with the Behavioral Health Services Division (BHSD) on behavioral health services, and works with other agencies in managing the Medicaid program. Specifically, it works with the Aging and Long Term Services Department

(ALTSD), the Department of Health (DOH) in administration of the Home and Community-based Waivers, and with the Children, Youth, and Families Department (CYFD) in administration of behavioral health services for children and adolescents.

4. Other Medical Assistance Programs

Throughout the course of this contract, other non-Medicaid programs may be developed and implemented by the Medical Assistance Program.

5. Inter-Organizational Relationships and Coordination

MAD operates in a complex organizational environment that involves state and federal funding, and reporting relationships and contracts with many service providers. Much of MAD's work is coordinated with New Mexico State Government, the Federal Government, Fiscal Agents, and other organizations.

a. New Mexico State Government

New Mexico's governor is elected for a four-year term. The State government includes the largest state agencies as cabinet-level agencies. State government agencies receive annual appropriations from the Legislature for operations from general tax revenue, earmarked funds, and transfer funds.

b. Federal Government

Most of the programs administered by HSD are funded in whole or in part by the federal government. These departments are identified below.

- i. U.S. Department of Health and Human Services (HHS)
- ii. U.S. Department of Agriculture (USDA)

c. Fiscal Agent

The contracted fiscal agent's primary functions are to maintain and upgrade the Medicaid Management Information System (MMIS), maintain eligibility and provider files, process and pay claims, make capitation payments, issue enrollment rosters, collect and maintain claims-based utilization data from the fee-for-service program and encounter data from MCOs, and render recurring and ad hoc reports.

d. Other Organizations

MAD enters into contractual arrangements with a variety of public and private organizations. These organizations include, but are not limited to, local governments, educational institutions, nonprofit organizations and businesses.

C. SCOPE OF PROCUREMENT

The scope of the procurement includes the operation and support services required to accomplish those tasks defined in the Scope of Work in Section IV. The contract resulting from this RFP shall begin upon approval by the State of New Mexico's Department of Finance and Administration (DFA) on July 1, 2014. The term of the contract signed as a result of this RFP will be for two (2) years with two (2) option one (1) year extensions not to exceed four (4) years.

D. PROCUREMENT MANAGER

1. The Human Services Department has assigned a Procurement Manager who is responsible for the conduct of this procurement whose name, address, telephone number and e-mail address are listed below:

Name: Jaclyn Herrera, Procurement Manager
Address: Human Services Department
2025 South Pacheco St.
Santa Fe NM 87505
Telephone: (505) 827-6224
Fax: (505) 476-6877
Email: jaclyn.herrera@state.nm.us

2. All deliveries of responses via express carrier must be addressed as follows:

Name: Jaclyn Herrera
Reference RFP Name: Actuarial Services 14-630-8000-0005
Address: Human Services Department
2025 South Pacheco St.
Santa Fe, New Mexico 87505

3. Any inquiries or requests regarding this procurement should be submitted, in writing, to the Procurement Manager. Offerors may contact ONLY the Procurement Manager regarding this procurement. Other state employees or Evaluation Committee members do not have the authority to respond on behalf of the SPD.

E. DEFINITION OF TERMINOLOGY

This section contains definitions of terms used throughout this procurement document, including appropriate abbreviations:

"Abuse" means provider practices that are inconsistent with sound fiscal, business, or medical practices, and that result in an unnecessary cost to Medicaid through reimbursement for services that are not medically necessary, or in services that fail to meet professionally recognized standards for health care. Abuse also includes client or member practices that result in unnecessary costs to Medicaid.

"Agency" means the State Purchasing Division of the General Services Department or that State Agency sponsoring the Procurement action.

"Authorized Purchaser" means an individual authorized by a Participating Entity to place orders against this contract.

"Award" means the final execution of the contract document.

"Benefit Plan" means Medicaid covered services which shall be furnished by the managed care organization (MCO) and for which payment is included in the capitation rate. Currently there are two Benefit Plans, the alternative benefit plan and the standard Medicaid services plan.

"Business Hours" means 8:00 AM thru 5:00 PM Mountain Standard or Mountain Daylight Time, whichever is in effect on the date given.

"Capitation" means a per member, monthly payment to an MCO that covers contracted services and is paid in advance of its delivery.

"Centennial Care" means New Mexico's Medicaid program starting January 1, 2014. Centennial Care provides a single, comprehensive delivery system through four managed care plans, allowing for greater administrative simplicity. It emphasizes care coordination in which recipients receive the right care, in the right place, at the right time, leading to better health outcomes. (See: http://www.hsd.state.nm.us/Centennial_Care.aspx)

"Center for Medicare and Medicaid Services (CMS)" means the federal agency within U.S. Department of Health & Human Services (HHS) that is responsible for the Federal-level administration of the Title XIX (Medicaid) and Title XXI (CHIP) programs. CMS was formerly known as the Health Care Financing Administration (HCFA).

"Close of Business" means 5:00 PM Mountain Standard or Daylight Time, whichever is in use in New Mexico at that time.

"Community-Based" means a system of care which seeks to provide services in or near the member's home community to the greatest extent possible.

"Contract" means any agreement for the procurement of items of tangible personal property, services or construction.

"Contract Administrator" means the individual selected by HSD to monitor all aspects of the contract resulting from this RFP.

"Contractor" means any business having a contract with a state agency or local public body.

"CY" means calendar year and it spans January 1st through December 31st.

"Determination" means the written documentation of a decision of a procurement officer including findings of fact required to support a decision. A determination becomes part of the procurement file to which it pertains.

"Desirable" – the terms "may", "can", "should", "preferably", or "prefers" identify a desirable or discretionary item or factor.

"DFA" means Department of Finance and Administration for the State of New Mexico.

"DHHS" means the U.S. Department of Health & Human Services.

"Emergency" means an emergency condition that exists when a patient manifests acute symptoms and/or signs which, by reasonable medical judgment, represent a condition of sufficient severity such that the absence of immediate medical attention could reasonably be expected to result in death, serious impairment of bodily function or major organ, and/or serious jeopardy to the overall health of the patient.

"Encounter" means a record of a medical service rendered by a provider(s) to a MCO member. Encounters do not include records of denied services or services paid entirely by a third party.

"Enrollment" means the process of joining eligible clients with an MCO for purposes of management and coordination of health care delivery.

"Evaluation Committee" means a body appointed to perform the evaluation of Offerors' proposals.

"Evaluation Committee Report" means a report prepared by the Procurement Manager and the Evaluation Committee for contract award. It contains written determinations resulting from the procurement.

"Family Planning Services" means services provided to individuals of childbearing age to temporarily or permanently prevent or delay pregnancy.

"Fee-for-Service" (FFS) means the traditional payment mechanism wherein payment is made after services are rendered and billed.

"Finalist" means an Offeror that meets all the mandatory specifications of this Request for Proposals and whose score on evaluation factors is sufficiently high to merit further consideration by the Evaluation Committee.

"Fraud" means an intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to himself or to some other person. It includes any act that constitutes fraud under applicable Federal or State law.

"FFY" means the federal fiscal year of the U.S. Government, which goes from October 1st through September 30th of the following year.

"FY" means the state Fiscal Year of the State of New Mexico which is from July 1st through June 30th of the following year.

"Hourly Rate" means the proposed fully loaded maximum hourly rates that include travel, per diem, fringe benefits and any overhead costs for contractor personnel, as well as subcontractor personnel if appropriate.

"Human Services Department" (HSD) means the executive department in New Mexico responsible for the administration of Title XIX (Medicaid). The term HSD may also indicate the Department's designee, as applicable.

"IT" means Information Technology.

"Managed Care Organization" (MCO) means an organization contracted with HSD and licensed to manage, coordinate and assume financial risk on a capitated basis for the delivery of a specified set of services to enrolled members in a given geographic area.

"Managed Care Regulations" means the regulations that contain HSD's managed care policies and quality standards. A current copy is available in the procurement library.

"Mandatory" – the terms "must", "shall", "will", "is required", or "are required", identify a mandatory item or factor. Failure to meet a mandatory item or factor will result in the rejection of the Offeror's proposal.

"Medicaid" means medical assistance program authorized under Section XIX of the Social Security Act furnished to New Mexico residents who meet specific eligibility requirements.

"Medical Assistance Division" (MAD) means the division at the Human Services Department that administers the Medicaid program.

"Member" means a client who has been enrolled in an MCO.

"Minor Technical Irregularities" anything in the proposal that does not affect the price quality and quantity or any other mandatory requirement.

"Multiple Source Award" means an award of an indefinite quantity contract for one or more similar services, items of tangible personal property or construction to more than one Offeror.

"Offeror" is any person, corporation, or partnership that chooses to submit a proposal.

"Other Adult Group" means individuals at or below 133% Federal Poverty Level (FPL) who became eligible for Medicaid as a result of New Mexico's decision to expand Medicaid under the Patient Protection and Affordable Care Act.

"Patient Protection and Affordable Care Act (PPACA)" is also known as the Affordable Care Act (ACA) and is the health reform legislation passed by the 111th congress and signed into law in March of 2010.

"Price Agreement" means a definite quantity contract or indefinite quantity contract which requires the contractor to furnish items of tangible personal property, services or construction to a state agency or a local public body which issues a purchase order, if the purchase order is within the quantity limitations of the contract, if any.

"Procurement Manager" means any person or designee authorized by a state agency or local public body to enter into or administer contracts and make written determinations with respect thereto.

"Procuring Agency" means all State of New Mexico agencies, commissions, institutions, political subdivisions and local public bodies allowed by law to entertain procurements.

"Program Manual" means the State of New Mexico Medical Assistance Division Program Policy Manual.

"Project" means a temporary process with clearly defined start and end times, undertaken to achieve a well-defined goal or objective,, with a set of clearly defined tasks, and a budget. The project terminates when the project scope is achieved and project acceptance has been given by the project executive sponsor.

"Recipient" means an individual who has applied and been determined eligible for Title XIX (Medicaid) or Title XXI (Children's Health).

"Request for Proposals (RFP)" means all documents, including those attached or incorporated by reference, used for soliciting proposals.

"Responsible Offeror" means an Offeror who submits a responsive proposal and who has furnished, when required, information and data to prove that his financial resources, production or service facilities, personnel, service reputation and experience are adequate to make satisfactory delivery of the services, or items of tangible personal property described in the proposal.

"Responsive Offer" means an offer which conforms in all material respects to the requirements set forth in the request for proposals. Material respects of a request for proposals include, but are not limited to price, quality, quantity or delivery requirements.

"Risk" means the possibility that revenues of the MCO will not be sufficient to cover expenditures incurred in the delivery of contractual services.

"SPD" means State Purchasing Division of the New Mexico State General Services Department.

"Staff" means any individual who is a full-time, part-time, or an independently contracted employee with the Offerors' company.

"State (the State)" means the State of New Mexico.

"State Agency" means any department, commission, council, board, committee, institution, legislative body, agency, government corporation, educational institution or official of the executive, legislative or judicial branch of the government of this state. "State agency" includes the purchasing division of the General Services Department and the state purchasing agent but does not include local public bodies.

"State Purchasing Agent" means the director of the purchasing division of the General Services Department.

"Subcontractor" means a third party who contracts with the contractor for the provision of services for which the contractor has contracted with HSD to perform.

F. PROCUREMENT LIBRARY

The procurement library is a primarily an on-line resource and provides the information at the following links:

1. General Information on Medicaid:
<http://www.cms.hhs.gov>
2. Overview of Centennial Care:
http://www.hsd.state.nm.us/Centennial_Care.aspx
3. Centennial Care Waiver
Information: http://www.hsd.state.nm.us/Centennial_Care_Waiver_Documents.aspx
4. Managed Care Policy Manual:
<http://www.hsd.state.nm.us/providers/managed-care-policy-manual.aspx>
5. Medical Assistance Division Contracts with Managed Care Organizations:
<http://www.hsd.state.nm.us/LookingForInformation/medical-assistance-division.aspx>
6. Eligibility and Enrollment Information:
<http://www.hsd.state.nm.us/LookingForInformation/medicaid-eligibility.aspx>
7. Information on Benefit Plans & Covered Services
<http://www.hsd.state.nm.us/LookingForInformation/client-co-payments.aspx>
8. Balanced Budget Act of 1997 - Available at:
NM State Library – 1209 Camino Carlos Rey, Santa Fe
<http://www.law.cornell.edu/>
9. Procurement Regulations and Request for Proposal – RFP instructions
http://www.generalservices.state.nm.us/statepurchasing/ITBs_RFPs_and_Bid_Tabulation.aspx

The Procurement Manager has also established a Procurement Library in the Medical Assistance Division Building at 2025 Pacheco Street, Ark Plaza, Budget Planning and Reporting Bureau, Santa Fe, New Mexico 87505. Offerors are encouraged to review the material contained in the Procurement Library by contacting the Procurement Manager or her designee and scheduling an appointment. Offerors are welcome to take notes in the Procurement Library. All of the materials are available for review only and may not be copied or removed from the library and other copies shall not be made available, with the exception of the Procurement Regulations which may be found at the internet address provided below. The library contains information listed below:

1. Medicaid program utilization data
2. Actuarial Data
3. Managed Care Regulations

II. CONDITIONS GOVERNING THE PROCUREMENT

This section of the RFP contains the schedule, description and conditions governing the procurement.

