

**HUMAN SERVICES DEPARTMENT  
PROFESSIONAL SERVICES CONTRACT  
STATE OF NEW MEXICO  
AMENDMENT NO.1**

SPD# 30-630-13-24031 A1

THIS AMENDMENT No. 1 to PROFESSIONAL SERVICES CONTRACT (PSC) 14-630-7101-0003 is made and entered into by and between the State of **New Mexico Human Services Department**, hereinafter referred to as the "HSD," and **MAXIMUS Human Services, Inc.**, hereinafter referred to as the "Contractor".

IT IS MUTUALLY AGREED BETWEEN THE PARTIES THAT THE FOLLOWING PROVISIONS OF THE ABOVE-REFERENCED PSC ARE AMENDED AS FOLLOWS:

Section 1, Scope of Work, is amended as follows:

**1. Scope of Work.**

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

Section 2, Compensation, Paragraphs A and B are hereby amended to read as follows:

**2. Compensation.**

A. The HSD shall pay to the Contractor in full payment for services satisfactorily performed, pursuant to Exhibit A, Amended Scope of Work, compensation not to exceed seven hundred twenty two thousand fourteen dollars and thirty six cents (\$722,014.36) including gross receipts tax, if applicable. 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.

B. The total amount payable to the Contractor under this Agreement shall not exceed one hundred fifty eight thousand two hundred ninety nine dollars and three cents (\$158,299.03) including gross receipts tax, if applicable, in FY14.

The total amount payable to the Contractor under this Agreement shall not exceed one hundred eighty two thousand seven hundred fifty four dollars and fifty nine cents (\$182,754.59) including gross receipts tax, if applicable, in FY15.

The total amount payable to the Contractor under this Agreement shall not exceed one hundred eighty seven thousand nine hundred five dollars and eleven cents (\$187,905.11) including gross receipts tax, if applicable, in FY16.

The total amount payable to the Contractor under this Agreement shall not exceed one hundred ninety three thousand fifty five dollars and sixty three cents (\$193,055.63) including gross receipts tax, if applicable, in FY17.

Payment in FY14, FY15, FY16, and FY17 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.**

Exhibit A, Scope of Work is amended by amending and restating Requirement 1.4, Sub Tasks A, B and D of Deliverable One, in the form attached hereto and incorporated herein as Exhibit A.


Exhibit B, Amended Fee Schedule for Base Rate and Annual Fees, is amended in the form attached hereto and incorporated herein as Exhibit B.

**All other sections, exhibits and tasks of PSC 14-630-7101-0003 remain the same.**

**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 State Purchasing Department below.**

By:  Date: 12/3/13  
HSD Cabinet Secretary

By:  Date: 11/21/13  
HSD Office of General Counsel

By:  Date: 11/20/13  
HSD Chief Financial Officer

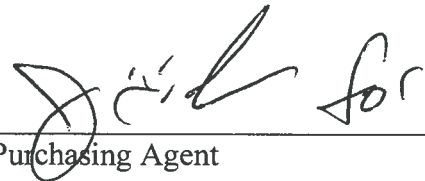
By:  Date: 11-18-2013  
Contractor

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: 03-213953-00-5

By:  Date: 12-3-13  
Taxation and Revenue Department

This Agreement has been approved by the State Purchasing Department:

By:  Date: 2/4/14  
State Purchasing Agent

**Exhibit A**

**Amended Scope of Work**

**AMENDED DELIVERABLES**

**1. Amended Operational Requirements**

<b><u>Deliverable One</u></b>	<b><u>Due Date</u></b>	<b><u>Compensation</u></b>								
<b>Operational Requirements</b>	<b>7/01/13-6/30/17</b>	<b>Cost Included in Monthly Billed Base Rates (See Exhibit B – Fee Schedule)</b>								
<b>Requirement</b>	<b>Sub Tasks</b>	<b>Description</b>								
1.4. Outreach Plan	A. Develop Outreach Program	<p>The Contractor shall conduct ongoing outreach to employers to inform employers conducting business within the State of the mandated New Hires and National Medical Support Notice (NMSN) reporting requirements.</p> <p>Ongoing outreach activities will include the following:</p> <ol style="list-style-type: none"> <li><b>Encourage Employers Optional Data Reporting:</b> Place additional focus on encouraging employers to report optional data elements, especially medical insurance availability;</li> <li><b>Proactive Compliance Notifications:</b> Review employer’s six-month reporting history and provide notification to those who have demonstrated a sporadic reporting history. Notices will be sent by letter or email. NM Outreach Manager will make personalized phone calls to those employers who do not respond to mailings</li> </ol> <table border="1" data-bbox="683 1583 1208 1879"> <tr> <td><b>Frequency</b></td> <td>Monthly</td> </tr> <tr> <td><b>Effectiveness Reporting</b></td> <td>90 days</td> </tr> <tr> <td><b>Outreach Tool</b></td> <td>PC letter, email, and/or personalized follow up phone calls</td> </tr> <tr> <td><b>Amount</b></td> <td>Minimum of 50 PC letters per month and</td> </tr> </table>	<b>Frequency</b>	Monthly	<b>Effectiveness Reporting</b>	90 days	<b>Outreach Tool</b>	PC letter, email, and/or personalized follow up phone calls	<b>Amount</b>	Minimum of 50 PC letters per month and
<b>Frequency</b>	Monthly									
<b>Effectiveness Reporting</b>	90 days									
<b>Outreach Tool</b>	PC letter, email, and/or personalized follow up phone calls									
<b>Amount</b>	Minimum of 50 PC letters per month and									

	calls to employers who do not respond after 30 days
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**3. Quarterly Wage (QW) Targeted Notifications:**

