



State of South Carolina

Request for Proposal

Solicitation Number: RFP-012-10-PL
 Date Issued: 2/25/10
 Procurement Officer: Patty H. Larimore
 Phone: 803-898-2667
 E-Mail Address: larimph@scdhhs.gov

DESCRIPTION: **Risk Assessment of Automated Data Processing Systems**

USING GOVERNMENTAL UNIT: **SOUTH CAROLINA DEPARTMENT HEALTH AND HUMAN SERVICES**

The Term "Offer" Means Your "Bid" or "Proposal". Unless submitted on-line, your offer must be submitted in a sealed package. Solicitation Number & Opening Date must appear on package exterior. See "Submitting Your Offer" provision.

SUBMIT YOUR SEALED OFFER TO EITHER OF THE FOLLOWING ADDRESSES:

MAILING ADDRESS:

Dept of Health & Human Services
P.O. Box 8206
Columbia, S.C. 29202-8206

PHYSICAL ADDRESS:

Dept of Health & Human Services
1801 Main St. - Suite 632
Columbia, S.C. 29201

SUBMIT OFFER BY (Opening Date/Time): **March 11, 2010 @ 3:00 PM** (See "Deadline For Submission Of Offer" provision)

QUESTIONS MUST BE RECEIVED BY: **March 4, 2010 @ 1:00 PM** (See "Questions From Offerors" provision)

NUMBER OF COPIES TO BE SUBMITTED: **One (1) original hard copy and six (6) copies (marked 'copy'), six (6) electronic copies of both technical and business proposal, and one (1) of both as specified in "Submitting Redacted Offers."**

CONFERENCE TYPE: N/A DATE & TIME: N/A <small>(As appropriate, see "Conferences - Pre-Bid/Proposal" & "Site Visit" provisions)</small>	LOCATION: N/A
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AWARD & AMENDMENTS	Award will be posted on TBD . The award, this solicitation, any amendments, and any related notices will be posted at the following web address: http://www.procurement.sc.gov
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Unless submitted on-line, you must submit a signed copy of this form with Your Offer. By submitting a bid or proposal, You agree to be bound by the terms of the Solicitation. You agree to hold Your Offer open for a minimum of sixty (60) calendar days after the Opening Date. (See "Signing Your Offer" and "Electronic Signature" provisions.)

NAME OF OFFEROR <small>(full legal name of business submitting the offer)</small>		Any award issued will be issued to, and the contract will be formed with, the entity identified as the Offeror. The entity named as the offeror must be a single and distinct legal entity. Do not use the name of a branch office or a division of a larger entity if the branch or division is not a separate legal entity, i.e., a separate corporation, partnership, sole proprietorship, etc.
AUTHORIZED SIGNATURE <small>(Person must be authorized to submit binding offer to contract on behalf of Offeror.)</small>		TAXPAYER IDENTIFICATION NO. <small>(See "Taxpayer Identification Number" provision)</small>
TITLE <small>(business title of person signing above)</small>		STATE VENDOR NO. <small>(Register to Obtain S.C. Vendor No. at www.procurement.sc.gov)</small>
PRINTED NAME <small>(printed name of person signing above)</small>	DATE SIGNED	STATE OF INCORPORATION <small>(If you are a corporation, identify the state of incorporation.)</small>

OFFEROR'S TYPE OF ENTITY: (Check one) <small>(See "Signing Your Offer" provision.)</small>		
<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Partnership	<input type="checkbox"/> Other _____
<input type="checkbox"/> Corporate entity (not tax-exempt)	<input type="checkbox"/> Corporation (tax-exempt)	<input type="checkbox"/> Government entity (federal, state, or local)

PAGE TWO

(Return Page Two with Your Offer)

HOME OFFICE ADDRESS (Address for offeror's home office / principal place of business)	NOTICE ADDRESS (Address to which all procurement and contract related notices should be sent.) (See "Notice" clause)
	_____ Area Code - Number - Extension Facsimile
	_____ E-mail Address

PAYMENT ADDRESS (Address to which payments will be sent.) (See "Payment" clause)	ORDER ADDRESS (Address to which purchase orders will be sent) (See "Purchase Orders and "Contract Documents" clauses)
_____ Payment Address same as Home Office Address _____ Payment Address same as Notice Address (check only one)	_____ Order Address same as Home Office Address _____ Order Address same as Notice Address (check only one)

ACKNOWLEDGMENT OF AMENDMENTS							
Offerors acknowledges receipt of amendments by indicating amendment number and its date of issue. (See "Amendments to Solicitation" Provision)							
Amendment No.	Amendment Issue Date	Amendment No.	Amendment Issue Date	Amendment No.	Amendment Issue Date	Amendment No.	Amendment Issue Date

DISCOUNT FOR PROMPT PAYMENT (See "Discount for Prompt Payment" clause)	10 Calendar Days (%)	20 Calendar Days (%)	30 Calendar Days (%)	_____ Calendar Days (%)
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PREFERENCES - SC RESIDENT VENDOR PREFERENCE (June 2005): Section 11-35-1524 provides a preference for offerors that qualify as a resident vendor. A resident vendor is an offeror that (a) is authorized to transact business within South Carolina, (b) maintains an office* in South Carolina, (c) either (1) maintains a minimum \$10,000.00 representative inventory at the time of the solicitation, or (2) is a manufacturer which is headquartered and has at least a ten million dollar payroll in South Carolina, and the product is made or processed from raw materials into a finished end-product by such manufacturer or an affiliate (as defined in section 1563 of the Internal Revenue Code) of such manufacturer, and (d) has paid all assessed taxes. If applicable, preference will be applied as required by law.	OFFERORS REQUESTING THIS PREFERENCE MUST INITIAL HERE. _____ *ADDRESS AND PHONE OF IN-STATE OFFICE _____ In-State Office Address same as Home Office Address _____ In-State Office Address same as Notice Address <p align="right">(check only one)</p>
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PREFERENCES - SC/US END-PRODUCT (June 2005): Section 11-35-1524 provides a preference to vendors offering South Carolina end-products or US end-products, if those products are made, manufactured, or grown in SC or the US, respectively. An end-product is the item identified for acquisition in this solicitation, including all component parts in final form and ready for the use intended. The terms made, manufactured, and grown are defined by Section 11-35-1524(B). By signing your offer and checking the appropriate space(s) provided and identified on the bid schedule, offeror certifies that the end-product(s) is either made, manufactured or grown in South Carolina, or other states of the United States, as applicable. Preference will be applied as required by law.	IF THIS PREFERENCE APPLIES TO THIS PROCUREMENT, PART VIII (BIDDING SCHEDULE) WILL INCLUDE A PLACE TO CLAIM THE PREFERENCE. OFFERORS REQUESTING THIS PREFERENCE MUST CHECK THE APPROPRIATE SPACES ON THE BIDDING SCHEDULE.
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I. SCOPE OF SOLICITATION

ACQUIRE SERVICES (JAN 2006)

The purpose of this solicitation is to acquire services complying with the enclosed description and/or specifications and conditions. [01-1010-1]

INTRODUCTION

The South Carolina Department of Health and Human Services (SCDHHS) is the single state agency responsible for administering the Medicaid program in South Carolina.

SCDHHS is soliciting proposals to obtain a qualified vendor to conduct, in an efficient and cost-effective manner, a comprehensive assessment of risk to the availability, confidentiality, and integrity of protected health information (PHI) and sensitive/critical business information (SCBI) that SCDHHS creates, receives, maintains, uses, or transmits.

MAXIMUM CONTRACT PERIOD - ESTIMATED (Jan 2006)

Start date: 5/1/2010. End date: 6/30/2010. Dates provided are estimates only. Any resulting contract will begin on the date specified in the notice of award. See clause entitled "Term of Contract - Effective Date/Initial Contract Period". [01-1040-1]

II. INSTRUCTIONS TO OFFERORS - A. GENERAL INSTRUCTIONS

DEFINITIONS (JAN 2006)

EXCEPT AS OTHERWISE PROVIDED HEREIN, THE FOLLOWING DEFINITIONS ARE APPLICABLE TO ALL PARTS OF THE SOLICITATION.

AMENDMENT means a document issued to supplement the original solicitation document.

BOARD means the South Carolina Budget & Control Board.

BUYER means the Procurement Officer.

CHANGE ORDER means any written alteration in specifications, delivery point, rate of delivery, period of performance, price, quantity, or other provisions of any contract accomplished by mutual agreement of the parties to the contract.

CONTRACT See clause entitled Contract Documents & Order of Precedence.

CONTRACT MODIFICATION means a written order signed by the Procurement Officer, directing the contractor to make changes which the changes clause of the contract authorizes the Procurement Officer to order without the consent of the contractor.

CONTRACTOR means the Offeror receiving an award as a result of this solicitation.

COVER PAGE means the top page of the original solicitation on which the solicitation is identified by number. Offerors are cautioned that Amendments may modify information provided on the Cover Page.

OFFER means the bid or proposal submitted in response this solicitation. The terms Bid and Proposal are used interchangeably with the term Offer.

OFFEROR means the single legal entity submitting the offer. The term Bidder is used interchangeably with the term Offeror. See bidding provisions entitled Signing Your Offer and Bid/Proposal As Offer To Contract.

ORDERING ENTITY Using Governmental Unit that has submitted a Purchase Order.
PAGE TWO means the second page of the original solicitation, which is labeled Page Two.
PROCUREMENT OFFICER means the person, or his successor, identified as such on the Cover Page.
YOU and YOUR means Offeror.
SOLICITATION means this document, including all its parts, attachments, and any Amendments.
STATE means the Using Governmental Unit(s) identified on the Cover Page.
SUBCONTRACTOR means any person having a contract to perform work or render service to Contractor as a part of the Contractor's agreement arising from this solicitation.
USING GOVERNMENTAL UNIT means the unit(s) of government identified as such on the Cover Page. If the Cover Page names a Statewide Term Contract as the Using Governmental Unit, the Solicitation seeks to establish a Term Contract [11-35-310(35)] open for use by all South Carolina Public Procurement Units [11-35-4610(5)]. WORK means all labor, materials, equipment and services provided or to be provided by the Contractor to fulfill the Contractor's obligations under the Contract. [02-2A003-1]

AMENDMENTS TO SOLICITATION (AUG 2004)

(a) The Solicitation may be amended at any time prior to opening. All actual and prospective Offerors should monitor the following web site for the issuance of Amendments: www.procurement.sc.gov (b) Bidders shall acknowledge receipt of any amendment to this solicitation (1) by signing and returning the Amendment, (2) by letter, or (3) by submitting a bid that indicates in some way that the bidder received the amendment. (c) If this solicitation is amended, then all terms and conditions which are not modified remain unchanged. [02-2A005-1]

AWARD NOTIFICATION (NOV 2007)

Notice regarding any award or cancellation of award will be posted at the location specified on the Cover Page. If the contract resulting from this Solicitation has a total or potential value of fifty thousand dollars or more, such notice will be sent to all Offerors responding to the Solicitation. Should the contract resulting from this Solicitation have a total or potential value of one hundred thousand dollars or more, such notice will be sent to all Offerors responding to the Solicitation and any award will not be effective until the eleventh day after such notice is given. [02-2A010-1]

BID/PROPOSAL AS OFFER TO CONTRACT (AUG 2004)

By submitting Your Bid or Proposal, You are offering to enter into a contract with the Using Governmental Unit(s). Without further action by either party, a binding contract shall result upon final award. Any award issued will be issued to, and the contract will be formed with, the entity identified as the Offeror on the Cover Page. An Offer may be submitted by only one legal entity; "joint bids" are not allowed. [02-2A015-1]

BID ACCEPTANCE PERIOD (AUG 2004)

In order to withdraw Your Offer after the minimum period specified on the Cover Page, You must notify the Procurement Officer in writing. [02-2A020-1]

BID IN ENGLISH and DOLLARS (AUG 2004)

Offers submitted in response to this solicitation shall be in the English language and in US dollars, unless otherwise permitted by the Solicitation. [02-2A025-1]

BOARD AS PROCUREMENT AGENT (AUG 2004)

(a) Authorized Agent. All authority regarding the conduct of this procurement is vested solely with the responsible Procurement Officer. Unless specifically delegated in writing, the Procurement Officer is the only government official authorized to bind the government with regard to this procurement. (b) Purchasing Liability. The Procurement Officer is an employee of the Board acting on behalf of the Using Governmental Unit(s) pursuant to the Consolidated Procurement Code. Any contracts awarded as a result of this procurement are between the Contractor and the Using Governmental Units(s). The Board is not a party to such contracts, unless and to the extent that the board is a using governmental unit, and bears no liability for any party's losses arising out of or relating in any way to the contract. [02-2A030-1]

CERTIFICATE OF INDEPENDENT PRICE DETERMINATION (MAY 2008)

GIVING FALSE, MISLEADING, OR INCOMPLETE INFORMATION ON THIS CERTIFICATION MAY RENDER YOU SUBJECT TO PROSECUTION UNDER SECTION 16-9-10 OF THE SOUTH CAROLINA CODE OF LAWS AND OTHER APPLICABLE LAWS.

(a) By submitting an offer, the offeror certifies that-

(1) The prices in this offer have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other offeror or competitor relating to-

(i) Those prices;

(ii) The intention to submit an offer; or

(iii) The methods or factors used to calculate the prices offered.

(2) The prices in this offer have not been and will not be knowingly disclosed by the offeror, directly or indirectly, to any other offeror or competitor before bid opening (in the case of a sealed bid solicitation) or contract award (in the case of a negotiated solicitation) unless otherwise required by law; and

(3) No attempt has been made or will be made by the offeror to induce any other concern to submit or not to submit an offer for the purpose of restricting competition.

(b) Each signature on the offer is considered to be a certification by the signatory that the signatory-

(1) Is the person in the offeror's organization responsible for determining the prices being offered in this bid or proposal, and that the signatory has not participated and will not participate in any action contrary to paragraphs (a)(1) through (a)(3) of this certification; or

(2)(i) Has been authorized, in writing, to act as agent for the offeror's principals in certifying that those principals have not participated, and will not participate in any action contrary to paragraphs (a)(1) through (a)(3) of this certification [As used in this subdivision (b)(2)(i), the term "principals" means the person(s) in the offeror's organization responsible for determining the prices offered in this bid or proposal];

(ii) As an authorized agent, does certify that the principals referenced in subdivision (b)(2)(i) of this certification have not participated, and will not participate, in any action contrary to paragraphs (a)(1) through (a)(3) of this certification; and

(iii) As an agent, has not personally participated, and will not participate, in any action contrary to paragraphs (a)(1) through (a)(3) of this certification.

(c) If the offeror deletes or modifies paragraph (a)(2) of this certification, the offeror must furnish with its offer a signed statement setting forth in detail the circumstances of the disclosure. [02-2A032-1]

CERTIFICATION REGARDING DEBARMENT AND OTHER RESPONSIBILITY MATTERS (AUG 2004)

(a) (1) By submitting an Offer, Offeror certifies, to the best of its knowledge and belief, that-

(i) Offeror and/or any of its Principals-

(A) Are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any state or federal agency;

(B) Have not, within a three-year period preceding this offer, 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; and

(C) Are not presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in paragraph (a)(1)(i)(B) of this provision.

(ii) Offeror has not, within a three-year period preceding this offer, had one or more contracts terminated for default by any public (Federal, state, or local) entity.

(2) "Principals," for the purposes of this certification, means officers; directors; owners; partners; and, persons having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of a subsidiary, division, or business segment, and similar positions).

(b) Offeror shall provide immediate written notice to the Procurement Officer if, at any time prior to contract award, Offeror learns that its certification was erroneous when submitted or has

become erroneous by reason of changed circumstances.

(c) If Offeror is unable to certify the representations stated in paragraphs (a)(1), Offer must submit a written explanation regarding its inability to make the certification. The certification will be considered in connection with a review of the Offeror's responsibility. Failure of the Offeror to furnish additional information as requested by the Procurement Officer may render the Offeror nonresponsible.