A. SEQUENCE OF EVENTS

The Procurement Manager will make every effort to adhere to the following schedule:

Action	Responsible Party	Due Dates Sample Time Frames
1. Issue RFP	HSD	4/4/2014
2. Distribution List	HSD	4/10/2014
3. Pre-Proposal Conference	HSD	4/10/2014
4. Deadline to submit Questions	Potential Offerors	4/16/2014
5. Response to Written Questions	Procurement Manager	4/22/2014
5. Submission of Proposal	Potential Offerors	5/7/2014
6. Proposal Evaluation	Evaluation Committee	5/8-22/2014
7. Selection of Finalists	Evaluation Committee	5/23/2014
8. Best and Final Offers	Finalist Offerors	5/30/2014
9. Oral Presentation(s)	Finalist Offerors	6/3-4/2014
10. Finalize Contractual Agreements	HSD/Finalist Offerors	6/13/2014
11. Contract Awards	HSD/ Finalist Offerors	7/1/2014
12. Protest Deadline	HSD	+ 15 days

B. EXPLANATION OF EVENTS

The following paragraphs describe the activities listed in the sequence of events shown in Section II. A. above.

1. Issuance of RFP

This RFP is being issued on behalf of the New Mexico State Human Services Department on as stated in Section II, A. SEQUENCE OF EVENTS.

2. Distribution List Response Due

Potential Offerors should hand deliver, return by facsimile or registered or certified mail the "Acknowledgement of Receipt of Request for Proposals Form" that accompanies this document, APPENDIX A, to have their organization placed on the procurement distribution list. The form should be signed by an authorized representative of the

organization, dated and returned to the Procurement Manager by 3:00 pm MST or MDT on as stated in Section II, A. SEQUENCE OF EVENTS.

The procurement distribution list will be used for the distribution of written responses to questions. Failure to return the Acknowledgement of Receipt form shall constitute a presumption of receipt and rejection of the RFP, and the potential Offeror's organization name shall not appear on the distribution list.

3. Pre-Proposal Conference

A pre-proposal conference may be held. Attendance at the pre-proposal conference will be optional.

4. Deadline to Submit Written Questions

Potential Offerors may submit written questions to the Procurement Manager as to the intent or clarity of this RFP until as stated in Section II, A. SEQUENCE OF EVENTS by 3:00pm Mountain Standard Time/Daylight Time as indicated in the sequence of events. All written questions must be addressed to the Procurement Manager as declared in Section I, Paragraph D.

5. Response to Written Questions

Written responses to written questions will be distributed as indicated in the sequence of events to all potential Offerors whose organization name appears on the procurement distribution list. An e-mail copy will be sent to all Offeror's that provide Acknowledgement of Receipt Forms described in II.B.2 before the deadline. Additional copies will be posted to: http://www.generalservices.state.nm.us/statepurchasing/ITBs_RFPs_and_Bid_Tabulation.aspx

6. Submission of Proposal

ALL OFFEROR PROPOSALS MUST BE RECEIVED FOR REVIEW AND EVALUATION BY THE PROCUREMENT MANAGER OR DESIGNEE NO LATER THAN 3:00 PM MOUNTAIN STANDARD TIME/DAYLIGHTTIME ON as stated in Section II, A. SEQUENCE OF EVENTS. Proposals received after this deadline will not be accepted. The date and time of receipt will be recorded on each proposal.

Proposals must be addressed and delivered to the Procurement Manager at the address listed in Section I, Paragraph D2. Proposals must be sealed and labeled on the outside of the package to clearly indicate that they are in response to the Actuarial Services RFP #14-630-8000-0005. Proposals submitted by facsimile, or other electronic means, will not be accepted.

A public log will be kept of the names of all Offeror organizations that submitted proposals. Pursuant to Section 13-1-116 NMSA 1978, the contents of proposals shall not be disclosed to competing potential Offerors during the negotiation process. The negotiation process is deemed to be in effect until the contract is awarded pursuant to this

Request for Proposals. Awarded in this context means the final required state agency signature on the contract(s) resulting from the procurement has been obtained.

7. Proposal Evaluation

Proposals will be evaluated by an Evaluation Committee. This process will take place as indicated in the sequence of events, depending on the number of proposals received. During this time, the Procurement Manager may initiate discussions for the purpose of clarifying aspects of the proposals with Offerors who submit responsive or potentially responsive proposals. However, proposals may be accepted and evaluated without such discussion. Discussions SHALL NOT be initiated by the Offerors.

8. Selection of Finalists

The Evaluation Committee will select and the Procurement Manager will notify the finalist Offerors as stated in Section II, A. SEQUENCE OF EVENTS, or as soon as possible. A schedule for the oral presentations and demonstrations will be determined at this time.

9. Best and Final Offers

Finalist Offerors may be asked to submit revisions to their proposals for the purpose of obtaining best and final offers by as stated in Section II, A. SEQUENCE OF EVENTS, or as soon as possible. Best and final offers may also be clarified and amended at finalist Offeror's oral presentation and demonstration.

10. Oral Presentations

Finalist Offerors may be required to conduct an oral presentation at a location to be determined as stated in Section II, A. SEQUENCE OF EVENTS or as soon as possible. Whether or not oral presentations will be held is at the discretion of the Evaluation Committee and SPD.

11. Finalize Contractual Agreements

Any Contractual agreement(s) resulting from this RFP will be finalized with the most advantageous Offeror(s) as stated in Section II, A. SEQUENCE OF EVENTS, or as soon thereafter as possible. This date is subject to change at the discretion of the State Purchasing Division or relevant Agency Procurement office. In the event mutually agreeable terms cannot be reached with the apparently most advantageous Offeror in the time specified, the State reserves the right to finalize a contractual agreement with the next most advantageous Offeror(s) without undertaking a new procurement process.

12. Contract Awards

After review of the Evaluation Committee Report and the signed contractual agreement, the Agency Procurement office will award as stated in Section II, A. SEQUENCE OF EVENTS, or as soon as possible thereafter. This date is subject to change at the discretion of the State Purchasing Division or relevant Agency Procurement office.

The contract shall be awarded to the Offeror (or Offerors) whose proposals are most advantageous to the State of New Mexico and the Human Services Department, taking into

consideration the evaluation factors set forth in this RFP. The most advantageous proposal may or may not have received the most points. The award is subject to appropriate Department and State approval.

13. Protest Deadline

Any protest by an Offeror must be timely and in conformance with Section 13-1-172 NMSA 1978 and applicable procurement regulations. The fifteen (15) calendar day protest period shall begin on the day following the award of contracts and will end at 5:00 pm Mountain Standard Time/Daylight Time on the 15th day. Protests must be written and must include the name and address of the protestor and the Request for Proposal number. It must also contain a statement of the grounds for protest, include appropriate supporting exhibits, and must specify the ruling requested from the party listed below. The protest must be delivered to:

Office of General Counsel
Pollon Plaza
2009 South Pacheco
Santa Fe, New Mexico 87505

Mailing Address:
P.O. Box 2348
Santa Fe, New Mexico 87504-2348

Protests received after the deadline will not be accepted.

C. GENERAL REQUIREMENTS

1. Acceptance of Conditions Governing the Procurement

Potential Offerors must indicate their acceptance of the Conditions Governing the Procurement section in the letter of transmittal. Submission of a proposal constitutes acceptance of the Evaluation Factors contained in Section V. of this RFP.

2. Incurring Cost

Any cost incurred by the potential Offeror in preparation, transmittal, and/or presentation of any proposal or material submitted in response to this RFP shall be borne solely by the Offeror. Any cost incurred by the Offeror for set up and demonstration of the proposed equipment and/or system shall be borne solely by the Offeror.

3. Prime Contractor Responsibility

Any contractual agreement that may result from this RFP shall specify that the prime contractor is solely responsible for fulfillment of all requirements of the contractual agreement with a state agency which may derive from this RFP. The state agency entering

into a contractual agreement with a vendor will make payments to only the prime contractor.

4. Subcontractors/Consent

The use of subcontractors is allowed. The prime contractor shall be wholly responsible for the entire performance of the contractual agreement whether or not subcontractors are used. Additionally, the prime contractor must receive approval, in writing, from the agency awarding any resultant contract, before any subcontractor is used during the term of this agreement.

5. Amended Proposals

An Offeror may submit an amended proposal before the deadline for receipt of proposals. Such amended proposal must be a complete replacement for a previously submitted proposal and must be clearly identified as such in the transmittal letter. The Agency personnel will not merge, collate, or assemble proposal materials.

6. Offeror's Rights to Withdraw Proposal

Offerors will be allowed to withdraw their proposals at any time prior to the deadline for receipt of proposals. The Offeror must submit a written withdrawal request addressed to the Procurement Manager and signed by the Offeror's duly authorized representative.

The approval or denial of withdrawal requests received after the deadline for receipt of the proposals is governed by the applicable procurement regulations.

7. Proposal Offer Firm

Responses to this RFP, including proposal prices for services, will be considered firm for one hundred twenty (120) days after the due date for receipt of proposals or ninety (90) days after the due date for the receipt of a best and final offer, if the Offeror is invited or required to submit one.

8. Disclosure of Proposal Contents

- a. Proposals will be kept confidential until negotiations and the award are completed by the Agency. At that time, all proposals and documents pertaining to the proposals will be open to the public, except for material that is clearly marked proprietary or confidential. The Procurement Manager will not disclose or make public any pages of a proposal on which the potential Offeror has stamped or imprinted "proprietary" or "confidential" subject to the following requirements:
- b. Proprietary or confidential data shall be readily separable from the proposal in order to facilitate eventual public inspection of the non-confidential portion of the proposal.
- c. Confidential data is restricted to:
 - i. confidential financial information concerning the Offeror's organization;
 - ii. and data that qualifies as a trade secret in accordance with the Uniform Trade Secrets Act, Sections 57-3A-1 to 57-3A-7 NMSA 1978.

- iii. PLEASE NOTE: The price of products offered or the cost of services proposed **shall not be designated** as proprietary or confidential information.

If a request is received for disclosure of data for which an Offeror has made a written request for confidentiality, the State Purchasing Division or the Agency shall examine the Offeror's request and make a written determination that specifies which portions of the proposal should be disclosed. Unless the Offeror takes legal action to prevent the disclosure, the proposal will be so disclosed. The proposal shall be open to public inspection subject to any continuing prohibition on the disclosure of confidential data.

9. No Obligation

This RFP in no manner obligates the State of New Mexico or any of its Agencies to the use of any Offeror's services until a valid written contract is awarded and approved by appropriate authorities.

10. Termination

This RFP may be canceled at any time and any and all proposals may be rejected in whole or in part when the agency determines such action to be in the best interest of the State of New Mexico.

11. Sufficient Appropriation

Any contract awarded as a result of this RFP process may be terminated if sufficient appropriations or authorizations do not exist. Such terminations will be effected by sending written notice to the contractor. The Agency's decision as to whether sufficient appropriations and authorizations are available will be accepted by the contractor as final.

12. Legal Review

The Agency requires that all Offerors agree to be bound by the General Requirements contained in this RFP. Any Offeror's concerns must be promptly submitted in writing to the attention of the Procurement Manager.

13. Governing Law

This RFP and any agreement with an Offeror which may result from this procurement shall be governed by the laws of the State of New Mexico.

14. Basis for Proposal

Only information supplied in writing by the Agency, through the Procurement Manager or in this RFP should be used as the basis for the preparation of Offeror proposals.

15. Contract Terms and Conditions

The contract between an agency and a contractor will follow the format specified by the Agency and will contain the terms and conditions set forth in the Sample Contract Appendix C. However, the contracting agency reserves the right to negotiate provisions in addition to those contained in this RFP (Sample Contract) with any Offeror. The Scope of

Work and Contract contained in this RFP, as revised and/or supplemented, and the successful Offeror's proposal will be incorporated into and become part of any resultant contract.

The Agency discourages exceptions from the contract terms and conditions as set forth in the RFP Sample Contract. Such exceptions may cause a proposal to be rejected as nonresponsive when, in the sole judgment of the Agency (and its evaluation team), the proposal appears to be conditional on the exception, or on the correction of what is deemed to be a deficiency, or when an unacceptable exception is proposed that would require a substantial proposal rewrite to correct.

Should an Offeror object to any of the terms and conditions as set forth in the RFP Sample Contract (APPENDIX C) strongly enough to propose alternate terms and conditions in spite of the above, the Offeror must propose **specific** alternative language. The Agency may or may not accept the alternative language. General references to the Offeror's terms and conditions or attempts at complete substitutions of the Sample Contract are not acceptable to the Agency and will result in disqualification of the Offeror's proposal.