Identify employers who are potentially non-compliant by matching information provided in the QW file provided by the state to new hire records in Contractor's new hires database. Notices will be sent by letter or email. NM Outreach Manager will make personalized phone calls to those employers who do not respond to QW mailings. Contractor will also use NAICS codes to target primary industries within the state. Targeted industries will be assessed based on seasonal hiring patterns and economic indicators.

<b>Frequency</b>	Quarterly
<b>Effectiveness Reporting</b>	90 days
<b>Outreach Tool</b>	QW letter, email, and/or personalized follow up phone calls
<b>Amount</b>	Minimum of 150 QW letters per quarter and calls to employers who do not respond after 30 days

**4. Annual Mailing:** Contact NM employers who have not reported in a specified period of time to remind them of the statutory requirement and inform them of their reporting options. Most recent Quarterly Wage data will be utilized to compile the list.

<b>Frequency</b>	Annually
<b>Effectiveness Reporting</b>	Annually
<b>Outreach Tool</b>	Informational letter or email

**5. Multi-state Employer (MSE):** Use MSE files provided by the Federal Office of Child Support

Enforcement (OCSE) to identify employers reporting incorrectly based on MSE reporting guidelines, including employers reporting to NM but not registered to reporting to NM or employers whose FEIN doesn't match their MSE registration. These employers will be contacted to advise them of the process to update their MSE registration with OCSE.

<b>Frequency</b>	Monthly
<b>Effectiveness Reporting</b>	Monthly
<b>Outreach Tool</b>	Personalized phone calls
<b>Amount</b>	Calls to employers who appear on monthly list as reporting incorrectly

6. **Personal Contact with Employers:** Communicate via regular mail, email, and/or phone to employers for various reasons (i.e. reporting manually, reporting sporadically, incorrect or incomplete reports, website walk-through instruction, technical assistance for registering via the website, and updates regarding changes in reporting procedures, laws, or available options (within one month of the changes)). Contractor shall review data monthly and contact select employers based on analysis of reports.

<b>Frequency</b>	Monthly
<b>Effectiveness Reporting</b>	Monthly
<b>Outreach Tool</b>	Letter, email, phone call

7. **Outreach Brochures:** Provide a sufficient number of professionally developed English New Hire and NMSN brochures to NM Department of Workforce Solutions (DWS) offices, ensuring these offices have a sufficient supply to provide to the employers with whom they maintain contact. Spanish language New Hire and NMSN brochures will be provided to

Workforce offices as well. Both English and Spanish brochures will also be provided to Chambers of Commerce, Small Business Development Centers and other local business associations as requested.

<b>Frequency</b>	Monthly
<b>Effectiveness Reporting</b>	Monthly
<b>Outreach Tool</b>	Brochures/Spanish brochures

8. **Outreach Visits:** Conduct a minimum of 12 outreach visits and/or presentations annually to partner associations and organizations to promote distribution of educational information. Examples of these organizations include payroll associations, human resource associations, workforce centers and local job fairs.

<b>Frequency</b>	12 site visits in the fiscal year
<b>Effectiveness Reporting</b>	Monthly
<b>Outreach Tool</b>	Brochures, posters, postcards

9. **Hispanic Outreach:** Conduct a minimum of 12 outreach visits and/or presentations annually to Hispanic and Spanish-speaking partner associations and organizations to promote distribution of Spanish and English educational information. Additionally, Hispanic associations will be contacted by phone or email on a quarterly basis to ensure that they have a sufficient amount of Spanish and English brochures to share with employers with whom they have contact. Examples of these organizations include Hispanic chambers of commerce, Hispanic human resource associations, and Hispanic business associations.

<b>Frequency</b>	Minimum 12 site visits
<b>Effectiveness Reporting</b>	Monthly
<b>Outreach Tool</b>	Spanish