(d) Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by paragraph (a) of this provision. The knowledge and information of an Offeror is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

(e) The certification in paragraph (a) of this provision is a material representation of fact upon which reliance was placed when making award. If it is later determined that the Offeror knowingly or in bad faith rendered an erroneous certification, in addition to other remedies available to the State, the Procurement Officer may terminate the contract resulting from this solicitation for default. [02-2A035-1]

CODE OF LAWS AVAILABLE (JAN 2006)

The South Carolina Code of Laws, including the Consolidated Procurement Code and The South Carolina Regulations are available at <http://www.scstatehouse.net/code/statmast.htm>. <http://www.scstatehouse.net/coderegs/statmast.htm>. [02-2A040-1]

COMPLETION OF FORMS/CORRECTION OF ERRORS (JAN 2006)

All prices and notations should be printed in ink or typewritten. Errors should be crossed out, corrections entered and initialed by the person signing the bid. Do not modify the solicitation document itself (including bid schedule). (Applicable only to offers submitted on paper.) [02-2A045-1]

DEADLINE FOR SUBMISSION OF OFFER (AUG 2004)

Any offer received after the Procurement Officer of the governmental body or his designee has declared that the time set for opening has arrived, shall be rejected unless the offer has been delivered to the designated purchasing office or the governmental bodies mail room which services that purchasing office prior to the bid opening. [R.19-445.2070(H)] [02-2A050-1]

DRUG FREE WORK PLACE CERTIFICATION (AUG 2004)

By submitting an Offer, Contractor certifies that, if awarded a contract, Contractor will comply with all applicable provisions of The Drug-free Workplace Act, Title 44, Chapter 107 of the South Carolina Code of Laws, as amended. [02-2A065-1]

DUTY TO INQUIRE (JAN 2006)

Offeror, by submitting an Offer, represents that it has read and understands the Solicitation and that its Offer is made in compliance with the Solicitation. Offerors are expected to examine the Solicitation thoroughly and should request an explanation of any ambiguities, discrepancies, errors, omissions, or conflicting statements in the Solicitation. Failure to do so will be at the Offeror's risk. Offeror assumes responsibility for any patent ambiguity in the Solicitation that Offeror does not bring to the State's attention. [02-2A070-1]

ETHICS CERTIFICATE (MAY 2008)

By submitting an offer, the offeror certifies that the offeror has and will comply with, and has not, and will not, induce a person to violate Title 8, Chapter 13 of the South Carolina Code of Laws, as amended (ethics act). The following statutes require special attention: Section 8-13-700, regarding use of official position for financial gain; Section 8-13-705, regarding gifts to influence action of public official; Section 8-13-720, regarding offering money for advice or assistance of public official; Sections 8-13-755 and 8-13-760, regarding restrictions on employment by former public official; Section 8-13-775, prohibiting public official with economic interests from acting on contracts; Section 8-13-790, regarding recovery of kickbacks; Section 8-13-1150, regarding statements to be filed by consultants; and Section 8-13-1342, regarding restrictions on contributions by contractor to candidate who participated in awarding of contract. The state may rescind any contract and recover all amounts expended as a result of any action taken in violation of this provision. If contractor participates, directly or indirectly, in the evaluation or award of public contracts, including without limitation, change orders or task orders regarding a public contract, contractor shall, if required by law to file such a statement, provide the statement required by Section 8-13-1150 to the procurement officer at the same time the law requires the statement to be filed. [02-2A075-2]

OMIT TAXES FROM PRICE (AUG 2004)

Do not include any sales or use taxes in your price that the State may be required to pay. [02-2A080-1]

PROTESTS (JUNE 2006)

Any prospective bidder, offeror, contractor, or subcontractor who is aggrieved in connection with the solicitation of a contract shall protest within fifteen days of the date of issuance of the applicable solicitation document at issue. Any actual bidder, offeror, contractor, or subcontractor who is aggrieved in connection with the intended award or award of a contract shall protest within ten days of the date notification of award is posted in accordance with this code. A protest shall be in writing, shall set forth the grounds of the protest and the relief requested with enough particularity to give notice of the issues to be decided, and must be received by the appropriate Chief Procurement Officer within the time provided. See clause entitled "Protest-CPO". [Section 11-35-4210] [02-2A085-1]

PUBLIC OPENING (AUG 2004)

Offers will be publicly opened at the date/time and at the location identified on the Cover Page, or last Amendment, whichever is applicable. [02-2A090-1]

QUESTIONS FROM OFFERORS (AUG 2004)

(a) Any prospective offeror desiring an explanation or interpretation of the solicitation, drawings, specifications, etc., must request it in writing. Questions must be received by the Procurement Officer no later than five (5) days prior to opening unless otherwise stated on the Cover Page. Label any communication regarding your questions with the name of the procurement officer, and the solicitation's title and number. Oral explanations or instructions will not be binding. Any information given a prospective offeror concerning a solicitation will be furnished promptly to all other prospective offerors as an Amendment to the solicitation, if that information is necessary for submitting offers or if the lack of it would be prejudicial to other prospective offerors. (b) The State seeks to permit maximum practicable competition. Offerors are urged to advise the Procurement Officer -- as soon as possible -- regarding any aspect of this procurement, including any aspect of the Solicitation that unnecessarily or inappropriately limits full and open competition. [02-2A095-1]

REJECTION/CANCELLATION (AUG 2004)

The State may cancel this solicitation in whole or in part. The State may reject any or all proposals in whole or in part. [SC Code Section 11-35-1710 & R.19-445.2065] [02-2A100-1]

RESPONSIVENESS/IMPROPER OFFERS (AUG 2004)

(a) Bid as Specified. Offers for supplies or services other than those specified will not be considered unless authorized by the Solicitation.

(b) Multiple Offers. Offerors may submit more than one Offer, provided that each Offer has significant differences other than price. Each separate Offer must satisfy all Solicitation requirements. If this solicitation is an Invitation for Bids, each separate offer must be submitted as a separate document. If this solicitation is a Request for Proposals, multiple offers may be submitted as one document, provided that you clearly differentiate between each offer and you submit a separate cost proposal for each offer, if applicable.

(c) Responsiveness. Any Offer which fails to conform to the material requirements of the Solicitation may be rejected as nonresponsive. Offers which impose conditions that modify material requirements of the Solicitation may be rejected. If a fixed price is required, an Offer will be rejected if the total possible cost to the State cannot be determined. Offerors will not be given an opportunity to correct any material nonconformity. Any deficiency resulting from a minor informality may be cured or waived at the sole discretion of the Procurement Officer. [R.19-445.2070 and Section 11-35-1520(13)]

(d) Price Reasonableness: Any offer may be rejected if the Procurement Officer determines in writing that it is unreasonable as to price. [R. 19-445.2070].

(e) Unbalanced Bidding. The State may reject an Offer as nonresponsive if the prices bid are materially unbalanced between line items or subline items. A bid is materially unbalanced when it is based on prices significantly less than cost for some work and prices which are significantly overstated in relation to cost for other work, and if there is a reasonable doubt that the bid will result in the lowest overall cost to the State even though it may be the low evaluated bid, or if it is so unbalanced as to be tantamount to allowing an advance payment. [02-2A105-1]

RESTRICTIONS APPLICABLE TO OFFERORS (AUG 2004)

By submitting an Offer, ***you agree not to discuss this procurement activity in any way with the Using Governmental Unit or its employees, agents or officials*** All communications must be solely with the Procurement Officer. This restriction expires once a contract has been formed and may be lifted by express written permission from the Procurement Officer.

SIGNING YOUR OFFER (AUG 2004)

Every Offer must be signed by an individual with actual authority to bind the Offeror. (a) If the Offeror is an individual, the Offer must be signed by that individual. If the Offeror is an individual doing business as a firm, the Offer must be submitted in the firm name, signed by the individual, and state that the individual is doing business as a firm. (b) If the Offeror is a partnership, the Offer must be submitted in the partnership name, followed by the words by its Partner, and signed by a general partner. (c) If the Offeror is a corporation, the Offer must be submitted in the corporate name, followed by the signature and title of the person authorized to sign. (d) An Offer may be submitted by a joint venturer involving any combination of individuals, partnerships, or corporations. If the Offeror is a joint venture, the Offer must be submitted in the name of the Joint Venture and signed by every participant in the joint venture in the manner prescribed in paragraphs (a) through (c) above for each type of participant. (e) If an Offer is signed by an agent, other than as stated in subparagraphs (a) through (d) above, the Offer must state that it has been signed by an Agent. Upon request, Offeror must provide proof of the agent's authorization to bind the principal. [02-2A115-1]

STATE OFFICE CLOSINGS (AUG 2004)

If an emergency or unanticipated event interrupts normal government processes so that offers cannot be received at the government office designated for receipt of bids by the exact time specified in the solicitation, the time specified for receipt of offers will be deemed to be extended to the same time of day specified in the solicitation on the first work day on which normal government processes resume. In lieu of an automatic extension, an Amendment may be issued to reschedule bid opening. If state offices are closed at the time a pre-bid or pre-proposal conference is scheduled, an Amendment will be issued to reschedule the conference. Useful information may be available at: http://www.scemd.org/scgovweb/weather_alert.html.

SUBMITTING CONFIDENTIAL INFORMATION (AUG 2002)

(An overview is available at www.procurement.sc.gov) For every document Offeror submits in response to or with regard to this solicitation or request, Offeror must separately mark with the word "CONFIDENTIAL" every page, or portion thereof, that Offeror contends contains information that is exempt from public disclosure because it is either (a) a trade secret as

defined in Section 30-4-40(a)(1), or (b) privileged and confidential, as that phrase is used in Section 11-35-410. For every document Offeror submits in response to or with regard to this solicitation or request, Offeror must separately mark with the words "TRADE SECRET" every page, or portion thereof, that Offeror contends contains a trade secret as that term is defined by Section 39-8-20 of the Trade Secrets Act. For every document Offeror submits in response to or with regard to this solicitation or request, Offeror must separately mark with the word "PROTECTED" every page, or portion thereof, that Offeror contends is protected by Section 11-35-1810. All markings must be conspicuous; use color, bold, underlining, or some other method in order to conspicuously distinguish the mark from the other text. Do not mark your entire response (bid, proposal, quote, etc.) as confidential, trade secret, or protected. If your response, or any part thereof, is improperly marked as confidential or trade secret or protected, the State may, in its sole discretion, determine it nonresponsive. If only portions of a page are subject to some protection, do not mark the entire page. By submitting a response to this solicitation or request, Offeror (1) agrees to the public disclosure of every page of every document regarding this solicitation or request that was submitted at any time prior to entering into a contract (including, but not limited to, documents contained in a response, documents submitted to clarify a response, and documents submitted during negotiations), unless the page is conspicuously marked "TRADE SECRET" or "CONFIDENTIAL" or "PROTECTED", (2) agrees that any information not marked, as required by these bidding instructions, as a "Trade Secret" is not a trade secret as defined by the Trade Secrets Act, and (3) agrees that, notwithstanding any claims or markings otherwise, any prices, commissions, discounts, or other financial figures used to determine the award, as well as the final contract amount, are subject to public disclosure. In determining whether to release documents, the State will detrimentally rely on Offeror's marking of documents, as required by these bidding instructions, as being either "Confidential" or "Trade Secret" or "PROTECTED". By submitting a response, Offeror agrees to defend, indemnify and hold harmless the State of South Carolina, its officers and employees, from every claim, demand, loss, expense, cost, damage or injury, including attorney's fees, arising out of or resulting from the State withholding information that Offeror marked as "confidential" or "trade secret" or "PROTECTED". (All references to S.C. Code of Laws.) [02-2A125-1]

SUBMITTING YOUR OFFER OR MODIFICATION (AUG 2004)

(a) Offers and offer modifications shall be submitted in sealed envelopes or packages (unless submitted by electronic means) - (1) Addressed to the office specified in the Solicitation; and (2) Showing the time and date specified for opening, the solicitation number, and the name and address of the bidder. (b) If you are responding to more than one solicitation, each offer must be submitted in a different envelope or package. (c) Each Offeror must submit the number of copies indicated on the Cover Page. (d) Offerors using commercial carrier services shall ensure that the Offer is addressed and marked on the outermost envelope or wrapper as prescribed in paragraphs (a)(1) and (2) of this provision when delivered to the office specified in the Solicitation. (e) Facsimile or e-mail offers, modifications, or withdrawals, will not be considered unless authorized by the Solicitation. (f) Offers submitted by electronic commerce shall be considered only if the electronic commerce method was specifically stipulated or permitted by the solicitation. [02-2A130-1]

TAX CREDIT FOR SUBCONTRACTING WITH DISADVANTAGED SMALL BUSINESSES (JAN 2008)

Pursuant to Section 12-6-3350, a taxpayer having a contract with this State who subcontracts with a socially and economically disadvantaged small business is eligible for an income tax credit equal to four percent of the payments to that subcontractor for work pursuant to the contract. The subcontractor must be certified as a socially and economically disadvantaged small business as defined in Section 11-35-5010 and regulations pursuant to it. The credit is limited to a maximum of fifty thousand dollars annually. A taxpayer is eligible to claim the credit for ten consecutive taxable years beginning with the taxable year in which the first payment is made to the subcontractor that qualifies for the credit. After the above ten consecutive taxable years, the taxpayer is no longer eligible for the credit. A taxpayer claiming the credit shall maintain evidence of work performed for the contract by the subcontractor. The credit may be claimed on Form TC-2, "Minority Business Credit." A copy of the subcontractor's certificate from the Governor's Office of Small and Minority Business (OSMBA) is to be attached to the contractor's income tax return. Questions regarding the tax credit and how to file are to be referred to: SC Department of Revenue, Research and Review, Phone: (803) 898-5786, Fax: (803) 898-5888. Questions regarding subcontractor certification are to be referred to: Governor's Office of Small and Minority Business Assistance, Phone: (803) 734-0657, Fax: (803) 734-2498. [02-2A135-1]

TAXPAYER IDENTIFICATION NUMBER (AUG 2004)

(a) If Offeror is owned or controlled by a common parent as defined in paragraph (b) of this provision, Offeror shall submit with its Offer the name and TIN of common parent.

(b) Definitions: "Common parent," as used in this provision, means that corporate entity that owns or controls an affiliated group of corporations that files its Federal income tax returns on a consolidated basis, and of which the offeror is a member. "Taxpayer Identification Number (TIN)," as used in this provision, means the number required by the Internal Revenue Service (IRS) to be used by the offeror in reporting income tax and other returns. The TIN may be either a Social Security Number or an Employer Identification Number.

(c) If Offeror does not have a TIN, Offeror shall indicate if either a TIN has been applied for or a TIN is not required. If a TIN is not required, indicate whether (i) Offeror is a nonresident alien, foreign corporation, or foreign partnership that does not have income effectively connected with the conduct of a trade or business in the United States and does not have an office or place of business or a fiscal paying agent in the United States; (ii) Offeror is an agency or instrumentality of a state or local government; (iii) Offeror is an agency or instrumentality of a foreign government; or (iv) Offeror is an agency or instrumentality of the Federal Government. [02-2A140-1]

VENDOR REGISTRATION MANDATORY (JAN 2006)

You must have a state vendor number to be eligible to submit an offer. To obtain a state vendor number, visit www.procurement.sc.gov and select New Vendor Registration. (To determine if your business is already registered, go to "Vendor Search"). Upon registration, you will be assigned a state vendor number. Vendors must keep their vendor information current. If you are already registered, you can update your information by selecting Change Vendor Registration. (Please note that vendor registration does not substitute for any obligation to

register with the S.C. Secretary of State or S.C. Department of Revenue. You can register with the agencies at <http://www.scbos.com/default.htm>) [02-2A145-1]

WITHDRAWAL OR CORRECTION OF OFFER (AUG 2004)

Offers may be withdrawn by written notice received at any time before the exact time set for opening. If the Solicitation authorizes facsimile offers, offers may be withdrawn via facsimile received at any time before the exact time set for opening. A bid may be withdrawn in person by a bidder or its authorized representative if, before the exact time set for opening, the identity of the person requesting withdrawal is established and the person signs a receipt for the bid. The withdrawal and correction of Offers is governed by S.C. Code Section 11-35-1520 and Regulation 19-445.2085. [02-2A150-1]

II. INSTRUCTIONS TO OFFERORS -- B. SPECIAL INSTRUCTIONS

CONTENTS OF OFFER (RFP) -- SPO (JAN 2006)

(a) Offers should be complete and carefully worded and should convey all of the information requested.

(b) Offers should be prepared simply and economically, providing a straightforward, concise description of offeror's capabilities to satisfy the requirements of the RFP. Emphasis should be on completeness and clarity of content.

(c) Each copy of your offer should be bound in a single volume where practical. All documentation submitted with your offer should be bound in that single volume.

(d) If your offer includes any comment over and above the specific information requested in the solicitation, you are to include this information as a separate appendix to your offer. Offers which include either modifications to any of the solicitation's contractual requirements or an offeror's standard terms and conditions may be deemed non-responsive and not considered for award.