Offerors must provide a brief discussion of the purpose and impact, if any, of each proposed change followed by the specific proposed alternate wording.

16. Offeror's Terms and Conditions

Offerors must submit with the proposal a complete set of any additional terms and conditions they expect to have included in a contract negotiated with the Agency.

17. Contract Deviations

Any additional terms and conditions, which may be the subject of negotiation, will be discussed only between the Agency and the Offeror selected and shall not be deemed an opportunity to amend the Offeror's proposal.

18. Offeror Qualifications

The Evaluation Committee may make such investigations as necessary to determine the ability of the potential Offeror to adhere to the requirements specified within this RFP. The Evaluation Committee will reject the proposal of any potential Offeror who is not a Responsible Offeror or fails to submit a responsive offer as defined in Sections 13-1-83 and 13-1-85 NMSA 1978.

19. Right to Waive Minor Irregularities

The Evaluation Committee reserves the right to waive minor irregularities. The Evaluation Committee also reserves the right to waive mandatory requirements provided that all of the otherwise responsive proposals failed to meet the same mandatory requirements and the failure to do so does not otherwise materially affect the procurement. This right is at the sole discretion of the Evaluation Committee.

20. Change in Contractor Representatives

The Agency reserves the right to require a change in contractor representatives if the assigned representative(s) is(are) not, in the opinion of the Agency, adequately meeting the needs of the Agency.

21. Notice of Penalties

The Procurement Code, Sections 13-1-28 through 13-1-199 NMSA 1978, imposes civil, misdemeanor and felony criminal penalties for its violation. In addition, the New Mexico criminal statutes impose felony penalties for bribes, gratuities and kickbacks.

22. Agency Rights

The Agency, in agreement with the Evaluation Committee, reserves the right to accept all or a portion of a potential Offeror's proposal.

23. Right to Publish

Throughout the duration of this procurement process and contract term, Offerors and contractors must secure from the agency written approval prior to the release of any information that pertains to the potential work or activities covered by this procurement and/or agency contracts deriving from this procurement. Failure to adhere to this requirement may result in disqualification of the Offeror's proposal or removal from the contract.

24. Ownership of Proposals

All documents submitted in response to the RFP shall become property of the State of New Mexico.

25. Confidentiality

Any confidential information provided to, or developed by, the contractor in the performance of the contract resulting from this RFP shall be kept confidential and shall not be made available to any individual or organization by the contractor without the prior written approval of the Agency.

The Contractor(s) agrees to protect the confidentiality of all confidential information and not to publish or disclose such information to any third party without the procuring Agency's written permission.

26. Electronic mail address required

A large part of the communication regarding this procurement will be conducted by electronic mail (e-mail). Offeror must have a valid e-mail address to receive this correspondence. (See also Section II.B.5, Response to Written Questions).

27. Use of Electronic Versions of this RFP

This RFP is being made available by electronic means. In the event of conflict between a version of the RFP in the Offeror's possession and the version maintained by the agency, the Offeror acknowledges that the version maintained by the agency shall govern. Please

refer

to: [http://www.generalservices.state.nm.us/statepurchasing/ITBs RFPs and Bid Tabulation.aspx](http://www.generalservices.state.nm.us/statepurchasing/ITBs_RFPs_and_Bid_Tabulation.aspx)

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28. New Mexico Employees Health Coverage

- a. If the Offeror has, or grows to, six (6) or more employees who work, or who are expected to work, an average of at least 20 hours per week over a six (6) month period during the term of the contract, Offeror must agree to have in place, and agree to maintain for the term of the contract, health insurance for those employees if the expected annual value in the aggregate of any and all contracts between Contractor and the State exceed \$250,000 dollars.
- b. Offeror must agree to maintain a record of the number of employees who have (a) accepted health insurance; (b) decline health insurance due to other health insurance coverage already in place; or (c) decline health insurance for other reasons. These records are subject to review and audit by a representative of the state.
- c. Offeror must agree to advise all employees of the availability of State publicly financed health care coverage programs by providing each employee with, as a minimum, the following web site link to additional information <http://www.insurenewmexico.state.nm.us/>.
- d. For Indefinite Quantity, Indefinite Delivery contracts (price agreements without specific limitations on quantity and providing for an indeterminate number of orders to be placed against it); these requirements shall apply the first day of the second month after the Offeror reports combined revenue (from state and, if applicable, from local public bodies if from a state price agreement) of \$250,000.

29. Campaign Contribution Disclosure Form

Offeror must complete, sign, and return the Campaign Contribution Disclosure Form, APPENDIX B, as a part of its proposal. This requirement applies regardless whether or not a covered contribution was made for the positions of Governor and Lieutenant Governor or other identified official. Failure to complete and return the signed unaltered form will result in disqualification.

30. Pay Equity Reporting Requirements

- a. If the Offeror has ten (10) or more employees OR eight (8) or more employees in the same job classification, Offeror must complete and submit the required reporting form (PE10-249) if it is awarded a contract.
- b. For contracts that extend beyond one (1) calendar year, or are extended beyond one (1) calendar year, Offeror must also agree to complete and submit the required form annually within thirty (30) calendar days of the annual bid or proposal submittal anniversary date and, if more than one hundred eighty (180) days has elapsed since submittal of the last report, at the completion of the contract.

- c. Should Offeror not meet the size requirement for reporting at contract award but subsequently grows such that they meet or exceed the size requirement for reporting, Offeror must agree to provide the required report within ninety (90) calendar days of meeting or exceeding the size requirement.
- d. Offeror must also agree to levy these reporting requirements on any subcontractor(s) performing more than 10% of the dollar value of this contract if said subcontractor(s) meets, or grows to meet, the stated employee size thresholds during the term of the contract. Offeror must further agree that, should one or more subcontractor not meet the size requirement for reporting at contract award but subsequently grows such that they meet or exceed the size requirement for reporting, offer will submit the required report, for each such subcontractor, within ninety (90) calendar days of that subcontractor meeting or exceeding the size requirement.”

31. Disclosure Regarding Responsibility

a. Any prospective Contractor and any of its Principals who enter into a contract greater than sixty thousand dollars (\$60,000.00) with any state agency or local public body for professional services, tangible personal property, services or construction agrees to disclose whether the Contractor, or any principal of the Contractor’s company:

- i. is presently debarred, suspended, proposed for debarment, or declared ineligible for award of contract by any federal entity, state agency or local public body;

- ii. has within a three-year period preceding this offer, been convicted in a criminal matter or had a civil judgment rendered against them for:

- a. the commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) contract or subcontract;
- b. violation of Federal or state antitrust statutes related to the submission of offers; or
- c. the commission in any federal or state jurisdiction of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violation of Federal criminal tax law, or receiving stolen property;

- iii. is presently indicted for, or otherwise criminally or civilly charged by any (federal state or local) government entity with the commission of any of the offenses enumerated in paragraph A of this disclosure;

- iv. has, preceding this offer, been notified of any delinquent Federal or state taxes in an amount that exceeds three thousand dollars (\$3,000) of which the liability remains unsatisfied. Taxes are considered delinquent if the following criteria apply.

- a) The tax liability is finally determined. The liability is finally determined if it has been assessed. A liability is not finally determined if there is a pending administrative or judicial challenge. In the case of a judicial challenge of the

liability, the liability is not finally determined until all judicial appeal rights have been exhausted.

- b) The taxpayer is delinquent in making payment. A taxpayer is delinquent if the taxpayer has failed to pay the tax liability when full payment was due and required. A taxpayer is not delinquent in cases where enforced collection action is precluded.
- c) Have within a three year period preceding this offer, had one or more contracts terminated for default by any federal or state agency or local public body.)

b. Principal, for the purpose of this disclosure, means an officer, director, owner, partner, or a person having primary management or supervisory responsibilities within a business entity or related entities.

c. The Contractor shall provide immediate written notice to the State Purchasing Agent or other party to this Agreement if, at any time during the term of this Agreement, the Contractor learns that the Contractor's disclosure was at any time erroneous or became erroneous by reason of changed circumstances.

d. A disclosure that any of the items in this requirement exist will not necessarily result in termination of this Agreement. However, the disclosure will be considered in the determination of the Contractor's responsibility and ability to perform under this Agreement. Failure of the Contractor to furnish a disclosure or provide additional information as requested will be grounds for immediate termination of this Agreement pursuant to the conditions set forth in Paragraph 7 of this Agreement.

e. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the disclosure required by this document. The knowledge and information of a Contractor is not required to exceed that which is the normally possessed by a prudent person in the ordinary course of business dealings.

f. The disclosure requirement provided is a material representation of fact upon which reliance was placed when making an award and is a continuing material representation of the facts during the term of this Agreement. If during the performance of the contract, the Contractor is indicted for or otherwise criminally or civilly charged by any government entity (federal, state or local) with commission of any offenses named in this document the Contractor must provide immediate written notice to the State Purchasing Agent or other party to this Agreement. If it is later determined that the Contractor knowingly rendered an erroneous disclosure, in addition to other remedies available to the Government, the State Purchasing Agent or Central Purchasing Officer may terminate the involved contract for cause. Still further the State Purchasing Agent or Central Purchasing Officer may suspend or debar the Contractor from eligibility for future solicitations until such time as the matter is resolved to the satisfaction of the State Purchasing Agent or Central Purchasing Officer.

31. Conflict of Interest; Governmental Conduct Act.

The Offeror warrants that it presently has no interest and shall not acquire any interest, direct or indirect, that would conflict in any manner or degree with the performance or services required under the Agreement. The Offeror certifies requirements of the Governmental Conduct Act, Sections 10-16-1 through 10-16-18, NMSA 1978, regarding contracting with a public officer or state employee or former state employee have been followed.

III. RESPONSE FORMAT AND ORGANIZATION

A. NUMBER OF RESPONSES

Offerors shall submit only one proposal in response to this RFP. (To include the copies as stated in “B”)

B. NUMBER OF COPIES

Offerors shall deliver:

- **Binder 1:** one (1) original and five (5) identical hardcopies of their Technical Proposal; Original and all copies shall be in separate labeled binders; all confidential information in the proposal shall be clearly identified and easily segregated from the rest of the proposal.
- **Binder 2:** one (1) original, and two (2) copies of Cost proposal; Original and all copies shall be in separate labeled binders.
- One (1) electronic version/copy of the proposal containing the Technical Proposal.
- One (1) electronic version/copy of the Cost Proposal.
- All Confidential Information shall be clearly identified and segregated on the electronic version mirroring the hard copy submitted.

C. PROPOSAL FORMAT

All proposals must be submitted as follows:

Typewritten on standard 8 ½ x 11 inch paper (larger paper is permissible for charts, spreadsheets, etc.) and placed within binders with tabs delineating each section.

1. Proposal Content and Organization

Direct reference to pre-prepared or promotional material may be used if referenced and clearly marked. Promotional material should be minimal. The proposal must be organized and indexed in the following format and must contain, at a minimum, all listed items in the sequence indicated.

Technical Proposal (Binder 1):

- a) Signed Letter of Transmittal
- b) Table of Contents
- c) Proposal Summary (Optional)
- d) Response to Specifications (**except cost information which shall be included in Cost Proposal/Binder 2 only**)
- e) Response to Contract Terms and Conditions
- f) Offeror’s Additional Terms and Conditions
- g) Signed Campaign Contribution Form

- h) Signed Employee Health Coverage Form
- i) Signed Affidavit pursuant to Governmental Conduct Act (If applicable)
- j) Resident Vendor or Resident Veteran Certificate (If applicable)
- k) Resident Veterans Preference Certification (If applicable)
- l) Other Supporting Material (Optional)

Cost Proposal (Binder 2):

- a) Completed Cost Response Form

In each section of the proposal, Offerors should address the items in the order in which they appear in this RFP. All forms provided in this RFP must be thoroughly completed and included in the appropriate section of the proposal. All discussion of proposed costs, rates or expenses must occur only in Binder #2 on the cost response form.

Any proposal that does not adhere to these requirements may be deemed non-responsive and rejected on that basis.

A proposal summary may be included by potential Offerors to provide the Evaluation Committee with an overview of the proposal; however, this material will not be used in the evaluation process unless specifically referenced from other portions of the Offeror's proposal.

2. Letter of Transmittal

Offeror's proposal must be accompanied by the Letter of Transmittal Form located in APPENDIX F which must be completed and signed by an individual person authorized to obligate the company. The letter of transmittal MUST:

1. Identify the submitting business entity.
2. Identify the name, title, telephone, and e-mail address of the person authorized by the Offeror organization to contractually obligate the business entity providing the Offer.
3. Identify the name, title, telephone, and e-mail address of the person authorized to negotiate the contract on behalf of the organization (if different than (2) above).
4. Identify the names, titles, telephone, and e-mail addresses of persons to be contacted for clarification/questions regarding proposal content.
5. Identify sub-contractors (if any) anticipated to be utilized in the performance of any resultant contract award.
6. Describe the relationship with any other entity which will be used in the performance of this awarded contract.
7. Identify the following with a check mark and signature where required:

- a. Explicitly indicate acceptance of the Conditions Governing the Procurement stated in Section II. C.1;
 - b. Acceptance of Section V of this RFP; and
 - c. Acknowledge receipt of any and all amendments to this RFP.
8. Be signed by the person identified in paragraph 2 above.