			<table border="1"> <tr> <td data-bbox="938 235 1211 317">Brochures, posters, postcards</td> </tr> </table>	Brochures, posters, postcards	10. <b>Tribal</b>					
Brochures, posters, postcards										
<p><b>Outreach:</b> Conduct a minimum of 6 outreach visits annually to Tribal partner associations and organizations to promote distribution of educational information, using a culturally sensitive presentation developed especially to communicate with NM tribes. Additionally, Contractor shall develop culturally sensitive posters, postcards, letters, and emails to communicate with Tribal associations. A culturally sensitive web video highlighting the benefits of new hire reporting for tribal communities will also be created to share with tribal employers. Tribal associations will be contacted by phone or email on a quarterly basis to ensure that they have a sufficient amount of English New Hire and NMSN brochures to share with employers with whom they have contact. Examples of these organizations include Tribal administration offices, Tribal human resource associations, Tribal business associations, and major Tribal employers.</p>										
<table border="1"> <tr> <td data-bbox="683 1060 938 1136"><b>Frequency</b></td> <td data-bbox="938 1060 1211 1136">Minimum 6 site visits</td> </tr> <tr> <td data-bbox="683 1136 938 1211"><b>Effectiveness Reporting</b></td> <td data-bbox="938 1136 1211 1211">Monthly</td> </tr> <tr> <td data-bbox="683 1211 938 1507"><b>Outreach Tool</b></td> <td data-bbox="938 1211 1211 1507">English new hire and NMSN brochures; culturally sensitive presentation, posters, postcards, letters, emails, web video</td> </tr> </table>					<b>Frequency</b>	Minimum 6 site visits	<b>Effectiveness Reporting</b>	Monthly	<b>Outreach Tool</b>	English new hire and NMSN brochures; culturally sensitive presentation, posters, postcards, letters, emails, web video
<b>Frequency</b>	Minimum 6 site visits									
<b>Effectiveness Reporting</b>	Monthly									
<b>Outreach Tool</b>	English new hire and NMSN brochures; culturally sensitive presentation, posters, postcards, letters, emails, web video									
	B. Materials and Mailing	<p>The Contractor shall be responsible for all costs of production and mailing, including, but not limited to, annual outreach packets, State Directory of New Hires brochures, and compliance mailings. (The Agency may supply outreach information about <i>Insure New Mexico</i> and <i>NMSN</i> for distribution.)</p> <p>The Contract Program Manager shall review and approve of all form letters, brochures, pamphlets, notices, website displays, and press releases created by the Contractor before release.</p>								



	D. Non-Compliance Notices	In concert with the Contract Program Manager and legal counsel, Contractor shall develop and mail, by certified mail, notices advising employers of intent to assess penalties for non-compliance and the actual assessment notices. These non-compliance notices shall be sequenced so that employers are given ample opportunity to come into compliance before punitive action is taken by the Agency. Notices will be sent upon final approval by the Contract Program Manager.
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**Exhibit B**

**AMENDED FEE SCHEDULE**

**Basis for Payment:** The fully-loaded fixed transaction base rate costs below include all contractor costs for the contract services deliverables herein. The base unit rates include: salaries and wages, travel, per diem, and employee benefits for Contractor personnel; performance bond; subcontracting; overhead costs such as relocation costs, telephone, rents, leases, fees, insurance, licenses, machine costs, and taxes (other than NM gross receipts taxes which shall be shown separately on invoices).

**1. BASE RATE FEE SCHEDULE**

<b>DELIVERABLE</b>	<b>DESCRIPTION</b>	<b>BASE UNIT RATE</b>	<b>VOLUME FACTOR</b>	<b>BASE COST</b>
1.4.A-G.	Employer Outreach	\$10,696.77	X 12 months	\$128,361.21
1.2.A-H.	Transaction Activities	\$0.05	X 450,000 Estimated Annual Transactions*	\$22,500.00
1.0.A-C.; 1.1.A-E.; 1.5.A-B.; 1.6.A.	Customer and Technical Support	\$728.95	X 12 months	\$8,747.43
1.8.A.	Producing and Transmitting Files to Public Agencies	\$313.49	X 12 months	\$3,761.89
1.3.A-B.; 1.7.A-C.	Project Reporting	\$66.06	X 12 months	\$792.68
<b>TOTAL</b>				<b>\$164,163.21</b>

\* The Agency makes no guarantee concerning and has no control over the volume of new hires reports which may be received by the Contractor. One transaction is equal to each non-duplicative employee hiring report with all mandatory and optional reporting data elements posted in the State Directory of New Hires, transmitted as required, and verified by the Agency.

**2. ANNUAL FEE SCHEDULE**

The fully-loaded fixed base rate costs will be adjusted annually based on the Agency's Estimated Consumer Price Index (CPI) Adjustment.

<b>DESCRIPTION</b>	<b>BASE UNIT RATE*</b>	<b>ESTIMATED CPI** ADJUSTMENT FACTOR</b>	<b>TOTAL</b>	<b>TOTAL WITH GROSS RECEIPTS TAX***</b>
Year One (4 months)	\$36,878.52	X 1.000	\$36,878.52	\$39,897.95

Year One (8 months)	\$109,442.14	X 1.000	\$109,442.14	\$118,401.08
Year Two	\$164,163.21	X 1.029	\$168,923.94	\$182,754.59
Year Three	\$164,163.21	X 1.058	\$173,684.68	\$187,905.11
Year Four	\$164,163.21	X 1.087	\$178,445.41	\$193,055.63
<b>TOTAL</b>			\$667,374.69	\$722,014.36

- \* Rate equal to Cost Proposal Calculation Response Form rate. Rate to remain unchanged for each year.
- \*\* Consumer Price Index Adjustment Factor, equals 2.9% increase per year. This is a firm, fixed figure.
- \*\*\* Multiply Total times 8.1875 percent, current Santa Fe County Gross Receipts Tax.