[02-2B040-1]

CLARIFICATION (NOV 2007)

Pursuant to Section 11-35-1520(8), the Procurement Officer may elect to communicate with you after opening for the purpose of clarifying either your offer or the requirements of the solicitation. Such communications may be conducted only with offerors who have submitted an offer which obviously conforms in all material aspects to the solicitation. Clarification of an offer must be documented in writing and included with the offer. Clarifications may not be used to revise an offer or the solicitation. [Section 11-35-1520(8); R.19-445.2080] [02-2B055-1]

DISCUSSIONS and NEGOTIATIONS (NOV 2007)

Submit your best terms from a cost or price and from a technical standpoint. Your proposal may be evaluated and your offer accepted without any discussions, negotiations, or prior notice. Ordinarily, nonresponsive proposals will be rejected outright. Nevertheless, the State may elect to conduct discussions, including the possibility of limited proposal revisions, but only for those proposals reasonably susceptible of being selected for award. If improper revisions

are submitted, the State may elect to consider only your unrevised initial proposal. [11-35-1530(6); R.19-445.2095(I)] The State may also elect to conduct negotiations, beginning with the highest ranked offeror, or seek best and final offers, as provided in Section 11-35-1530(8). If negotiations are conducted, the State may elect to disregard the negotiations and accept your original proposal. [02-2B060-1]

MAGNETIC MEDIA – REQUIRED FORMAT (JAN 2006)

As noted on the cover page, an original hard copy of your offer must be accompanied by the specified number of copies in the following electronic format: compact disk (CD) in one of the following formats: **CD-R; DVD ROM; DVD-R; or DVD+R**. Formats such as CD-RW, DVD-RAM, DVD-RW, DVD+RW, or DVIX **are not acceptable** and will result in the Offeror's proposal being rejected. Every CD must be labeled with offeror's name, solicitation number, and specify whether contents address technical proposal or business proposal. If multiple CD sets are provided, each CD in the set must be appropriately identified as to its relationship to the set, e.g., 1 of 2. Each CD must be identical to the original hard copy. File format shall be in PDF (as one document) or MS Word 97 or later.

OPENING PROPOSALS -- PRICES NOT DIVULGED (JAN 2006)

In competitive sealed proposals, prices will not be divulged at opening. [Section 11-35-1530 & R. 19-445.2095(c) (1)] [02-2B110-1]

PROTEST - CPO - MMO ADDRESS (JUNE 2006)

Any protest must be addressed to the Chief Procurement Officer, Materials Management Office, and submitted in writing (a) by email to protest-mmo@mmo.sc.gov, (b) by facsimile at 803-737-0639, or (c) by post or delivery to 1201 Main Street, Suite 600, Columbia, SC 29201. [02-2B122-1]

III. SCOPE OF WORK/SPECIFICATIONS

1.1 BACKGROUND

SCDHHS is a cabinet agency under the Governor of South Carolina. It is the single state agency in South Carolina that administers the Medicaid program under Title XIX of the Social Security Act and the State Children's Health Insurance Program (known as Healthy Connections Kids (HCK)) under Title XXI of the Social Security Act. These are programs of medical assistance for the needy that are financed by federal and state funds and administered by the state according to federal and state guidelines. The statutory scheme of the South Carolina Medicaid program is found in the South Carolina Code of Laws of 1976 at Title 43, Chapter 7 and Title 44, Chapter 6. Implementing regulations are found in Chapter 126 of the South Carolina Code of Regulations.

1.2 INTENT

SCDHHS is soliciting proposals from experienced, responsible and financially sound organizations (herein after referred to as Offerors) to conduct, in an efficient and cost-effective manner, a comprehensive assessment of risk to the availability, confidentiality, and integrity of protected health information (PHI) and sensitive/critical business information (SCBI) that SCDHHS creates, receives, maintains, uses, or transmits. SCDHHS intends to award a contract for the performance of specific functions to the Offeror who provides the best combination of price, efficiency and cost effectiveness.

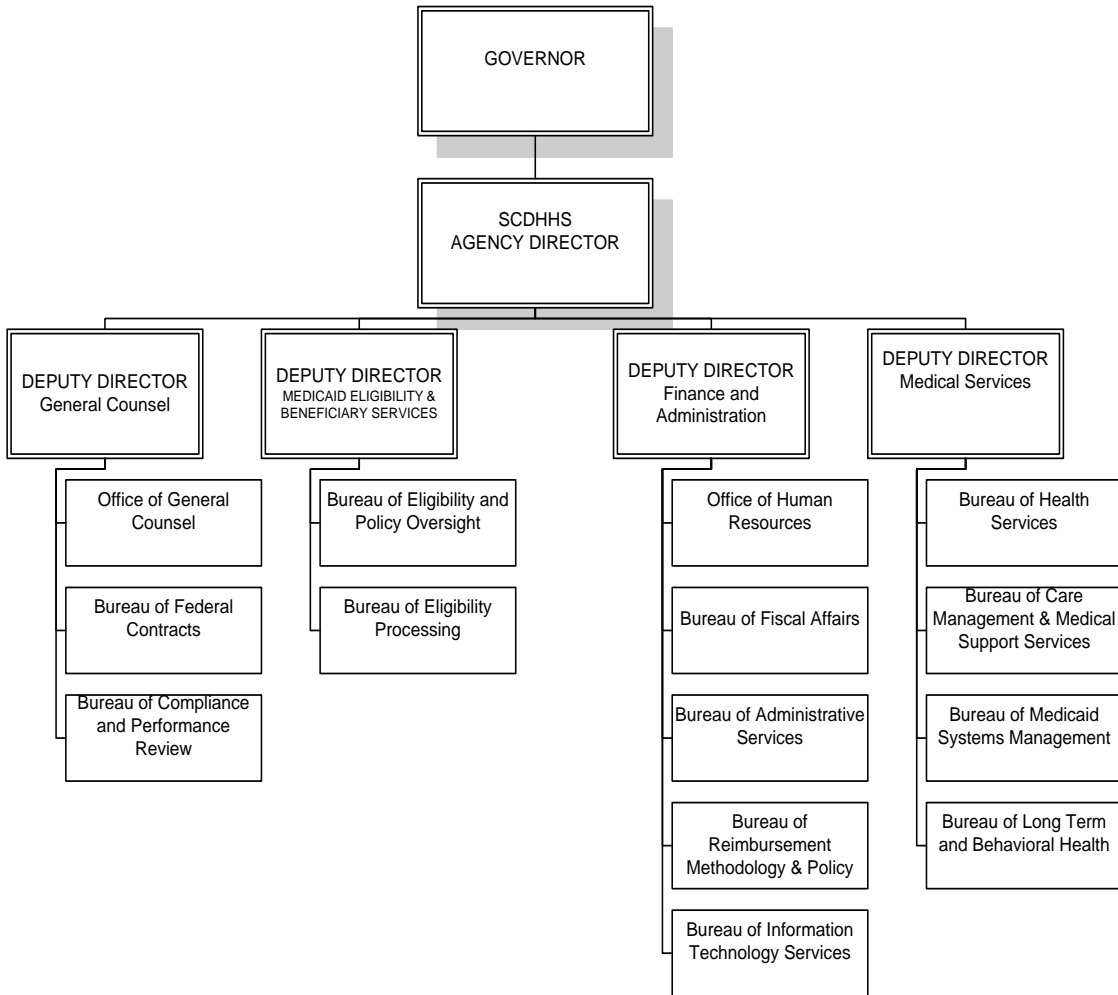
1.3 OBJECTIVE

For the purposes of this RFP, the term “Medicaid” hereinafter refers to ALL programs administered through SCDHHS. The objective of this Request for Proposal (RFP) is to acquire the services of a qualified Offeror to perform the following functions:

- Conduct risk analysis to ensure that appropriate, cost effective safeguards are incorporated in the Medicaid Management Information System (MMIS) and Medicaid Eligibility Determination System (MEDS). See 45 CFR 95.621(f)(2)(iii).
- Review the Automated Data Processing (ADP) system security of installations involved in the administration of the Health and Human Services (HHS) programs in accordance with 45 CFR 95.621(f)(3).

2.0 SCDHHS ORGANIZATIONAL STRUCTURE AND RESPONSIBILITIES

2.0.1 SCDHHS’ organizational structure is detailed in the following diagram:



2.0.2 The Offeror will interact with the following:

- Bureau of Federal Contracts;
- Bureau of Medicaid Systems Management;
- Clemson University.

2.0.3 The Bureau of Federal Contracts is responsible for:

- Development and/or coordination of systems-related RFPs,
- Preparation and submission of Advanced Planning Documents (APDs),
- Coordination of the procurement process with State Procurement,
- Strategic Planning for each contract including application of Medicaid IT Architecture (MITA) Framework 2.0,
- Coordination and management of the MITA Self-Assessment project,
- Monitoring of the contracts for the MMIS, MEDS, and other systems, and
- Coordination with fiscal and program areas on contract invoicing (Cost Allocation).

2.0.4 The Bureau of Medicaid Systems Management is responsible for:

- MMIS operation, maintenance, and enhancement,
- Management of priorities for the MMIS system,

- System support and user services for the MEDS and MMIS,
- Medicaid data and statistical reporting, and
- Provider enrollment coordination.

2.0.5 SCDHHS contracts with Clemson University to provide hardware on which MMIS and MEDS processes run. Clemson University also provides systems development and applications programming support, technical support, and MMIS hardware support.

3.0 SCOPE OF WORK

The Scope of Work details the RFP's core functions and optional services. The Offeror must clearly and succinctly state how it will meet or exceed all of the requirements.

The Offeror must demonstrate and document its ability to perform the Scope of Work as stated in the RFP.

The Offeror must commence performance within thirty (30) days of the effective date stated in the Intent to Award and complete all contracted work by June 30, 2010.

3.1 GENERAL REQUIREMENTS

3.1.1 The Contractor must provide all software, hardware, personnel, technical and logistical support and services to fully complete all deliverables.

3.1.2 The Contractor is responsible for all costs of necessary travel.

3.1.3 The Contractor must develop any assessments, plans, or other project items in accordance with the references and specifications cited in this RFP as well as generally accepted business practices and information technology standards that guide the development of such assessments and plans.

3.1.4 The Contractor must provide all plans and safeguards necessary to ensure physical security, data security, authorized access, and data abuse prevention.

3.2 ADP REVIEW

3.2.1 The Offeror must conduct a comprehensive risk assessment to identify weaknesses or vulnerabilities in SCDHHS' and Clemson's controls that, whether accidentally triggered or intentionally exploited, could impact SCDHHS' business and compliance requirements, especially the availability, confidentiality, and integrity of PHI/SCBI in the MEDS and MMIS.

3.2.2 The risk assessment must include an ADP security review for the MMIS and the MEDS operated by Clemson University.

3.2.3 The risk assessment must satisfy the following federal regulations:

- 3.2.3.1 45 CFR §95.621(f)(2)(iii), Periodic Risk Analyses, which requires SCDHHS to ensure that appropriate, cost effective safeguards are incorporated in new and existing systems.

- 3.2.3.2 45 CFR §95.621(f)(3), ADP System Security Reviews, which requires an evaluation of the physical and data security operating procedures and personnel practices.
- 3.2.4 The risk assessment must include a review of Clemson University's current and planned system security controls in conjunction with any existing and/or current risk analysis and security system reviews that Clemson University may have undertaken.
- 3.2.5 The Offeror must follow-up on previous risk assessments to determine if the cause of any violation has been corrected and SCDHHS and Clemson University are in compliance with relevant regulations.
- 3.2.6 The Offeror must prepare a written report of its risk assessment activities and findings and must submit the report to SCDHHS no later than June 30, 2010.

3.3 PERFORMANCE STANDARDS AND GUARANTEES

The Performance Standards and Guarantees are effective on the operations start date, unless otherwise specified, and will remain in effect through the contract period. Unless stated otherwise, each performance guarantee must be measured and reported for SCDHHS only (i.e., SCDHHS-specific metrics rather than book-of-business).

- 3.3.1 Amounts due SCDHHS pursuant to performance guarantees may be withheld by SCDHHS from the Offeror's monthly payment.
- 3.3.2 The parties agree that in the event of any failure by the Offeror to meet any of the requirements specified in the contract, the Offeror will pay any amount due under this section as liquidated damages and not a penalty.
- 3.3.3 Amounts due to SCDHHS as liquidated damages will be set off against any monies due the Offeror pursuant to the contract. The assessment of liquidated damages does not prevent SCDHHS from taking actual or consequential damages, or any other remedy, to make SCDHHS whole.

SECTION	RESPONSIBILITIES	LIQUIDATED DAMAGES
3.0 SCOPE OF WORK	The Offeror must commence performance within thirty (30) days of the effective date stated in the Intent to Award and complete all contracted work by June 30, 2010.	SCDHHS may assess liquidated damages in the amount of \$500 per business day for each day after thirty (30) days from the effective date stated in the Intent to Award that the Contractor does not commence performance of the contract. SCDHHS may assess liquidated damages in the amount of \$1000 per business day for each day after June 30, 2010 that the Contractor does not complete all contracted work.

IV. INFORMATION FOR OFFERORS TO SUBMIT

1. INFORMATION FOR OFFERORS TO SUBMIT -- EVALUATION (JAN 2006)

In addition to information requested elsewhere in this solicitation, Offerors should submit the following information for purposes of evaluation: [04-4005-1]

(a) Technical Approach

Offeror's detailed explanation regarding how the scope of work will be performed and specifications will be met.

(b) Approach to Staffing

Offeror's detailed explanation regarding its approach to staffing to include a descriptive list of proposed personnel and subofferors expected to provide services under this RFP.

2. INFORMATION FOR OFFERORS TO SUBMIT – GENERAL (JANUARY 2006):

Offeror shall submit a signed Cover Page and Page Two. Offeror should submit all other information and documents requested in this part and in parts II.B. Special Instructions; III. Scope of Work; V. Qualifications; VIII. Bidding Schedule/Price Proposal; and any appropriate attachments addressed in section IX. Attachments to Solicitations.

Additionally, the Offeror must submit the following information:

a) Transmittal Letter

The Transmittal Letter shall be included as part of the Technical Proposal. The Transmittal Letter must be on the Offeror's official business letterhead and must summarize the Offeror's ability to supply the required products and services that meet the requirements defined in this RFP. The transmittal letter should include the following:

- A statement indicating that the Offeror is a corporation or other legal entity.
- A statement indicating that the Offeror is licensed to do business in South Carolina (include license number) or, that business licensure is not required.
- A statement of affirmative action that the Offeror does not discriminate in its employment practices with regard to race, color, religion, age, sex, marital status, political affiliation, national origin, or handicap, except as provided by law.
- A statement indicating that the key staff and management staff proposed for the project will be those actually assigned. The key employees will remain affiliated with this project full time throughout the term of the Contract as long as the Offeror employs them. The Offeror agrees to replace the key employees that leave the Offeror's employment with persons of equal or better qualifications.

- A statement that no attempt has been made, or will be made, by the Offeror to induce any party to submit or refrain from submitting a proposal.
- A statement that the proposal was developed without collusion.

Signature of Authorized Representative

The Transmittal Letter must be signed by an individual who is authorized to commit the Offeror's organization and its representatives contractually to all statements, including services and prices, contained in the proposal.

b) Authorizing Document

A document in the form of corporate by-laws, a corporate resolution, a letter of authority from the corporate secretary or other valid authorizing document showing proof of the authorized representative's authority.

c) Executive Summary

The Executive Summary must condense and highlight the contents of the Technical Proposal in such a way as to provide evidence of your organization's understanding of the requirements of the RFP.

d) Certification Statements

The Offeror must complete the following certification statements contained in Section IX:

- Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion—Lower Tier Covered Transactions
- Certification for Contracts, Grants, Loans, and Cooperative Agreements Relating to Restrictions on Lobbying
- Minority Businesses
- Drug-Free Workplace Act
- Disclosure of Ownership and Control Interest Statement

3. OFFSHORE CONTRACTING (JAN 2006)

Work that will be performed offshore by the Offeror and/or its subOfferors must be identified in the Offeror's response. For the purpose of this solicitation, offshore is defined as outside the 50 States and US territories. Offeror is to include an explanation for the following:

- a) What type of work is being contracted offshore?
- b) What percentage (%) of the total work is being contracted offshore?
- c) What percentage (%) of the total value of the contract is being contracted offshore?
- d) Provide a Service Level Agreement (SLA) demonstrating the arrangement between the off-shore contactor and the Offeror. Attach Service Level Agreement to this document or paste here. Data provided by the Offeror in

regards to this clause is for information only and will not be used in the evaluation and determination of an award. [04-4020-1]

4. SUBMITTING REDACTED OFFERS (FEB 2007)

You are required to mark the original copy of your offer to identify any information that is exempt from public disclosure. You must do so in accordance with the clause entitled "Submitting Confidential Information." In addition, you must also submit one complete copy of your offer from which you have removed any information that you marked as exempt, i.e., a redacted copy. The information redacted should mirror in every detail the information marked as exempt from public disclosure. The redacted copy should (i) reflect the same pagination as the original, (ii) show the empty space from which information was redacted, and (iii) be submitted on magnetic media. (See clause entitled "Magnetic Media Required Format.") Except for the redacted information, the CD must be identical to the original hard copy. Portable Document Format (.pdf) is preferred. [04-4030-1]

5. TECHNICAL APPROACH

Both the Technical Proposal and the Cost Proposal shall be developed and submitted in accordance with the instructions outlined in this section. The Offerors' proposals must be prepared simply and economically, and they must include a straightforward, concise description of the Offeror's capabilities that satisfy the requirements of the RFP. Although concise, the proposals should be thorough and detailed so that SCDHHS may properly evaluate the Offeror's capacity to provide the required services. All descriptions of services should include an explanation of proposed methodology, where applicable. The proposals may include additional information that the Offeror considers relevant to this RFP.