PLEASE NOTE: if the proposal is submitted through State Purchasing's electronic submission system, the Offeror need submit only a single electronic copy of each binder of the proposal. Please separate the proposal for the technical specifications and the proposal for the cost as well as the proposal for the confidential information into discrete files in your submission. Each "envelope" (file) location for each of the three sections of the RFP will be specified in the upload section of the Offeror's electronic submission.

IV. SPECIFICATIONS

A. DETAILED SCOPE OF WORK

The Department seeks a qualified actuarial services entity to develop and manage risk-based capitation rates for the New Mexico Centennial Care Medicaid Program and to provide the Department with consultation services. Capitation rate development must be completed in the fall of every calendar year. Capitation rate updates may occur anytime during the year.

The Contractor shall perform the following work:

1. Develop, set, and certify actuarially sound capitation rates for all managed care organization (MCO) cohorts under Centennial Care. Capitation rates should be developed based on factual data and may be developed by line of business, i.e. physical health, behavioral health, and long term care services for the Standard Medicaid Services Benefit Plan and physical health and behavioral health for the Alternative Benefit Plan. Rates must be certified by a date specified by the Department. This work includes, but is not limited to the following:
 - a. Certifying that the rates comply with all requirements for managed care rate setting as described in the Balanced Budget Act of 1997;
 - b. Using a variety of parameters in defining and developing managed care cohorts and capitation rates including, but not limited to, recipients' age, gender, category of eligibility, level of care, and geographic location;
 - c. Identifying medical service utilization patterns by category of service and medical and administrative cost profiles for all managed care cohorts and major lines of business;
 - d. Calculating the actuarially sound high/target/low capitation rate ranges
 - e. Participating and providing administrative support in the Departments' rate setting discussions and meetings (some of which will take place in Santa Fe, NM).
 - f. Participating in periodic meetings with Department staff to discuss the parameters, priorities, methodology, and ongoing results of MCO capitation rate development in each rate cycle.
 - i. Provide documents and data, as directed by Department staff, to discuss at these meetings.
 - ii. Work collaboratively with Department staff to improve the accuracy and efficiency of the existing data sources and new data sources used for capitation rate development.
 - iii. Work collaboratively with Department staff and other Department vendors to improve the accuracy and efficiency of capitation rate development methodologies.
 - iv. Provide the Department with reports and calculations in the format(s) specified by the Department, including all formulae, databases, data sets, analyses, and documents relevant to the capitation rate setting process.

2. Update the capitation rates based on factual data, trends in pricing, changes resulting from federal and/or state requirements, program changes or changes in coverage, and certify those rates for Centennial Care. Activities related to updating capitation rate setting include, but are not limited to:
 - a. Analyze inflation and economic trends.
 - b. Analyze the financial statement data of the managed care plan with a focus on relevant issues affecting capitation rate development.
 - c. Analyze any programmatic changes that will be effective in the FY and use the data to calculate adjustment factors to be applied to the existing capitation rate ranges.
 - d. Calculate the actuarially sound high/target/low capitation rate ranges.
 - e. Produce a report that provides a detailed description of the methodology used for developing the capitation rates.
 - f. Provide actuarial certification as to the soundness of the rates.
 - g. Prepare all presentation material, attend and participate in the meetings to promote approved recommendations.
 - h. Provide the Department with reports and calculations in the format(s) specified by the Department, including all formulas, databases, data sets, analyses, and documents relevant to the capitation rate updating process.
3. Assist the Department in its reporting on aspects of its §1115 Demonstration waiver for Centennial Care. This work includes, but is not limited to the following:
 - a. Monitor and report on budget neutrality as required by federal guidelines.
 - b. Evaluate the enrollment and financial performance of Managed Care Organizations and their provider networks.
 - c. Provide encounter data validation analysis as required by the waiver's Standard Terms and Conditions.
4. Provide the Department with additional consultation services and complete other work as requested by the Department which may include, but is not limited to, the following:
 - a. Analyzing and ensuring accurate payments and reimbursements related to the Primary Care Physician fee increase under the Affordable Care Act.
 - b. Providing analysis and other consultation as needed in the development of a risk-adjusted payment approach.
 - c. Performing activities related to the reconciliation of the Community Benefit and the Beneficiary Rewards programs under Centennial Care.
 - d. Assist with programmatic activities associated with the implementation of the Centennial Care program such as State Plan Amendments, contract amendments, and regulatory changes.
 - e. Analyze proposed adjustments to provider reimbursement rates.
 - f. Assist HSD in responding to CMS requirements and pursuing CMS approval of programmatic changes.
5. At the end of the contract period, work cooperatively with the Department and any of its specified contracting organizations to develop and successfully implement a plan to transition all data, methodologies, documentation, and ongoing projects to the succeeding contracting organization, vendor, or firm or to the state.

B. TECHNICAL SPECIFICATIONS

1. Organizational Experience

Offerors **must**:

- a. provide a description of relevant corporate experience with state government and private sector. The experience of all proposed subcontractors must be described. The narrative **must** thoroughly describe how the Offeror has supplied expertise for similar contracts and must include the extent of their experience, expertise and knowledge as a provider of BOTH actuarial and consulting services. Actuarial and consulting services provided to the private sector will also be considered;
- b. indicate how many actuarial engagements involving both actuarial and consulting services you have completed in the last two years and what percentage of business revenue is derived from such engagements;
- c. describe at least two project successes and two failures of an engagement involving both actuarial and consulting services. Include how each experience improved the Offeror's services.

2. Organizational References

Offerors shall provide a minimum of three (3) references from similar projects performed for private, state or large local government clients within the last three years. **Offerors are required to submit APPENDIX G, Reference Form, to the business references they list. The business references must submit the Reference Form directly to the designee described in Sec I Paragraph D.** It is the Offeror's responsibility to ensure the completed forms are received on or before the proposal submission deadline for inclusion in the evaluation process.

Organizational References that are not received, or are not complete, may adversely affect the offeror's score in the evaluation process. The Evaluation Committee may contact any or all business references for validation of information submitted. Additionally, the Agency reserves the right to consider any and all information available to it (outside of the Business Reference information required herein), in its evaluation of Offeror responsibility per Section II, Para C.18.

Offerors shall submit the following Business Reference information as part of Offer:

- a. Client name;
- b. Project description;
- c. Project dates (starting and ending);
- d. Technical environment (i.e., Software applications, Internet capabilities, Data communications, Network, Hardware);
- e. Staff assigned to reference engagement that will be designated for work per this RFP; and
- f. Client project manager name, telephone number, fax number and e-mail address.

3. Staff Experience

Describe the entity's staffing pattern including subcontracted staff (Appendix C, Section II, Part D) for meeting the requirements of this RFP. Provide resumes describing the educational and work experiences for each of the key staff (e.g., principal project lead, actuaries, and any other support staff who would be involved in actuarial/analytical aspects of the work required by this RFP) who would be assigned to the project. Offerors must agree that all Offeror staff, and subcontract staff, dedicated to fulfilling Department actuarial services will be free of conflicts between State actuarial requirements in this RFP and the interests of any managed care entities with whom the State may contract. Offerors must submit an organizational chart showing the offerors' staff and subcontract staff assigned to fulfill proposal requirements.

4. Staff References

Offerors must submit three (3) references for each proposed key staff member, showing work for previous clients who have received similar services to those proposed by the offeror for this contract. Each reference must include the name of contact person, address, telephone number and description and dates of services provided.

5. Oral Presentation

If selected as a finalist, Offerors **must** agree to provide the Evaluation Committee an opportunity to interview proposed staff members identified by the Evaluation Committee, at the option of the Agency. The Evaluation Committee may request a finalist to provide an oral presentation of the proposal as an opportunity for the Evaluation Committee to ask questions and seek clarifications. **A statement of concurrence must be submitted in the Offeror's proposal.**

6. Mandatory Specification

- a. Offerors must submit a comprehensive work plan including a Gantt type chart describing the tasks to be performed, resources required, and a time frame for completion of all work listed in the Scope of Work.

Offerors must propose the use of a methodology for this project. The methodology must thoroughly describe how the offeror proposes to use planned staffing to accomplish the tasks described in the Scope of Work.

- b. Offeror must demonstrate its capability to receive, load, and analyze all data provided by the Department and/or MCO for the purpose of capitation rate development in paper or electronic formats by the transmission mode prescribed by the Department.
- c. The New Mexico Centennial Care waiver is operated on a demonstration year (DY) that coincides with the calendar year (CY). The annual managed care rate development and rate setting for the upcoming calendar year must be finalized and certified for CMS by November 15 CY. The rate development and rate setting for CY 2015 must be finalized and certified by November 15, 2014. All of the rate results, including descriptions of rate-setting assumptions, methodologies, and policy considerations should be completed for HSD review by October 1st of each calendar year.

Time is of the essence. Offerors must propose and thoroughly describe how the contractor plans to meet this time-line requirement, especially for the CY 2015 rates to be completed by October 1st, 2014.

7. Desirable Specification

HSD understands the importance of applying state-of-the-art analytical methods and tools in the development of capitation rates for Centennial Care. Accordingly, the offerors should describe in detail their proposed application of analytics in the rate development process, and their methods for reviewing these technical applications and results with HSD staff and how the Offeror might, at the Department's option, assist the Department in using analytics, including descriptive, predictive, and prescriptive modeling to improve program outcomes.

C. BUSINESS SPECIFICATIONS

1. Cost

Offerors must complete the Cost Response Form in APPENDIX D. All charges listed on APPENDIX D must be justified and evidence of need must be documented in the proposal.

For services under this RFP, the only accepted format for submitting a cost proposal is a completed and signed Cost Response Form (Appendix D). Offerors are required to separate the total annual cost by project description for fixed costs and hourly rates.

The hours and cost calculation must include an all-inclusive proposal encompassing a full rate development, rate-setting and rate update, and must represent the entity's costs and hours for performing the requirements enumerated in the RFP. Other direct, indirect, allocated, or incidental expenses not included in this Cost Proposal may NOT be charged to the ensuing contract.

Failure to provide any requested information in the prescribed format may result in disqualification of the proposal.

The cost proposal should be submitted per instructions detailed in Section II(B)(6). The proposal will be scored using a standard quantitative calculation where the most points will be awarded to the proposal with the lowest cost.

Cost proposal formats are provided in Appendix D.

2. Resident Business or Resident Veterans Preference

To ensure adequate consideration and application of 13-1-21 NMSA (as amended), Offerors must include a copy of their preference certificate in this section. In addition, for resident Veterans Preference, the attached certification Form (APPENDIX H) must accompany any Offer and any business wishing to receive the preference must complete and sign the form.

3. Financial Stability

Offerors must submit copies of the most recent years independently audited financial statements and the most current 10K, as well as financial statements for the preceding three (3) years, if they exist. The submission must include the audit opinion, the balance sheet, and statements of income, retained earnings, cash flows, and the notes to the financial statements. If independently audited financial statements do not exist, Offeror must state the reason and, instead, submit sufficient information (e.g. D & B report) to enable the Evaluation Committee to assess the financial stability of the Offeror.

4. Performance Surety Bond

Offeror(s) must have the ability to secure a Performance Surety Bond in favor of the Agency to insure the Contractor's performance upon any subsequent contract award. Each engagement will be different but the option to require a Performance Surety Bond must be available to the Agencies at time of contract award. **A statement of concurrence must be submitted in the Offeror's proposal.**

5. Letter of Transmittal Form

The Offeror's proposal **must** be accompanied by the Letter of Transmittal Form located in APPENDIX F. The form **must** be completed and must be signed by the person authorized to obligate the company.

6. Campaign Contribution Disclosure Form

The Offeror must complete an unaltered Campaign Contribution Disclosure Form and submit a signed copy with the Offeror's proposal. This must be done whether or not an applicable contribution has been made. (See APPENDIX B)

7. Employee Health Coverage Form

The Offeror must agree with the terms as indicated in APPENDIX E. The unaltered form must be completed, signed by the person authorized to obligate the Offeror's firm and submitted with Offeror's proposal.

8. Pay Equity Reporting

The Offeror must agree with the requirements of reporting as defined in Section II.C.30. Report is due at the time of contract award. A statement of concurrence with this requirement must be included in Offeror's submitted proposal.

V. EVALUATION

A. EVALUATION POINT SUMMARY

The following is a summary of evaluation factors with point values assigned to each. These weighted factors will be used in the evaluation of individual potential Offeror proposals by sub-category.

Factors – correspond to section IV.B and IV C	Points Available
B. Technical Specifications	
B. 1. Organizational Experience	100
B. 2. Organizational References	75
B. 3. Staff Experience	75
B. 4. Staff References	50
B. 5. Oral Presentations	90
B. 6. Mandatory Specification	350
B. 7. Desirable Specification	10
C. Business Specifications	
C.1. Cost	250
C.3. Financial Stability	Pass/Fail
C.4. Performance Surety Bond	Pass/Fail
C.5. Letter Of Transmittal	Pass/Fail
C.6. Campaign Contribution Disclosure Form	Pass/Fail
C.7. Employee Health Coverage Form	Pass/Fail
C.8. Pay Equity Reporting	Pass/Fail
TOTAL	1,000 points
Preference Points per Section IV C. 2	

Table 1: Evaluation Point Summary

B. EVALUATION FACTORS

1. B.1 Organizational Experience (100 points)

Points will be awarded based on thoroughness and clarity of the response, breadth and depth of the engagements cited and perceived validity of the response.

2. B.2 Organizational References (75 points)

Points will be awarded based upon evaluation of the Offeror’s responses to a series of questions that will be asked of the references concerning the quality of the Offeror’s services, the timeliness of services, responsiveness to problems and complaints and the level of satisfaction with the Offeror’s overall performance.

3. B.3 Staff Experience (75 points)

Points will be awarded based on the breadth and depth of the engagements cited and perceived relevance to tasks described in the Scope of Work.

4. B.4 Staff References (50 points)

Points will be awarded based on an evaluation of the responses to a series of questions that will be asked of the references concerning the quality of the staff’s services, the timeliness of services, responsiveness to problems and complaints and the level of satisfaction with the staff’s overall performance.

5. B.5 Oral Presentation (90 points)

Points will be awarded based on the quality, organization and effectiveness of communication of the information presented, as well as on the professionalism of the presenters and technical knowledge of the proposed staff. Prior to the Oral Presentation, Agency will provide the Offeror a presentation agenda. (If no Oral Presentations are required all Offerors will receive the same number of total points for this evaluation factor)

6. B.6. Mandatory Specifications (350 points)

Points will be awarded based on the completeness of the Work Plan and the soundness of methodology proposed to successfully complete all work described in the Scope of Work.

7. B.7. Desirable Specifications (10 points)

Points will be awarded based on perceived understanding and application of analytics.

8. C.1 Cost (250 points)

The evaluation of each Offeror’s cost proposal will be conducted using the following formula:

$$\frac{\text{Lowest Responsive Offer Bid}}{\text{This Offeror's Bid}} \times 250 = \text{AwardPoints}$$

9. C.3. Financial Stability (Pass/Fail)

Pass/Fail only. No points assigned.

10. C.4. Performance Bond (Pass/Fail)

Pass/Fail only. No points assigned.

11. C.5. Letter of Transmittal (Pass/Fail)

Pass/Fail only. No points assigned.

12. C.6. Campaign Contribution Disclosure Form (Pass/Fail)

Pass/Fail only. No points assigned.

13. C.7. Employee Health Coverage Form (Pass/Fail)

Pass/Fail only. No points assigned.

14. C.8. Pay Equity Reporting (Pass/Fail)

Pass/Fail only. No points assigned.

C. EVALUATION PROCESS

1. All Offeror proposals will be reviewed for compliance with the requirements and specifications stated within the RFP. Proposals deemed non-responsive will be eliminated from further consideration.
2. The Procurement Manager may contact the Offeror for clarification of the response as specified in Section II. B.7.
3. The Evaluation Committee may use other sources of information to perform the evaluation as specified in Section II. C.18.
4. Responsive proposals will be evaluated on the factors in Section IV, which have been assigned a point value. The responsible Offerors with the highest scores will be selected as finalist Offerors, based upon the proposals submitted. The responsible Offerors whose proposals are most advantageous to the State, taking into consideration the evaluation factors in Section IV, will be recommended for award (as specified in Section II. B.8). Please note, however, that a serious deficiency in the response to any one factor may be grounds for rejection regardless of overall score.

APPENDIX A

ACKNOWLEDGEMENT OF RECEIPT FORM

APPENDIX A
REQUEST FOR PROPOSAL

Actuarial Services
14-630-8000-0005

ACKNOWLEDGEMENT OF RECEIPT FORM

In acknowledgement of receipt of this Request for Proposal the undersigned agrees that s/he has received a complete copy, beginning with the title page and table of contents, and ending with APPENDIX H.

The acknowledgement of receipt should be signed and returned to the Procurement Manager no later than as stated in Section II, A. SEQUENCE OF EVENTS. Only potential Offerors who elect to return this form completed with the indicated intention of submitting a proposal will receive copies of all Offeror written questions and the written responses to those questions as well as RFP amendments, if any are issued.

FIRM: _____

REPRESENTED BY: _____

TITLE: _____ PHONE NO.: _____

E-MAIL: _____ FAX NO.: _____

ADDRESS: _____

CITY: _____ STATE: _____ ZIP CODE: _____

SIGNATURE: _____ DATE: _____

This name and address will be used for all correspondence related to the Request for Proposal.

Firm does/does not (circle one) intend to respond to this Request for Proposal.

Jaclyn Herrera, Procurement Manager
Actuarial Services 14-630-8000-0005
Human Services Department
2025 South Pacheco St.
Santa Fe NM 87505
Fax: (505) 476-6877
E-mail: jaclyn.herrera@state.nm.us

APPENDIX B

CAMPAIGN CONTRIBUTION DISCLOSURE FORM

Campaign Contribution Disclosure Form

Pursuant to NMSA 1978, § 13-1-191.1 (2006), any person seeking to enter into a contract with any state agency or local public body for professional services, a design and build project delivery system, or the design and installation of measures the primary purpose of which is to conserve natural resources must file this form with that state agency or local public body. This form must be filed even if the contract qualifies as a small purchase or a sole source contract. The prospective contractor must disclose whether they, a family member or a representative of the prospective contractor has made a campaign contribution to an applicable public official of the state or a local public body during the two years prior to the date on which the contractor submits a proposal or, in the case of a sole source or small purchase contract, the two years prior to the date the contractor signs the contract, if the aggregate total of contributions given by the prospective contractor, a family member or a representative of the prospective contractor to the public official exceeds two hundred and fifty dollars (\$250) over the two year period.

Furthermore, the state agency or local public body shall void an executed contract or cancel a solicitation or proposed award for a proposed contract if: 1) a prospective contractor, a family member of the prospective contractor, or a representative of the prospective contractor gives a campaign contribution or other thing of value to an applicable public official or the applicable public official's employees during the pendency of the procurement process or 2) a prospective contractor fails to submit a fully completed disclosure statement pursuant to the law.

THIS FORM MUST BE FILED BY ANY PROSPECTIVE CONTRACTOR WHETHER OR NOT THEY, THEIR FAMILY MEMBER, OR THEIR REPRESENTATIVE HAS MADE ANY CONTRIBUTIONS SUBJECT TO DISCLOSURE.

The following definitions apply:

“Applicable public official” means a person elected to an office or a person appointed to complete a term of an elected office, who has the authority to award or influence the award of the contract for which the prospective contractor is submitting a competitive sealed proposal or who has the authority to negotiate a sole source or small purchase contract that may be awarded without submission of a sealed competitive proposal.

“Campaign Contribution” means a gift, subscription, loan, advance or deposit of money or other thing of value, including the estimated value of an in-kind contribution, that is made to or received by an applicable public official or any person authorized to raise, collect or expend contributions on that official's behalf for the purpose of electing the official to either statewide or local office. “Campaign Contribution” includes the payment of a debt incurred in an election campaign, but does not include the value of services provided without compensation or unreimbursed travel or other personal expenses of individuals who volunteer a portion or all of their time on behalf of a candidate or political committee, nor does it include the administrative or solicitation expenses of a political committee that are paid by an organization that sponsors the committee.

“Family member” means spouse, father, mother, child, father-in-law, mother-in-law, daughter-in-law or son-in-law.

“Pendency of the procurement process” means the time period commencing with the public notice of the request for proposals and ending with the award of the contract or the cancellation of the request for proposals.

“Person” means any corporation, partnership, individual, joint venture, association or any other private legal entity.

“Prospective contractor” means a person who is subject to the competitive sealed proposal process set forth in the Procurement Code or is not required to submit a competitive sealed proposal because that person qualifies for a sole source or a small purchase contract.

“Representative of a prospective contractor” means an officer or director of a corporation, a member or manager of a limited liability corporation, a partner of a partnership or a trustee of a trust of the prospective contractor.

DISCLOSURE OF CONTRIBUTIONS:

Contribution Made By: _____

Relation to Prospective Contractor: _____

Name of Applicable Public Official: _____

Date Contribution(s) Made: _____

Amount(s) of Contribution(s) _____

Nature of Contribution(s) _____

Purpose of Contribution(s) _____

(Attach extra pages if necessary)

Signature

Date

Title (position)

—OR—

NO CONTRIBUTIONS IN THE AGGREGATE TOTAL OVER TWO HUNDRED FIFTY DOLLARS (\$250) WERE MADE to an applicable public official by me, a family member or representative.

Signature

Date

Title (Position)

APPENDIX C

SAMPLE CONTRACT

STATE OF NEW MEXICO

HUMAN SERVICES DEPARTMENT

PROFESSIONAL SERVICES CONTRACT

THIS AGREEMENT is made and entered into by and between the State of New Mexico **Human Services Department**, hereinafter referred to as the “HSD,” and **NAME OF CONTRACTOR**, hereinafter referred to as the “Contractor,” and is effective as of the date set forth below upon which it is executed by the Department of Finance and Administration (DFA).

IT IS AGREED BETWEEN THE PARTIES:

1. Scope of Work.

The Contractor shall perform all services detailed in Exhibit A, Scope of Work, attached to this Agreement.

2. Compensation.

A. The HSD shall pay to the Contractor in full payment for services satisfactorily performed at the rate of _____ dollars (\$_____) per hour (OR BASED UPON DELIVERABLES, MILESTONES, BUDGET, ETC.), such compensation not to exceed (AMOUNT) including gross receipts tax, if applicable, **in FYXX**. This amount is a maximum and not a guarantee that the work assigned to be performed by Contractor under this Agreement shall equal the amount stated herein. The New Mexico gross receipts tax, if applicable, levied on the amounts payable under this PSC shall be paid by the Contractor. The parties do not intend for the Contractor to continue to provide services without compensation when the total compensation amount is reached. The Contractor is responsible for notifying the HSD when the services provided under this Agreement reach the total compensation amount. In no event will the Contractor be paid for services provided in excess of the total compensation amount without this Agreement being amended in writing prior to those services in excess of the total compensation amount being provided.

(FOR MULTI-YEAR CONTRACTS REPEAT THE sub paragraph above for each additional year. Then delete this bolded instruction.)

B. Payment is subject to availability of funds pursuant to the Appropriations Paragraph set forth below and to any negotiations between the parties from year to year pursuant to Paragraph 1, Scope of Work, and to approval by the DFA. All invoices **MUST BE** received by the HSD no later than fifteen (15) days after the termination of the Fiscal Year in which the services were delivered. **Invoices received after such date WILL NOT BE PAID.**

(—OR—)

(FOR MULTI-YEAR CONTRACTS REPEAT B, below, for each additional year, replacing each XX with digits representing the year(s), then delete this bolded instruction and B, above, which is for a single year contract.)

B. Payment in FYXX, FYXX, FYXX, and FYXX is subject to availability of funds pursuant to the Appropriations Paragraph set forth below and to any negotiations between the parties from year to year pursuant to Paragraph 1, Scope of Work, and to approval by the DFA. All invoices **MUST BE** received by the HSD no later than fifteen (15) days after the termination of the Fiscal Year in which the services were delivered. **Invoices received after such date WILL NOT BE PAID.**

C. Contractor must submit a detailed statement accounting for all services performed and expenses incurred. If the HSD finds that the services are not acceptable, within thirty days after the date of receipt of written notice from the Contractor that payment is requested, it shall provide the Contractor a letter of exception explaining the defect or objection to the services, and outlining steps the Contractor may take to provide remedial action. Upon certification by the HSD that the services have been received and accepted, payment shall be tendered to the Contractor within thirty days after the date of acceptance. If payment is made by mail, the payment shall be deemed tendered on the date it is postmarked. However, the agency shall not incur late charges, interest, or penalties for failure to make payment within the time specified herein.

3. Term.

THIS AGREEMENT SHALL NOT BECOME EFFECTIVE UNTIL APPROVED BY THE DFA. This Agreement shall terminate on **(DATE)** unless terminated pursuant to paragraph 4 (Termination), or paragraph 5 (Appropriations). In accordance with Section 13-1-150 NMSA 1978, no contract term for a professional services contract, including extensions and renewals, shall exceed four years, except as set forth in Section 13-1-150 NMSA 1978.