The proposals must be organized in the order specified in this RFP. A proposal that is not organized in this manner risks elimination from consideration if the evaluators, at their sole discretion, are unable to find where the RFP requirements are specifically addressed. Failure to provide information required by this RFP may result in rejection of the proposal.

Critical Elements of the Technical Proposal

The Offeror must cross reference its Technical proposal with each requirement listed in Section III of this RFP. In addition, the Offeror must provide a point-by-point response to each of the requirements in Section III. Offerors must state they understand each requirement and agree to provide the requirement.

5.1 GENERAL REQUIREMENTS

Submit a detailed description of the manner in which the Offeror proposes to perform the responsibilities detailed in Section 3.1.

As part of its proposal, the Offeror must submit a detailed work schedule specifying the time and resources needed for each objective in the RFP. This work schedule must be approved by SCDHHS.

5.2 ADP REVIEW

Submit a detailed description of the manner in which the Offeror proposes to perform the responsibilities detailed in Section 3.2.

V. QUALIFICATIONS

QUALIFICATION OF OFFEROR (JAN 2006)

To be eligible for award of a contract, a prospective contractor must be responsible. In evaluating an Offeror's responsibility, the State Standards of Responsibility [R.19-445.2125] and information from any other source may be considered. An Offeror must, upon request of the State, furnish satisfactory evidence of its ability to meet all contractual requirements. Unreasonable failure to supply information promptly in connection with a responsibility inquiry may be grounds for determining that you are ineligible to receive an award. S.C. Code Section 11-35-1810. [05-5005-1]

SUBCONTRACTOR -- IDENTIFICATION (JAN 2006)

If you intend to subcontract with another business for any portion of the work and that portion exceeds 10% of your price, your offer must identify that business and the portion of work which they are to perform. Identify potential subcontractors by providing the business name, address, phone, taxpayer identification number, and point of contact. In determining your responsibility, the state may evaluate your proposed subcontractors. [05-5030-1]

The Offeror must demonstrate that he or she possesses the following qualifications:

A. CORPORATE BACKGROUND AND EXPERIENCE

The Corporate Background and Experience section must be included for the Offeror and for each Subcontractor when the Subcontractor performs ten (10) percent or more of the total work effort in hours. The State is not interested in a voluminous description of all Contracts. However, a concise but thorough description of relevant experience is desired.

Offeror (Prime Contractor) and Subcontractor information must be shown separately. In the information provided for each Subcontractor, the Offeror shall disclose the Subcontractor's work experience (including fee-for-service Medicaid), the Subcontractor's primary function in reference to this RFP, and the Contractor's experience with the Subcontractor.

1. Corporate Background

Provide details on the background of your firm, to include, at a minimum, the following:

- Full name and address of the organization.
- Date established.
- Ownership (public company, partnership, subsidiary, parent company).
- Primary business.
- Total number of full-time employees.
- Number of personnel or full-time equivalents engaged in projects similar to this project.
- Name and position of the person who will have ultimate responsibility and accountability for this Contract, and act on behalf of the Offeror.
- Federal Tax Identification Number(s).
- Technical resources available for this RFP.

2. Corporate Experience

Offerors must have current and at least three (3) years of prior experience in conducting ADP risk assessments in accordance with applicable federal requirements and standards as requested in this RFP.

Describe in detail the firm's experience relevant to any projects of the same or substantially similar type, size, and scope of that described in this RFP, including any prior projects in South Carolina. Err on the side of inclusion; by submitting an offer, Offeror represents that the list is complete.

B. REFERENCES

All references in the proposal relative to the experience, staffing, or capabilities of the Offeror will apply to the entity entering into the contract with the State and subcontractors as noted below. The Offeror may not present a self-reference.

Note: In the event that a Subcontractor is to participate in ten (10) percent or greater of the work effort, defined by dividing the number of Subcontractor man-hours by the total man-hours, all information requested in the Proposal Content sections, Corporate Background and Experience and Company Structure and Financial Information, will have to be provided for each Subcontractor as well.

C. PRIOR PROJECTS AND CONTRACTS

Prior projects and contractual details shall be organized as ordered below:

- Customer name, reference individual, and title of reference, along with the address and telephone number. (The customer staff member offered for reference should be the highest-ranking staff member who has personal knowledge of the Offeror's performance.)
- General narrative project description highlighting the Offeror's responsibilities as the Prime Contractor, a Subcontractor, or other role.
- Dates and time period of the project.
- Original schedule and actual Contract completion dates and the explanation of any variance.

- Approximate Contract price to include the original estimate of cost, the actual cost, and explanation of any variance.
- Role of the Offeror: Narrative project description highlighting the Offeror's responsibilities as Prime Contractor, Subcontractor, or other role.
- Status of the Project: General narrative description of the status of each project, including whether completed, abandoned, or interrupted; anticipated completion date, and so forth.

D. COMPANY STRUCTURE AND FINANCIAL INFORMATION

1. Company Structure

Provide the legal form of your business organization; the state in which the business organization is incorporated (if a corporation), an organizational chart, and a description of the major business ventures must be included in this section. If the organization includes more than one product division, the division responsible for this contract shall be described in more detail than other components of the organization.

2. Financial Information

If your business organization is incorporated, an Income Statement and a Balance Sheet for each of the three (3) most recently completed fiscal years must be included. Certification by a certified public accountant shall also be included. If your organization is a partnership, other evidence of its financial stability must be included. If the organization includes more than one product division, separate Financial Statements must be provided for the division responsible for fulfillment of the requirements of this RFP.

Any financial references shall apply solely to the entity entering into contract with the State.

E. ADDITIONAL INFORMATION

Provide a list of failed projects, suspensions, debarments, and significant litigation. With regards to litigation, provide a general narrative of the subject of the lawsuit, the parties involved, the geographical location, and the current status of each suit.

VI. AWARD CRITERIA

AWARD CRITERIA -- PROPOSALS (JAN 2006)

Award will be made to the highest ranked, responsive and responsible offeror whose offer is determined to be the most advantageous to the State. [06-6030-1]

AWARD TO ONE OFFEROR (JAN 2006)

Award will be made to one Offeror. [06-6040-1]

COMPETITION FROM PUBLIC ENTITIES (JAN 2006)

If a South Carolina governmental entity submits an offer, the Procurement Officer will, when determining the lowest offer, add to the price provided in any offers submitted by non-governmental entities a percentage equivalent to any applicable sales or use tax. S.C. Code Ann. Regs 117-304.1 (Supp. 2004). [06-6057-1]

EVALUATION FACTORS -- PROPOSALS (JAN 2006)

Offers will be evaluated using only the factors stated below. Evaluation factors are stated in the relative order of importance, with the first factor being the most important. Once evaluation is complete, all responsive offerors will be ranked from most advantageous to least advantageous. [06-6065-1]

- **Technical Approach** **40 points**
Offeror's detailed explanation regarding how the scope of work will be performed and specifications will be met.

- **Qualifications** **35 points**
References (corporate and/or personal), resumes, staffing, experience, financial statements, and evidence of ability to conduct business in the State.

- **Price** **25 points**

NEGOTIATIONS (JAN 2006)

The Procurement Officer may elect to make an award without conducting negotiations. However, after the offers have been ranked, the Procurement Officer may elect to negotiate price or the general scope of work with the highest ranked Offeror. If a satisfactory agreement cannot be reached, negotiations may be conducted with the second, and then the third, and so on, ranked Offerors to such level of ranking as determined by the Procurement Officer. [06-6070-1]

UNIT PRICE GOVERNS (JAN 2006)

In determining award, unit prices will govern over extended prices unless otherwise stated. [06-6075-1]

VII. TERMS AND CONDITIONS -- A. GENERAL

ASSIGNMENT (JAN 2006)

No contract or its provisions may be assigned, sublet, or transferred without the written consent of the Procurement Officer. [07-7A004-1]

BANKRUPTCY (JAN 2006)

(a) Notice. In the event the Contractor enters into proceedings relating to bankruptcy, whether voluntary or involuntary, the Contractor agrees to furnish written notification of the bankruptcy to the Using Governmental Unit. This notification shall be furnished within five (5) days of the initiation of the proceedings relating to the bankruptcy filing. This notification shall include the date on which the bankruptcy petition was filed, the identity of the court in which the bankruptcy petition was filed, and a listing of all State contracts against which final payment has not been made. This obligation remains in effect until final payment under this Contract. (b) Termination. This contract is voidable and subject to immediate termination by the State upon the contractor's insolvency, including the filing of proceedings in bankruptcy. [07-7A005-1]

CHOICE-OF-LAW (JAN 2006)

The Agreement, any dispute, claim, or controversy relating to the Agreement, and all the rights and obligations of the parties shall, in all respects, be interpreted, construed, enforced and governed by and under the laws of the State of South Carolina, except its choice of law rules. As used in this paragraph, the term "Agreement" means any transaction or agreement arising out of, relating to, or contemplated by the solicitation. [07-7A010-1]

CONTRACT DOCUMENTS and ORDER OF PRECEDENCE (JAN 2006)

(a) Any contract resulting from this solicitation shall consist of the following documents: (1) a Record of Negotiations, if any, executed by you and the Procurement Officer, (2) documentation regarding the clarification of an offer [e.g., 11-35-1520(8) or 11-35-1530(6)], if applicable, (3) the solicitation, as amended, (4) modifications, if any, to your offer, if accepted by the Procurement Officer, (5) your offer, (6) any statement reflecting the state's final acceptance (a/k/a "award"), and (7) purchase orders. These documents shall be read to be consistent and complimentary. Any conflict among these documents shall be resolved by giving priority to these documents in the order listed above. (b) The terms and conditions of documents (1) through (6) above shall apply notwithstanding any additional or different terms and conditions in either (i) a purchase order or other instrument submitted by the State or (ii) any invoice or other document submitted by Contractor. Except as otherwise allowed herein, the terms and conditions of all such documents shall be void and of no effect. (c) No contract, license, or other agreement containing contractual terms and conditions will be signed by any Using Governmental Unit. Any document signed or otherwise agreed to by persons other than the Procurement Officer shall be void and of no effect. [07-7A015-1]

DISCOUNT FOR PROMPT PAYMENT (JAN 2006)

(a) Discounts for prompt payment will not be considered in the evaluation of offers. However, any offered discount will form a part of the award, and will be taken if payment is made within the discount period indicated in the offer by the offeror. As an alternative to offering a discount for prompt payment in conjunction with the offer, offerors awarded contracts may include discounts for prompt payment on individual invoices.

(b) In connection with any discount offered for prompt payment, time shall be computed from the date of the invoice. If the Contractor has not placed a date on the invoice, the due date shall be calculated from the date the designated billing office receives a proper invoice, provided the state annotates such invoice with the date of receipt at the time of receipt. For the purpose of computing the discount earned, payment shall be considered to have been made on the date that appears on the payment check or, for an electronic funds transfer, the specified payment date. When the discount date falls on a Saturday, Sunday, or legal holiday when Federal Government offices are closed and Government business is not expected to be conducted, payment may be made on the following business day. [07-7A020-1]

DISPUTES (JAN 2006)

(1) Choice-of-Forum. All disputes, claims, or controversies relating to the Agreement shall be resolved exclusively by the appropriate Chief Procurement Officer in accordance with Title 11, Chapter 35, Article 17 of the South Carolina Code of Laws, or in the absence of jurisdiction, only in the Court of Common Pleas for, or a federal court located in, Richland County, State of South Carolina. Contractor agrees that any act by the Government regarding the Agreement is not a waiver of either the Government's sovereign immunity or the Government's immunity under the Eleventh Amendment of the United State's Constitution. As used in this paragraph, the term "Agreement" means any transaction or agreement arising out of, relating to, or contemplated by the solicitation. (2) Service of Process. Contractor consents that any papers, notices, or process necessary or proper for the initiation or continuation of any disputes, claims, or controversies relating to the Agreement; for any court action in connection therewith; or for the entry of judgment on any award made, may be served on Contractor by certified mail (return receipt requested) addressed to Contractor at the address provided as the Notice Address on Page Two or by personal service or by any other manner that is permitted by law, in or outside South Carolina. Notice by certified mail is deemed duly given upon deposit in the United States mail. [07-7A025-1]

EQUAL OPPORTUNITY (JAN 2006)

Contractor is referred to and shall comply with all applicable provisions, if any, of Title 41, Part 60 of the Code of Federal Regulations, including but not limited to Sections 60-1.4, 60-4.2, 60-4.3, 60-250.5(a), and 60-741.5(a), which are hereby incorporated by reference. [07-7A030-1]

FALSE CLAIMS (JAN 2006)

According to the S.C. Code of Laws Section 16-13-240, "a person who by false pretense or representation obtains the signature of a person to a written instrument or obtains from another

person any chattel, money, valuable security, or other property, real or personal, with intent to cheat and defraud a person of that property is guilty" of a crime.[07-7A035-1]

FIXED PRICING REQUIRED (JAN 2006)

Any pricing provided by contractor shall include all costs for performing the work associated with that price. Except as otherwise provided in this solicitation, contractor's price shall be fixed for the duration of this contract, including option terms. This clause does not prohibit contractor from offering lower pricing after award. [07-7A040-1]

NON-INDEMNIFICATION (JAN 2006)

Any term or condition is void to the extent it requires the State to indemnify anyone. [07-7A045-1]

NOTICE (JAN 2006)

(A) After award, any notices shall be in writing and shall be deemed duly given (1) upon actual delivery, if delivery is by hand, (2) upon receipt by the transmitting party of automated confirmation or answer back from the recipient's device if delivery is by telex, telegram, facsimile, or electronic mail, or (3) upon deposit into the United States mail, if postage is prepaid, a return receipt is requested, and either registered or certified mail is used. (B) Notice to contractor shall be to the address identified as the Notice Address on Page Two. Notice to the state shall be to the Procurement Officer's address on the Cover Page. Either party may designate a different address for notice by giving notice in accordance with this paragraph. [07-7A050-1]

PAYMENT (JAN 2006)

(a) The Using Governmental Unit shall pay the Contractor, after the submission of proper invoices or vouchers, the prices stipulated in this contract for supplies delivered and accepted or services rendered and accepted, less any deductions provided in this contract. Unless otherwise specified in this contract, including the purchase order, payment shall not be made on partial deliveries accepted by the Government. (b) Unless the purchase order specifies another method of payment, payment will be made by check. (c) Payment and interest shall be made in accordance with S.C. Code Section 11-35-45. Contractor waives imposition of an interest penalty unless the invoice submitted specifies that the late penalty is applicable. [07-7A055-1]

PUBLICITY (JAN 2006)

Contractor shall not publish any comments or quotes by State employees, or include the State in either news releases or a published list of customers, without the prior written approval of the Procurement Officer. [07-7A060-1]

PURCHASE ORDERS (JAN 2006)

Contractor shall not perform any work prior to the receipt of a purchase order from the using governmental unit. The using governmental unit shall order any supplies or services to be

furnished under this contract by issuing a purchase order. Purchase orders may be used to elect any options available under this contract, e.g., quantity, item, delivery date, payment method, but are subject to all terms and conditions of this contract. Purchase orders may be electronic. No particular form is required. An order placed pursuant to the purchasing card provision qualifies as a purchase order. [07-7A065-1]

SETOFF (JAN 2006)

The state shall have all of its common law, equitable, and statutory rights of set-off. These rights shall include, but not be limited to, the State's option to withhold for the purposes of set-off any moneys due to the Contractor under this contract up to any amounts due and owing to the state with regard to this contract, any other contract with any state department or agency, including any contract for a term commencing prior to the term of this contract, plus any amounts due and owing to the state for any other reason including, without limitation, tax delinquencies, fee delinquencies or monetary penalties relative thereto. [07-7A070-1]

SURVIVAL OF OBLIGATIONS (JAN 2006)