4. Termination.

A. Grounds. The HSD may terminate this Agreement for convenience or cause. The Contractor may only terminate this Agreement based upon the HSD's uncured, material breach of this Agreement.

B. Notice; HSD Opportunity to Cure.

1. Except as otherwise provided in Paragraph (4)(B)(3), the HSD shall give Contractor written notice of termination at least thirty (30) days prior to the intended date of termination.

2. Contractor shall give HSD written notice of termination at least thirty (30) days prior to the intended date of termination, which notice shall (i) identify all the HSD's material breaches of this Agreement upon which the termination is based and (ii) state what the HSD must do to cure such material breaches. Contractor's notice of termination shall only be effective (iii) if the HSD does not cure all material breaches within the thirty (30) day notice period or (iv) in the case of material breaches that cannot be cured within thirty (30) days, the HSD does not, within the thirty (30) day notice period, notify the Contractor of its intent to cure and begin with due diligence to cure the material breach.

3. Notwithstanding the foregoing, this Agreement may be terminated immediately upon written notice to the Contractor (i) if the Contractor becomes unable to perform the services contracted for, as determined by the HSD; (ii) if, during the term of this Agreement, the Contractor is suspended or debarred by the State Purchasing Agent; or (iii) the Agreement is terminated pursuant to Paragraph 5, “Appropriations”, of this Agreement.

C. Liability. Except as otherwise expressly allowed or provided under this Agreement, the HSD’s sole liability upon termination shall be to pay for acceptable work performed prior to the Contractor’s receipt or issuance of a notice of termination; provided, however, that a notice of termination shall not nullify or otherwise affect either party’s liability for pre-termination defaults under or breaches of this Agreement. The Contractor shall submit an invoice for such work within thirty (30) days of receiving or sending the notice of termination. THIS PROVISION IS NOT EXCLUSIVE AND DOES NOT WAIVE THE AGENCY’S OTHER LEGAL RIGHTS AND REMEDIES CAUSED BY THE CONTRACTOR’S DEFAULT/BREACH OF THIS AGREEMENT.

D. Termination Management. Immediately upon receipt by either the HSD or the Contractor of notice of termination of this Agreement, the Contractor shall: 1) not incur any further obligations for salaries, services or any other expenditure of funds under this Agreement without written approval of the HSD; 2) comply with all directives issued by the HSD in the notice of termination as to the performance of work under this Agreement; and 3) take such action as the HSD shall direct for the protection, preservation, retention or transfer of all property titled to the HSD and records generated under this Agreement. Any non-expendable personal property or equipment provided to or purchased by the Contractor with contract funds shall become property of the HSD upon termination and shall be submitted to the agency as soon as practicable.

5. Appropriations.

The terms of this Agreement are contingent upon sufficient appropriations and authorization being made by the Legislature of New Mexico for the performance of this Agreement. If sufficient appropriations and authorization are not made by the Legislature, this Agreement shall terminate immediately upon written notice being given by the HSD to the Contractor. The HSD's decision as to whether sufficient appropriations are available shall be accepted by the Contractor and shall be final. If the HSD proposes an amendment to the Agreement to unilaterally reduce funding, the Contractor shall have the option to terminate the Agreement or to agree to the reduced funding, within thirty (30) days of receipt of the proposed amendment.

6. Status of Contractor.

The Contractor and its agents and employees are independent contractors performing professional services for the HSD and are not employees of the State of New Mexico. The Contractor and its agents and employees shall not accrue leave, retirement, insurance, bonding, use of state vehicles, or any other benefits afforded to employees of the State of New Mexico as a result of this Agreement. The Contractor acknowledges that all sums received hereunder are reportable by the Contractor for tax purposes, including without limitation, self-employment and business income tax. The Contractor agrees not to purport to bind the State of New Mexico unless the Contractor has express written authority to do so, and then only within the strict limits of that authority.

7. Assignment.

The Contractor shall not assign or transfer any interest in this Agreement or assign any claims for money due or to become due under this Agreement without the prior written approval of the HSD.

8. Subcontracting.

The Contractor shall not subcontract any portion of the services to be performed under this Agreement without the prior written approval of the HSD. No such subcontract shall relieve the primary Contractor from its obligations and liabilities under this Agreement, nor shall any subcontract obligate direct payment from the Procuring Agency.

9. Release.

Final payment of the amounts due under this Agreement shall operate as a release of the HSD, its officers and employees, and the State of New Mexico from all liabilities, claims and obligations whatsoever arising from or under this Agreement.

10. Confidentiality.

Any confidential information provided to or developed by the Contractor in the performance of this Agreement shall be kept confidential and shall not be made available to any individual or organization by the Contractor without the prior written approval of the HSD.

11. Product of Service - Copyright.

All materials developed or acquired by the Contractor under this Agreement shall become the property of the State of New Mexico and shall be delivered to the HSD no later than the termination date of this Agreement. Nothing developed or produced, in whole or in part, by the Contractor under this Agreement shall be the subject of an application for copyright or other claim of ownership by or on behalf of the Contractor.

12. Conflict of Interest; Governmental Conduct Act.

A. The Contractor represents and warrants that it presently has no interest and, during the term of this Agreement, shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance or services required under the Agreement.

B. The Contractor further represents and warrants that it has complied with, and, during the term of this Agreement, will continue to comply with, and that this Agreement complies with all applicable provisions of the Governmental Conduct Act, Chapter 10, and Article 16 NMSA 1978. Without in anyway limiting the generality of the foregoing, the Contractor specifically represents and warrants that:

1. in accordance with Section 10-16-4.3 NMSA 1978, the Contractor does not employ, has not employed, and will not employ during the term of this Agreement any HSD employee while such employee was or is employed by the HSD and participating directly or indirectly in the HSD's contracting process;

2. this Agreement complies with Section 10-16-7(A) NMSA 1978 because (i) the Contractor is not a public officer or employee of the State; (ii) the Contractor is not a member of the family of a public officer or employee of the State; (iii) the Contractor is not

a business in which a public officer or employee or the family of a public officer or employee has a substantial interest; or (iv) if the Contractor is a public officer or employee of the State, a member of the family of a public officer or employee of the State, or a business in which a public officer or employee of the State or the family of a public officer or employee of the State has a substantial interest, public notice was given as required by Section 10-16-7(A) NMSA 1978 and this Agreement was awarded pursuant to a competitive process;

3. in accordance with Section 10-16-8(A) NMSA 1978, (i) the Contractor is not, and has not been represented by, a person who has been a public officer or employee of the State within the preceding year and whose official act directly resulted in this Agreement and (ii) the Contractor is not, and has not been assisted in any way regarding this transaction by, a former public officer or employee of the State whose official act, while in State employment, directly resulted in the HSD's making this Agreement;

4. this Agreement complies with Section 10-16-9(A) NMSA 1978 because (i) the Contractor is not a legislator; (ii) the Contractor is not a member of a legislator's family; (iii) the Contractor is not a business in which a legislator or a legislator's family has a substantial interest; or (iv) if the Contractor is a legislator, a member of a legislator's family, or a business in which a legislator or a legislator's family has a substantial interest, disclosure has been made as required by Section 10-16-9(A) NMSA 1978, this Agreement is not a sole source or small purchase contract, and this Agreement was awarded in accordance with the provisions of the Procurement Code;

5. in accordance with Section 10-16-13 NMSA 1978, the Contractor has not directly participated in the preparation of specifications, qualifications or evaluation criteria for this Agreement or any procurement related to this Agreement; and

6. in accordance with Section 10-16-3 and Section 10-16-13.3 NMSA 1978, the Contractor has not contributed, and during the term of this Agreement shall not contribute, anything of value to a public officer or employee of the HSD.

C. Contractor's representations and warranties in Paragraphs A and B of this Article 12 are material representations of fact upon which the HSD relied when this Agreement was entered into by the parties. Contractor shall provide immediate written notice to the HSD if, at any time during the term of this Agreement, Contractor learns that Contractor's representations and warranties in Paragraphs A and B of this Article 12 were erroneous on the effective date of this Agreement or have become erroneous by reason of new or changed circumstances. If it is later determined that Contractor's representations and warranties in Paragraphs A and B of this Article 12 were erroneous on the effective date of this Agreement or have become erroneous by reason of new or changed circumstances, in addition to other remedies available to the HSD and notwithstanding anything in the Agreement to the contrary, the HSD may immediately terminate the Agreement.

D. All terms defined in the Governmental Conduct Act have the same meaning in this Article 12(B).

13. Amendment.

A. This Agreement shall not be altered, changed or amended except by instrument in writing executed by the parties hereto and all other required signatories.

B. If the HSD proposes an amendment to the Agreement to unilaterally reduce funding due to budget or other considerations, the Contractor shall, within thirty (30) days of receipt of the proposed Amendment, have the option to terminate the Agreement, pursuant to the termination provisions as set forth in Article 4 herein, or to agree to the reduced funding.

14. Merger.

This Agreement incorporates all the Agreements, covenants and understandings between the parties hereto concerning the subject matter hereof, and all such covenants, Agreements and understandings have been merged into this written Agreement. No prior Agreement or understanding, oral or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Agreement.

15. Penalties for Violation of Law.

The Procurement Code, Sections 13-1-28 through 13-1-199, NMSA 1978, imposes civil and criminal penalties for its violation. In addition, the New Mexico criminal statutes impose felony penalties for illegal bribes, gratuities and kickbacks.

16. Equal Opportunity Compliance.

The Contractor agrees to abide by all federal and state laws and rules and regulations, and executive orders of the Governor of the State of New Mexico, pertaining to equal employment opportunity. In accordance with all such laws of the State of New Mexico, the Contractor assures that no person in the United States shall, on the grounds of race, religion, color, national origin, ancestry, sex, age, physical or mental handicap, or serious medical condition, spousal affiliation, sexual orientation or gender identity, be excluded from employment with or participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity performed under this Agreement. If Contractor is found not to be in compliance with these requirements during the life of this Agreement, Contractor agrees to take appropriate steps to correct these deficiencies.

17. Applicable Law.

The laws of the State of New Mexico shall govern this Agreement, without giving effect to its choice of law provisions. Venue shall be proper only in a New Mexico court of competent jurisdiction in accordance with Section 38-3-1 (G) NMSA 1978. By execution of this Agreement, Contractor acknowledges and agrees to the jurisdiction of the courts of the State of New Mexico over any and all lawsuits arising under or out of any term of this Agreement.

18. Workers Compensation.

The Contractor agrees to comply with state laws and rules applicable to workers compensation benefits for its employees. If the Contractor fails to comply with the Workers Compensation Act and applicable rules when required to do so, this Agreement may be terminated by the HSD.

19. Records and Financial Audit.

A. The Contractor shall maintain detailed time and expenditure records that indicate the date, time, nature and cost of services rendered during the Agreement's term and effect and retain them for a period of five (5) years from the date of final payment under this Agreement. The

records shall be subject to inspection by the HSD, the Department of Finance and Administration and the State Auditor. The HSD shall have the right to audit billings both before and after payment. Payment under this Agreement shall not foreclose the right of the HSD to recover excessive or illegal payments.

B. Contract for an independent A-133 audit at the Contractor's expense, as applicable. The Contractor shall ensure that the auditor is licensed to perform audits in the State of New Mexico and shall be selected by a competitive bid process. The Contractor shall enter into a written contract with the auditor specifying the scope of the audit, the auditor's responsibility, the date by which the audit is to be completed and the fee to be paid to the auditor for this service. Single audits shall comply with procedures specified by the HSD. The audit of the contract shall cover compliance with Federal Regulations and all financial transactions hereunder for the entire term of the Agreement in accordance with procedures promulgated by OMB Circulars or by Federal program officials for the conduct and report of such audits. An official copy of the independent auditor's report shall be made available to the HSD and any other authorized entity as required by law within fifteen (15) days of receipt of the final audit report. The Contractor may request an extension to the deadline for submission of the audit report in writing to the HSD for good cause and the HSD reserves the right to approve or reject any such request. The HSD retains the right to contract for an independent financial and functional audit for funds and operations under this if it determines that such an audit is warranted or desired.

C. Upon completion of the audit under the applicable federal and state statutes and regulations, the Contractor shall notify the HSD when the audit is available for review and provide online access to the HSD, or the Contractor shall provide the HSD with four (4) originals of the audit report. The HSD will retain two (2) and one (1) will be sent to the HSD/Office of the Inspector General and one (1) to the HSD/Administrative Services Division/Compliance Bureau.

D. Within thirty (30) days thereafter or as otherwise determined by the HSD in writing, the Contractor shall provide the HSD with a response indicating the status of each of the exceptions or findings in the said audit report. If either the exceptions or findings in the audit are not resolved within thirty (30) days, the HSD has the right to reduce funding, terminate this Agreement, and/or recommend decertification in compliance with state and/or federal regulations governing such action.

E. This audit shall contain a schedule of financial expenditures for each program to facilitate ease of reconciliation by the HSD. This audit shall also include a schedule of depreciation for all property or equipment with a purchase price of \$5,000 or more pursuant to OMB Circulars A-21, A-87, A-110, A-122 and A-133 where appropriate.

F. This audit shall include a report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circulars A-21, A-87, A-110, A-122 and A-133 where appropriate.

20. Indemnification.

The Contractor shall defend, indemnify and hold harmless the HSD and the State of New Mexico from all actions, proceeding, claims, demands, costs, damages, attorneys' fees and all

other liabilities and expenses of any kind from any source which may arise out of the performance of this Agreement, caused by the negligent act or failure to act of the Contractor, its officers, employees, servants, subcontractors or agents, or if caused by the actions of any client of the Contractor resulting in injury or damage to persons or property during the time when the Contractor or any officer, agent, employee, servant or subcontractor thereof has or is performing services pursuant to this Agreement. In the event that any action, suit or proceeding related to the services performed by the Contractor or any officer, agent, employee, servant or subcontractor under this Agreement is brought against the Contractor, the Contractor shall, as soon as practicable but no later than two (2) days after it receives notice thereof, notify the legal counsel of the HSD and the Risk Management Division of the New Mexico General Services Department by certified mail.

21. New Mexico Employees Health Coverage.

A. If Contractor has, or grows to, six (6) or more employees who work, or who are expected to work, an average of at least 20 hours per week over a six (6) month period during the term of the contract, Contractor certifies, by signing this agreement, to have in place, and agree to maintain for the term of the contract, health insurance for those employees and offer that health insurance to those employees if the expected annual value in the aggregate of any and all contracts between Contractor and the State exceed \$250,000 dollars.

B. Contractor agrees to maintain a record of the number of employees who have (a) accepted health insurance; (b) declined health insurance due to other health insurance coverage already in place; or (c) declined health insurance for other reasons. These records are subject to review and audit by a representative of the state.

C. Contractor agrees to advise all employees of the availability of State publicly financed health care coverage programs by providing each employee with, as a minimum, the following web site link to additional information: <http://insurenemexico.state.nm.us/>.

22. Employee Pay Equity Reporting.

Contractor agrees if it has ten (10) or more New Mexico employees OR eight (8) or more employees in the same job classification, at any time during the term of this contract, to complete and submit the PE10-249 form on the annual anniversary of the initial report submittal for contracts up to one (1) year in duration. If contractor has (250) or more employees, contractor must complete and submit the PE250 form on the annual anniversary of the initial report submittal for contracts up to one (1) year in duration. For contracts that extend beyond one (1) calendar year, or are extended beyond one (1) calendar year, contractor also agrees to complete and submit the PE10-249 or PE250 form, whichever is applicable, within thirty (30) days of the annual contract anniversary date of the initial submittal date or, if more than 180 days has elapsed since submittal of the last report, at the completion of the contract, whichever comes first. Should contractor not meet the size requirement for reporting at contract award but subsequently grows such that they meet or exceed the size requirement for reporting, contractor agrees to provide the required report within ninety (90) days of meeting or exceeding the size requirement. That submittal date shall serve as the basis for submittals required thereafter. Contractor also agrees to levy this requirement on any subcontractor(s) performing more than 10% of the dollar value of this contract if said subcontractor(s) meets, or grows to meet, the stated employee size thresholds during the term of

the contract. Contractor further agrees that, should one or more subcontractor not meet the size requirement for reporting at contract award but subsequently grows such that they meet or exceed the size requirement for reporting, contractor will submit the required report, for each such subcontractor, within ninety (90 days) of that subcontractor meeting or exceeding the size requirement. Subsequent report submittals, on behalf of each such subcontractor, shall be due on the annual anniversary of the initial report submittal. Contractor shall submit the required form(s) to the State Purchasing Division of the General Services Department, and other departments as may be determined, on behalf of the applicable subcontractor(s) in accordance with the schedule contained in this paragraph. Contractor acknowledges that this subcontractor requirement applies even when contractor itself does not meet the size requirement for reporting and therefore is not required to report itself.

Notwithstanding the foregoing, if this Contract was procured pursuant to a solicitation, and if Contractor has already submitted the required report accompanying their response to such solicitation, the report does not need to be re-submitted with this Agreement.

23. Invalid Term or Condition.

If any term or condition of this Agreement shall be held invalid or unenforceable, the remainder of this Agreement shall not be affected and shall be valid and enforceable.

24. Enforcement of Agreement.

A party's failure to require strict performance of any provision of this Agreement shall not waive or diminish that party's right thereafter to demand strict compliance with that or any other provision. No waiver by a party of any of its rights under this Agreement shall be effective unless express and in writing, and no effective waiver by a party of any of its rights shall be effective to waive any other rights.

25. Notices.

Any notice required to be given to either party by this Agreement shall be in writing and shall be delivered in person, by courier service or by U.S. mail, either first class or certified, return receipt requested, postage prepaid, as follows:

To the HSD:

[insert name, address and email].

To the Contractor:

[insert name, address and email].

26. Authority.

If Contractor is other than a natural person, the individual(s) signing this Agreement on behalf of Contractor represents and warrants that he or she has the power and authority to bind Contractor, and that no further action, resolution, or approval from Contractor is necessary to enter into a binding contract.

27. Debarment and Suspension

A. Consistent with either 7 C.F.R. Part 3017 or 45 C.F.R. Part 76, as applicable, and as a separate and independent requirement of this PSC the Contractor certifies by signing this PSC, that it and its principals, to the best of its knowledge and belief: (1) are not debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal department or agency; (2) have not, within a three-year period preceding the effective date of this PSC, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state, or local) contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property; (3) have not been indicted for, or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with, commission of any of the offenses enumerated above in this Paragraph A; (4) have not, within a three-year period preceding the effective date of this PSC, had one or more public agreements or transactions (Federal, State or local) terminated for cause or default; and (5) have not been excluded from participation from Medicare, Medicaid or other federal health care programs pursuant to Title XI of the Social Security Act, 42 U.S.C. § 1320a-7.

B. The Contractor's certification in Paragraph A, above, is a material representation of fact upon which the HSD relied when this PSC was entered into by the parties. The Contractor's certification in Paragraph A, above, shall be a continuing term or condition of this PSC. As such at all times during the performance of this PSC, the Contractor must be capable of making the certification required in Paragraph A, above, as if on the date of making such new certification the Contractor was then executing this PSC for the first time. Accordingly, the following requirements shall be read so as to apply to the original certification of the Contractor in Paragraph A, above, or to any new certification the Contractor is required to be capable of making as stated in the preceding sentence:

1. The Contractor shall provide immediate written notice to the HSD's Program Manager if, at any time during the term of this PSC, the Contractor learns that its certification in Paragraph A, above, was erroneous on the effective date of this PSC or has become erroneous by reason of new or changed circumstances.

2. If it is later determined that the Contractor's certification in Paragraph A, above, was erroneous on the effective date of this PSC or has become erroneous by reason of new

or changed circumstances, in addition to other remedies available to the HSD, the HSD may terminate the PSC.

C. As required by statute, regulation or requirement of this PSC, and as contained in Paragraph A, above, the Contractor shall require each proposed first-tier subcontractor whose subcontract will equal or exceed \$25,000, to disclose to the Contractor, in writing, whether as of the time of award of the subcontract, the subcontractor, or its principals, is or is not debarred, suspended, or proposed for debarment by any Federal department or agency. The Contractor shall make such disclosures available to the HSD when it requests subcontractor approval from the HSD. If the subcontractor, or its principals, is debarred, suspended, or proposed for debarment by any Federal, state or local department or agency, the HSD may refuse to approve the use of the subcontractor.

28. Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions

A. The applicable definitions and exceptions to prohibited conduct and disclosures contained in 31 U.S.C. § 1352 and 45 C.F.R. Part 93 or Subparts B and C of 7 C.F.R. Part 3018, as applicable, are hereby incorporated by reference in subparagraph (B) of this certification.

B. The Contractor, by executing this PSC, certifies to the best of its knowledge and belief that:

1. No Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on his or her behalf in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan, or cooperative agreement; and

2. If any funds other than Federal appropriated funds (including profit or fee received under a covered Federal transaction) have been paid, or will be paid, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on his or her behalf in connection with this solicitation, the offeror shall complete and submit, with its offer, OMB standard form LLL, Disclosure of Lobbying Activities, to the Contracting Officer.

C. The Contractor shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

D. This certification is a material representation of fact upon which reliance is placed when this PSC is made and entered into. Submission of this certification is a prerequisite for making and entering into this PSC imposed under 31 U.S.C. § 1352. It shall be a material

obligation of the Contractor to keep this certification current as to any and all individuals or activities of anyone associated with the Contractor during the pendency of this PSC Any person who makes an expenditure prohibited under this provision or who fails to file or amend the disclosure form to be filed or amended by this provision, shall be subject to: (1) a civil penalty of not less than \$10,000 and not more than \$100,000 for such failure; and/or (2) at the discretion of the HSD, termination of the PSC.

29. Non-Discrimination

A. The Contractor agrees to comply fully with Title VI of the Civil Rights Act of 1964, as amended; the Rehabilitation Act of 1973, Public Law 93-112, as amended; and the Americans With Disabilities Act of 1990, Public Law 101-336; in that there shall be no discrimination against any employee who is employed in the performance of this PSC, or against any applicant for such employment, because of age, color, national origin, ancestry, race, religion, creed, disability, sex, or marital status.

B. This provision shall include, but not be limited to, the following: employment, promotion, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training including apprenticeship.

C. The Contractor agrees that no qualified handicapped person shall, on the basis of handicap, be excluded from participation or be denied the benefits of, or otherwise be subjected to discrimination under any program or activity of the Contractor. The Contractor further agrees to insert similar provisions in all subcontracts for services allowed under this PSC under any program or activity.

D. The Contractor agrees to provide meaningful access to services for individuals with Limited English Proficiency (LEP) in accordance with Executive Order 13166, "Improving Access to Services for Persons with Limited English Proficiency."

30. Drug Free Workplace

A. *Definitions.* As used in this paragraph—

"Controlled substance" means a controlled substance in schedules I through V of section 202 of the Controlled Substances Act, 21 U.S.C 812, and as further defined in regulation at 21 CFR 1308.11 - 1308.15.

"Conviction" means a finding of guilt (including a plea of *nolo contendere*) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes.

"Criminal drug statute" means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, possession, or use of any controlled substance.

"Drug-free workplace" means the site(s) for the performance of work done by the Contractor in connection with a specific contract where employees of the Contractor are prohibited from engaging in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance.

"Employee" means an employee of a contractor directly engaged in the performance of work under a Government contract. "Directly engaged" is defined to include all direct cost employees and any other contractor employee who has other than a minimal impact or involvement in

contract performance.

“Individual” means an offeror/contractor that has no more than one employee including the offeror/contractor.

B. The Contractor, if other than an individual, shall:

1. Publish a statement notifying its employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Contractor’s workplace and specifying the actions that will be taken against employees for violations of such prohibition;

2. Establish an ongoing drug-free awareness program to inform such employees about:

- (i) The dangers of drug abuse in the workplace;
- (ii) The Contractor’s policy of maintaining a drug-free workplace;
- (iii) Any available drug counseling, rehabilitation, and employee assistance programs; and
- (iv) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

3. Provide all employees engaged in performance of the PSC with a copy of the statement required by subparagraph B(1);

4. Notify such employees in writing in the statement required by subparagraph (B)(1) of this clause that, as a condition of continued employment on this PSC, the employee will:

- (i) Abide by the terms of the statement; and
- (ii) Notify the employer in writing of the employee’s conviction under a criminal drug statute for a violation occurring in the workplace no later than five (5) days after such conviction;

5. Notify the HSD Program Manager in writing within ten (10) days after receiving notice under (B)(4)(ii) of this paragraph, from an employee or otherwise receiving actual notice of such conviction. The notice shall include the position title of the employee;

6. Within thirty (30) days after receiving notice under B(4)(ii) of this paragraph of a conviction, take one of the following actions with respect to any employee who is convicted of a drug abuse violation occurring in the workplace:

- (i) Taking appropriate personnel action against such employee, up to and including termination; or
- (ii) Require such employee to satisfactorily participate in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency; and

7. Make a good faith effort to maintain a drug-free workplace through implementation of B (1) through B (6) of this paragraph.

C. The Contractor, if an individual, agrees by entering into this PSC not to engage in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance while performing this contract.

D. In addition to other remedies available to the HSD, the Contractor's failure to comply with the requirements of subparagraph B or C of this paragraph will render the Contractor in default of this PSC and subject the Contractor to suspension of payments under the PSC and/or termination of the PSC in accordance with paragraph 4, above.

31. Findings and Sanctions

A. The Contractor agrees to be subject to the findings and sanctions assessed as a result of the HSD audits, federal audits, and disallowances of the services provided pursuant to this PSC and the administration thereof.