The Parties' rights and obligations which, by their nature, would continue beyond the termination, cancellation, rejection, or expiration of this contract shall survive such termination, cancellation, rejection, or expiration, including, but not limited to, the rights and obligations created by the following clauses: Indemnification - Third Party Claims, Intellectual Property Indemnification, and any provisions regarding warranty or audit. [07-7A075-1]

TAXES (JAN 2006)

Any tax the contractor may be required to collect or pay upon the sale, use or delivery of the products shall be paid by the State, and such sums shall be due and payable to the contractor upon acceptance. Any personal property taxes levied after delivery shall be paid by the State. It shall be solely the State's obligation, after payment to contractor, to challenge the applicability of any tax by negotiation with, or action against, the taxing authority. Contractor agrees to refund any tax collected, which is subsequently determined not to be proper and for which a refund has been paid to contractor by the taxing authority. In the event that the contractor fails to pay, or delays in paying, to any taxing authorities, sums paid by the State to contractor, contractor shall be liable to the State for any loss (such as the assessment of additional interest) caused by virtue of this failure or delay. Taxes based on Contractor's net income or assets shall be the sole responsibility of the contractor. [07-7A080-1]

TERMINATION DUE TO UNAVAILABILITY OF FUNDS (JAN 2006)

Payment and performance obligations for succeeding fiscal periods shall be subject to the availability and appropriation of funds therefor. When funds are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal period, the contract shall be canceled. In the event of a cancellation pursuant to this paragraph, contractor will be reimbursed the resulting unamortized, reasonably incurred, nonrecurring costs. Contractor will not be reimbursed any costs amortized beyond the initial contract term. [07-7A085-1]

THIRD PARTY BENEFICIARY (JAN 2006)

This Contract is made solely and specifically among and for the benefit of the parties hereto, and their respective successors and assigns, and no other person will have any rights, interest, or claims hereunder or be entitled to any benefits under or on account of this Contract as a third party beneficiary or otherwise. [07-7A090-1]

WAIVER (JAN 2006)

The State does not waive any prior or subsequent breach of the terms of the Contract by making payments on the Contract, by failing to terminate the Contract for lack of performance, or by failing to strictly or promptly insist upon any term of the Contract. Only the Procurement Officer has actual authority to waive any of the State's rights under this Contract. Any waiver must be in writing. [07-7A095-1]

VII. TERMS AND CONDITIONS -- B. SPECIAL

CHANGES (JAN 2006)

(1) Contract Modification. By a written order, at any time, and without notice to any surety, the Procurement Officer may, subject to all appropriate adjustments, make changes within the general scope of this contract in any one or more of the following:

- (a) drawings, designs, or specifications, if the supplies to be furnished are to be specially manufactured for the [State] in accordance therewith;
- (b) method of shipment or packing;
- (c) place of delivery;
- (d) description of services to be performed;
- (e) time of performance (i.e., hours of the day, days of the week, etc.); or,
- (f) place of performance of the services. Subparagraphs (a) to (c) apply only if supplies are furnished under this contract. Subparagraphs (d) to (f) apply only if services are performed under this contract.

(2) Adjustments of Price or Time for Performance. If any such change increases or decreases the contractor's cost of, or the time required for, performance of any part of the work under this contract, whether or not changed by the order, an adjustment shall be made in the contract price, the delivery schedule, or both, and the contract modified in writing accordingly. Any adjustment in contract price made pursuant to this clause shall be determined in accordance with the Price Adjustment Clause of this contract. Failure of the parties to agree to an adjustment shall not excuse the contractor from proceeding with the contract as changed, provided that the State promptly and duly make such provisional adjustments in payment or time for performance as may be reasonable. By proceeding with the work, the contractor shall not be deemed to have prejudiced any claim for additional compensation, or an extension of time for completion.

(3) Time Period for Claim. Within 30 days after receipt of a written contract modification under Paragraph (1) of this clause, unless such period is extended by the Procurement Officer in writing, the contractor shall file notice of intent to assert a claim for an adjustment. Later notification shall not bar the contractor's claim unless the State is prejudiced by the delay in

notification.

(4) Claim Barred After Final Payment. No claim by the contractor for an adjustment hereunder shall be allowed if notice is not given prior to final payment under this contract.[07-7B025-1]

COMPLIANCE WITH LAWS (JAN 2006)

During the term of the contract, contractor shall comply with all applicable provisions of laws, codes, ordinances, rules, regulations, and tariffs. [07-7B035-1]

CONTRACTOR PERSONNEL (JAN 2006)

The Contractor shall enforce strict discipline and good order among the Contractor's employees and other persons carrying out the Contract. The Contractor shall not permit employment of unfit persons or persons not skilled in tasks assigned to them. [07-7B060-1]

CONTRACTOR'S OBLIGATION -- GENERAL (JAN 2006)

The contractor shall provide and pay for all materials, tools, equipment, labor and professional and non-professional services, and shall perform all other acts and supply all other things necessary, to fully and properly perform and complete the work. The contractor must act as the prime contractor and assume full responsibility for any subcontractor's performance. The contractor will be considered the sole point of contact with regard to all situations, including payment of all charges and the meeting of all other requirements. [07-7B065-1]

DEFAULT (JAN 2006)

(a) (1) The State may, subject to paragraphs (c) and (d) of this clause, by written notice of default to the Contractor, terminate this contract in whole or in part if the Contractor fails to:

(i) Deliver the supplies or to perform the services within the time specified in this contract or any extension;

(ii) Make progress, so as to endanger performance of this contract (but see paragraph (a)(2) of this clause); or

(iii) Perform any of the other material provisions of this contract (but see paragraph (a)(2) of this clause).

(2) The State's right to terminate this contract under subdivisions (a)(1)(ii) and (1)(iii) of this clause, may be exercised if the Contractor does not cure such failure within 10 days (or more if authorized in writing by the Procurement Officer) after receipt of the notice from the Procurement Officer specifying the failure.

(b) If the State terminates this contract in whole or in part, it may acquire, under the terms and in the manner the Procurement Officer considers appropriate, supplies or services similar to those terminated, and the Contractor will be liable to the State for any excess costs for those supplies or services. However, the Contractor shall continue the work not terminated.

(c) Except for defaults of subcontractors at any tier, the Contractor shall not be liable for any excess costs if the failure to perform the contract arises from causes beyond the control and without the fault or negligence of the Contractor. Examples of such causes include (1) acts of God or of the public enemy, (2) acts of the State in either its sovereign or contractual capacity, (3) fires, (4) floods, (5) epidemics, (6) quarantine restrictions, (7) strikes, (8) freight embargoes, and (9) unusually severe weather. In each instance the failure to perform must be beyond the control and without the fault or negligence of the Contractor.

(d) If the failure to perform is caused by the default of a subcontractor at any tier, and if the cause of the default is beyond the control of both the Contractor and subcontractor, and without the fault or negligence of either, the Contractor shall not be liable for any excess costs for failure to perform, unless the subcontracted supplies or services were obtainable from other sources in sufficient time for the Contractor to meet the required delivery schedule.

(e) If this contract is terminated for default, the State may require the Contractor to transfer title and deliver to the State, as directed by the Procurement Officer, any (1) completed supplies, and (2) partially completed supplies and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (collectively referred to as "manufacturing materials" in this clause) that the Contractor has specifically produced or acquired for the terminated portion of this contract. Upon direction of the Procurement Officer, the Contractor shall also protect and preserve property in its possession in which the State has an interest.

(f) The State shall pay contract price for completed supplies delivered and accepted. The Contractor and Procurement Officer shall agree on the amount of payment for manufacturing materials delivered and accepted and for the protection and preservation of the property; if the parties fail to agree, the Procurement Officer shall set an amount subject to the Contractor's rights under the Disputes clause. Failure to agree will be a dispute under the Disputes clause. The State may withhold from these amounts any sum the Procurement Officer determines to be necessary to protect the State against loss because of outstanding liens or claims of former lien holders.

(g) If, after termination, it is determined that the Contractor was not in default, or that the default was excusable, the rights and obligations of the parties shall, if the contract contains a clause providing for termination for convenience of the State, be the same as if the termination had been issued for the convenience of the State. If, in the foregoing circumstances, this contract does not contain a clause providing for termination for convenience of the State, the contract shall be adjusted to compensate for such termination and the contract modified accordingly subject to the contractor's rights under the Disputes clause.

(h) The rights and remedies of the State in this clause are in addition to any other rights and remedies provided by law or under this contract. [07-7B075-1]

ILLEGAL IMMIGRATION (NOV. 2008)

(An overview is available at www.procurement.sc.gov) By signing your offer, you certify that you will comply with the applicable requirements of Title 8, Chapter 14 of the South Carolina Code of Laws and agree to provide to the State upon request any documentation required to establish either: (a) that Title 8, Chapter 14 is inapplicable to you and your subcontractors or sub-subcontractors; or (b) that you and your subcontractors or sub-subcontractors are in compliance with Title 8, Chapter 14. Pursuant to Section 8-14-60, "A person who knowingly

makes or files any false, fictitious, or fraudulent document, statement, or report pursuant to this chapter is guilty of a felony, and, upon conviction, must be fined within the discretion of the court or imprisoned for not more than five years, or both." You agree to include in any contracts with your subcontractors language requiring your subcontractors to (a) comply with the applicable requirements of Title 8, Chapter 14, and (b) include in their contracts with the sub-subcontractors language requiring the sub-subcontractors to comply with the applicable requirements of Title 8, Chapter 14. [07-7B097-1]

INDEMNIFICATION - THIRD PARTY CLAIMS (JAN 2006)

Notwithstanding any limitation in this agreement, Contractor shall defend and indemnify the State of South Carolina, its instrumentalities, agencies, departments, boards, political subdivisions and all their respective officers, agents and employees against all suits or claims of any nature (and all damages, settlement payments, attorneys' fees, costs, expenses, losses or liabilities attributable thereto) by any third party which arise out of, or result in any way from, any defect in the goods or services acquired hereunder or from any act or omission of Contractor, its subcontractors, their employees, workmen, servants or agents. Contractor shall be given written notice of any suit or claim. State shall allow Contractor to defend such claim so long as such defense is diligently and capably prosecuted through legal counsel. State shall allow Contractor to settle such suit or claim so long as (i) all settlement payments are made by (and any deferred settlement payments are the sole liability of) Contractor, and (ii) the settlement imposes no non-monetary obligation upon State. State shall not admit liability or agree to a settlement or other disposition of the suit or claim, in whole or in part, without the prior written consent of Contractor. State shall reasonably cooperate with Contractor's defense of such suit or claim. The obligations of this paragraph shall survive termination of the parties' agreement.

LICENSES AND PERMITS (JAN 2006)

During the term of the contract, the Contractor shall be responsible for obtaining, and maintaining in good standing, all licenses (including professional licenses, if any), permits, inspections and related fees for each or any such licenses, permits and /or inspections required by the State, county, city or other government entity or unit to accomplish the work specified in this solicitation and the contract. [07-7B115-1]

PRICE ADJUSTMENTS (JAN 2006)

(1) Method of Adjustment. Any adjustment in the contract price made pursuant to a clause in this contract shall be consistent with this Contract and shall be arrived at through whichever one of the following ways is the most valid approximation of the actual cost to the Contractor (including profit, if otherwise allowed):

- (a) by agreement on a fixed price adjustment before commencement of the pertinent performance or as soon thereafter as practicable;
- (b) by unit prices specified in the Contract or subsequently agreed upon;
- (c) by the costs attributable to the event or situation covered by the relevant clause, including profit if otherwise allowed, all as specified in the Contract; or subsequently agreed upon;
- (d) in such other manner as the parties may mutually agree; or,
- (e) in the absence of agreement by the parties, through a unilateral initial written determination by the Procurement Officer of the costs attributable to the event or situation covered by the

clause, including profit if otherwise allowed, all as computed by the Procurement Officer in accordance with generally accepted accounting principles, subject to the provisions of Title 11, Chapter 35, Article 17 of the S.C. Code of Laws.

(2) Submission of Price or Cost Data. Upon request of the Procurement Officer, the contractor shall provide reasonably available factual information to substantiate that the price or cost offered, for any price adjustments is reasonable, consistent with the provisions of Section 11-35-1830. [07-7B160-1]

PRICE ADJUSTMENT - LIMITED -- AFTER INITIAL TERM ONLY (JAN 2006)

Upon approval of the Procurement Officer, prices may be adjusted for any renewal term. Prices shall not be increased during the initial term. Any request for a price increase must be received by the Procurement Officer at least ninety (90) days prior to the expiration of the applicable term and must be accompanied by sufficient documentation to justify the increase. If approved, a price increase becomes effective starting with the term beginning after approval. A price increase must be executed as a change order. Contractor may terminate this contract at the end of the then current term if a price increase request is denied. Notice of termination pursuant to this paragraph must be received by the Procurement Officer no later than fifteen (15) days after the Procurement Officer sends contractor notice rejecting the requested price increase. [07-7B165-1]

PRICE ADJUSTMENTS -- LIMITED BY CPI "OTHER GOODS and SERVICES" (JAN 2006)

Upon request and adequate justification, the Procurement Officer may grant a price increase up to, but not to exceed, the unadjusted percent change for the most recent 12 months for which data is available, that is not subject to revision, in the Consumer Price Index (CPI) for all urban consumers (CPI-U), "Other Goods & Services" for services, as determined by the Procurement Officer. The Bureau of Labor and Statistics publishes this information on the web at www.bls.gov [07-7B175-1]

PRICING DATA -- AUDIT -- INSPECTION (JAN 2006)

[Clause Included Pursuant to Section 11-35-1830, - 2210, & -2220] (a) Cost or Pricing Data. Upon Procurement Officer's request, you shall submit cost or pricing data, as defined by 48 C.F.R. Section 2.101 (2004), prior to either (1) any award to contractor pursuant to 11-35-1530 or 11-35-1560, if the total contract price exceeds \$500,000, or (2) execution of a change order or contract modification with contractor which exceeds \$100,000. Your price, including profit or fee, shall be adjusted to exclude any significant sums by which the state finds that such price was increased because you furnished cost or pricing data that was inaccurate, incomplete, or not current as of the date agreed upon between parties. (b) Records Retention. You shall maintain your records for three years from the date of final payment, or longer if requested by the chief Procurement Officer. The state may audit your records at reasonable times and places. As used in this subparagraph (b), the term "records" means any books or records that relate to cost or pricing data submitted pursuant to this clause. In addition to the obligation stated in this subparagraph (b), you shall retain all records and allow any audits provided for by 11-35-2220(2). (c) Inspection. At reasonable times, the state may inspect any part of your place of business which is related to performance of the work. (d) Instructions Certification. When you submit data pursuant to subparagraph (a), you shall (1) do so in

accordance with the instructions appearing in Table 15-2 of 48 C.F.R. Section 15.408 (2004) (adapted as necessary for the state context), and (2) submit a Certificate of Current Cost or Pricing Data, as prescribed by 48 CFR Section 15.406-2(a) (adapted as necessary for the state context). (e) Subcontracts. You shall include the above text of this clause in all of your subcontracts. (f) Nothing in this clause limits any other rights of the state. [07-7B185-1]

RELATIONSHIP OF THE PARTIES (JAN 2006)

Neither party is an employee, agent, partner, or joint venturer of the other. Neither party has the right or ability to bind the other to any agreement with a third party or to incur any obligation or liability on behalf of the other party. [07-7B205-1]

TERM OF CONTRACT -- EFFECTIVE DATE / INITIAL CONTRACT PERIOD (JAN 2006)

The effective date of this contract is the first day of the Maximum Contract Period as specified on the final statement of award. The initial term of this agreement is two (2) months from the effective date. Regardless, this contract expires no later than the last date stated on the final statement of award. [07-7B240-1]

TERMINATION FOR CONVENIENCE (JAN 2006)

(1) Termination. The Procurement Officer may terminate this contract in whole or in part, for the convenience of the State. The Procurement Officer shall give written notice of the termination to the contractor specifying the part of the contract terminated and when termination becomes effective.

(2) Contractor's Obligations. The contractor shall incur no further obligations in connection with the terminated work and on the date set in the notice of termination the contractor will stop work to the extent specified. The contractor shall also terminate outstanding orders and subcontracts as they relate to the terminated work. The contractor shall settle the liabilities and claims arising out of the termination of subcontracts and orders connected with the terminated work. The Procurement Officer may direct the contractor to assign the contractor's right, title, and interest under terminated orders or subcontracts to the State. The contractor must still complete the work not terminated by the notice of termination and may incur obligations as are necessary to do so.

(3) Right to Supplies. The Procurement Officer may require the contractor to transfer title and deliver to the State in the manner and to the extent directed by the Procurement Officer: (a) any completed supplies; and (b) such partially completed supplies and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (hereinafter called "manufacturing material") as the contractor has specifically produced or specially acquired for the performance of the terminated part of this contract. The contractor shall, upon direction of the Procurement Officer, protect and preserve property in the possession of the contractor in which the State has an interest. If the Procurement Officer does not exercise this right, the contractor shall use best efforts to sell such supplies and manufacturing materials in a accordance with the standards of Uniform Commercial Code Section 2-706. Utilization of this Section in no way implies that the State has breached the contract by exercise of the Termination for Convenience Clause.

(4) Compensation. (a) The contractor shall submit a termination claim specifying the amounts due because of the termination for convenience together with cost or pricing data required by

Section 11-35-1830 bearing on such claim. If the contractor fails to file a termination claim within one year from the effective date of termination, the Procurement Officer may pay the contractor, if at all, an amount set in accordance with Subparagraph (c) of this Paragraph.

(b) The Procurement Officer and the contractor may agree to a settlement and that the settlement does not exceed the total contract price plus settlement costs reduced by payments previously made by the State, the proceeds of any sales of supplies and manufacturing materials under Paragraph (3) of this clause, and the contract price of the work not terminated;

(c) Absent complete agreement under Subparagraph (b) of this Paragraph, the Procurement Officer shall pay the contractor the following amounts, provided payments agreed to under Subparagraph (b) shall not duplicate payments under this Subparagraph:

(i) contract prices for supplies or services accepted under the contract;

(ii) costs reasonably incurred in performing the terminated portion of the work less amounts paid or to be paid for accepted supplies or services;

(iii) reasonable costs of settling and paying claims arising out of the termination of subcontracts or orders pursuant to Paragraph (2) of this clause. These costs must not include costs paid in accordance with Subparagraph (c)(ii) of this paragraph;

(iv) any other reasonable costs that have resulted from the termination. The total sum to be paid the contractor under this Subparagraph shall not exceed the total contract price plus the reasonable settlement costs of the contractor reduced by the amount of payments otherwise made, the proceeds of any sales of supplies and manufacturing materials under Subparagraph (b) of this Paragraph, and the contract price of work not terminated.

(d) Contractor must demonstrate any costs claimed, agreed to, or established under Subparagraphs (b) and (c) of this Paragraph using its standard record keeping system, provided such system is consistent with any applicable Generally Accepted Accounting Principles.

(5) Contractor's failure to include an appropriate termination for convenience clause in any subcontract shall not (i) affect the state's right to require the termination of a subcontract, or (ii) increase the obligation of the state beyond what it would have been if the subcontract had contained an appropriate clause.

[07-7B265-1]

COMPLIANCE WITH FEDERAL REQUIREMENTS

State or Federal requirements that are more restrictive shall be followed.

LEGAL OR CONSULTANT SERVICES

If this contract is for legal or consultant services, it is subject to the provisions of Section 11-9-105 of the 1976 Code of Laws of South Carolina as amended. "Any contract for legal or consultant services entered into by a state agency or institution shall include a provision which requires completion of all services. The Provisions shall further require that in the event all services are not fully rendered as provided for in the contract, any Monies which have been paid by the agency under the contract must be refunded to the agency along with a twelve (12) percent penalty".

SUBCONTRACTING

If any part of the work covered by this RFP is to be subcontracted, the offeror shall identify the subcontracting organization and the contractual arrangements made therewith. All subcontractors must be approved by the State. The offeror will also furnish the corporate or company name and the names of the officers of any subcontractors engaged by the offeror.

OFFEROR RESPONSIBILITY

Each offeror shall fully acquaint himself with conditions relating to the scope and restrictions attending the execution of the work under the conditions of this proposal. It is expected that this will sometimes require on-site observation. The failure or omission of an offeror to acquaint himself with existing conditions shall in no way relieve him of any obligation with respect to this proposal or to the contract.

USE AND OWNERSHIP OF INFORMATION AND DOCUMENTATION

Reproduction of Documentation

All documentation (hardcopy and electronic media) and printed materials provided by the Contractor to the State, other than those materials produced pursuant to this contract, may be reproduced by the State, provided that such reproduction is made solely for the internal use of employees of the STATE and further provided that no charge is made to anyone for such reproduction except where provided for by law, such as the Freedom of Information Act (FOIA), or as required by auditors.

Document Inspection and Retention

During normal business hours, the U.S. DHHS, the Comptroller General, the Office of the Attorney General, South Carolina Budget and Control Board, the South Carolina State Auditor, the SCDHHS staff, through any authorized representative(s), should have the right at all reasonable times to enter into the Contractor's premises, or other such places where duties under the contract are being performed, to inspect, monitor, assess, audit, or otherwise evaluate the work performed or being performed under this contract. They should have the right to audit, examine and make copies, excerpts or transcripts from all records unless otherwise precluded by federal or State law; contact and conduct private interviews with Contractor employees and do on-site reviews of all matters relating to this contract. This provision is applicable to any subcontractor and should be included in any subcontracts. If any inspection or evaluation is made on the premises of the Contractor, or subcontractor, the Contractor should provide and should require its subcontractors to provide all reasonable facilities and assistance for the safety and convenience of the authorized representatives in the performance of their duties. All such inspections and evaluations should be performed in such a manner that will not unreasonably delay work. Any subcontract permitted by the State should contain a provision that sets forth the subcontractor's agreement with the terms set forth in this section.

The Contractor should maintain an accounting system with the supporting fiscal records adequate to assure that all claims for funds are in accordance with the contract and all applicable laws, regulations and policies, both State and Federal. The Contractor should assure that all Contractor and subcontractor books, documents, papers, accounting records, or other evidence pertaining to costs incurred under this contract will be maintained for a period of at least three (3) years after the final payment under this contract and that SCDHHS, Office of the Attorney

General, the South Carolina State Auditor, the U.S. DHHS and the Comptroller General of the United States or any of their duly authorized representatives should have access to any such books for the purpose of making audits, examinations, excerpts, and transcripts for no less than three (3) years after the date of final payment under this contract or a resolution of audit findings, whichever is later.

The Contractor agrees to retain all financial records and programmatic records, supporting documents, and statistical records for a period of three (3) years after the last payment is made under the contract including any amendments and/or extensions to the contract. If any litigation, claim, negotiation, audit or other action involving the records has been started before the expiration of the three (3) year period, the records should be retained until the completion of the action and resolution of all issues which arise from it, or until the end of the regular three year period, whichever is later. This provision is applicable to any subcontractor and should be included in any subcontracts.

Ownership of Data

All property rights, including software, data, and other records entered into any data base of the State or supplied to the Contractor, publication rights in the interim, draft, and final reports and other documentation (hardcopy and electronic media) produced by the Contractor in connection with the work provided for under this contract, should rest with the U.S. DHHS and the State.

"Data" should mean all results, technical information and materials developed and/or obtained in the performance of the services hereunder including but not limited to, all reports, surveys, plans, charts, test data, program documentation, recordings (sound and/or video), pictures, drawings, analyses, graphic representations, printouts, notes and memoranda, and documents whether finished or unfinished, which result from or are prepared in connection with the services performed hereunder.

The State has the right to all working papers, reports, charts, programs, and other material during the course of this RFP.

All documents, reports, manuals, and other data prepared during and/or resulting from the performance of services under this contract should include the following statement: "The preparation of this (report or document, and so forth) was financed under an agreement with SCDHHS with funds provided in part by the U.S. Department of Health and Human Services."

The Contractor may not publish or copyright any data without prior approval, unless otherwise stated herein. The State and the Federal Government should have the right to publish, duplicate, use and disclose all such data in any manner, and for any purpose whatsoever, and may authorize others to do so.

NON-DISCLOSURE

All materials and information provided to the contractor in performance of the contract, whether verbal, written, recorded magnetic media, cards or otherwise should be regarded as confidential information and the contractor agrees to take all necessary steps to safeguard the confidentiality

of such materials or information in conformance with Federal and State statutes and regulations, and in particular, in accordance with 42 CFR, Part 431, Subpart F, (2000), and SCDHHS' regulations R. 126-170, et seq., Code of Laws of South Carolina (1976), Volume 27, as amended. The contractor agrees not to release any information provided by the State or any information generated by the contractor without the express written consent of the State and further agrees not to use the data or materials for any other purpose other than its performance for the State under this contract.

The contractor further agrees to have any of its employees, agents, or representatives who may be required to work with such data in the performance of the contractor's work for the State individually with the confidentiality standards, including any personal screening of its personnel by the State for security purposes and to execute upon request a non-disclosure agreement in favor of the State and/or the United State Department of Health and Human Services.

SAFETY PRECAUTIONS

The State and U.S. DHHS assume no responsibility with respect to accidents, illness, or claims arising out of any work undertaken with the assistance of funds paid under the contract. The Contractor should take necessary steps to insure or protect itself and its personnel. The Contractor agrees to comply with all applicable local, state, and federal occupational and safety acts, rules, and regulations.

POLITICAL ACTIVITY

Contractor must comply with all applicable provisions of the federal "Hatch Act", as amended.

LEGAL SERVICES

No attorney-at-law should be engaged through use of any funds provided by the SCDHHS pursuant to the terms of this contract. Further, with the exception of the provision of S.C. Code Ann. §15-77-300 et seq. (1976, as amended), the SCDHHS should under no circumstances become obligated to pay an attorney's fee or the costs of legal action to the Contractor. This covenant and condition should apply to any and all suits, legal actions, and judicial appeals of whatever kind or nature to which the Contractor is a party.

RESTRICTIONS FOR LOBBYING

In accordance with 31 U.S.C. 1352, funds received under this contract may not be expended to pay 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 in connection with any of the following covered Federal actions: 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. This restriction is applicable to all subcontractors and should be included in all subcontracts.

DEBARMENT/SUSPENSION/EXCLUSION

The Contractor agrees to comply with all applicable provisions of 2 CFR Part 376 (2009, as amended), pertaining to debarment and/or suspension. As a condition of enrollment, the

Contractor should screen all employees and subcontractors to determine whether they have been excluded from participation in Medicare, Medicaid, the State Children's Health Insurance Program, and/or all federal health care programs. To make this determination, the Contractor may search the LEIE website located at <http://www.oig.hhs.gov/fraud/exclusions.asp>. The Contractor should conduct a search of the website monthly to capture exclusions and reinstatements that have occurred since the last search, and any exclusion information discovered should be immediately reported to SCDHHS. Any individual or entity that employs or contracts with an excluded provider cannot claim reimbursement from Medicaid for any items or services furnished, authorized, or prescribed by the excluded provider. This prohibition applies even when the Medicaid payment itself is made to another provider who is not excluded; for example, a pharmacy that fills a prescription written by an excluded doctor for a Medicaid beneficiary cannot claim reimbursement from Medicaid for that prescription. Civil monetary penalties may be imposed against providers who employ or enter into contracts with excluded individuals or entities to provide items or services to Medicaid beneficiaries. See Section 1128A(a)(6) of the Social Security Act and 42 CFR 1003.102(a)(2).

COMPLIANCE WITH CIVIL RIGHTS ACT OF 1964 AND SECTION 504 OF REHABILITATION ACT OF 1973

The contractor hereby agrees that it will comply with Section 504 of the Rehabilitation Act of 1973, and Title VI of the Civil Rights Act of 1964 (PL 88-352) and all requirements imposed by or pursuant to the regulations of the U.S. Department of Health and Human Services (45 CFR Parts 80 and 84) (2000) issued pursuant to those Titles to the end that, in accordance with Title VI, of that Act and the regulations, no person in the United States should, on the ground of handicap, race, color, or national origin, be excluded from participating in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the contractor receives payment pursuant to this contract. The contractor hereby gives assurance that it should immediately take any measures necessary to effectuate this agreement. This assurance is given in consideration of and for the purpose of obtaining payments in which Federal Financial Participation is involved. The contractor recognizes and agrees that such Federal Financial Participation should be extended in reliance on the representation and agreements in this assurance and that the United States should have the right to seek judicial enforcement of this assurance. This assurance is binding on the contractor, its successors, transferees, and assignees, and the person or persons whose signatures appear on this contract as authorized to sign this contract and assurances on behalf of the contractor.

OWNERSHIP INFORMATION

The contractor agrees to comply with Federal Regulation 42 CFR 455.104 (2008, as amended).

INFORMATION RELATED TO BUSINESS TRANSACTIONS

The contractor agrees to furnish to the State or to the U.S. DHHS information related to significant business transactions as set forth in 42 CFR 455.105 (2008, as amended).

INFORMATION RELATED TO PERSONS CONVICTED OF CRIMES

The Contractor agrees to furnish to the State or to U.S. DHHS, information related to any person convicted of a criminal offense under a program relating to Medicare (Title XVIII),

Medicaid (Title XIX), or the Social Services Block Grant Program as set forth in 42 CFR 455.106 (2008, as amended).

CONTRACTOR PERSONNEL

The Contractor in the performance of the contract should provide the individuals designated in its proposal. No diversion should be made by the Contractor without the written consent of the State. Replacement of any personnel should be with personnel of substantially equal ability and qualifications.

Any person employed by the Contractor shall, at the written request of the SCDHHS, be removed from the Contract within a reasonable time by the Contractor (not to exceed twenty-one (21) calendar days). In the event that an employee of the Contractor is removed from the Contract pursuant to a request by the State, Contractor will have twenty-one (21) calendar days in which to fill the vacancy with another employee of equal ability and qualifications as evidenced by the State's approval.

PROCEDURES UPON TERMINATION

Upon delivery by certified or registered mail to the Contractor of a Notice of Termination specifying the nature of the termination and the date upon which such termination becomes effective, the Contractor should:

Stop work under the contract on the date and to the extent specified in the Notice of Termination;

With approval of the State, settle all outstanding liabilities and all claims arising out of such terminations of orders and subcontracts, the cost of which would be reimbursable, in whole or in part, in accordance with the provisions of the contract; and,

Provide all necessary assistance to the State in transitioning its duties to another contractor or to State personnel to the extent specified in the Notice of Termination. Such assistance should include, but not be limited to, submitting reports to the State and ensuring ongoing communications between the Contractor and the State. At no time will this transitional period extend more than ninety (90) calendar days beyond the expiration date of the existing contract.

HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA) STANDARDS COMPLIANCE

The Contractor agrees that it shall deliver systems and services that are compliant with Title II, Subtitle F, Section 261-264 of the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law 104-191, titled "Administrative Simplification" and the rules and regulations promulgated thereunder. In addition, the Contractor will ensure compliance with all HIPAA requirements across all systems and services related to this contract, including transaction, common identifier, and privacy and security standards, by the effective date of those rules and regulations. The Contractor will comply with the rules and regulations, and will implement these rules and regulations so as to achieve consistency in data collection, validation, storage, retrieval, and consolidation with all the Department's programs.

HIPAA SECURITY

The contractor shall comply with all HIPAA data security requirements that may be necessary during the term of this contract.

HIPAA BUSINESS ASSOCIATE

Individually identifiable health information is to be protected in accordance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA).

AMERICANS WITH DISABILITIES ACT (ADA) OF 1990

The Contractor should comply with the ADA, as applicable.

TITLE IX OF THE EDUCATION AMENDMENTS OF 1972

The Contractor must comply with the requirements of title IX of the Education Amendments of 1972 (regarding education programs and activities).

AGE DISCRIMINATION ACT OF 1975

The Contractor must comply with the requirements of the Age Discrimination Act of 1975.

CLEAN AIR ACT AND FEDERAL WATER POLLUTION CONTROL ACT

The Contractor must comply with all applicable standards, orders, or regulations.

REMEDIES FOR VIOLATION, BREACH OR NON-PERFORMANCE OF CONTRACT

Upon receipt by the State of evidence of substantial non-compliance by a Contractor with any of the provisions of this contract or with State or federal laws or regulations the following remedies may be imposed:

Procedure for Contractor Noncompliance Notification

In the event that SCDHHS identifies or learns of noncompliance with the terms of this contract, SCDHHS will notify the Contractor in writing of the nature of the noncompliance. The Contractor must remedy the noncompliance within a time period established by SCDHHS and SCDHHS will designate a period of time in which the Contractor must provide a written response to the notification. SCDHHS may develop or may require the Contractor to develop procedures with which the Contractor must comply to eliminate or prevent the imposition of specific remedies.

Remedies Available to SCDHHS

SCDHHS reserves the right to employ, at the State's sole discretion, remedies and sanctions to include payment withholds and / or termination of the contract.

PERFORMANCE BOND REQUIREMENT

The successful Offeror shall furnish within ten (10) calendar days after written notice of award a performance bond. The successful Offeror shall provide and pay the cost of the performance bond and shall use the form entitled "Performance Bond for Other Than Construction Contracts"

provided with the RFP. The performance bond should be issued by a surety company licensed in South Carolina, with an "A" minimum rating of performance as stated in the most current publication of "Best's Key Rating Guide, Property Liability" which should show a financial strength of at least five (5) times the bond amount. The bond should be accompanied by a "Power of Attorney" authorizing the attorney-in-fact to bind the surety and certified to include the date of the performance bond.

The performance bond should be equivalent to 25% of the fixed price of the contract and shall obligate the Offeror and Surety to SCDHHS in the amount specified in the performance bond. The performance bond may be in the form of a cashier's check, a certified check, or a surety bond. The Offeror may provide an Irrevocable Letter of Credit in lieu of a performance bond. The bond should specifically refer to this contract and should bind the surety to all of the terms and conditions of this contract, whether or not the particular term or condition is performed by the Contractor or any particular subcontractor. Any costs associated with annual renewal of the performance bond will be the responsibility of the Offeror.

Any change in work, extension of time, or termination of this contract, if any, made pursuant to this contract, should in no way release the Contractor or any of its sureties from any of their obligations. Such bond should contain a waiver of notice of any changes to this contract.

The performance bond will be forfeited under the following circumstances:

1. If the Contractor is terminated during the contract life for any reasons stated in the Default section of this contract, except for Termination for Non-Appropriations or Termination for Convenience, or if the Contractor's failure to supply and apply additional resources to the effort hereunder would foreseeably result in a breach of this contract; or
2. If the Contractor is terminated during the contract life for bankruptcy.

If the Contractor fails to implement the program on the operations start date, the Contractor will forfeit a portion of the performance bond. The forfeited amount will be determined at the sole discretion of SCDHHS.

Prior to the acceptance of the performance bond, SCDHHS reserves the right to review the bond and require the Contractor to substitute an acceptable bond in such form as SCDHHS may require. Notwithstanding any other provisions relating to the beginning of the term, this contract will not become effective until the performance bond required by this contract delivered in the correct form and amount to SCDHHS.

Nothing herein should be construed to mean that the performance bond provided for in this section is exclusive or constitutes any limitation or restriction on any or all remedies to which SCDHHS may be entitled.

BID BOND REQUIREMENT

Each bidder must submit, with their proposal, a surety in the form of a bid bond with good and sufficient surety or sureties company licensed in South Carolina or a certified check. The amount of surety shall be five percent (5%) of the total bid amount. This bid bond penalty may be expressed in terms of a percentage of the bid price or may be expressed in dollars and cents. If a certified check is submitted in lieu of a bid bond, it must be made payable to the SCDHHS.

Note: R 19-445-2070 F. Bid Guarantee Requirements

When a bid guarantee is required and a bidder fails to furnish it in accordance with the requirements of the invitation for bids, the bid shall be rejected.

VIII. BIDDING SCHEDULE / PRICE-BUSINESS PROPOSAL

PRICE PROPOSAL (JAN 2006)

Notwithstanding any other instructions herein, you shall submit the price information as a separate document: [08-8015-1]

IX. ATTACHMENTS TO SOLICITATION

ATTACHMENT A	Nonresident Taxpayer Registration Affidavit Income Tax Withholding
ATTACHMENT B	HIPAA Business Associate Agreement
ATTACHMENT C	Certification Statements

NONRESIDENT TAXPAYER REGISTRATION AFFIDAVIT INCOME TAX WITHHOLDING

IMPORTANT TAX NOTICE - NONRESIDENTS ONLY

Withholding Requirements for Payments to Nonresidents: Section 12-8-550 of the South Carolina Code of Laws requires persons hiring or contracting with a nonresident conducting a business or performing personal services of a temporary nature within South Carolina to withhold 2% of each payment made to the nonresident. The withholding requirement does not apply to (1) payments on purchase orders for tangible personal property when the payments are not accompanied by services to be performed in South Carolina, (2) nonresidents who are not conducting business in South Carolina, (3) nonresidents for contracts that do not exceed \$10,000 in a calendar year, or (4) payments to a nonresident who (a) registers with either the S.C. Department of Revenue or the S.C. Secretary of State and (b) submits a Nonresident Taxpayer Registration Affidavit - Income Tax Withholding, Form I-312 to the person letting the contract.

The withholding requirement applies to every governmental entity that uses a contract ("Using Entity"). Nonresidents should submit a separate copy of the Nonresident Taxpayer Registration Affidavit - Income Tax Withholding, Form I-312 to every Using Entity that makes payment to the nonresident pursuant to this solicitation. Once submitted, an affidavit is valid for all contracts between the nonresident and the Using Entity, unless the Using Entity receives notice from the Department of Revenue that the exemption from withholding has been revoked.

Section 12-8-540 requires persons making payment to a nonresident taxpayer of rentals or royalties at a rate of \$1,200.00 or more a year for the use of or for the privilege of using property in South Carolina to withhold 7% of the total of each payment made to a nonresident taxpayer who is not a corporation and 5% if the payment is made to a corporation. Contact the Department of Revenue for any applicable exceptions.

For information about other withholding requirements (e.g., employee withholding), contact the Withholding Section at the South Carolina Department of Revenue at 803-898-5383 or visit the Department's website at: www.sctax.org

This notice is for informational purposes only. This agency does not administer and has no authority over tax issues. All registration questions should be directed to the License and Registration Section at 803-898-5872 or to the South Carolina Department of Revenue, Registration Unit, Columbia, S.C. 29214-0140. All withholding questions should be directed to the Withholding Section at 803-898- 5383.

PLEASE SEE THE "NONRESIDENT TAXPAYER REGISTRATION AFFIDAVIT INCOME TAX WITHHOLDING" FORM (FORM NUMBER I-312) LOCATED AT:
<http://www.sctax.org/Forms+and+Instructions/withholding/default.htm>

[09-9005-1]

HIPAA BUSINESS ASSOCIATE AGREEMENT

A. Purpose

The South Carolina Department of Health and Human Services (Covered Entity) and Contractor (Business Associate) agree to the terms of this Attachment for the purpose of protecting the privacy of individually identifiable health information under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) in performing the functions, activities, or services for, or on behalf of, Covered Entity as specified in the Contract between the parties.

B. Definitions (Other terms used but not defined shall have the same meaning as those terms in the HIPAA Privacy Rule.)

1. Business Associate means the same as "business associate" in 45 CFR § 160.103.
2. Covered Entity means SCDHHS.
3. Designated Record Set means the same as "designated record set" in 45 CFR § 164.501.
4. Individual means the same as "individual" in 45 CFR § 160.103 and includes a person who qualifies as a personal representative in accordance with 45 CFR § 164.502(g).
5. Privacy Rule means the HIPAA Standards for Privacy of Individually Identifiable Health Information (45 CFR Part 160 and Part 164, Subparts A and E).
6. Protected Health Information (PHI) means the same as the term protected health information in 45 CFR § 160.103, limited to information received by Agency from Covered Entity.
7. Required By Law means the same as "required by law" in 45 CFR § 164.103, and other law applicable to the PHI disclosed pursuant to the Contract.
8. Secretary means the Secretary of the Department of Health and Human Services or designee.
9. Security Standards shall mean the Security Standards at 45 C.F.R. Part 160 and Part 164, as may be amended.
10. Electronic PHI shall have the same meaning as the term "electronic protected health information" in 45 C.F.R. § 160.103.
11. Security Incident means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system or its current meaning under 45 C.F.R. § 164.304.

C. Business Associate Provisions

Business Associate agrees to:

1. Not use or disclose PHI other than as permitted or required by the Contract or as required by law.
2. Use appropriate safeguards to prevent use or disclosure of the PHI other than as provided for in the Contract.
3. Mitigate to the extent practicable, any harmful effect known to Business Associate if it uses/discloses PHI in violation of the Contract.
4. Immediately report to Covered Entity any breaches in privacy or security that compromise PHI. Security and/or privacy breaches should be reported to:

South Carolina Department of Health and Human Services

Office of General Counsel
Post Office Box 8206
Columbia, South Carolina 29202-8206
Phone: (803) 898-2795
Fax: (803) 255-8210

The Report should include a detailed description of the breach and any measures that have been taken by the Business Associate to mitigate the breach.

SCDHHS may impose a fine of \$300 per day from the date that the Business Associate knew or should have known of any breach in privacy or security that compromises PHI to the date that SCDHHS becomes aware of the breach.

SCDHHS may impose a fine of up to \$25,000 for any negligent breach in privacy or security that compromises PHI.

5. Ensure that any agent/subcontractor to whom it provides PHI agrees to the same restrictions/conditions that apply to the Business Associate in this Appendix.
6. If the Business Associate has PHI in a designated record set: (1) provide access at Covered Entity's request to PHI to Covered Entity or, as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR § 164.524; (2) make any amendment(s) to PHI in a designated record set that Covered Entity directs or agrees to pursuant to 45 CFR § 164.526.
7. Make its internal practices, books, records, and policies/procedures relating to the use/disclosure of PHI received from, or created or received by Business Associate on behalf of, Covered Entity available to the Covered Entity, or at the request of the Covered Entity, to the Secretary, in a time and manner designated by the Covered Entity or the Secretary, for purposes of the Secretary determining Covered Entity 's compliance with the Privacy Rule.
8. Document Business Associate disclosures of PHI, other than disclosures back to Covered Entity, and related information as would be required for Covered Entity

to respond to a request for an accounting of PHI disclosures in accordance with 45 CFR § 164.528.

9. Provide to Covered Entity or an individual, as designated by Covered Entity, information collected in accordance with Section C.8 of this Appendix, to permit Covered Entity to respond to a request for an accounting of PHI disclosures in accordance with 45 CFR § 164.528.
10. Encrypt all PHI stored on portable devices. Portable devices include all transportable devices that perform computing or data storage, manipulation or transmission including, but not limited to, diskettes, CDs, DVDs, USB flash drives, laptops, PDAs, Blackberrys, cell phones, portable audio/video devices (such as iPODs, and MP3 and MP4 players), and personal organizers.
11. Otherwise, not re-disclose Covered Entity PHI except as permitted by applicable law.
12. Be liable to Covered Entity for any damages, penalties and/or fines assessed against Covered Entity should Covered Entity be found in violation of the HIPAA Privacy Rule due to Business Associate's material breach of this section. Covered Entity is authorized to recoup any and all such damages, penalties and/or fines assessed against Covered Entity by means of withholding and/or offsetting such damages, penalties, and/or fines against any and all sums of money for which Covered Entity may be obligated to the Business Associate under any previous contract and/or this or future contracts. In the event there is no previous contractual relationship between the Business Associate and Covered Entity, the amount to cover such damages, penalties and/or fines shall be due from Business Associate immediately upon notice.

D. Permitted Uses and Disclosures by Business Associate

1. Except as limited in the Contract, Business Associate may use PHI to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in the Contract, provided that such use would not violate the Privacy Rule if done by Covered Entity or Covered Entity's privacy practices. Unless otherwise permitted in this Appendix, in the Contract or required by law, Business Associate may not disclose/re-disclose PHI except to Covered Entity.
2. Except as limited in this Appendix, Business Associate may use/disclose PHI for internal management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate, as needed for Business Associate to provide its services under the Contract.
3. Except as limited in this Appendix, Business Associate may use PHI to provide data aggregation services to Covered Entity as permitted by 42 CFR § 164.504(e)(2)(i)(B).
4. Business Associate may use PHI to report violations to appropriate Federal or State authorities as permitted by § 164.502(j)(1).

E. Covered Entity Provisions

Covered Entity agrees to:

1. Notify Business Associate of any limitation(s) in its notice of privacy practices of Covered Entity in accordance with 45 CFR § 164.520, to the extent that such limitation may affect Business Associate's use or disclosure of PHI.
2. Notify Business Associate of any changes in, or revocation of, permission by individual to use or disclose PHI, to the extent that such changes may affect Business Associate's use or disclosure of PHI.
3. Notify Business Associate of any restriction to the use/disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR § 164.522, to the extent that such restriction may affect Business Associate's use/disclosure of PHI.
4. Not request Business Associate to use/disclose PHI in any manner not permitted under the Privacy Rule if done by Covered Entity.

F. Term and Termination

1. The terms of this Appendix shall be effective immediately upon signing of the Contract and shall terminate when all of the PHI provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is returned to Covered Entity, or, if it is infeasible to return PHI, protections are extended to such PHI in accordance with the termination provisions in this Section.
2. Upon its knowledge of a material breach by Business Associate, Covered Entity shall either:
 - a. Allow Business Associate to cure the breach or end the violation and terminate the Contract if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity; or
 - b. Immediately terminate the Contract if Business Associate has breached a material term of this Appendix and cure is not possible; or
 - c. If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

3. Effect of Termination

- a. Except as provided in paragraph (2) below, upon termination of the Contract, Business Associate shall return all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision also applies to PHI in the possession of Business Associate's subcontractors or agents. Business Associate shall retain no copies of the PHI.
- b. If Business Associate determines that returning the PHI is infeasible, Business Associate shall notify Covered Entity of the conditions that make return infeasible. Upon mutual agreement of the parties that return of PHI is infeasible, Business Associate shall extend the protections of

this Appendix to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return infeasible, for so long as Business Associate maintains such PHI.

G. Security Compliance

This Section shall be effective on the applicable enforcement date of the Security Standards. Business Associate agrees to implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of the electronic protected health information that it creates, receives, maintains, or transmits on behalf of the Covered Entity, and will require that its agents and subcontractors to whom it provides such information do the same. Further, Business Associate agrees to comply with Covered Entity's security policies and procedures. Business Associate also agrees to provide Covered Entity with access to and information concerning Business Associate's security and confidentiality policies, processes, and practices that affect electronic PHI provided to or created by Business Associate pursuant to the Agreement upon reasonable request of the Covered Entity. Covered Entity shall determine if Business Associate's security and confidentiality practices, policies, and processes comply with HIPAA and all regulations promulgated under HIPAA. Additionally, Business Associate will immediately report to Covered Entity any Security Incident of which it becomes aware.

H. Miscellaneous

1. A reference in this Attachment to a section in the Privacy Rule means the section as in effect or as amended.
2. The Parties agree to amend this Attachment as necessary to comply with HIPAA and other applicable law.
3. The respective rights and obligations of Business Associate under Section F. 3. shall survive the termination of the Contract.
4. Any ambiguity in this Attachment shall be resolved to permit Covered Entity to comply with the Privacy Rule.

Certification Statements

DEBARMENT

**Certification Regarding Debarment, Suspension, Ineligibility
and Voluntary Exclusion - Lower Tier Covered Transactions**
(To Be Supplied to Lower Tier Participants)

By signing and submitting this lower tier proposal, the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:

- (a) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
- (b) where the prospective lower participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal.

The prospective lower tier participant further agrees by submitting this proposal that it will include this clause entitled Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

Authorized Signature

Date

INSTRUCTIONS FOR COMPLETION OF THE
CERTIFICATION FOR CONTRACTS, GRANTS, LOANS
AND COOPERATIVE AGREEMENTS

The attached form must be completed by all Providers/Contractors who receive \$100,000 or more in federal funds through a contractual agreement with the South Carolina Department of Health and Human Services (SCDHHS). The purpose of the attached form is to certify that none of the federal funds received through the contractual agreement will be used for any lobbying activities. This form is required by the Federal Government as a result of 31 U.S.C. 1352. A copy of this form must be completed and returned with all signed contractual agreements exceeding \$100,000.

Additionally, should the Provider/Contractor enter into any subcontracts in coordination with the contractual agreement with SCDHHS, the Provider/Contractor is required to have on file a signed copy of this form for any and all subcontracts which exceed the \$100,000 level. This requirement extends to all levels of subcontracting and sub-subcontracting.

Should the Provider/Contractor (or any of its Subcontractors/ Sub-subcontractors) use any funds for lobbying activities, an additional form (Standard Form - LLL) will be required. (See #2 on the attached form). It shall be the responsibility of the Provider/Contractor to notify SCDHHS of this activity and to request from SCDHHS a copy of this form for completion and proper filing.

Should there be any questions concerning this form or the Standard Form - LLL, contact should be made with the Division of Contracts at SCDHHS.

**CERTIFICATION FOR CONTRACTS, GRANTS, LOANS,
AND COOPERATIVE AGREEMENTS**

The undersigned certifies, to the best of his or her knowledge and belief, that

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, 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 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
2. If any funds other than 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 in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form - LLL, "Disclosure Form to Report Lobbying" in accordance with its instructions.
3. The undersigned 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.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed under Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000.00 for such failure.

SIGNATURE: _____

TITLE: _____

DATE: _____

DRUG-FREE WORKPLACE ACT

SECTION 44-107-10 THROUGH SECTION 44-107-90
CODE OF LAWS OF SOUTH CAROLINA, 1976 AS AMENDED

CERTIFICATION STATEMENT

I hereby certify to the South Carolina Department of Health and Human Services (SCDHHS) that I will provide a drug-free workplace by:

1. publishing a statement notifying employees that the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited in the person's workplace and specifying the actions that will be taken against employees for violations of the prohibition:
2. establishing a drug-free awareness program to inform employees about:
 - a. the dangers of drug abuse in the workplace;
 - b. the person's policy of maintaining a drug-free workplace;
 - c. any available drug counseling, rehabilitative, and employee assistance programs; and
 - d. the penalties that may be imposed upon employees for drug violations.
3. making it a requirement that each employee to be engaged in the performance of the contract be given a copy of the statement required by item 1;
4. notifying the employee in the statement required by item 1, that as a condition of employment on the contract or grant, the employee will:
 - a. abide by the terms of the statement; and
 - b. notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five days after the conviction.
5. notifying the using agency within ten days after receiving notice under item 4, b from an employee or otherwise receiving actual notice of the conviction
6. imposing a sanction on, or requiring the satisfactory participation in a drug abuse assistance or rehabilitation program by any employee convicted, as required by Section 44-107-50; and
7. making a good faith effort to continue to maintain a drug-free workplace through implementation of items 1,2,3,4,5 and 6.

I also agree that, in compliance with Section 44-107-50, I shall, within thirty days after receiving notice from an employee of a conviction pursuant to this title:

1. take appropriate personnel action against the employee up to and including termination;
- or
2. require the employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for the purposes by a federal, state, or local health, law enforcement, or other appropriate agency.

Date

Authorized Signature

Revised 1/31/97

MINORITY BUSINESSES

State agencies are required by law to report the purchase of supplies, equipment and contractual services from minorities to the Governor’s Office of Small and Minority Business. In order for us to fulfill that obligation, please read this document and provide the information that is required.

(All respondents and/or providers must complete & sign this form)

Provider #: _____

Name of Provider: _____ SSN or EIN: _____

What is the legal status of the Provider:

Public _____ Private non-profit _____ Private for profit _____ NA – Individual

Definitions:

Minority Person means a United States citizen who is economically and socially disadvantaged.

Socially disadvantaged individuals means those individuals who have been subject to racial or ethnic prejudice or cultural bias because of their identification as members of a certain group, without regard to their individual qualities. Such groups include, but are not limited to, Black Americans, Native Americans (including American Indians, Eskimos, Aleuts, and Native Hawaiians), Asian Pacific Americans, women, and other minorities officially designated by the State Budget and Control Board or designated agency.

Economically disadvantaged individuals means those socially disadvantaged individuals whose ability to compete in the free enterprise system has been impaired due to diminished capital and credit opportunities as compared to others in the same business area who are not socially disadvantaged.

A socially and economically disadvantaged small business means any small business concern which:

- (1) At a minimum, is fifty-one percent (51%) owned by one or more citizens of the United States who are deemed to be socially and economically disadvantaged.
- (2) In the case of a corporation, at a minimum, fifty-one (51%) of all classes of voting stock of such corporation must be owned by an individual or individuals deemed to be socially and economically disadvantaged.
- (3) In the case of a partnership, at a minimum, fifty-one percent (51%) of the partnership interest must be owned by an individual or individuals deemed to be socially and economically disadvantaged and whose management and daily business operations are controlled by individuals deemed to be socially and economically disadvantaged. Such individuals must be involved in the daily management and operations of the business concerned.

Do you or your firm qualify as a minority/minority business? Yes ___ No ___ If yes, do you qualify as:

- 1. ___ Minority
- 2. ___ Minority Black Female
- 3. ___ Non-Minority Female Caucasian
- 4. ___ Other

Are you or is your firm registered with the Governor’s Office of Minority Business Enterprises?

Yes ___ No ___ If yes, what is your certification and/or vendor number? _____ If no, please call (803) 734-0657 to register.

Signature (Signature must be by an individual having authority to enter into legal commitments or contracts)

INSTRUCTIONS FOR COMPLETING DISCLOSURE OF OWNERSHIP AND CONTROL INTEREST STATEMENT (SCDHHS-1513)

Completion and submission of this form is a condition of participation, certification, or recertification under any of the programs established by titles V, XVIII, XIX, and XXI, or as a condition of approval or renewal of a contractor agreement between the disclosing entity and the Secretary of appropriate State agency under any of the above-titled programs, a full and accurate disclosure of ownership and financial interest is required. Failure to submit requested information may result in a refusal by the Secretary or appropriate State agency to enter into an agreement or contract with any such institution or in termination of existing agreements.

SPECIAL INSTRUCTIONS FOR TITLE V PROVIDERS

Title V providers must complete parts II and III.

General Instructions

For definitions, procedures and requirements, refer to the appropriate Regulations:

Title V – 42CFR 51a.144
Title XVIII – 42CFR 420.200 – 206
Title XIX – 42CFR 455.100 – 106
Title XX- 45CFR 228.72-73
Title XXI – 42CFR 457.900

Please answer all questions as of the current date. If the yes block for any item is checked, list requested additional information under the Remarks section on page 2, referencing the item number to be continued. If additional space is needed, use an attached sheet.

Return the original and second and third copies to the State agency; retain the first copy for your files.

This form is to be completed annually. Any substantial delay in completing the form should be reported to the State survey agency.

Detailed Instructions

These instructions are designed to clarify certain questions on the form. Instructions are listed in question order for easy reference. No instructions have been given for questions considered self-explanatory.

IT IS ESSENTIAL THAT ALL APPLICABLE QUESTIONS BE ANSWERED ACCURATELY AND THAT ALL INFORMATION BE CURRENT.

Item I (a) Under identifying information specify in what capacity the entity is doing business as (DBA), example, name of trade or corporation.

Item II - Self-explanatory.

Item III - List the names of all individuals and organizations having direct or indirect ownership interests, or controlling interest separately or in combination amounting to an ownership interest of 5 percent or more in the disclosing entity.

Direct ownership interest is defined as the possession of stock, equity in capital or any interest in the profits of the disclosing entity. A disclosing entity is defined as a Medicare provider or supplier, or other entity that furnishes services or arranges for furnishing services under Medicaid or the Maternal and Child Health program, or health related services under the social services program.

Indirect ownership interest is defined as ownership interest in an entity that has direct or indirect ownership interest in the disclosing entity. The amount of indirect ownership in the disclosing entity that is held by any other entity is determined by multiplying the percentage of ownership interest at each level. An indirect ownership interest must be reported if it equates to an ownership interest of 5 percent or more in the disclosing entity. Example: if A owns 10 percent of the stock in a corporation that owns 80 percent of the stock of the disclosing entity, A's interest equates to an 8 percent indirect ownership and must be reported.

Controlling interest is defined as the operational direction or management of a disclosing entity which may be maintained by any or all of the following devices: the ability or authority,

expressed or reserved, to amend or change the corporate identity (i.e. joint venture agreement, unincorporated business status) of the disclosing entity; the ability or authority to nominate or name members of the Board of Directors or Trustees of the disclosing entity; the ability or authority, expressed or reserved, to amend or change the by-laws, constitution, or other operating or management direction of the disclosing entity; the right to control any or all of the assets or other property of the disclosing entity upon the sale or dissolution of that entity; the ability or authority, expressed or reserved, to control the sale of any or all of the indebtedness, to dissolve the entity, or to arrange for the sale or transfer of the disclosing entity to new ownership or control.

Items IV-VIII-Changes in Provider Status

Changes in provider status is defined as any change in management control. Examples of such changes would include: a change in Medical or Nursing Director, a new Administrator, contracting the operation of the facility to a management corporation, a change in the composition of the owning partnership which under applicable State law is not considered a change in ownership, or the hiring or dismissing of any employees with 5 percent or more financial interest in the facility or in an owning corporation, or any changes of ownership.

For Items IV-VIII, if the yes box is checked, list additional information requested under Remarks. Clearly identify which item is being continued.

Item IV (a & b) If there has been a change in ownership within the last year or if you anticipate a change, indicated the date in the appropriate space.

Item V - If the answer is yes, list name of the management firm and employer identification number (EIN), or the name of the leasing organization. A management company is defined as any organization that operates and manages a business on behalf of the owner of that business, with the owner retaining ultimate legal responsibility for operation of the facility.

Item VI- Self-explanatory

Item VII - If the answer is yes, identify which has changed (Administrator, Medical Director, or Director of Nursing) and the dated the change was made. Be sure to include the name of the New Administrator, Director of Nursing or Medical Director, as appropriate.

Item VIII- A chain affiliate is any free-standing health care facility that is either owned, controlled, or operated under lease or contract by an organization consisting of two or more free-standing health care facilities organized within or across State lines which is under the ownership or through any other devices, control and direction of a private, charitable or propriety. They also include subsidiary organizations and holding corporations. Provider-based facilities, such as hospital-based home health agencies, are not considered to be chain affiliates.

Item IX- If yes, list the actual number of beds in the facility now and the previous number.

DISCLOSURE OF OWNERSHIP AND CONTROL INTEREST STATEMENT

I. Identifying Information

[a] Name of Entity		D/B/A	
Street Address		City State, Zip	
County	Provider No.	NPI No.	Telephone No.

II. Answer the following questions by checking "Yes" or "No". If any of the questions are answered "Yes", list names and addresses of individuals or corporations under Remarks on page 2. Identify each item number to be continued.

[a] Are there any individuals or organizations having a direct or indirect ownership or control interest of five (5) percent or more in the institution, organization, or agency that have been convicted of a criminal offense related to the involvement of such persons, or organizations in any of the programs established by titles XVIII, XIX, XX or XXI? ___Yes ___ No

[b] Are there any directors, officers, agents, or managing employees of the institution, agency or organization who have ever been convicted of a criminal offense related to their involvement in such programs established by titles XVIII, XIX, XX or XXI? ___Yes ___ No

[c] Are there any individuals currently employed by the institution, agency, or organization in a managerial, accounting, auditing, or similar capacity who were employed by the institution's, organization's, or agency's fiscal intermediary or carrier within the previous 12 months? (Title XVIII providers only) ___Yes ___ No

III. [a] List names, addresses for individuals, or the EIN for organizations having direct or indirect ownership or a controlling interest in the entity. (See instructions for definitions of ownership and controlling interest.) List any additional names and addresses under "Remarks" on page 2. If more than one individual is reported and any of these persons are related to each other, this must be reported under Remarks.

Name	Address	EIN

[b] Type of Entity

Sole Proprietorship
 Unincorporated Associations
 Partnership
 Corporation
 Other(Specify)

[c] If the disclosing entity is a corporation, list names, addresses of the Directors, and EINs for corporations under Remarks.

Check the appropriate box for each of the following questions

[d] Are any owners of the disclosing entity also owners of other Medicare/Medicaid facilities? (Example: sole proprietorship, partnership or members of Board of Directors.) If yes, list names, addresses of individuals and provider numbers. ___Yes ___ No

Name	Address	Provider Number

IV. [a] Has there been a change in ownership or control within the last year? ___ Yes ___ No		
If yes, give date _____		
[b] Do you anticipate any change of ownership or control within the year? ___ Yes ___ No		
If yes, give date _____		
[c] Do you anticipate filing for bankruptcy within the year? ___ Yes ___ No		
If yes, give date _____		
V. Is this facility operated by a management company or leased in whole or part by another organization? ___ Yes ___ No		
If yes, give date of change of operations _____		
VI. List current managing employees by name, work telephone number, and title. "Managing employee" means a general manager, business manager, administrator, director, or other individual who exercises operational or managerial control over, or who directly or indirectly conducts the day-to-day operations of the institution, organization, or agency.		
Name	Work Telephone	Title
VII. Has there been a change in Administrator, Director of Nursing, or Medical Director within the last year? ___ Yes ___ No		
If yes, list Name, Address of Corporation, and EIN below		
Name	Address	EIN
VIII. [a] Is this facility chain affiliated? (If yes, list name, address of Corporation, and EIN below) ___ Yes ___ No		
Name	Address	EIN
VIII. [b] If the answer to Question VIII. [a] is No, was the facility ever affiliated with a chain? ___ Yes ___ No		
If yes, please list Name, Address of Corporation, and EIN below		
Name	Address	EIN
IX. Have you increased your bed capacity by ten (10) percent or more or by 10 beds, whichever is greater, within the last 2 years? ___ Yes ___ No		
If yes, give year of change _____ Current beds _____ Prior beds _____		
WHOEVER KNOWINGLY AND WILLFULLY MAKES OR CAUSES TO BE MADE A FALSE STATEMENT OR REPRESENTATION OF THIS STATEMENT, MAY BE PROSECUTED UNDER APPLICABLE FEDERAL OR STATE LAWS. IN ADDITION, KNOWINGLY AND WILLFULLY FAILING TO FULLY AND ACCURATELY DISCLOSE THE INFORMATION REQUESTED MAY RESULT IN DENIAL OF A REQUEST TO PARTICIPATE OR WHERE THE ENTITY ALREADY PARTICIPATES, A TERMINATION OF ITS AGREEMENT OR CONTRACT WITH THE STATE AGENCY OR THE SECRETARY, AS APPROPRIATE.		
Name of Authorized Representative (Typed)	Title	
Signature	Date	
Remarks (Please attach sheet if additional space is needed)		

**PERFORMANCE BOND FOR OTHER
THAN CONSTRUCTION CONTRACTS**

KNOW ALL PERSONS BY THESE PRESENTS THAT

_____ *(Insert full name or legal title and address of Contractor)*
hereinafter referred to as "Principal," and

_____ *(Insert full name and address of principal place of business of Surety)*
A corporation duly organized and existing under the laws of the State of _____, with its principal office in the City of _____, and authorized to transact business in this State, hereinafter call the "Surety," are jointly and severally held and firmly bound unto

_____ *(Insert full name of Agency)*
hereinafter referred to as "Obligee," the sum of _____, being the sum of the Bond to which payment the Principal and Surety bind themselves, their heirs, executors, administrators, personal representatives, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THE OBLIGATION IS SUCH that whereas the Principal has entered into the contract identified as follows: _____

_____ *(Insert a Description of the Contract and the Date of the Contract)*
THEREFORE: Default of the Principal shall occur upon the failure of the Principal to fully and faithfully perform each and every obligation of the contract referenced above, which contract is incorporated herein by reference. The above obligation is void if the Principal: (1) Performs and fulfills all the undertakings, covenants, terms, conditions, and agreements of the contract during the life of any bond required under the contract, and (2) performs and fulfills all the undertakings, covenants, terms, conditions, and agreements of any and all duly authorized modifications of the contract that hereafter are made. Notice of these modifications to the Surety is waived. The bond for a base term covers the initial period of performance of the contract and any extensions thereof excluding any options. The bond may be renewed annually at the same amount as the initial bond so long as the bond is in effect each year of the initial contract period and each of the two one year option periods if the contract is extended for those option years. The bond for an option term covers the period of performance for the option being exercised and any extensions thereof. The failure of the Surety to renew a bond for any option term shall not result in a default of any bond previously furnished covering any base or option term. The Surety shall, within 15 days after receipt of notice of the Obligee's declaration of Principal's default and termination of the contract take one of the following actions: (1) Arrange for the Principal, with the consent of the Obligee, to perform and complete the contract; (2) Undertake to perform and complete the contract itself through its agents or independent contractors; or (3) Waive its right to perform and complete, to arrange for completion, or to obtain a new contractor and, within 45 days thereafter tender payment to the Obligee for its damages resulting from the Principal's failure of performance in an amount not to exceed the penal sum of the bond. Any dispute, suit, action or proceeding arising out of or relating to this bond shall be governed by the Dispute Resolution process defined in the contract document and the laws of the State of South Carolina. The Surety hereby waives notice of any change, including changes of time or the extensions thereof, to the contract or to related subcontracts, purchase orders or other obligations.

Term of bond:
This bond is for the term beginning _____ and ending _____. This bond may be extended for additional terms at the option of the Surety, by continuation certificate or new bond executed by the Surety.

IN WITNESS WHEREOF, Surety and Principal, intending to be legally bound hereby, subject to the terms stated above, do cause this Bond to be duly executed on its behalf by its authorized officer, agent or representative.
DATED this _____ day of _____, _____ BOND NUMBER _____

PRINCIPAL

(Principal's Name)

SURETY

(Surety's Name)

BY: _____
(Signature/Title)

BY: _____
(Signature/Title) (Attach Power of Attorney)

ATTEST: _____
(Signature/Title)

ATTEST: _____
(Signature/Title)