B. The Contractor will make repayment of any funds expended by the HSD, subject to which an auditor with the jurisdiction and authority finds were expended, or to which appropriate federal funding agencies take exception and so request reimbursement through a disallowance or deferral based upon the acts or omissions of the Contractor that violate applicable federal statutes and/or regulations, subject to sufficient appropriations of the New Mexico Legislature.

C. If the HSD becomes aware of circumstances that might jeopardize continued federal funding, the situation shall be reviewed and reconciled by a mutually agreed upon panel of Contractor and the HSD officials. If reconciliation is not possible, both parties shall present their view to the Director of the Administrative Services Division who shall determine whether continued payment shall be made.

The remainder of this page intentionally left blank.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date of signature by the DFA Contracts Review Bureau below.

By: _____ Date: _____
HSD Cabinet Secretary

By: _____ Date: _____
HSD Office of General Counsel

By: _____ Date: _____
HSD Chief Financial Officer

By: _____ Date: _____
Contractor

The records of the Taxation and Revenue Department reflect that the Contractor is registered with the Taxation and Revenue Department of the State of New Mexico to pay gross receipts and compensating taxes.

ID Number: 00-000000-00-0

By: _____ Date: _____
Taxation and Revenue Department

This Agreement has been approved by the DFA Contracts Review Bureau:

By: _____ Date: _____
DFA Contracts Review Bureau

Exhibit A

Scope of Work

The scope or statement of work (SOW), referenced on page 1 in Section 1, is to be presented here as Exhibit A in the PSC.

APPENDIX D

COST RESPONSE FORM

Cost Response Form

This section describes the requirements to be addressed by Offerors in preparing the Cost Proposal. The Offerors must submit the Cost Proposal separately as specified in this RFP. This section corresponds directly with the Scope of Work in Section IV(A).

- A. The component costs of the fixed cost proposal for providing the services set forth in the Request for Proposal must be provided by submitting the Cost Response Form (see below) along with supporting details, such as a listing of the positions, hourly rates, travel costs, etc. The hours and cost calculation must include an all-inclusive proposal, encompassing a full rate development, rate-setting and rate certification, and represent the offerors' costs and hours to perform the requirements enumerated in the RFP. Other direct, indirect, allocated, or incidental expenses not included in this cost proposal may NOT be charged to the ensuing contract.
- B. Hourly rates submitted for appropriate staff (principal, actuary, analyst, and administrator) for the hourly rate cost will be applied to any additional analyses referenced in Section IV(A)(4). The rates should be segregated by the specific hourly rates charged by the Offerors for staff during work and travel times.

Cost Response Form				
Request for Proposal Number: XXXXXXXXX				
Bidder's Company Name: _____				
	First Contract Term		Optional 3rd Year	Optional 4th Year
Project Description	July 2014 - June 2015	July 2015 - June 2016	July 2016 - June 2017	July 2017 - June 2018
Fixed Cost:				
SOW 1. Develop, Set and Certify Capitation Rates				
SOW 2. Update the Capitation Rates				
SOW 3. Monitor Centennial Care Requirements				
Hourly Rate Cost:				
SOW 4. Consultation Services and Other Projects				
SOW 5. Transition Plan				
Signature of Authorized Representative: _____ Date: _____ Title: _____				

APPENDIX E

NEW MEXICO EMPLOYEES HEALTH COVERAGE FORM

New Mexico Employees Health Coverage Form

1. For all contracts solicited and awarded on or after January 1, 2008: If the Offeror has, or grows to, six (6) or more employees who work, or who are expected to work, an average of at least 20 hours per week over a six (6) month period during the term of the contract, Offeror must agree to have in place, and agree to maintain for the term of the contract, health insurance for those employees and offer that health insurance to those employees no later than July 1, 2010 if the expected annual value in the aggregate of any and all contracts between Contractor and the State exceed two hundred fifty thousand dollars (\$250,000).
2. Offeror must agree to maintain a record of the number of employees who have (a) accepted health insurance; (b) declined health insurance due to other health insurance coverage already in place; or (c) declined health insurance for other reasons. These records are subject to review and audit by a representative of the state.
3. Offeror must agree to advise all employees of the availability of State publicly financed health care coverage programs by providing each employee with, as a minimum, the following web site link to additional information <http://www.insurenwemexico.state.nm.us/>.
4. For Indefinite Quantity, Indefinite Delivery contracts (price agreements without specific limitations on quantity and providing for an indeterminate number of orders to be placed against it); these requirements shall apply the first day of the second month after the Offeror reports combined revenue (from state and, if applicable, from local public bodies if from a state price agreement) of two hundred fifty thousand dollars (\$250,000).

Signature of Offeror: _____ Date _____

APPENDIX F

LETTER OF TRANSMITTAL FORM

APPENDIX F
Letter of Transmittal Form

RFP#: _____

Offeror Name: _____

Items #1 to #7 EACH MUST BE COMPLETED IN FULL Failure to respond to all seven items WILL RESULT IN THE DISQUALIFICATION OF THE PROPOSAL!

1. **Identity (Name) and Mailing Address** of the submitting organization:

2. For the person authorized by the organization to contractually obligate on behalf of this Offer:

Name _____

Title _____

E-Mail Address _____

Telephone Number _____

3. For the person authorized by the organization to negotiate on behalf of this Offer:

Name _____

Title _____

E-Mail Address _____

Telephone Number _____

4. For the person authorized by the organization to clarify/respond to queries regarding this Offer:

Name _____

Title _____

E-Mail Address _____

Telephone Number _____

5. Use of Sub-Contractors (Select one)

___ No sub-contractors will be used in the performance of any resultant contract OR

___ The following sub-contractors will be used in the performance of any resultant contract:

(Attach extra sheets, as needed)

6. Please describe any relationship with any entity (other than Subcontractors listed in (5) above) that will be used in the performance of any resultant contract.

(Attach extra sheets, as needed)

7. ___ On behalf of the submitting organization named in item #1, above, I accept the Conditions Governing the Procurement as required in Section II. C.1.

___ I concur that submission of our proposal constitutes acceptance of the Evaluation Factors contained in Section V of this RFP.

___ I acknowledge receipt of any and all amendments to this RFP.

_____, 2014

Authorized Signature and Date (Must be signed by the person identified in item #2, above.)

APPENDIX G

REFERENCE QUESTIONNAIRE

The State of New Mexico, as a part of the RFP process, requires Offerors to submit a minimum of three (3) business references as required within this document. The purpose of these references is to document Offeror's experience relevant to the scope of work in an effort to establish Offeror's responsibility.

Offeror is required to send the following reference form to each business reference listed. The business reference, in turn, is requested to submit the Reference Form directly to:

Name: Jaclyn Herrera, Procurement Manager
Address: Human Services Department
P.O. Box 2348
Santa Fe NM 87504-2348
Telephone: (505) 827-6224
Fax: (505) 476-6877
Email: jaclyn.herrera@state.nm.us

by the RFP submission deadline for inclusion in the evaluation process. The form and information provided will become a part of the submitted proposal. Business references provided may be contacted for validation of content provided therein.

RFP # 14-630-8000-0005
REFERENCE QUESTIONNAIRE
FOR:

(Name of Offeror)

This form is being submitted to your company for completion as a business reference for the company listed above. This form is to be returned to the State of New Mexico, Human Services Department via facsimile or e-mail at:

Name: Jaclyn Herrera, Procurement Manager
Address: Human Services Department
P.O. Box 2348
Santa Fe NM 87504-2348
Telephone: (505) 827-6224
Fax: (505) 476-6877
Email: jaclyn.herrera@state.nm.us

no later than is stated in Section II, A. SEQUENCE OF EVENTS and **must not** be returned to the company requesting the reference.

For questions or concerns regarding this form, please contact the State of New Mexico Procurement Manager listed above. When contacting us, please be sure to include the Request for Proposal number listed at the top of this page.

Company providing reference:	
Contact name and title/position	
Contact telephone number	
Contact e-mail address	

QUESTIONS:

1. In what capacity have you worked with this vendor in the past?

COMMENTS:

2. How would you rate this firm's knowledge and expertise?

____ (3 = Excellent; 2 = Satisfactory; 1 = Unsatisfactory; 0 = Unacceptable)

COMMENTS:

3. How would you rate the vendor's flexibility relative to changes in the project scope and timelines?
_____ (3 = Excellent; 2 = Satisfactory; 1 = Unsatisfactory; 0 = Unacceptable)
COMMENTS:

4. What is your level of satisfaction with hard-copy materials produced by the vendor?
_____ (3 = Excellent; 2 = Satisfactory; 1 = Unsatisfactory; 0 = Unacceptable)
COMMENTS:

5. How would you rate the dynamics/interaction between the vendor and your staff?
_____ (3 = Excellent; 2 = Satisfactory; 1 = Unsatisfactory; 0 = Unacceptable)
COMMENTS:

6. Who were the vendor's principal representatives involved in your project and how would you rate them individually? Would you comment on the skills, knowledge, behaviors or other factors on which you based the rating?
(3 = Excellent; 2 = Satisfactory; 1 = Unsatisfactory; 0 = Unacceptable)

Name: _____ Rating:

Name: _____ Rating:

Name: _____ Rating:

Name: _____ Rating:

COMMENTS:

7. How satisfied are you with the products developed by the vendor?
_ (3 = Excellent; 2 = Satisfactory; 1 = Unsatisfactory; 0 = Unacceptable)
COMMENTS:

8. With which aspect(s) of this vendor's services are you most satisfied?
COMMENTS:

9. With which aspect(s) of this vendor's services are you least satisfied?
COMMENTS:

10. Would you recommend this vendor's services to your organization again?
COMMENTS:

APPENDIX H
RESIDENT VETERANS CERTIFICATION

Resident Veterans Preference Certification

_____ (NAME OF CONTRACTOR) hereby certifies the following in regard to application of the resident veterans' preference to this procurement:

Please check one box only

- I declare under penalty of perjury that my business prior year revenue starting January 1 ending December 31 is less than \$1M allowing me the 10% preference on this solicitation. I understand that knowingly giving false or misleading information about this fact constitutes a crime.
- I declare under penalty of perjury that my business prior year revenue starting January 1 ending December 31 is more than \$1M but less than \$5M allowing me the 8% preference on this solicitation. I understand that knowingly giving false or misleading information about this fact constitutes a crime.
- I declare under penalty of perjury that my business prior year revenue starting January 1 ending December 31 is more than \$5M allowing me the 7% preference on this solicitation. I understand that knowingly giving false or misleading information about this fact constitutes a crime.

“I agree to submit a report, or reports, to the State Purchasing Division of the General Services Department declaring under penalty of perjury that during the last calendar year starting January 1 and ending on December 31, the following to be true and accurate:

“In conjunction with this procurement and the requirements of this business' application for a Resident Veteran Business Preference/Resident Veteran Contractor Preference under Sections 13-1-21 or 13-1-22 NMSA 1978, when awarded a contract which was on the basis of having such veterans preference, I agree to report to the State Purchasing Division of the General Services Department the awarded amount involved. I will indicate in the report the award amount as a purchase from a public body or as a public works contract from a public body as the case may be.

“I understand that knowingly giving false or misleading information on this report constitutes a crime.”

I declare under penalty of perjury that this statement is true to the best of my knowledge. I understand that giving false or misleading statements about material fact regarding this matter constitutes a crime.

(Signature of Business Representative)* (Date)

*Must be an authorized signatory for the Business. The representations made in checking the boxes constitutes a material representation by the business that is subject to protest and may result in denial of an award or termination of award of the procurement involved if the statements are proven to be incorrect.

APPENDIX I
AFFIDAVIT

AFFIDAVIT

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

I, _____ (name), being first duly sworn upon my oath, depose and state the following:

1. I am a former employee of the _____ (name of Department/Agency), having separated/retired from state employment as of _____ (date).
2. I am a current employee of the _____ (name of Department/Agency), or a legislator with the state, or the family member (spouse, parent, child, sibling by consanguinity or affinity) of a current employee or legislator with the state. Being a current employee or legislator or family member of a current employee or legislator of the state, I hereby certify that I obtained this Professional Services Agreement pursuant to Sections 10-16-7 or 10-16-9 NMSA 1978, that is, in accordance with the Procurement Code except that this Professional Services Agreement has NOT been awarded via the sole source or small purchase procurement methods.
3. The Department/Agency and I have entered into a professional services agreement in the amount of \$_____.
4. Section 10-16-8.A(1) NMSA 1978 of the Governmental Conduct Act does not apply to this Professional Services Agreement because I neither sought a contract with the Department/Agency, nor engaged in any official act which directly resulted in the formation of the Professional Services Agreement while an employee of the Department/Agency.
5. To the best of my knowledge, this Professional Services Agreement was awarded in compliance with all relevant provisions of the New Mexico Procurement Code (13-1-28, et. seq., NMSA 1978).

FURTHER, AFFIANT SAYETH NOT.

name

Subscribed and sworn to before me by _____ (name of former employee) this _____ day of _____, 2014.

NOTARY PUBLIC

My Commission Expires:
